

ASX RELEASE | 11 August 2022

AMP Half Year Results & Appendix 4D

In accordance with ASX Listing Rule 4.2A, AMP Limited (AMP) attaches for the half year ended 30 June 2022 its:

- Appendix 4D;
- Directors' report; and
- Financial report.

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Authorised for release by the AMP Limited Board.

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AMP Limited

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ASX Appendix 4D

For the Half Year ended 30 June 2022

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The information contained in this document should be read in conjunction with the AMP Limited Directors' Report for the half year ended 30 June 2022, the AMP Limited Annual Report for the year ended 31 December 2021 and any public announcements made by AMP Limited and its controlled entities during the half year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX Listing Rules.

Appendix 4D Half Year Report

Under ASX Listing Rule 4.2A

Current period:

1 January 2022 to 30 June 2022

Comparative period:

1 January 2021 to 30 June 2021

Results for announcement to market

	30 Jun 2022	30 Jun 2021 ¹	% movement
Financial results	\$m	\$m	
Revenue from ordinary activities of continuing operations ²	1,109	1,300	15% decrease
Revenue from ordinary activities of discontinued operations	255	407	37% decrease
Total revenue from ordinary activities	1,364	1,707	20% decrease
Profit from ordinary activities of continuing operations after tax attributable to members	99	107	7% decrease
Profit from ordinary activities of discontinued operations after tax attributable to members	382	39	879% increase
Total net profit for the period attributable to members	481	146	229% increase

1 Results have been presented on a continuing operations basis, including the restatement of the results for the period ended 30 June 2021.

2 Revenue from ordinary activities of continuing businesses includes fee revenue of \$728m (2021: \$837m), interest income using the effective interest method of \$297m (2021: \$310m), other investment gains of \$12m (2021: \$nil), share of profit or loss from associates of \$49m (2021: \$54m), gain on movement in guarantee liabilities of \$8m (2021: \$41m) and other income of \$15m (2021: \$58m).

Dividends

AMP Limited proposes to pay no dividends on interim results.

	30 Jun 2022	30 Jun 2021
Net tangible assets per ordinary share	\$	\$
Net tangible assets per ordinary share ¹	1.28	1.11

1 Net tangible assets per ordinary share is calculated as total equity attributable to AMP shareholders of \$4,578m (2021: \$4,303m) less the carrying value of intangibles of \$216m (2021: \$563m), intangibles held for sale of \$94m (2021: nil), defined benefit plan surpluses of \$44m (2021: \$36m) and net assets held for charitable purposes by AMP Foundation of \$55m (2021: \$66m), divided by ordinary fully paid outstanding shares of 3,264 million (2021: 3,264 million).

Additional Appendix 4D disclosure requirements, including the financial statements and commentary on the current half year's results are contained in the Directors' Report and Financial Report for the half year ended 30 June 2022, which is attached to this report.

This document should be read in conjunction with the AMP Limited Directors' Report and Financial Report for the half year ended 30 June 2022 and any public announcements made by AMP Limited and its controlled entities during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2021* and *ASX Listing Rules*.

This information in this report is based on the consolidated financial statements of AMP Limited for the half year ended 30 June 2022, which has been reviewed by the company's independent external auditors, Ernst & Young. A copy of their review report is included in the attached Directors' Report and Financial Report for the half year ended 30 June 2022.

Details of investments in controlled entities

for the half year ended 30 June 2022

Changes in controlled entities during the half year ended 30 June 2022	Date control	
	gained over entity	lost over entity
Collimate Capital (UK) Limited	11-Feb-22	
A.M.P. Custodian Services (N.Z.) Limited		17-Feb-22
AMP Capital Global Listed Infrastructure Fund		14-Feb-22
AMP Capital Global Real Estate Securities Fund		14-Feb-22
AMP Capital Infrastructure Debt Asia (ELP No 2) LP		10-Feb-22
AMP Capital Investors (IDA) Pty Limited		10-Feb-22
AMP Capital Investors (IDF CQP GP) S.à.r.l.		10-Feb-22
AMP Capital Investors (IDF V GP) S.ar.l.		10-May-22
AMP Capital Investors (New Zealand) Limited		25-Mar-22
AMP Capital Investors (Singapore) Pte. Ltd.		6-Jun-22
AMP Capital Investors Infra Debt Asia No.1 (GP) S.à r.l.		10-Feb-22
AMP Capital Investors Infra Debt Asia No.2 (GP) S.à r.l.		10-Feb-22
AMP Capital Transition Shell Trust 3		11-Apr-22
AMP Investment Management (N.Z.) Limited		25-Mar-22
AMP Investment Services No.2 Pty Limited		15-Apr-22
AMP Private Capital No. 2 Pty Limited		18-Apr-22
AMP SMSF Investments No. 2 Pty Limited		25-Apr-22
APFS Melbourne 1 Pty Limited		6-May-22
AWOF New Zealand Office Pty Limited		25-May-22
Evergen Pty Limited		16-Jun-22
Flack Advisory Services Group Pty Ltd		9-Feb-22
Prosperitus Holdings Pty Ltd		9-Jan-22
Supercorp Pty Ltd		25-Apr-22

AMP Limited

ABN 49 079 354 519

**Directors' report and Financial report
for the half year ended
30 June 2022**

DIRECTORS' REPORT

For the half year ended 30 June 2022

Your directors present their report on the consolidated entity consisting of AMP Limited and the entities it controlled at the end of or during the half year ended 30 June 2022.

Directors' details

The directors of AMP Limited during the half year ended 30 June 2022 and up to the date of this report are listed below. Directors were in office for this entire period except where stated otherwise:

Current non-executive directors:

- Debra Hazelton (Chair) – *BA (Hons), MCom, GAICD*
- Andrew Best (appointed 1 July 2022) – *BLaws, BSc, MAICD*
- Rahoul Chowdry – *BCom, FCA*
- Mike Hirst – *BCom, SFF, MAICD*
- Kate McKenzie – *BA, LLB, GAICD*
- John O'Sullivan (retired 8 April 2022) – *BA, LLB, LL.M., FAICD*
- Michael Sammells – *BBus, FCPA, GAICD*
- Andrea Slattery – *BAcc, MCom, FCPA, FCA, FSSA, FAICD, GCB.D*

Executive director:

- Alexis George (Chief Executive Officer and Managing Director) – *BCom, FCA, GAICD*

Operating and financial review**Principal activities**

AMP is a leading wealth management company in Australia and New Zealand offering customers financial advice and superannuation, retirement income, banking and investment products across a portfolio of businesses. We also provide corporate superannuation products and services for workplace super and self-managed superannuation funds (SMSFs).

AMP holds several strategic partnerships including:

- 19.99% equity interest in China Life Pension Company (CLPC)
- 14.97% equity interest in China Life AMP Asset Management Company Ltd (CLAMP), and
- 24.90% equity interest in US real estate investment manager, PCCP LLC

For the purposes of this report, our business is divided into four areas: AMP Bank, Australian Wealth Management, New Zealand Wealth Management and AMP Capital.

Description of business units

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 30 June 2022, AMP Bank helped around 177,600 clients with their banking needs and provided over 4,900 new home loans.

Australian Wealth Management (AWM) comprises three business lines providing advice, superannuation, retirement income and managed investments products, with the inclusion of the AMP Investments team supporting investment management and capability:

- **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 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 a market competitive super and pension solution across individual and corporate super through the largest single retail superannuation product set in Australia (SignatureSuper) with around 800,000 customer accounts. 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 independent financial advisers (IFAs). 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.

New Zealand Wealth Management encompasses the wealth management, financial advice and distribution business 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 8 July 2021, AMP announced the sale of its Global Equities and Fixed Income business (GEFI) to Macquarie Asset Management, which completed on 28 March 2022. 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 was transitioned and is part of Australian Wealth Management from 1 January 2022 (now called AMP Investments).

On 24 December 2021, AMP announced the sale of its Infrastructure Debt platform to Ares Holdings LP (Ares) for a consideration of up to \$428 million, and this transaction completed on 11 February 2022.

On 27 April 2022, AMP announced the sale of the real estate and domestic infrastructure equity business to Dexu Funds Management Ltd (Dexu) and on 28 April 2022 AMP announced the sale of the international infrastructure business to DigitalBridge Investment Holdco, LLC (DigitalBridge). These businesses results are shown as discontinued operations in the half-year financial report at 30 June 2022. The residual investments of AMP Capital (CLAMP, PCCP and certain sponsor investments) will transfer to AMP and following the completion of the above transactions, which is expected to occur in the second half of 2022, the AMP Capital business unit will cease to exist.

DIRECTORS' REPORT

For the half year ended 30 June 2022

Divestment of equity interest in Resolution Life Australasia

On 3 November 2021 AMP Limited announced it had agreed to the divestment of its 19.13% equity interest in Resolution Life Australasia (RLA) for a consideration of \$524 million to Resolution Life Group. This transaction completed on 28 June 2022.

Review of operations and results

The profit attributable to shareholders of AMP Limited for the half-year ended 30 June 2022 was \$481 million (1H 21: profit of \$146 million).

Basic earnings per share for the half year ended 30 June 2022 on a statutory basis was 14.7 cents (1H 21: 4.3 cents). On an underlying basis, the earnings per share was 3.6 cents (1H 21: 4.5 cents).

Key performance measures of the group were as follows:

- 1H 22 NPAT (underlying)¹ of \$117 million decreased 25% from \$155 million in 1H 21. This decrease largely reflects the impact of lower AMP Bank earnings (-45%) relative to 1H 21 reflecting lower net interest margin, as well as 1H 21 benefitting from a one-off credit loss provision release, lower Australian Wealth Management earnings reflecting strategic competitive repricing (-20%) and lower New Zealand Wealth Management earnings (-11%) in a weaker market.
- AMP's total assets under management (AUM) and administration of \$152.3 billion² in 1H 22 decreased by \$19.6 billion (-11%) from FY 21 due to negative investment market returns and net cash outflows.
- AMP Bank's residential mortgage book increased to \$22.4 billion driven by competitive pricing, consistent service and targeted growth in principal and interest loans across both owner-occupied and investment lending.
- Australian Wealth Management net cash outflows were \$1.9 billion in 1H 22, compared to net cash outflows of \$3.6 billion in 1H 21. Net cash outflows in 1H 22 also included \$1.0 billion of regular pension payments to members (1H 21: \$1.0 billion). The improvement in net cash outflows was largely attributable to lower outflows across products.
- AMP's controllable costs, excluding AMP Capital discontinued operations, of \$378 million were 11% lower than 1H 21 due to cost out benefits partly offset by structural cost increases.
- AMP's cost to income ratio was 68.4% in 1H 22, up from 65.7% in 1H 21 due to lower revenues.
- Underlying return on equity was 5.6% in 1H 22, down from 7.4% in 1H 21.
- 1H 22 total eligible capital resources were \$1,455 million above regulatory and internal target requirements, up from \$383 million at FY 21.

Operating results by business area

The operating results of each business area³ for 1H 22 were as follows:

AMP Bank – 1H 22 NPAT (underlying) of \$46 million decreased by \$38 million (45%) from 1H 21 largely due to net interest income reducing \$28 million (14%) from 1H 21, 1H 21 including a \$12 million release of credit loss provision relating to COVID-19, and an increase in controllable costs.

Australian Wealth Management – NPAT (underlying) of \$36 million in 1H 22 declined 20% from 1H 21 primarily due to hedging volatility in the North guarantee from market volatility and lower revenue predominantly from the impact of strategic repricing in Master Trust and Platforms, mostly offset by lower variable and controllable costs from the sale of the employed advice business and cost reduction initiatives.

New Zealand Wealth Management – 1H 22 NPAT (underlying) of \$17 million decreased by \$2 million (11%) from 1H 21 primarily due to the lower equity markets in 1H 22.

AMP Capital – AMP Capital continuing operations NPAT (underlying) of \$26m was up 63% from \$16m in 1H 21 due to higher contributions from joint venture investments. AMP Capital discontinued operations NPAT (underlying) of \$31m was up 19% from \$26m in 1H 21 benefitting from increased sponsor earnings in 1H 22.

Capital management and dividend

Equity and reserves of the AMP group attributable to shareholders of AMP Limited was \$4.6 billion at 30 June 2022 (\$4.0 billion at 31 December 2021).

AMP's surplus capital above regulatory and internal target requirements at 30 June 2022 is \$1,455 million (\$383 million at 31 December 2021).

In line with prior guidance, the board has resolved not to declare a dividend in 1H 22. As a result of a strengthened capital position, AMP will return \$1.1 billion of capital to shareholders comprising \$350 million via an on-market share buyback, to commence immediately, with a further \$750 million of capital returns planned in FY 23 subject to regulatory and shareholder approval. The \$750 million return is expected to comprise a combination of capital return, special dividend or further on-market share buyback.

Strategy and prospects

AMP provided an update on its strategic growth plans for AMP Limited on 30 November 2021, setting a clear path to create a new AMP by:

- Separating the AMP Capital business from AMP, and then looking to demerge that business (or execute trade sale) to allow both businesses to focus on growth opportunities in their respective markets and realise efficiencies;
- Renewing AMP's purpose and values to put the customer at the centre, and continuing to drive cultural transformation;
- Repositioning core capabilities to drive growth in banking and wealth platforms;
- Delivering stable earnings in the Master Trust and New Zealand Wealth Management businesses, and accelerating the transformation of Advice;
- Simplifying the business to drive efficiency and agility, including delivering on the 2019 to 2022 \$300 million cost reduction program; and
- Exploring new opportunities, including in retirement and in direct-to-consumer solutions, as well as in new business adjacencies.

¹ NPAT (underlying) represents shareholder attributable net profit or loss after tax excluding non-recurring revenue and expenses.

² Includes SuperConcepts assets under administration.

³ Operating results have been re-presented to align to the HY 2022 Investor Report.

DIRECTORS' REPORT

For the half year ended 30 June 2022

Sale of AMP Capital

AMP has made substantial progress on its divestment of AMP Capital; selling the Infrastructure Debt platform to Ares, the GEFI business to Macquarie Asset Management and entering into agreement to sell the real estate and domestic infrastructure equity business to Dexus, and the international infrastructure business to DigitalBridge. These transactions are expected to complete in 2H 22 and significantly strengthen AMP's capital and liquidity position.

Invest to grow AMP Bank

The Bank continues to focus on growth by optimising its customer value proposition and being service experience led for both customers and brokers. The Bank is benefiting from, and continuing to invest in, technology to further digitise and automate its lending platform, and has commenced a controlled launch of a digital, direct-to-customer mortgage product ahead of the full roll out in the second half of 2022.

Transform Australian Wealth Management

The Australian Wealth Management business consists of the Platforms, Master Trust and Advice businesses which are transforming from a vertically integrated wealth model to a competitive, contemporary wealth model.

Grow the North Platform

Our Platform growth strategy is focused on attracting inflows through the independent financial adviser (IFA) market onto AMP's flagship platform North by delivering enhanced digital experiences and differentiating through innovative market leading retirement solutions.

Optimise client outcomes in Master Trust

The Master Trust strategy continues to focus on its asset management capability to deliver strong investment performance to our customers and focusing on exploring partnership opportunities to drive scale and efficiencies.

Accelerate the transformation in Advice

AMP's Advice strategy is to be a professional services provider, delivering valued licensee services at a competitive and sustainable price. Acceleration of the Advice business' transformation will also see significant simplification of our Advice model, with an ambition of breaking even by 2024.

Deliver stable client earnings in New Zealand Wealth Management

New Zealand's wealth management strategy is focused on leveraging partnerships and broadening its distribution footprint, whilst simplifying its cost base through automation and digitalisation.

Transform culture and strengthen performance

The path to a new AMP is enabled by cultural transformation (improving inclusion, diversity, strengthening accountability and performance), a purpose and values reset, and leadership engagement led by the CEO. In the first half of 2022, we continued to deliver changes in the transition to a simpler, purpose-led AMP. This work included:

- Improving inclusion and diversity to drive performance
 - Continued to provide Core Inclusion training for all employees and inclusive leadership workshops.
 - Continued to build awareness and understanding of different types of diversity, with activities and learning and marking dates of significance in line with Inclusion & Diversity Framework.
 - Met 40:40:20 target for gender diversity for the Board, Executive management, middle management, and the workforce generally, with more to do at the Head of level.
 - Implemented enhanced parental leave benefits, removing parenting labels, increasing accessibility, and extending the period in which super contributions are made during unpaid parental leave.
- Strengthening accountability across the company
 - Continued uplift of governance in support of prevention with a person-centred response to all workplace relations matters and a new People & Culture investigations framework.
 - Continued to increase transparency of conduct metrics through internal and external reporting.
 - Strengthened the link between misconduct and people processes, including internal appointments and the remuneration review.
- Creating a high-performance culture
 - Launched and commenced activation of refreshed purpose and values for AMP; this follows extensive internal and external research and engagement.
 - Continued to implement culture change plan in support of business objectives and creating a simple, purpose-led AMP.
 - Continued to protect, promote, and support employee safety and wellbeing with several programs and initiatives underway including a systematic review of AMP's work, health, and safety management system (WHSMS), a review of the WHS incident reporting framework, and extensive learning resources and education programs.
 - Launched a new HR system to deliver a simpler and better employee experience, and help facilitate the performance process.

Events occurring after the reporting date

As at the date of this report and except as otherwise disclosed, the directors are not aware of any other matters or circumstances that have arisen since the reporting date that have significantly affected, or may significantly affect, the group's operations; the results of those operations; or the group's state of affairs in future periods.

Rounding

In accordance with the Australian Securities and Investments Commission Corporations Instrument 2016/191, amounts in this directors' report and the accompanying financial report have been rounded off to the nearest million Australian dollars, unless stated otherwise.

Auditor's Independence Declaration to the Directors of AMP Limited

As lead auditor for the review of the half-year financial report of AMP Limited for the half-year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) no contraventions of any applicable code of professional conduct in relation to the review; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of AMP Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

APR

Andrew Price
Partner
Sydney
11 August 2022

DIRECTORS' REPORT

For the half year ended 30 June 2022

Signed in accordance with a resolution of the directors.



Debra Hazelton

Chair

Sydney, 11 August 2022



Alexis George

Chief Executive Officer and Managing Director

AMP LIMITED
ABN 49 079 354 519
HALF YEAR FINANCIAL REPORT
30 JUNE 2022

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Directors' declaration

Independent auditor's report

Consolidated income statement

for the half year ended 30 June 2022

		30 Jun 2022	30 Jun 2021 ¹
	Note	\$m	\$m
Fee revenue	2.1(a)	728	837
Interest income using the effective interest method		297	310
Other investment gains		12	-
Share of profit or loss from associates	5.1	49	54
Movement in guarantee liabilities		8	41
Other income		15	58
Total revenue		1,109	1,300
Fee and commission expenses		(374)	(327)
Staff and related expenses		(288)	(368)
Finance costs		(187)	(166)
Other investment losses		-	(5)
Other operating expenses		(170)	(328)
Total expenses		(1,019)	(1,194)
Profit before tax		90	106
Income tax credit	2.2	9	-
Profit after tax from continuing operations		99	106
Profit after tax from discontinued operations	5.2	382	39
Profit for the period		481	145
Profit attributable to:			
Shareholders of AMP Limited ²		481	146
Non-controlling interests		-	(1)
Profit for the period		481	145
Earnings per share		cents	cents
Basic		14.7	4.3
Diluted		14.5	4.2
Earnings per share from continuing operations			
Basic		3.0	3.1
Diluted		3.0	3.1

1 Results have been presented on a continuing operations basis, including the restatement of the results for the period ended 30 June 2021. Refer to note 5.2.

2 Profit attributable to shareholders of AMP Limited is comprised of \$99m (HY21: \$106m) from continuing operations and \$382m (HY21: \$40m) from discontinued operations.

Consolidated statement of comprehensive income

for the half year ended 30 June 2022

		30 Jun 2022	30 Jun 2021 ¹
	Note	\$m	\$m
Profit for the period from continuing operations		99	106
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value reserve			
- net loss on fair value asset reserve		(189)	(31)
- tax effect on fair value asset reserve loss		57	9
- net amount transferred to profit for the period		(1)	(2)
- tax effect on amount transferred to profit for the period		-	1
		(133)	(23)
Cash flow hedges			
- net gain on cash flow hedges		322	21
- tax effect on cash flow hedge gain		(97)	(6)
- net amount transferred to profit for the period		22	16
- tax effect on amount transferred to profit for the period		(7)	(5)
		240	26
Translation of foreign operations and revaluation of hedge of net investments		21	17
		21	17
Items that will not be reclassified subsequently to profit or loss			
Fair value reserve		-	(1)
		-	(1)
Defined benefit plans			
- actuarial gains		7	72
- tax effect on actuarial gain		(2)	(21)
		5	51
Other comprehensive income for the period from continuing operations		133	70
Total comprehensive income for the period from continuing operations		232	176
Profit for the period from discontinued operations	5.2	382	39
Other comprehensive (loss)/income for the period from discontinued operations	5.2	(9)	2
Total comprehensive income for the period		605	217
Total comprehensive income attributable to shareholders of AMP Limited		605	218
Total comprehensive loss attributable to non-controlling interests		-	(1)
Total comprehensive income for the period		605	217

1 Results have been presented on a continuing operations basis, including the restatement of the results for the period ended 30 June 2021. Refer to note 5.2.

Consolidated statement of financial position

as at 30 June 2022

		30 Jun 2022	31 Dec 2021
	Note	\$m	\$m
Assets			
Cash and cash equivalents		1,856	2,916
Receivables		461	572
Investments in other financial assets	3.2	6,324	3,684
Current tax assets		187	221
Assets held for sale ¹		788	575
Loans and advances	3.1	22,724	22,047
Investments in associates	5.1	757	1,090
Right of use assets	5.3	509	96
Deferred tax assets	2.2	856	655
Intangibles	3.3	216	330
Other assets		121	150
Defined benefit plan asset		7	3
Total assets		34,806	32,339
Liabilities			
Payables		364	349
Current tax liabilities		67	67
Employee benefits		185	412
Other financial liabilities	3.2	344	293
Liabilities held for sale ¹		168	174
Provisions	5.4	410	588
Interest-bearing liabilities	4.2	27,696	26,117
Lease liabilities	5.3	600	135
Deferred tax liabilities	2.2	317	136
Guarantee liabilities		77	85
Total liabilities		30,228	28,356
Net assets		4,578	3,983
Equity			
Contributed equity	4.1	10,153	10,153
Reserves		(2,214)	(2,327)
Retained earnings		(3,361)	(3,846)
Total equity of shareholders of AMP Limited		4,578	3,980
Non-controlling interests		-	3
Total equity of shareholders of AMP Limited and non-controlling interests		4,578	3,983

1 Assets and liabilities held for sale as at 30 June 2022 include AMP Capital's real estate and infrastructure equity businesses (31 December 2021: assets and liabilities held for sale include AMP Capital's Global Equities and Fixed Income (GEFI) business and Infrastructure Debt platform, as well as AMP's interest in Resolution Life NOHC).

Consolidated statement of changes in equity

for the half year ended 30 June 2022

Equity attributable to shareholders of AMP Limited												
	Contributed equity \$m	Demerger reserve ¹ \$m	Share-based payment reserve ² \$m	Capital profits reserve ³ \$m	Fair value reserve \$m	Cash flow hedge reserve \$m	Foreign currency translation and hedge of net investments reserves \$m	Total reserves \$m	Retained earnings \$m	Total shareholder equity \$m	Non-controlling interest \$m	Total equity \$m
30 June 2022												
Balance at 1 January 2022	10,153	(2,566)	132	(27)	32	38	64	(2,327)	(3,846)	3,980	3	3,983
Profit from continuing operations	-	-	-	-	-	-	-	-	99	99	-	99
Profit from discontinued operations	-	-	-	-	-	-	-	-	382	382	-	382
Other comprehensive income from continuing operations	-	-	-	-	(133)	240	21	128	5	133	-	133
Other comprehensive loss from discontinued operations	-	-	-	-	-	-	(9)	(9)	-	(9)	-	(9)
Total comprehensive income	-	-	-	-	(133)	240	12	119	486	605	-	605
Share-based payment expense	-	-	5	-	-	-	-	5	-	5	-	5
Share purchases	-	-	(7)	-	-	-	-	(7)	-	(7)	-	(7)
Sales and acquisitions of non-controlling interests	-	-	-	(5)	-	-	-	(5)	-	(5)	(3)	(8)
Transfer of realised losses ⁴	-	-	-	-	1	-	-	1	(1)	-	-	-
Balance at 30 June 2022	10,153	(2,566)	130	(32)	(100)	278	76	(2,214)	(3,361)	4,578	-	4,578
30 June 2021												
Balance at 1 January 2021	10,349	(2,566)	118	(39)	99	(44)	28	(2,404)	(3,671)	4,274	8	4,282
Profit from continuing operations	-	-	-	-	-	-	-	-	107	107	(1)	106
Profit from discontinued operations	-	-	-	-	-	-	-	-	39	39	-	39
Other comprehensive income from continuing operations	-	-	-	-	(24)	26	17	19	51	70	-	70
Other comprehensive income from discontinued operations	-	-	-	-	-	-	2	2	-	2	-	2
Total comprehensive income	-	-	-	-	(24)	26	19	21	197	218	(1)	217
Share-based payment expense	-	-	12	-	-	-	-	12	-	12	-	12
Share purchases	(196)	-	(5)	-	-	-	-	(5)	-	(201)	-	(201)
Transfer of realised gains ⁴	-	-	-	-	(14)	-	-	(14)	14	-	-	-
Balance at 30 June 2021	10,153	(2,566)	125	(39)	61	(18)	47	(2,390)	(3,460)	4,303	7	4,310

- 1 Reserve to recognise the additional loss and subsequent transfer from shareholders' retained earnings on the demerger of AMP's UK operations in December 2003. The loss was the difference between the pro-forma loss on demerger and the market-based fair value of the UK operations.
- 2 The Share-based payment reserve represents the cumulative expense recognised in relation to equity-settled share-based payments less the cost of shares purchased on market in respect of entitlements.
- 3 The Capital profits reserve represents gains and losses attributable to shareholders of AMP on the sale or acquisition of minority interests in controlled entities to or from entities outside the AMP group.
- 4 Represents realised gains and losses on equity securities measured at fair value through other comprehensive income.

Consolidated statement of cash flows

for the half year ended 30 June 2022

	30 Jun 2022 ¹	30 Jun 2021
	\$m	\$m
Cash flows from operating activities		
Cash receipts in the course of operations	1,060	1,289
Interest received	310	313
Dividends and distributions received	57	3
Cash payments in the course of operations	(1,758)	(1,469)
Net movement in deposits from customers	1,874	(496)
Finance costs	(203)	(154)
Income tax paid	(2)	(32)
Net cash provided by/(used in) operating activities	1,338	(546)
Cash flows from investing activities		
Net proceeds from sale of/(payments to acquire):		
- investments in financial assets ²	(2,868)	288
- operating and intangible assets	(14)	(23)
- Resolution Life NOHC, AMP Capital's Global Equities and Fixed Income (GEFI) business and Infrastructure Debt platform	839	-
- other operating controlled entities and investments in associates accounted for using the equity method	(5)	81
Net cash (used in)/provided by investing activities	(2,048)	346
Cash flows from financing activities		
Net movement in borrowings - banking operations	(289)	235
Payment for buy-back of shares	-	(196)
Lease payments	(18)	(23)
Net cash (used in)/provided by financing activities	(307)	16
Net decrease in cash and cash equivalents	(1,017)	(184)
Cash and cash equivalents at the beginning of the period	3,044	2,653
Cash and cash equivalents prior to deconsolidation and transfers	2,027	2,469
Cash and cash equivalents deconsolidated	(7)	-
Cash and cash equivalents transferred to assets held for sale	(164)	-
Cash and cash equivalents at the end of the period	1,856	2,469

1 Consolidated statement of cash flows includes continuing and discontinued operations for the period ended 30 June 2022. Refer to note 5.2.

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

Notes to the financial statements

for the half year ended 30 June 2022

Section 1: About this report

This section outlines the structure of the AMP group, information useful to understanding AMP group's half year financial report and the basis on which the half year financial report has been prepared.

- 1.1 Basis of preparation of the half year financial report

1.1 Basis of preparation of the half year financial report

The AMP group is comprised of AMP Limited (the parent), a holding company incorporated and domiciled in Australia, and the entities it controls (subsidiaries or controlled entities). The consolidated financial statements of AMP Limited include the financial information of its controlled entities.

The consolidated entity prepares a general purpose financial report. This general purpose financial report has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. AMP Limited is a for-profit entity for the purposes of preparing financial statements.

This half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the AMP group as that given by the annual financial report. As a result, this report should be read in conjunction with the 2021 annual financial report of the AMP group and any public announcements made in the period by the AMP group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

Comparative information has been reclassified where required for consistency with the current half year's presentation. The principal accounting policies and methods of computation adopted in the preparation of the 2022 half year financial report are consistent with those applied to the 2021 annual financial report.

Sale of AMP Capital

On 23 April 2021, AMP announced its intention to exit AMP Capital's private markets investment management business via demerger. Subsequent to that announcement, and as part of AMP's divestment strategy, AMP announced a series of sales transactions, which includes AMP Capital's private markets investment management business and other AMP Capital businesses (collectively AMP Capital businesses). The residual investments of AMP Capital (China Life AMP Management Company Ltd (CLAMP), Pacific Coast Capital Partners (PCCP) and certain sponsor investments) will remain a part of the AMP Group. These transactions and their impact on AMP's financial statements for the half year ended 30 June 2022 are as follows:

- On 11 February 2022, AMP completed the sale of its infrastructure debt platform to Ares Holdings LP. The results relating to the infrastructure debt platform have been classified as discontinued operations in the Consolidated income statement and the impact of the sale is included within the Gain on disposal of businesses sold in note 5.2.
- On 28 March 2022, AMP completed the sale of its Global Equities and Fixed Income (GEFI) business to Macquarie Asset Management. The results relating to the GEFI business have been classified as discontinued operations in the Consolidated income statement and the impact of the sale is included in the Gain on disposal of businesses sold in note 5.2.
- On 27 April 2022 AMP announced it had entered into an agreement for the sale of AMP Capital's real estate and domestic infrastructure equity business to Dexus Fund Management Ltd (Dexus) for an upfront cash consideration of \$250 million. In addition, Dexus will acquire AMP's existing and committed sponsor stakes in the platform for cash consideration expected to be approximately \$450 million (final consideration based on valuation at completion). AMP will also be eligible to receive a further cash earn-out of up to \$75 million, subject to Assets Under Management retention over a nine-month period after completion.

The transaction is subject to regulatory approvals and is expected to complete in the second half of 2022. The results of this business have been classified as discontinued operations in the Consolidated income statement (refer to note 5.2) and its assets and liabilities have been separately classified as held for sale in the Consolidated statement of financial position.

- On 28 April 2022 AMP announced it had entered into an agreement for the sale of AMP Capital's international infrastructure equity business to DigitalBridge Investment Holdco, LLC for upfront consideration of \$462 million and a maximum potential earn-out of \$180 million contingent on future fund raisings.

The transaction is subject to regulatory approvals and is expected to complete in the second half of 2022. The results of this business have been classified as discontinued operations in the Consolidated income statement (refer to note 5.2) and its assets and liabilities have been separately classified as held for sale in the Consolidated statement of financial position.

Notes to the financial statements

for the half year ended 30 June 2022

Section 2: Result for the half year

This section provides insights into how the AMP group has performed in the current period and provides additional information about those individual line items in the financial statements that AMP Limited board consider most relevant in the context of the operations of the AMP group.

Statutory measures of performance disclosed in this report is profit after tax attributable to the shareholders of AMP.

- 2.1 Segment performance
- 2.2 Taxes

2.1 Segment performance

The AMP group identifies its operating segments based on separate financial information that is regularly reviewed by the Chief Executive Officer and her executive team in assessing performance and determining the allocation of resources. The operating segments are identified according to the nature of profit generated and services provided, and their performance is evaluated based on a post-tax operating earnings basis.

Reportable segment	Segment description
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.
Australian wealth management (AWM)	AWM comprises three different business components providing advice, retirement income and managed investments products through: – Platforms provides a wrap platform which includes superannuation, retirement and investment solutions. – Master Trust provides whole of wealth solutions for both retail and corporate members. – Advice provides financial advice services and equity investments in advisor practices.
New Zealand wealth management (NZ WM)	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 continuing operations	AMP Capital continuing operations represents AMP's investment in CLAMP, PCCP and certain sponsor investments.

Segment information is not reported for activities of the AMP group office companies as it is not the function of these companies to earn revenue and any revenues earned are only incidental to the activities of the AMP group.

Notes to the financial statements

for the half year ended 30 June 2022

Section 2: Result for the half year**2.1 Segment performance (continued)****(a) Segment profit**

	AMP Bank \$m	AWM ¹ \$m	NZ WM \$m	AMP Capital continuing operations ² \$m	Group office \$m	Total \$m
30 June 2022						
Segment profit after income tax	46	36	17	26	(8)	117
Segment revenue	184	427	64	32	-	707
Presentation adjustments ³						36
Total statutory revenue from contracts with customers						743
Other segment information						
Income tax expense	(20)	(14)	(7)	(4)	13	(32)
Investment income	-	(12)	-	-	46	34
30 June 2021						
Segment profit after income tax	84	45	19	16	(9)	155
Segment revenue	209	516	76	21	-	822
Presentation adjustments ³						73
Total statutory revenue from contracts with customers						895
Other segment information						
Income tax expense	(36)	(18)	(7)	(3)	16	(48)
Investment income	-	5	-	-	51	56

1 AMP Investments (formerly known as Multi-Asset Group) has been presented within Australian Wealth Management and the performance for the period ended 30 June 2021 has been restated accordingly.

2 Includes CLAMP, PCCP and certain sponsor investments.

3 Presentation adjustments primarily reflect the difference between total segment revenue and statutory revenue from contracts with customers, as required by AASB 15 *Revenue from Contracts with Customers*. These adjustments include revenue from sources other than contracts with customers and expense items which are presented net in the segment results, but presented gross in the Consolidated income statement.

	30 Jun 2022 \$m	30 Jun 2021¹ \$m
Statutory revenue from contracts with customers		
Fee revenue		
- Investment management and related fees	425	538
- Financial advisory fees ²	303	299
	728	837
Other revenue	15	58
Total statutory revenue from contracts with customers	743	895

1 Information has been presented on a continuing operations basis, including the restatement of the results for the period ended 30 June 2021.

2 A substantial majority of the financial advisory fees received are paid to advisers. For statutory reporting purposes, financial advisory fees are presented gross of the related cost which is presented in Fee and commission expenses in the Consolidated income statement.

Notes to the financial statements

for the half year ended 30 June 2022

Section 2: Result for the half year**2.1 Segment performance (continued)****(b) Reconciliations**

Segment profit after income tax differs from profit attributable to shareholders of AMP Limited due to the exclusion of the following items:

	30 Jun 2022 \$m	30 Jun 2021 ¹ \$m
Total segment profit after income tax	117	155
Client remediation and related costs	(22)	(33)
Transformation cost out	(26)	(61)
Separation costs	(52)	-
Other items ²	435	71
Amortisation of acquired intangible assets	(2)	(12)
AMP Capital discontinued operations ³	31	26
Net profit after tax	481	146
Profit attributable to shareholders of AMP Limited	481	146
Loss attributable to non-controlling interests	-	(1)
Profit for the period	481	145

1 30 June 2021 numbers have been restated following the transition of AMP Investments (formerly known as Multi-Asset Group) to Australian Wealth Management.

2 Other items largely comprise the gain on sale of the Infrastructure Debt platform, permanent tax differences and other one-off related impacts.

3 Includes the results of Infrastructure Debt, Global Equities and Fixed Income (GEFI), International Infrastructure Equity and Real Estate and Domestic Infrastructure Equity for the period that they have been controlled by AMP Capital.

(c) Segment assets

Asset segment information has not been disclosed. Segment asset balances are not provided to the Chief Executive Officer or her immediate team for the purpose of evaluating segment performance, or in allocating resources to segments.

Notes to the financial statements

for the half year ended 30 June 2022

Section 2: Result for the half year**2.2 Taxes**

This sub-section outlines the impact of income taxes on the results and financial position of AMP. In particular:

- the impact of tax on the reported result;
- amounts owed to/receivable from the tax authorities; and
- deferred tax balances that arise due to differences in the tax and accounting treatment of balances recorded in the financial report.

These financial statements include the disclosures relating to tax required under accounting standards.

(a) Income tax credit

The following table provides a reconciliation of differences between prima facie tax calculated as 30% of the profit or loss before income tax and the income tax expense recognised in the Consolidated income statement.

	30 Jun 2022	30 Jun 2021 ¹
	\$m	\$m
Profit before income tax from continuing operations	90	106
Tax at the Australian tax rate of 30% (2021: 30%)	(27)	(32)
Non-deductible expenses	(15)	(17)
Non-taxable income	36	39
Other items	(26)	6
Utilisation of previously unrecognised tax losses	17	3
Over provided in previous years	22	-
Differences in overseas tax rates	2	1
Income tax credit per Consolidated income statement	9	-

1 Information has been presented on a continuing operations basis, including the restatement of the results for the period ended 30 June 2021.

(b) Analysis of income tax credit

	30 Jun 2022	30 Jun 2021 ¹
	\$m	\$m
Current tax expense	(60)	(15)
Increase/(decrease) in deferred tax assets	144	(15)
(Increase)/decrease in deferred tax liabilities	(75)	30
Income tax credit per Consolidated income statement	9	-

1 Information has been presented on a continuing operations basis, including the restatement of the results for the period ended 30 June 2021.

Notes to the financial statements

for the half year ended 30 June 2022

Section 2: Result for the half year**2.2 Taxes (continued)****(c) Analysis of deferred tax balances**

	30 Jun 2022	31 Dec 2021
	\$m	\$m
Analysis of deferred tax assets		
Expenses deductible in the future years	186	277
Unrealised movements on borrowings and derivatives	1	32
Unrealised investment losses	51	11
Losses available for offset against future taxable income	364	177
Lease liabilities	178	29
Capitalised software expenses	97	131
Transferred to assets held for sale	(27)	(6)
Other	6	4
Total deferred tax assets	856	655
Analysis of deferred tax liabilities		
Unrealised investment gains	134	30
Right of use assets	151	20
Intangible asset	33	35
Unearned revenue	-	28
Transferred to liabilities held for sale	(11)	-
Other	10	23
Total deferred tax liabilities	317	136

(d) Amounts recognised directly in equity

	30 Jun 2022	30 Jun 2021
	\$m	\$m
Income tax expense related to items taken directly to equity during the period	(49)	(22)

Critical accounting estimates and judgements:

The AMP group is subject to taxes in Australia and other jurisdictions where it has operations. The application of tax law to the specific circumstances and transactions of the AMP group requires the exercise of judgement by management. The tax treatments adopted by management in preparing the financial statements may be impacted by changes in legislation and interpretations or be subject to challenge by tax authorities.

Judgement is also applied by management in determining the extent to which the recovery of carried forward tax losses and deductible temporary differences are probable for the purpose of meeting the criteria for recognition as deferred tax assets.

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles

This section highlights the AMP group's assets used to support the AMP group's activities.

- 3.1 Loans and advances
- 3.2 Investments in other financial assets and liabilities
- 3.3 Intangibles
- 3.4 Fair value information

3.1 Loans and advances**(a) Loans and advances**

	30 Jun 2022 \$m	31 Dec 2021 \$m
Housing loans ¹	22,547	21,847
Practice finance loans	284	316
Total loans and advances	22,831	22,163
Less: Provisions for impairment		
Individual provisions		
- Housing loans	(7)	(7)
- Practice finance loans	(74)	(83)
Collective provisions	(26)	(26)
Total provisions for impairment	(107)	(116)
Total net loans and advances	22,724	22,047
Movement in provisions:		
<i>Individual provisions</i>		
Balance at the beginning of the period	90	107
Increase in provision - housing loans	-	1
Bad debts written off	-	(3)
Provision released	(9)	(15)
Balance at the end of the period	81	90
<i>Collective provisions</i>		
Balance at the beginning of the period	26	47
Decrease in provision	-	(21)
Balance at the end of the period	26	26

1 Housing loans include capitalised costs of \$84m (2021: \$87m).

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles**3.1 Loans and advances (continued)****(b) Expected credit losses**

The following table provides the changes to expected credit losses (ECLs) relating to loans and advances during the period. The movements in provisions during the period are inclusive of adjustments to macro-economic factors (including unemployment, property prices, ASX indices and cash rate) that reflect the impacts in the economy as a result of the COVID-19 pandemic.

	Stage 1 collective \$m	Stage 2 collective \$m	Stage 3 \$m	Total \$m
30 June 2022				
Balance at the beginning of the year	18	8	90	116
Transferred to Stage 1 (12-months ECL - collective provision)	6	(2)	(4)	-
Transferred to Stage 2 (lifetime ECL credit impaired - collective provision)	-	1	(1)	-
Transferred to Stage 3 (lifetime ECL credit impaired - specific provision)	(1)	(1)	2	-
(Released)/increased provisions during the period (net of collective provision released)	(5)	2	3	-
Release of provision for practise finance loans recoverable in accordance with deeds of indemnity with related parties – Stage 3	-	-	(9)	(9)
Balance at the end of the period	18	8	81	107

	Stage 1 collective \$m	Stage 2 collective \$m	Stage 3 \$m	Total \$m
31 December 2021				
Balance at the beginning of the year	31	16	107	154
Transferred to Stage 1 (12-months ECL - collective provision)	15	(8)	(7)	-
Transferred to Stage 2 (lifetime ECL credit impaired - collective provision)	-	2	(2)	-
Transferred to Stage 3 (lifetime ECL credit impaired - specific provision)	(1)	(1)	2	-
(Released)/increased provisions during the period (net of collective provision released)	(27)	(1)	1	(27)
Bad debt write-offs	-	-	(3)	(3)
Provision for practice finance loans	-	-	(8)	(8)
Balance at the end of the year	18	8	90	116

Critical accounting estimates and judgements:

The impairment provisions (individual and collective) are outputs of ECL models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates and judgements include:

- the AMP group's internal grading which assigns PDs to the individual grades;
- the AMP group's estimates of LGDs arising in the event of default;
- the AMP group's criteria for assessing if there has been a significant increase in credit risk;
- development of ECL models, including the various formulas, choice of inputs and assumptions; and
- determination of associations between macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Future outcomes and macro-economic conditions which differ from management's assumptions and estimates could result in changes to the timing and amount of credit losses to be recognised.

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles**3.2 Investments in other financial assets and liabilities**

	30 Jun 2022	31 Dec 2021
	\$m	\$m
Financial assets measured at fair value through profit or loss		
Equity securities	12	13
Debt securities	953	751
Unlisted managed investment schemes ¹	239	314
Derivative financial assets	666	334
Total financial assets measured at fair value through profit or loss	1,870	1,412
Financial assets measured at fair value through other comprehensive income		
Debt securities ²	3,834	2,184
Total financial assets measured at fair value through other comprehensive income	3,834	2,184
Other financial assets measured at amortised cost		
Debt securities	620	88
Total other financial assets measured at amortised cost	620	88
Total other financial assets	6,324	3,684
Other financial liabilities		
Derivative financial liabilities	186	185
Collateral deposits held	158	108
Total other financial liabilities	344	293

1 \$53m (FY21: \$70m) of unlisted managed investment schemes are held by AMP Foundation for charitable purposes in accordance with the AMP Foundation Trust Deed.

2 Debt securities measured at fair value through other comprehensive income are assets of AMP Bank.

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles**3.3 Intangibles**

	Goodwill	Capitalised costs	Value of in-force business	Distribution networks	Other intangibles	Total
	\$m	\$m	\$m	\$m	\$m	\$m
30 June 2022						
Balance at the beginning of the year	149	123	-	50	8	330
Additions through separate acquisitions	-	-	-	8	-	8
Additions through internal development	-	14	-	-	-	14
Reductions through disposal	-	-	-	(12)	-	(12)
Transferred to receivables	-	-	-	(5)	-	(5)
Amortisation expense	-	(22)	-	(3)	-	(25)
Transferred to assets held for sale	(79)	(7)	-	-	(8)	(94)
Balance at the end of the period	70	108	-	38	-	216
31 December 2021						
Balance at the beginning of the year	157	228	114	119	11	629
Additions through separate acquisitions	-	-	-	49	-	49
Additions through internal development	-	51	-	-	-	51
Reductions through disposal	-	(40)	(24)	(96)	-	(160)
Transferred from inventories	-	-	-	2	-	2
Amortisation expense	-	(93)	(90)	(18)	(1)	(202)
Impairment loss	-	(19)	-	(6)	-	(25)
Transferred to assets held for sale	(8)	(4)	-	-	(2)	(14)
Balance at the end of the year	149	123	-	50	8	330

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles**3.4 Fair value information**

The following table shows the carrying amount and estimated fair values of financial instruments, including their levels in the fair value hierarchy.

	Carrying amount \$m	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total fair value \$m
30 June 2022					
Financial assets measured at fair value					
Equity securities	12	-	-	12	12
Debt securities	4,787	3,321	1,466	-	4,787
Unlisted managed investment schemes	239	-	115	124	239
Derivative financial assets	666	-	666	-	666
Total financial assets measured at fair value	5,704	3,321	2,247	136	5,704
Financial assets not measured at fair value					
Loans and advances	22,724	-	-	22,600	22,600
Debt securities	620	-	621	-	621
Total financial assets not measured at fair value	23,344	-	621	22,600	23,221
Financial liabilities measured at fair value					
Derivative financial liabilities	186	-	186	-	186
Collateral deposits held	158	-	158	-	158
Guarantee liabilities	77	-	-	77	77
Total financial liabilities measured at fair value	421	-	344	77	421
Financial liabilities not measured at fair value					
AMP Bank					
- Deposits	19,665	-	19,658	-	19,658
- Other	6,342	-	6,287	-	6,287
Corporate borrowings	1,689	-	1,674	-	1,674
Total financial liabilities not measured at fair value	27,696	-	27,619	-	27,619
31 December 2021					
Financial assets measured at fair value					
Equity securities	13	-	-	13	13
Debt securities	2,935	2,134	801	-	2,935
Unlisted managed investment schemes	314	-	263	51	314
Derivative financial assets	334	-	334	-	334
Total financial assets measured at fair value	3,596	2,134	1,398	64	3,596
Financial assets not measured at fair value					
Loans and advances	22,047	-	-	22,227	22,227
Debt securities	88	-	88	-	88
Total financial assets not measured at fair value	22,135	-	88	22,227	22,315
Financial liabilities measured at fair value					
Derivative financial liabilities	185	-	185	-	185
Collateral deposits held	108	-	108	-	108
Guarantee liabilities	85	-	-	85	85
Total financial liabilities measured at fair value	378	-	293	85	378
Financial liabilities not measured at fair value					
AMP Bank					
- Deposits	17,791	-	17,808	-	17,808
- Other	6,631	-	6,663	-	6,663
Corporate borrowings	1,695	-	1,716	-	1,716
Total financial liabilities not measured at fair value	26,117	-	26,187	-	26,187

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles**3.4 Fair value information (continued)**

AMP's methodology and assumptions used to estimate the fair value of financial instruments are described below:

<i>Equity securities</i>	The fair value of equity securities is established using valuation techniques including the use of recent arm's length transactions, references to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.
<i>Debt securities</i>	The fair value of listed debt securities reflects the bid price at the reporting date. Listed debt securities that are not frequently traded are valued by discounting estimated recoverable amounts. The fair value of unlisted debt securities is estimated using interest rate yields obtainable on comparable listed investments. For debt securities with a maturity of less than 12 months, par value is considered a reasonable approximation of fair value.
<i>Loans</i>	The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received, based on the maturity profile of the loans. As the loans are unlisted, the discount rates applied are based on the yield curve appropriate to the remaining term of the loans. The loans may, from time to time, be measured at an amount in excess of fair value due to fluctuations on fixed rate loans. In these situations, as the fluctuations in fair value would not represent a permanent diminution and the carrying amounts of the loans are recorded at recoverable amounts after assessing impairment, it would not be appropriate to restate their carrying amount.
<i>Unlisted managed investment schemes</i>	The fair value of investments in unlisted managed investment schemes is determined on the basis of published redemption prices of those managed investment schemes at the reporting date.
<i>Derivative financial assets and liabilities</i>	The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices (current bid price or current offer price) at the reporting date. The fair value of financial instruments not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques. Valuation techniques include net present value techniques, option pricing models, discounted cash flow methods and comparison to quoted market prices or dealer quotes for similar instruments. The models use a number of inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying instruments. Some derivatives contracts are significantly cash collateralised, thereby minimising both counterparty risk and the group's own non-performance risk.
<i>Corporate borrowings</i>	Borrowings comprise commercial paper, drawn liquidity facilities, various floating-rate and medium-term notes and subordinated debt. The estimated fair value of borrowings is determined with reference to quoted market prices. For borrowings where quoted market prices are not available, a discounted cash flow model is used, based on a current yield curve appropriate for the remaining term to maturity. For short-term borrowings, the par value is considered a reasonable approximation of the fair value.
<i>AMP Bank deposits and other borrowings</i>	The estimated fair value of deposits and other borrowings represents the discounted amount of estimated future cash flows expected to be paid based on the residual maturity of these liabilities. The discount rate applied is based on a current yield curve appropriate for similar types of deposits and borrowings at the reporting date.
<i>Guarantee liabilities</i>	The fair value of guarantee liabilities is determined as the net present value of future cash flows discounted using market rates. The future cash flows are determined using risk neutral stochastic projections based on assumptions such as mortality rate, lapse rate and asset class allocation/correlation. The future cash flows comprise expected guarantee claims and hedging expenses net of expected fee revenue.

Financial assets and liabilities measured at fair value are categorised using the fair value hierarchy which reflects the significance of inputs into the determination of fair value as follows:

- Level 1: the fair value is valued by reference to quoted prices in active markets for identical assets or liabilities;
- Level 2: the fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There have been no significant transfers between Level 1 and Level 2 during the period. Transfers to and from Level 3 are shown in the Reconciliation of Level 3 values table later in this note.

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles**3.4 Fair value information (continued)****Level 3 fair values**

For financial assets and liabilities measured at fair value on a recurring basis and categorised within Level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets and liabilities was governed by valuation policies adopted by the AMP group including AMP Capital valuation policy. These policies outline the asset valuation methodologies and processes applied to measure non-exchange traded assets which have no regular market price, including infrastructure, private equity, alternative assets, and illiquid debt securities.

The following table shows the valuation techniques used in measuring Level 3 fair values of financial assets and liabilities measured at fair value on a recurring basis, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Equity securities	Discounted cash flow approach utilising cost of equity as the discount rate.	Discount rate Terminal value growth rate Cash flow forecasts
Unlisted managed investment schemes	Published redemption prices.	Judgement made in determining unit prices
Guarantee liabilities	Discounted cash flow approach.	Discount rate Hedging costs

Sensitivity

The following table illustrates the impacts to profit after tax and equity, resulting from reasonably possible changes in key assumptions.

	30 June 2022		31 December 2021	
	(+)	(-)	(+)	(-)
	\$m	\$m	\$m	\$m
Financial assets¹				
Equity securities	1	(1)	1	(1)
Unlisted managed investment schemes	12	(12)	5	(5)
Financial liabilities²				
Guarantee liabilities	(6)	(1)	(2)	(3)

1 Reasonably possible changes in price movements of 10% (2021: 10%) have been applied in determining the impact on profit after tax and equity.

2 Reasonably possible changes in equity market movements of 20% (2021: 20%) and bond yield movements of 100bps (2021: 50bps) have been applied in determining the impact on profit after tax and equity.

Notes to the financial statements

for the half year ended 30 June 2022

Section 3: Loans and advances, investments and intangibles**3.4 Fair value information (continued)****Level 3 fair values (continued)****Reconciliation of Level 3 values**

The following table shows movements in the fair values of financial instruments measured at fair value on a recurring basis and categorised as Level 3 in the fair value hierarchy:

	Balance at the beginning of the period	FX gains/ (losses)	Total gains/ (losses)	Purchases/ (deposits)	Sales/ (withdrawals)	Net transfers in/(out)	Balance at the end of the period	Total gains/ (losses) on assets and liabilities held at reporting date
30 June 2022	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assets classified as Level 3								
Equity securities	13	-	(1)	-	-	-	12	(1)
Unlisted managed investment schemes	51	-	13	-	-	60	124	13
Liabilities classified as Level 3								
Guarantee liabilities	85	-	(4)	-	(4)	-	77	(4)
31 December 2021								
Assets classified as Level 3								
Equity securities	7	-	(1)	8	(1)	-	13	-
Unlisted managed investment schemes	41	1	3	7	-	-	51	3
Liabilities classified as Level 3								
Guarantee liabilities	151	-	(33)	-	(33)	-	85	(33)

Section 4: Capital structure

This section provides information relating to the AMP group's capital management and equity and debt structure.

The capital structure of the AMP group consists of equity and debt. AMP determines the appropriate capital structure in order to finance the current and future activities of the AMP group and satisfy the requirements of the regulator. The AMP Limited board review the group's capital structure and dividend policy regularly and do so in the context of the group's ability to satisfy regulatory minimum and internal target capital requirements.

- 4.1 Contributed equity
- 4.2 Interest-bearing liabilities
- 4.3 Capital management

4.1 Contributed equity

	30 Jun 2022 \$m	31 Dec 2021 \$m
Issued capital		
3,266,105,853 (2021: 3,266,105,853) ordinary shares fully paid	10,159	10,159
Treasury shares¹		
2,126,387 (2021: 2,126,387) treasury shares	(6)	(6)
Total contributed equity		
3,263,979,466 (2021: 3,263,979,466) ordinary shares fully paid	10,153	10,153
Issued capital		
Balance at the beginning of the period	10,159	10,355
nil (2021: 170,493,388) shares purchased on-market	-	(196)
Balance at the end of the period	10,159	10,159
Treasury shares		
Balance at the beginning of the period	(6)	(6)
Balance at the end of the period	(6)	(6)

1 Held by AMP Foundation.

Holders of ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Fully paid ordinary shares carry the right to one vote per share. Ordinary shares have no par value.

Section 4: Capital structure

4.2 Interest-bearing liabilities

(a) Interest-bearing liabilities

	30 June 2022			31 December 2021		
	Current \$m	Non- current \$m	Total \$m	Current \$m	Non- current \$m	Total \$m
Interest-bearing liabilities						
AMP Bank						
- Deposits ¹	19,029	636	19,665	17,656	135	17,791
- Other	1,989	4,353	6,342	3,200	3,431	6,631
Corporate borrowings ²						
- 6.875% GBP Subordinated Guaranteed Bonds (maturity August 2022)	55	-	55	60	-	60
- AMP Notes 3 (first call 2023, maturity 2028) ³	-	251	251	-	250	250
- AMP Subordinated Notes ³	251	-	251	250	-	250
- AMP Capital Notes 2 ⁴	-	273	273	-	272	272
- CHF Medium Term Notes ⁵	238	621	859	238	625	863
Total interest-bearing liabilities	21,562	6,134	27,696	21,404	4,713	26,117

- Deposits comprise at call customer deposits and customer term deposits at variable interest rates with AMP Bank.
- The current / non-current classification of corporate borrowings is based on the maturity of the underlying debt instrument and related principal repayment obligations. The carrying value of corporate borrowings includes interest payable of \$10m (2021: \$5m) which is expected to be settled within the next 12 months.
- AMP Note 3 and AMP Subordinated Notes are floating rate subordinated unsecured notes. These were issued 15 November 2018 and 1 September 2017 respectively, and mature 15 November 2028 and 1 December 2027 respectively. Subject to APRA approval, AMP has the right but not the obligation, to redeem all or some of the Notes 15 November 2023 and 1 December 2022 respectively, or, subject to certain conditions, at a later date. In certain circumstances, AMP may be required to convert some or all of the Notes into AMP ordinary shares.
- AMP Capital Notes 2 (ASX:AMPPB) were issued 23 December 2019. Subject to APRA approval, AMP has the right, but not the obligation, to redeem all or some of the notes 16 December 2025 or, subject to certain conditions, at a later date. They are perpetual notes with no maturity date. In certain circumstances, AMP may be required to convert some or all of the Notes into AMP ordinary shares.
- CHF 110m Senior Unsecured Fixed Rate Bond was issued 19 June 2018 and matures 19 December 2022. This Bond was subsequently increased by CHF 50m on 19 September 2018. CHF 140m Senior Unsecured Fixed Rate Bond was issued 18 April 2019 and matures 18 July 2023. This Bond was subsequently increased by CHF 100m on 3 December 2019. CHF 175m Senior Unsecured Fixed Rate Bond was issued 3 March 2020 and matures 3 June 2024.

(b) Financing arrangements

Loan facilities and note programs

Loan facilities and note programs comprise facilities arranged through bond and note issues, as well as financing facilities provided through bank loans under normal commercial terms and conditions.

	30 Jun 2022 \$m	31 Dec 2021 \$m
Available loan facilities ¹	1,950	1,950
Note program capacity	15,775	15,677
Used	(1,450)	(1,824)
Unused facilities and note programs at the end of the period	16,275	15,803

- Available loan facilities include bilateral facilities of \$450m cancelled effective 6 July 2022.

Notes to the financial statements

for the half year ended 30 June 2022

Section 4: Capital structure**4.3 Capital management**

AMP holds capital to protect customers, 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.

These factors are balanced when forming AMP's risk appetite as approved by the AMP Limited board.

Calculation of capital resources

The AMP group's capital resources include ordinary equity and certain hybrid capital instruments. Adjustments to these amounts are made for intangibles, associate equity investments and other assets required to be removed by regulation.

The table below shows the AMP group's capital resources at reporting date:

	30 Jun 2022 \$m	31 Dec 2021 \$m
AMP statutory equity attributable to shareholders of AMP Limited	4,578	3,980
Accounting mismatch and other adjustments ¹	(99)	(106)
AMP shareholder equity	4,479	3,874
Goodwill and other intangibles ²	(310)	(344)
Equity investments ³	(1,074)	(1,607)
Other regulatory adjustments ⁴	(220)	(6)
Subordinated bonds eligible as Level 3 capital	-	16
Level 3 eligible capital	2,875	1,933
Eligible hybrid capital resources ⁵	584	579
Total eligible capital resources	3,459	2,512
Minimum regulatory requirements (MRR)	1,294	1,316
Target capital requirements	710	813
Total capital requirements	2,004	2,129
Surplus capital above target requirements	1,455	383

- 1 Accounting mismatches and other adjustments relate to the net assets of the AMP Foundation and surplus' recognised on defined benefit plans.
- 2 Includes \$94m of intangibles classified as Assets held for sale on the Consolidated statement of financial position (2021: \$14m).
- 3 Equity investments relate to holdings of associate equity investment where AMP holds a minority interest. As at 30 June 2022, the investment on Global Infrastructure Fund Sponsor (\$67m), Global Infrastructure Fund II (\$115m), ACRT Finance Pty Limited (\$124m) and Core Infra Fund (\$11m) have been reclassified from investments in associates to assets held for sale (2021: \$517m).
- 4 Other regulatory adjustments relate to securitisation, deferred tax assets and other provisions for AMP Bank, deferred tax assets for Australian wealth management and include an adjustment for eligible seed and sponsor investment classified as equity investments in AMP Capital.
- 5 Eligible hybrid capital instruments are subordinated debt which is able to be included as eligible capital for the purpose of meeting minimum regulatory requirements.

Capital requirements

A number of the operating entities within the AMP group of companies are regulated and are required to meet minimum regulatory capital requirements (MRR). In certain circumstances, APRA or other regulators may require AMP and other entities of the AMP group to hold a greater level of capital to support its business and/or restrict the amount of dividends that can be paid by them. Any such adjustments would be incorporated into the minimum regulatory requirements and monitored as part of the capital management policy.

The main minimum regulatory capital requirements for AMP's businesses are:

Operating entity	Minimum regulatory capital requirement
AMP Bank Limited (AMP Bank)	Capital requirements as specified under the APRA ADI Prudential Standards
N. M. Superannuation Proprietary Limited	Operational Risk Financial Requirements as specified under the APRA Superannuation Prudential Standards
AMP Capital Investors Limited and other ASIC regulated AMP Capital businesses	Capital requirements under AFSL requirements
National Mutual Funds Management Limited, ipac Asset Management Limited and other AWM entities	Capital requirements under AFSL requirements

Notes to the financial statements

for the half year ended 30 June 2022

Section 4: Capital structure

4.3 Capital management (continued)

The AMP group maintains capital targets reflecting their material risks (including financial risk, product risk and operational risk) and AMP's risk appetite. The target capital requirement is a management guide to the level of excess capital that the AMP group seeks to carry to reduce the risk of breaching MRR.

AMP Limited and AMP Bank have board approved minimum capital levels above APRA requirements, with additional capital targets held above these amounts. Capital targets are also set for AMP Capital to cover risk associated with seed and sponsor capital investments and operational risk. Other components of AMP group's capital targets include amounts relating to Group Office investments, defined benefit funds and other operational risks.

All of the AMP group regulated entities have at all times during the current period and prior financial year complied with imposed capital requirements to which they are subject.

Notes to the financial statements

for the half year ended 30 June 2022

Section 5: Other disclosures

This section includes disclosures other than those covered in the previous sections, required for the AMP group to comply with the accounting standards and pronouncements.

- 5.1 Investment in associates
- 5.2 Discontinued operations
- 5.3 Right of use assets and lease liabilities
- 5.4 Provisions and contingent liabilities
- 5.5 New accounting standards
- 5.6 Events occurring after reporting date

5.1 Investments in associates**Investments in associates accounted for using the equity method**

Associate	Principal activity	Place of business	Ownership interest		Carrying amount ¹	
			30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
			%	%	\$m	\$m
China Life Pension Company ²	Pension company	China	19.99	19.99	436	416
China Life AMP Asset Management Company Ltd ²	Investment management	China	14.97	14.97	80	74
Global Infrastructure Fund Sponsor ³	Fund	Cayman Islands	4.74	4.74	-	71
Global Infrastructure Fund II ³	Fund	Cayman Islands	2.81	2.81	-	119
AMP Capital Infrastructure Debt Fund IV USD LP ⁴	Fund	Luxembourg	1.25	1.25	-	64
ACRT Finance Pty Limited ³	Investment management	Australia	7.72	7.72	-	106
PCCP, LLC	Investment management	United States	24.90	24.90	169	157
Other			n/a	n/a	72	83
Total investments in associates					757	1,090

- 1 The carrying amount is after recognising \$49m (2021: \$54m) share of current period profit or loss from its associates accounted for using the equity method.
- 2 The AMP group has significant influence through representation on the entity's board.
- 3 Global Infrastructure Fund Sponsor, Global Infrastructure Fund II and ACRT Finance Pty Limited are classified as assets held for sale as at 30 June 2022.
- 4 This fund has been reclassified to investments in managed investments schemes as AMP no longer has significant influence following the sale of the infrastructure debt platform.

Section 5: Other disclosures

5.2 Discontinued operations

(a) Sale of AMP Capital

AMP has announced a series of sales transactions which will result in AMP's divestment of its AMP Capital businesses. AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (AASB 5) requires the income, expenses and cash flows of these businesses to be separately disclosed as discontinued operations. For the period ended 30 June 2022, discontinued operations represents the income, expenses and cash flows of:

- AMP Capital's infrastructure debt platform from 1 January 2022 to 11 February 2022;
- AMP Capital's GEFI business from 1 January 2022 to 28 March 2022;
- AMP Capital's real estate and domestic infrastructure equity business through 30 June 2022; and
- AMP Capital's international infrastructure equity business through 30 June 2022.

In accordance with AASB 5, the comparative period results have been restated.

The residual assets of AMP Capital, principally its investments in CLAMP, PCCP and certain sponsor investments will remain a part of the AMP group. Accordingly, the related income, expenses and cash flows of these investments are included within continuing operations.

(b) Profit or loss for the period from discontinued operations

The results of AMP Capital's sold businesses included within AMP group's Consolidated income statement are set out below, including comparative information.

Following the sale of AMP Capital, certain service arrangements will continue between AMP and those businesses. Where relevant, revenue and expenses attributable to continuing operations from such arrangements have been presented within continuing operations to reflect the ongoing nature of such arrangements. The result of the discontinued operations presented below have been adjusted for these arrangements.

	6 months to 30 June 2022	6 months to 30 June 2021
	\$m	\$m
Total revenue of discontinued operations	255	407
Total expense of discontinued operations	(274)	(361)
(Loss)/Profit before tax from discontinued operations	(19)	46
Income tax credit/(expense)	23	(7)
Profit for the period from discontinued operations before disposals	4	39
Gain on disposal of businesses sold	378	-
Income tax expense resulting from the gain on businesses sold ¹	-	-
Gain on disposal of businesses sold after tax	378	-
Profit for the period from discontinued operations	382	39
Other comprehensive (loss)/income for the period from discontinued operations	(9)	2
Total comprehensive income for the period from discontinued operations	373	41

1 Income tax expense is net of the utilisation of previously unrecognised capital losses.

(c) Cash flows from/(used in) discontinued operations

The cash flows from/(used in) discontinued operations for the period, included within the Consolidated statement of cash flows, are set out below, including comparative information.

	6 months to 30 June 2022	6 months to 30 June 2021
	\$m	\$m
Net cash used in operating activities	(88)	(66)
Net cash from/(used in) investing activities	470	(7)
Net cash inflows/(outflows) from discontinued operations	382	(73)

Critical accounting estimates and judgements:

The presentation of discontinued operations includes gain or loss recognised on the sale of AMP Capital businesses incorporates management's judgments in relation to:

- determining whether the relevant group of assets meet the held for sale classification including judgements applied in estimating the likely satisfaction of key condition precedents and estimating the timeframe transactions will complete within from the balance date,
- determining the fair value of the assets and liabilities held for sale including the related impairment considerations, and
- assumptions used to estimate purchase price adjustments, earn-outs, the allocation of goodwill, provisions for directly attributable separation costs yet to be incurred, warranties and indemnities under sale agreements and potential onerous contracts resulting from the separation.

Notes to the financial statements

for the half year ended 30 June 2022

Section 5: Other disclosures**5.3 Right of use assets and lease liabilities**

Where AMP Limited or its subsidiaries are a lessee, all leases are recognised on the Consolidated statement of financial position as Lease liabilities and Right of use (ROU) assets, unless the underlying asset is of low value, or it is a short-term lease. Rentals of leases with low value underlying assets or short-term leases are recognised over the lease term as Other operating expenses in the Consolidated income statement.

(a) Right of use assets

The main type of ROU assets recognised by the group is buildings. The following table details the carrying amount of the ROU assets at 30 June 2022 and the movements during the period.

	30 Jun 2022 \$m	31 Dec 2021 \$m
Balance at the beginning of the year	96	174
Additions/(derecognitions) ¹	459	(20)
Impairment expense	-	(12)
Depreciation expense	(19)	(45)
Foreign currency exchange rate changes and other	(1)	2
Transferred to assets held for sale	(26)	(3)
Balance at the end of the period	509	96

1 The additions primarily represent the commencement of AMP's Quay Quarter Tower (QQT) lease offset by \$58m of onerous lease provisions recognised during 2021.

(b) Lease liabilities

The following table details the carrying amount of lease liabilities at 30 June 2022 and the movements during the period.

	30 Jun 2022 \$m	31 Dec 2021 \$m
Balance at the beginning of the year	135	211
Additions/(derecognitions) ¹	515	(26)
Interest expense	9	7
Payments made	(27)	(56)
Foreign currency exchange rate changes and other	(1)	2
Transferred to liabilities held for sale	(31)	(3)
Balance at the end of the period	600	135

1 Additions during the period are primarily related to Quay Quarter Tower lease agreement.

Critical accounting estimates and judgements:

The group recognises lease liabilities and corresponding ROU assets for all leases where the group is a lessee, except for short term leases and leases where the underlying asset is of low value. Management applies judgement in identifying and measuring lease liabilities and assessing impairment indicators for ROU assets which includes:

- assessing whether a contract contains a lease;
- determining lease term and incremental borrowing rate;
- separating lease and non-lease components;
- assessing lease modification vis-a-vis new lease;
- assessing the usage of ROU assets and the associated benefits.

Notes to the financial statements

for the half year ended 30 June 2022

Section 5: Other disclosures**5.4 Provisions and contingent liabilities**

	30 Jun 2022 \$m	31 Dec 2021 \$m
(a) Provisions		
Client remediation	43	87
Buy-back arrangements	16	20
Compliance and regulatory ¹	90	57
Obligations relating to corporate reorganisation	108	138
Other ²	153	286
Total provisions	410	588

	Client remediation \$m	Buy-back arrangements \$m	Compliance and regulatory ¹ \$m	Obligations relating to corporate reorganisation \$m	Other ² \$m	Total \$m
(b) Movements in provisions						
Balance at the beginning of the period	87	20	57	138	286	588
Net provisions raised/(reversed) during the period	19	(3)	60	38	(100)	14
Provisions utilised during the period	(63)	(1)	(27)	(59)	(32)	(182)
Transferred to liabilities held for sale	-	-	-	(9)	(1)	(10)
Balance at the end of the period	43	16	90	108	153	410

1 Includes provisions related to APRA enforceable undertaking and other compliance matters.

2 Other provisions include provisions for deferred payments relating to purchase of client registers, make-good and other provisions relating to rental premises and other operational provisions.

Significant accounting estimates and judgements:

The group recognises a provision where a legal or constructive obligation exists at the balance sheet date and a reliable estimate can be made of the likely outcome. Provisions are reviewed on a regular basis and adjusted for management's best estimates, however significant judgement is required to estimate likely outcomes and future cash flows. The judgemental nature of these items means that future amounts settled may be different from those provided for.

From time to time, the AMP group may incur obligations or suffer financial loss arising from litigation or contracts entered into in the normal course of business, including guarantees issued by the parent for performance obligations of controlled entities in the AMP group. Legal proceedings threatened against AMP may also, if filed, result in AMP incurring obligations or suffering financial loss. A contingent liability exists in relation to actual and likely potential legal proceedings.

Where it is determined that the disclosure of information in relation to a contingent liability can be expected to adversely prejudice the position of the AMP group (or its insurers) in a dispute, accounting standards allow the AMP group not to disclose such information. It is the AMP group's policy that such information is not disclosed in this note.

Industry and regulatory compliance investigations

AMP is subject to review from time to time by regulators, both in Australia and offshore. In Australia, AMP's principal regulators are APRA, ASIC, AUSTRAC and the ATO, although other government agencies may have jurisdiction depending on the circumstances. The reviews and investigations conducted by regulators may be industry-wide or specific to AMP and the outcomes of those reviews and investigations can vary and may lead, for example, to the imposition of penalties, variations or restrictions to licences, the compensation of clients, enforceable undertakings or recommendations and directions for AMP to enhance its control framework, governance and systems.

AMP regularly undertakes additional reviews, as part of ongoing monitoring and supervision activities, to determine, amongst other things, where clients or other stakeholders, including employees, may have been disadvantaged. In some instances, compensation has been paid and where the results of our reviews have reached the point that compensation is likely and can be reliably estimated then a provision has been raised. These provisions are judgemental and the actual compensation could vary from the amounts provided.

Notes to the financial statements

for the half year ended 30 June 2022

Section 5: Other disclosures

5.4 Provisions and contingent liabilities (continued)

Litigation

Shareholder class actions

During May and June 2018, AMP Limited was served with five competing shareholder class actions, one filed in the Supreme Court of NSW and the others filed in the Federal Court of Australia. The actions follow the financial advice hearing block in the Royal Commission in April 2018 and allege breaches by AMP Limited of its continuous disclosure obligations. Each action is on behalf of shareholders who acquired an interest in AMP Limited shares over a specified time period. Subsequently, the four proceedings commenced in the Federal Court of Australia were transferred to the Supreme Court of NSW. The Supreme Court of NSW determined that a consolidated class action (of two of the class actions) should continue, and the other three proceedings were permanently stayed. Following various appeals (including to the High Court of Australia), the consolidated class action continues. AMP Limited has filed its defence to the proceedings. The claims are yet to be quantified and participation has not been determined. Currently it is not possible to determine the ultimate impact of these claims, if any, upon AMP. AMP Limited is defending these actions.

Superannuation class actions

During May and June 2019, certain subsidiaries of AMP Limited, namely, N.M. Superannuation Proprietary Limited (NM Super), AMP Superannuation Limited (AMP Super), NMMT Limited and AMP Services Limited (AMP Services), were served with two class actions in the Federal Court of Australia. The first of those class actions relates to the fees charged to members of certain of AMP superannuation funds. The second of those actions relates to the fees charged to members, and interest rates received and fees charged on cash-only fund options. The two proceedings were brought on behalf of certain superannuation clients and their beneficiaries. Subsequently, the Federal Court ordered that the two proceedings be consolidated into one class action. The AMP respondents have filed defences to the proceedings. The claims are yet to be quantified and participation has not been determined. Currently, it is not possible to determine the ultimate impact of these claims, if any, upon AMP. The proceedings are being defended.

Financial adviser class action

In July 2020, a subsidiary of AMP Limited, namely, AMP Financial Planning Pty Limited (AMPFP), was served with a class action in the Federal Court of Australia. The proceeding is brought on behalf of certain financial advisers who are or have been authorised by AMPFP. The claim relates to changes made by AMPFP to its Buyer of Last Resort policy in 2019. The claim is yet to be quantified and participation has not been determined. Currently it is not possible to determine the ultimate impact of this claim, if any, upon AMP. AMPFP has filed its defence to the proceedings, and AMPFP is confident in the actions it took in 2019 and is defending the proceeding accordingly.

Commissions for advice and insurance advice class action

In July 2020, certain subsidiaries of AMP Limited, namely, AMPFP and Hillross Financial Services Limited (Hillross) were served with a class action in the Federal Court of Australia. The class action related to advice provided by some aligned financial advisers in respect of certain life and other insurance products. Subsequently, in August 2020, AMP Limited, and certain subsidiaries of AMP Limited, namely, AMPFP, Hillross and Charter Financial Planning Limited (Charter), were served with a class action in the Federal Court of Australia. The class action primarily related to the payment of commissions to some aligned financial advisers in respect of certain life insurance and other products and in respect of allegations of charging of fees where advice services were not provided. In December 2020, the Federal Court ordered that these two class actions be consolidated. The AMP respondents have filed a defence to the proceedings. The claim is yet to be quantified and participation has not been determined. Currently, it is not possible to determine the ultimate impact of this claim, if any, upon AMP. The proceedings are being defended.

ASIC civil penalty proceedings in respect of deceased customers

Certain subsidiaries of AMP Limited, namely, AMPFP, NM Super, AMP Super and AMP Services, are the subject of proceedings brought by ASIC on 26 May 2021. The proceedings allege contraventions of the Corporations Act 2001 (Cth) (Corporations Act) and the Australian Securities and Investments Commission Act 2001 (Cth) (ASIC Act) relating to the alleged charging and retention of insurance premiums and advice service fees following the death of members of superannuation funds in the period between 26 May 2015 and 31 August 2019. ASIC's claim is in respect of 2,069 deceased members affected by the retention of premiums, and 27 deceased members affected by the retention of advice fees. AMP has completed remediation for customers identified as being affected by such instances.

ASIC is seeking declarations of contraventions of various sections of the Corporations Act and ASIC Act and orders for the payment of pecuniary penalties and other consequential orders. The AMP respondents filed a defence to the proceedings. Currently, it is not possible to determine the ultimate impact of this claim upon AMP.

ASIC civil penalty proceedings in respect of plan service fees

Certain subsidiaries of AMP Limited, namely, AMPFP, Hillross, Charter, AMP Super and AMP Services, are the subject of proceedings brought by ASIC on 29 July 2021. The proceedings allege contraventions of the Corporations Act and the ASIC Act relating to the alleged charging and retention of plan service fees following members of superannuation funds delinking from their corporate super plan into a retail account in the period between 31 July 2015 and 30 June 2019. ASIC's claim is in respect of around 1500 members affected by the retention of plan service fees. AMP has completed remediation for customers identified as being affected by such instances.

ASIC is seeking declarations of contraventions of various sections of the Corporations Act and ASIC Act and orders for the payment of pecuniary penalties and other consequential orders. The AMP respondents filed a defence to the proceedings and the parties have subsequently filed a statement of agreed facts and admissions with the Court (including that the proceedings against AMP Services are to be discontinued). Currently, it is not possible to determine the ultimate impact of this claim upon AMP.

Section 5: Other disclosures

5.4 Provisions and contingent liabilities (continued)

Addressing historical matters through regulator actions

AMP has been working through a number of historical matters raised at the Royal Commission and elsewhere, and since 2018, has been taking action to strengthen assurance and operational controls, accountability and processes, improve compliance and risk management, and remediate impacted customers.

In 2021, AMP's Superannuation Trustees (AMP Superannuation Limited and N.M. Superannuation Proprietary Limited) entered into an enforceable undertaking (EU) with APRA for historical matters in the Superannuation business. APRA has acknowledged that AMP has addressed and completed remediation for several matters, and at the completion of this EU, AMP envisages that all outstanding matters referred to APRA by the Financial Services Royal Commission will be concluded.

Indemnities and warranties to Resolution Life

Under the terms of the sale agreement for the sale of the wealth protection and mature businesses to Resolution Life Australia Pty Ltd (Resolution Life), AMP has given certain covenants, warranties and indemnities in favour of Resolution Life in connection with the transaction. A breach of these covenants or warranties, or the triggering of an indemnity, may result in AMP being liable for some future payments to Resolution Life. Management's best estimate of future payments for these indemnities and warranties has been recognised within these financial statements where they can be reliably estimated. There remain other indemnities and warranties for which no provision has been recognised and a contingent liability exists should such indemnities and warranties be called upon or where actual outcomes differ from management's expectations.

5.5 New accounting standards

AMP group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

5.6 Events occurring after reporting date

On 11 August 2022, AMP announced its intention to return \$1.1 billion of capital comprising \$350 million via an on-market share buyback, to commence immediately, with a further \$750 million of capital returns planned during 2023 subject to regulatory and shareholder approval.

As at the date of this report, the AMP Limited board is not aware of any other matters or circumstances that have arisen since the reporting date that have significantly affected, or may significantly affect the group's operations; the results of those operations; or the group's state of affairs in future periods.

Directors' declaration

for the half year ended 30 June 2022

In accordance with a resolution of the directors of AMP Limited, we state for the purposes of section 303(4) of the *Corporations Act 2001* that, in the opinion of the directors:

- (a) there are reasonable grounds to believe that AMP Limited will be able to pay its debts as and when they become due and payable; and
- (b) the financial statements and the notes of AMP Limited and the consolidated entity for the half year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including section 304 (compliance with accounting standards) and section 305 (true and fair view).



Debra Hazelton
Chair
Sydney, 11 August 2022



Alexis George
Chief Executive Officer and Managing Director

Independent Auditor's Review Report to the Shareholders of AMP Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of AMP Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

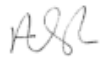
Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young



Andrew Price
Partner
Sydney
11 August 2022