Annual report 2023

Helping people create their tomorrow

AMP

Contents

The Directors' report, Financial report and the Independent Auditor's report are dated and current as at 14 February 2024.

Unless otherwise specified, all amounts are in Australian dollars.

AMP Limited ABN 49 079 354 519.

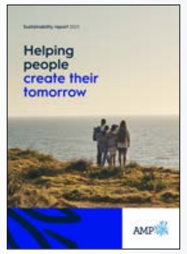
Authorised for release by the AMP Limited Board.

About this report

We take our reporting obligations seriously, and we provide concise and up-to-date information about AMP at amp.com.au/shares.

AMP's 2023 Annual report sits alongside a suite of materials that seek to provide a fulsome update on our operations and approach to important matters such as governance and sustainability.

Reporting suite



Sustainability Report 2023

Modern Slavery Statement 2023

Corporate Governance Statement 2023

ESG Data Pack 2023

Acknowledgement of Country

AMP acknowledges all First Nations Peoples across Australia. We recognise the Traditional Custodians of the land and value their connection to Country, waterways and sky. We pay our respects to the Elders for their resilience, courage and wisdom; for ensuring the survival of this country's rich culture and heritage. Our hope for the future is to unite as one people, to listen and learn from each other with respect and walk the path to reconciliation together.

We continue to build on AMP's 175-year heritage of supporting customers to live financially well, and to meet their needs today and into the future.

Our strategy enables us to deliver on our purpose:

Helping people create their tomorrow

2023 highlights

Financial performance

$196m
Underlying NPAT

$265m
Statutory NPAT

$744m
Controllable costs

Business progress

Simplified portfolio in place

Significant legacy legal matters resolved

Clear strategic focus for the re-shaped business

Our customers

$2.2b
pension payments for Australian customers in retirement

2,700+
members supported with free, intra-fund advice on their superannuation

191,000
customers helped with their banking needs

Our shareholders

441,410
Total shareholders

$750m
capital return delivered since August 2022

FY 23 final dividend declared of
2.0¢ per share
20% franked

People and partners

73
Employee satisfaction (eSat score)

40:40:20
gender diversity targets met across all levels including board, middle management and Head of

Launched a new Inclusion and Diversity Strategy, championed by the employee led Inclusion and Diversity Council

Communities and environment

A-
Leadership rating maintained on the annual CDP (Carbon Disclosure Project) benchmark, which is aligned to the TCFD framework

>75
More than 75 responsible investment options available to clients on MyNorth

Invested in aspiring social entrepreneurs through grant funding and a 20-week subsidised social innovation program

Continuing our journey as a customer focused and purpose led business

During 2023, AMP successfully continued its path to becoming a customer focused and purpose led business. We have repositioned AMP for the future, with the final sale of AMP Capital complete, the resolution of significant legacy legal matters and a simplified portfolio of businesses.

As Chair, I am very conscious of the importance of corporate culture, and how critical it is to foster an inclusive and empowering work environment that enables our people to best support our customers. AMP's purpose, helping people create their tomorrow, continues to guide the organisation and the board is proud of the way our people are supporting our customers in the current difficult economic environment.

Financial performance

Underlying net profit of $196m for the year was up 6.5% on FY 22, with statutory net profit for the year of $265m. AMP's operating businesses experienced demanding economic conditions, however management held to their clear strategy to focus on the performance of the operating businesses, and maintained a disciplined approach to controlling costs.

The operating environment for banking is particularly challenging. AMP Bank's new digital small business banking proposition, to be launched in early 2025, is designed to address funding constraints in the medium and longer term, as well as diversifying the revenue mix. In Platforms, AMP's innovative MyNorth Lifetime product has been internationally recognised in the industry for its contribution to a solution to financial challenges faced by retirees – an important contribution to the economy and society.

The Advice business continues to progress towards breakeven, while in Master Trust, the simplification of the business continues while delivering returns in excess of 11.5% for superannuation members. The New Zealand business continued to deliver steady, good quality returns.

Key results

$196m	**$265m**	**$750m**	**2.0cps**
Underlying net profit after tax for the year	Statutory net profit for the year	Returned to shareholders	Final dividend

Capital management and dividends

We have a strong balance sheet and returning capital to our shareholders remains a priority. In August 2022, we committed to returning $1.1bn to shareholders, and to date have returned $750m via an on-market buyback and dividends.

Today I am pleased to announce a FY 23 final dividend of 2.0 cents per share, franked at 20%. This commences the $350m tranche 3 of the capital return, with the remainder to be completed via further dividends, and/or an on-market share buyback.

Governance

In line with best practice, board succession and renewal based on strategic imperatives remains an important focus, and so I was pleased to announce the appointment of Kathleen Bailey-Lord and Anna Leibel from 1 January 2024. These appointments add further significant skills and experience in digital transformation, technology and financial services to the board – key enablers for AMP's future success.

At the end of the year, Kate McKenzie stepped down from her role on the AMP Board to focus on her other board commitments. I'd like to thank Kate for her dedication and expertise during her three years working with the board through AMP's transformation.

Board gender diversity continues to meet our 40:40:20 target (currently 50:50 NEDs; 56% female with CEO). Board composition has also considered relevant diverse backgrounds and experience, and we actively engage with experts and representatives of broader stakeholder groups as required.

During the year we made some important changes to our remuneration structure to incorporate feedback from stakeholders while remaining compliant to regulatory requirements. We believe that these changes are appropriate for a business of AMP's size and continued complexity as it operates in both the highly regulated banking and superannuation markets. We continue to respect and respond to feedback in order to achieve a balance between stakeholder expectations, and attracting and retaining high-performing talent. These changes are covered in our remuneration report.

Community and sustainability

Our purpose highlights the important role that AMP plays in the community as a financial services provider, employer, and, more broadly, our economic and social contribution. We recognise that every dollar we manage is connected to someone retiring with dignity, and every mortgage we provide in AMP Bank is connected to someone purchasing a home. Our Advice and Platforms businesses play an important role in providing financial confidence for people to optimise their financial security.

In 2023 we celebrated the 30th anniversary of the AMP Foundation. To mark the occasion the Foundation awarded two $1m grants to the not-for-profit social enterprises First Australians Capital and Global Sisters. We are all immensely proud of what the AMP Foundation has achieved, as one of Australia's largest, independently funded corporate foundations.

In 2023 we also launched AMP's Stretch Reconciliation Action Plan, reinforcing our strong commitment to work collaboratively with Australia's First Peoples to promote financial wellbeing and implement reconciliation initiatives within our organisation and the broader community.

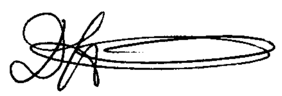
Chair succession

During my tenure as Chair, AMP has undergone a significant transformation to set the company up for a sustainable future. We have a strong CEO and management team in place; the business and strategy is repositioned; the AMP portfolio is simplified; the capital base is strong; and substantive legacy issues are resolved.

After almost five years on the board, three as Chair, the time is now right for me to hand over to the next AMP Chair, and I will retire at the conclusion of the Annual General Meeting in April, handing over to Mike Hirst.

I have worked closely with Mike since he joined the board in July 2021, and he has already made a significant contribution to AMP as a Non-executive director. Mike has deep financial services knowledge and expertise, and the board unanimously supported his appointment. I wish Mike and the board every success, and I thank them for their exceptional commitment and contribution over the past challenging three years.

Finally, I would like to thank our shareholders for your support for AMP. It has been a privilege to serve as Chair. I look forward to watching AMP's future progress, and retire knowing the business is well repositioned for the future.



Debra Hazelton
Chair, AMP Limited

A year of progress

Our CEO Alexis George answers questions about AMP's performance in 2023, and looks ahead to 2024.

What are your reflections on 2023?

2023 was another year of transition and progress for AMP. We have simplified the business with the completion of the AMP Capital sales and settled our business portfolio. We made material progress on sustainable cost reduction with a committed program over the next two years, and we have resolved a number of significant legacy legal matters.

The final completion of the remaining AMP Capital sale in November 2023, as well as the divestment of SuperConcepts in June, means that AMP is positioned for the future with our focus on banking and wealth management in Australia and New Zealand. Our five operating business units are AMP Bank, Platforms, Advice, Master Trust and New Zealand Wealth Management – as well as our strategic partnerships.

To reflect our simplified portfolio, during the year we established a new flattened executive structure with more business heads involved in setting the strategy.

We are now positioned to look to the future, with a clear strategy as we continue to simplify the organisation, enabling AMP to be more adaptable to the changing economic and competitive landscape.

Importantly, we've continued to focus on delivering for our customers, brokers and advisers. This has been demonstrated throughout the year with a number of industry awards across the business, which have recognised MyNorth Lifetime for innovation in retirement at a global level and AMP Bank's digital innovation. The AMP Super Fund won the Momentum Award at the Annual Super Review Awards in partnership with SuperRatings, recognising the fund's transformation in enhancing member outcomes.

How did AMP's businesses perform?

AMP's underlying net profit after tax for the year was $196m, an increase of 6.5% on FY 22. The board has declared a final dividend of 2.0 cents per share, bringing the FY 23 Full Year dividend to 4.5 cents per share, 20% franked. We have a strong focus on reducing controllable costs to an appropriate level for the size of our business, and have momentum on simplification initiatives for 2024. Disciplined cost management in a period of high inflation remains paramount.

"We have continued to focus on delivering for our customers, brokers and advisers, and have been recognised by multiple industry awards, including a global award for innovation in retirement for MyNorth Lifetime."

AMP Bank is operating in a challenging and competitive market, and we are carefully managing volumes in this business given the impact on margins. In Platforms, flows from IFAs into our flagship North platform were up 33%, and we continue to make progress in reducing losses in the Advice business.

In Master Trust, lower AUM-based revenue was offset by disciplined cost control, resulting in underlying NPAT in line with FY 22. Our strategic partnerships also created some volatility in the FY 23 result, with our stake in PCCP impacted by US real estate valuations, and our China partnership also going through regulatory change in its market. We see long-term value in these partnerships, despite shorter-term volatility. The New Zealand business continues to deliver good returns, divesting legacy products and acquiring a financial coaching business, enable.me.

What are you doing to support customers through the current challenging economic environment?

I fully recognise the challenges that our customers, and our people, are facing in the current economic environment.

I am proud of the way we support our customers around the two biggest assets most Australians will ever own – their home and their retirement savings. We have an innovative retirement solution that seeks to give greater levels of confidence in a member's financial position in retirement, and we will continue to innovate in this space and advocate for our customers, members and the wider community. Our North platform's investment menu continues to expand, providing more choice and flexibility, and making it easier for advisers to implement advice strategies for customers.

We have lowered our superannuation administration fees for all investment options, saving our members money and making our offer more competitive. We've also delivered strong returns of over 11.5% for the majority of our MySuper superannuation members.

In 2023, AMP Bank helped over 9,100 customers to buy their own home. We have improved turnaround times for loan approvals by 22% (compared to FY 22), streamlined our application processes to make things simpler for our customers and our people, and been awarded Money Magazine's Best-Value Long Term Deposit for the third year running.

With funding support from the AMP Foundation, AMP's partnership with Good Shepherd supports vulnerable customers, offering practical solutions and support to address the root causes of financial hardship. Since inception, nearly 500 customers have been provided with assistance, and during 2023 emergency food relief and financial counselling were among the most widely used support services.

Our customer-focused strategy helps us to deliver on our purpose: helping people create their tomorrow.

How is the industry changing and what does this mean for AMP?

The current moves to review regulation of the financial advice sector are sensible and practical and will expand the delivery of advice to millions more Australians. AMP has an important role to play to make a meaningful difference to the lives of many at a time when financial advice has never been needed more. The sooner we streamline the advice process, the more affordable and accessible financial advice will become. We will continue to work with Government to progress these important reforms. With the Government's Retirement Income Covenant, AMP is taking a leading position to ensure that our members have the assistance they need when approaching retirement, and understand how we can support them in achieving their retirement objectives.

What are you doing to address the legacy issues AMP has faced?

In recent months, we have worked hard to settle both the outstanding shareholder class action, and the Buyer of Last Resort (BOLR) class action – these were significant legal matters that were causing uncertainty for our business and our supporters. It was important to achieve a resolution in both matters. Having reached an agreement to settle the BOLR matter, we can build on the work we are doing to reset the relationship with financial advisers and look to the future for that business with a focus on making advice more accessible to all Australians.

What are your priorities for 2024?

Looking to 2024, the priorities are clear. We have repositioned AMP, simplified the portfolio and businesses and have identified key focus areas for the future.

Our priorities are to drive sustainable business performance and customer experience, right-size our cost base to reflect the AMP of today, and create new sources of revenue, including our digital small business bank that will launch in Q1 2025.

We also remain committed to returning surplus capital to shareholders. Having returned $750m since August 2022, I'm pleased to be progressing with tranche 3 of our $1.1bn capital return program via our FY 23 final dividend, as well as further dividends and/or an on-market share buyback.

And importantly, we must maintain our focus on delivering on our purpose: helping people create their tomorrow. I'd like to thank our shareholders for their continued support as we strive to do so.

Alexis George
AMP Chief Executive Officer

How we create value

Our enablers

Respect risk

Embed appropriate governance structures to maintain robust risk culture

Brand, reputation and ESG

Driving consistent delivery of positive outcomes for our stakeholders: shareholders, customers, people and communities

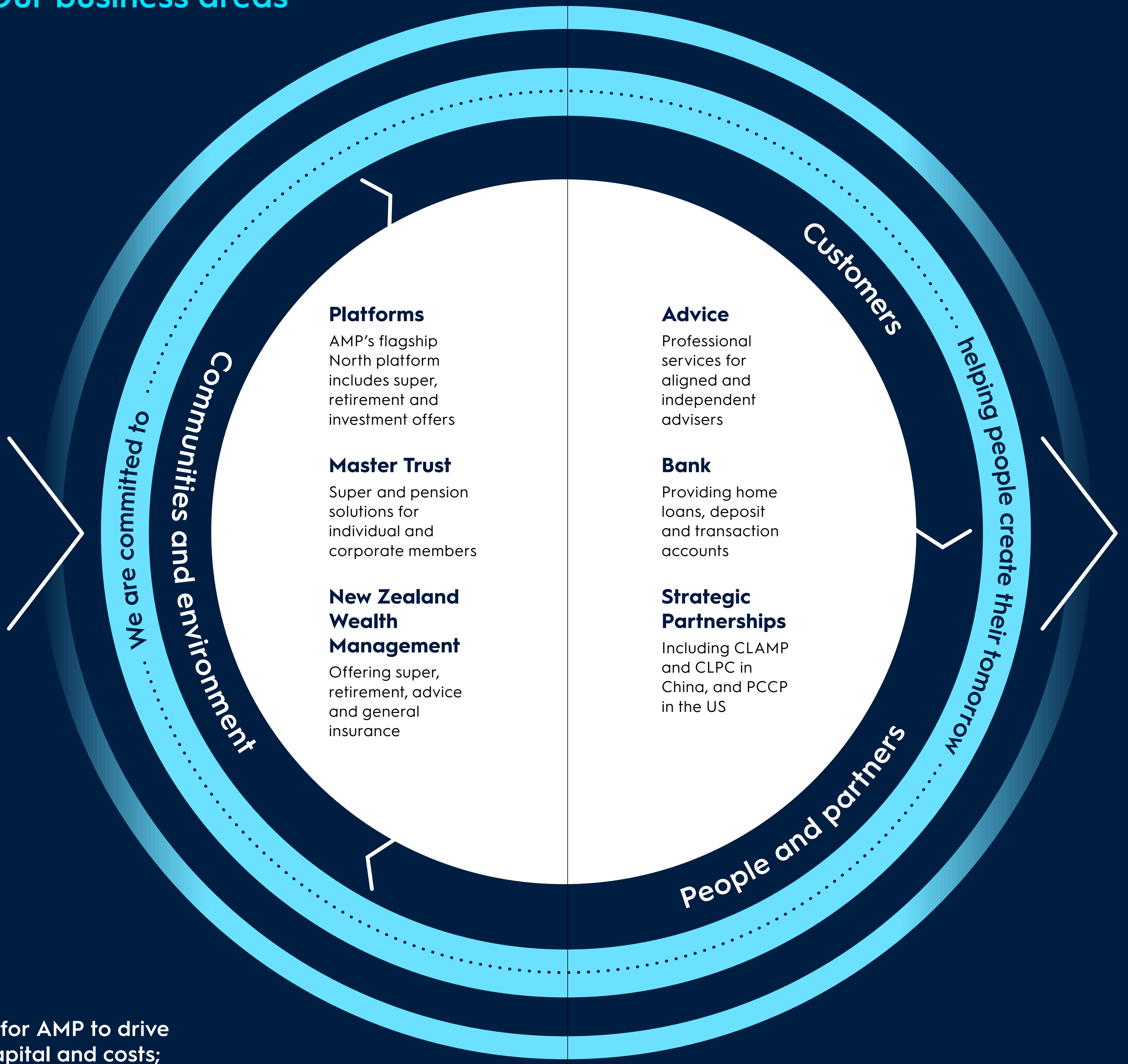
Digital and data

Leveraging digital and data to better understand and serve our customers

Purpose and culture

Helping people create their tomorrow, and living the AMP values every day

Our business areas



Strategy

AMP's updated strategy provides a framework for AMP to drive business line profitability; efficiently manage capital and costs; and create new revenue sources. The strategy seeks to enable AMP to deliver on its purpose:

Helping people create their tomorrow

The value we create

For shareholders

441,410
Total shareholders

$750m
capital return delivered since August 2022

For customers

$2.2b
pension payments for Australian customers in retirement

191,000
customers helped with their banking needs

For our people

73
Employee satisfaction (eSat score)

40:40:20
gender diversity targets met across all levels including board, middle management and Head of

For our communities

30 years
of the AMP Foundation celebrated with $2m donated to charities supporting women led and First Nations businesses

Our strategy

AMP's strategy helps AMP to deliver on its purpose: Helping people create their tomorrow. The strategy was launched in February 2024, to drive AMP's next chapter, with a focused portfolio in wealth management and banking in Australia and New Zealand.

Our purpose

Helping people create their tomorrow

Drive business line profitability and positive customer experience

- **Bank:** Address NIM compression, reduce costs and improve ROC
- **Platforms:** Invest in adviser sales and service; embed market leading retirement solutions
- **Advice:** Achieve breakeven target; build on strong practice relationships
- **Master Trust:** Refine retirement solutions, drive sustainable performance
- **New Zealand:** Maintain current performance and continue to diversify revenue

Efficient capital, cost and balance sheet management

- **Address corporate costs:** Right size corporate costs; simplification and transformation program
- **Maintain disciplined capital management:** Strong balance sheet, focused on optimising capital. Reduce net debt as appropriate; committed to returning surplus capital to shareholders

Create new revenue sources and lasting points of differentiation

- **Digital Business Bank** to begin operating in Q1 2025
- Expand on **channel opportunities**, including building digital advice capability
- Extend **retirement product innovation**, leveraging large existing customer base and breadth of capability across the wealth value chain

Sustainability overview

For 175 years, AMP has had a long tradition of serving the communities we operate in. Our purpose – helping people create their tomorrow – guides our actions and decision making at AMP. For all of our stakeholders, it is about delivering value and reporting meaningfully on our progress.

Customers

AMP's purpose is reflected in our commitment to customers, giving them the confidence to take control of their finances. It means we put customers first by considering them in all our decisions and make it as simple as possible for them to achieve their goals.

2023 highlights

Paid $2.2b in pension payments to Australian members to help them in retirement.

Supporting 2,700+ members with free intra-fund advice on their superannuation and 5,800+ members through educational webinars with employer clients.

Supporting 4,000 members to access $52.5m in superannuation on compassionate or hardship grounds.

Implemented a new approach to feedback from customers to identify opportunities and take action to improve.

Helped around 191,000 customers with their banking needs and provided more than 9,100 new home loans.

Delivered enhanced Bank digital capabilities, including self service card security controls and real time payments.

Strengthened our cyber and information security capabilities and provided training and education to employees.

People and partners

AMP's commitment to its people is to create meaningful opportunities to contribute and deliver positive outcomes. For our partners, this means working together to meet the needs of customers. We expect our people and partners to own their accountabilities, be brave to try new ways of doing things and play as one team.

2023 highlights

Maintained systems and processes to appropriately manage conduct and consequences in a fair, consistent and considered way.

Significant legacy legal matters were resolved.

Employee satisfaction stable at 73 despite high level of organisational change.

Launched a new Inclusion and Diversity Strategy, championed by the employee led Inclusion and Diversity Council.

Improved Adviser satisfaction rates from 68% to 81% and Broker satisfaction rates from 69% to 84% year on year.

Communities and environment

AMP's commitment to communities means addressing the broader impacts of our value chain through our investments and managing climate-related risks and opportunities. It is about doing the right thing and investing in our communities.

2023 highlights

More than 75 responsible investment options available to clients on MyNorth.

New Zealand Wealth Management named Responsible Investment Leader in 2023 by Responsible Investment Association of Australasia (RIAA).

Maintained A- Leadership rating on the annual CDP (Carbon Disclosure Project) benchmark, which is aligned to the TCFD framework.

Maintain carbon neutrality across our global operations for our 11th year and a 54% reduction on scope 1 and 2 emissions from 2022.

Celebrated 30 years of the AMP Foundation with $2m donated to charities supporting women led and First Nations businesses.

Group financial performance

Profit and loss (A$m)	FY 23	2H 23	1H 23	FY 22	% FY
Revenue					
AUM based revenue	**751**	377	374	794	(5.4)
Net interest income	**373**	173	200	382	(2.4)
Strategic partnerships [1]	**58**	23	35	89	(34.8)
Other revenue [2]	**126**	67	59	83	51.8
Total revenue	**1,308**	640	668	1,348	(3.0)
Variable costs					
– Investment management expense	**(143)**	(69)	(74)	(165)	13.3
– Marketing and distribution	**(27)**	(16)	(11)	(20)	(35.0)
– Brokerage and commissions	**(82)**	(41)	(41)	(80)	(2.5)
– Loan impairment expense	**(7)**	(4)	(3)	(3)	(133.3)
– Other variable costs [3]	**(61)**	(31)	(30)	(78)	21.8
Total variable costs	**(320)**	(161)	(159)	(346)	7.5
Gross profit	**988**	479	509	1,002	(1.4)
Controllable costs					
– Employee costs	**(334)**	(170)	(164)	(330)	(1.2)
– Technology	**(165)**	(84)	(81)	(143)	(15.4)
– Regulatory, insurance and professional services	**(82)**	(47)	(35)	(88)	6.8
– Project costs	**(72)**	(33)	(39)	(119)	39.5
– Property costs	**(62)**	(31)	(31)	(43)	(44.2)
– Other operating expenses [4]	**(29)**	(17)	(12)	(34)	14.7
Total controllable costs	**(744)**	(382)	(362)	(757)	1.7
EBIT	**244**	97	147	245	(0.4)
Interest expense [5]	**(61)**	(29)	(32)	(62)	1.6
Investment income [6]	**83**	48	35	53	56.6
Tax expense	**(70)**	(32)	(38)	(52)	(34.6)
NPAT (underlying) [8]	**196**	84	112	184	6.5
– AMP Bank	**93**	36	57	103	(9.7)
– Platforms	**90**	46	44	65	38.5
– Master Trust	**53**	25	28	53	–
– Advice	**(47)**	(22)	(25)	(68)	30.9
– New Zealand Wealth Management	**34**	17	17	32	6.3
– Group [7]	**(27)**	(18)	(9)	(1)	n/a
NPAT (underlying) by business unit	**196**	84	112	184	6.5
Items reported below NPAT	**62**	(82)	144	152	(59.2)
Discontinued operations [8]	**7**	2	5	51	(86.3)
NPAT (statutory)	**265**	4	261	387	(31.5)

1 Includes profit contributions from CLPC, CLAMP, PCCP and sponsor investments.
2 Includes Advice, North Guarantee and NZWM other revenues.
3 Includes payment of commissions, employed planner expenses and other variable selling costs.
4 Includes travel, marketing, printing, administration and other related costs.
5 Includes interest expense on corporate debt.
6 Includes investment income from Group cash.
7 Includes Strategic partnerships, Group costs not recovered from Business Units, investment income and interest expense on corporate debt.
8 Includes sold businesses of AMP Capital and SuperConcepts and revenues in relation to external mandates now discontinued, with FY 22 restated accordingly.

		FY 23	2H 23	1H 23	FY 22
Earnings					
EPS – underlying (cps) [1]		**6.8**	3.0	3.8	5.7
EPS – actual (cps)		**9.3**	0.1	8.8	12.0
RoE – underlying		**5.0%**	4.3%	5.6%	4.6%
RoE – actual		**6.7%**	0.2%	13.0%	9.7%
Dividend [2]					
Dividend per share (cps)		**4.5**	2.0	2.5	2.5
Franking rate [3]		**20%**	20%	20%	20%
Ordinary shares on issue (m) [1, 4]		**2,741**	2,741	2,799	3,043
Weighted average number of shares on issue (m)	– basic [1]	**2,862**	2,767	2,958	3,215
	– fully diluted [1]	**2,904**	2,809	3,006	3,266
	– statutory	**2,860**	2,765	2,956	3,213
Share price for the period – closing ($)	– low	**0.84**	0.84	0.95	0.87
	– high	**1.37**	1.31	1.37	1.40
Market capitalisation – end period ($m)		**2,549**	2,549	3,162	4,002
Capital and corporate debt					
AMP shareholder equity ($m)		**3,794**	3,794	3,929	4,077
Corporate debt ($m)		**741**	741	1,078	1,078
Corporate gearing		**11%**	11%	17%	16%
Interest cover – underlying (times)		**5.0**	5.0	4.3	4.8
Interest cover – actual (times)		**6.4**	6.4	4.2	9.0
Margins					
AMP Bank net interest margin (over average interest earning assets)		**1.27%**	1.15%	1.39%	1.38%
Platforms AUM based revenue to average AUM (bps)		**47**	47	47	48
Master Trust AUM based revenue to average AUM (bps)		**64**	65	63	67
New Zealand Wealth management AUM based revenue to average AUM (bps)		**82**	82	83	86
Volumes					
AMP Bank total loans ($m)		**24,441**	24,441	24,537	24,033
Platforms net cashflows ($m) [5]		**1,401**	660	741	2,532
Master Trust net cashflows ($m) [5]		**(6,424)**	(5,431)	(993)	(3,532)
Platforms AUM ($m)		**71,060**	71,060	68,322	65,495
Master Trust AUM ($m)		**51,865**	51,865	55,427	54,023
New Zealand Wealth Management AUM ($m)		**10,853**	10,853	10,789	10,459
Total AUM ($b) [6]		**133.8**	133.8	134.5	130.0
Controllable costs (pre-tax) and cost ratios					
Controllable costs – excluding discontinued operations ($m)		**744**	382	362	757
Cost to income ratio – excluding discontinued operations		**69.0%**	71.9%	66.2%	71.6%
Staff numbers					
Total staff numbers [7]		**2,664**	2,664	2,976	3,000
Exchange rates					
AUD/NZD – closing		**1.0777**	1.0777	1.0865	1.0723
AUD/NZD – average		**1.0802**	1.0815	1.0797	1.0930

1 Number of shares has not been adjusted to remove treasury shares.
2 No ordinary dividends were declared for the 1H 22 period.
3 Franking rate is the franking applicable to the dividend for that year.
4 302,059,122 shares were repurchased and subsequently cancelled in FY 23 as part of the announced on-market share buyback.
5 Net cashflows exclude pension payments.
6 Excludes $1.8b of external discontinued AUM previously reported as WM Other AUM.
7 1H 23 FTE numbers impacted by the acquisition of enable.me.

Business **review**

AMP Bank

$93m

Underlying NPAT
(FY 22: $103m)

FY 23 performance

Underlying NPAT of $93m (FY 22: $103m) reflects the previously flagged compression in Net Interest Margin (NIM), which was 1.27% for FY 23, compared to 1.38% for FY 22. To respond to market conditions, during 2H 23 AMP Bank's strategy pivoted to lower residential loan book growth given margin pressure experienced in mortgages and deposits. Consequently the residential mortgage book experienced subdued growth of 1.7% for the year, 0.61x system.

Controllable costs for the year were 1.5% lower at $133m, with momentum behind further cost reductions in FY 24. 90+ day arrears of 0.62% reflect the quality of the loan book amid the challenging economic environment, compared to 0.70% for the broader industry. AMP Bank remains well provisioned, and continues to provide additional support to customers in hardship.

In November, AMP Bank announced a partnership with UK-based Engine by Starling, to use its platform to bring a compelling digital bank offering to the Australian small business market. This will open a new revenue stream and diversify AMP Bank's funding mix.

To improve return on capital, AMP Bank's strategic focus is on disciplined responses including nominal loan growth, diversifying and optimising funding and reducing costs.

Winner of *Money* magazine's Best-Value Long Term Deposit for the third year running

'Best Digital Bank Pure Play for Australia' at The Digital Banker's Global Retail Banking Innovation Awards

Platforms

FY 23 performance

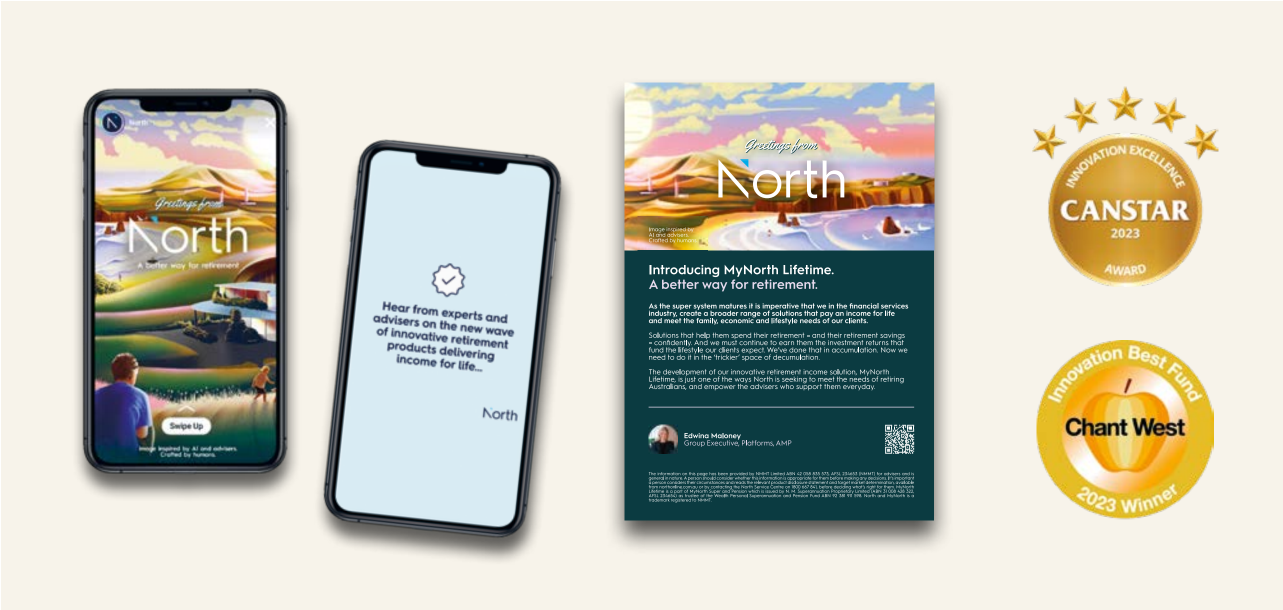
Underlying NPAT of $90m, up 38.5% on FY 22 reflects a positive North Guarantee experience from favourable market conditions, benefitting from stabilising interest rates and higher equity markets. Investment income was also higher due to the interest rate environment.

$90m

Underlying NPAT
(FY 22: $65m)

Net cashflows (excluding pension payments) were $1.4bn (FY 22: $2.5bn), impacted by the shift of non-super investment away from platforms, reflecting prevailing economic conditions. Flows into AMP's flagship platform North from independent financial advisers (IFAs) were up 33% on the prior period, reflecting an ongoing focus on this market. Controllable costs increased to $173m (FY 22: $158m), driven by investment in technology, product and distribution capability to support future growth. North's managed portfolio offers continue to grow, reaching $13bn in assets under management by the end of 2023.

AMP's leading retirement solution, MyNorth Lifetime, which launched in 2022, is a defined contribution lifetime-income product that can be opened before and during retirement, and provides high rates of income in retirement that never runs out. The product offers customers and their financial advisers complete control over investment choice and strategy, with access to North's extensive investment menu. During 2023, MyNorth Lifetime was recognised globally as the winner of the Pension Fund Design and Reform Award at the World Pension Summit held in The Hague in the Netherlands. MyNorth Lifetime also received the Best Fund Innovation Of The Year at the Chant West 2023 Super Fund Awards in May and Canstar's Innovation Excellence Award in April.



Zenith CW Pty Ltd ABN 20 639 121 403 AFSL 226872/AFS Rep No. 1280401 Chant West Awards issued May 2023 are solely statements of opinion and not a recommendation in relation to making any investment decisions. Awards are current for 12 months and subject to change at any time. Awards for previous years are for historical purposes only. Full details on Chant West Awards at https://www.chantwest.com.au/fund-awards/about-the-awards/

Advice

$47m loss

Underlying NPAT
(FY 22: $68m loss)

FY 23 performance

Underlying NPAT loss in Advice improved by $21m to $47m, with continued progress in establishing Advice as a sustainable, standalone business. An ongoing focus on controllable costs resulted in a reduction of 15.2% to $117m. Variable costs improved by $16m to $2m, partly driven by the reshaping of the equity portfolio.

The quality of AMP's adviser network remained strong with average revenue per advice practice above the industry average at $1.75m. Aligned adviser numbers continued to stabilise during the year as adviser sentiment towards AMP continued to improve with adviser satisfaction scores at 81%, up from 68% at FY 22. AMP reached an agreement to settle the Buyer of Last Resort (BOLR) class action in November 2023, with final court approval expected to occur in the first half of 2024.

Master Trust

FY 23 performance

Underlying NPAT of $53m was in line with FY 22. Lower AUM-based revenue (down 10.4%) was the result of both the simplification program to consolidate products and fees and the previously announced mandate loss of $4.3bn. This was offset by disciplined cost control, leading to a reduction in controllable costs of 10.8% to $174m. Revenue margin of 64bps (FY 22: 67bps) reflected the impact of the simplification initiatives completed in May 2023.

$53m

Underlying NPAT
(FY 22: $53m)

Net cashflows were impacted by the above-mentioned mandate loss, which took effect in August 2023. Excluding mandate losses, net cashflows improved $468m on FY 22.

Master Trust's transformation program is well advanced, with initiatives identified to deliver further member benefits in 2024. In January 2024, AMP announced the appointment of a new default insurance provider for superannuation members, to deliver more personalised insurance services and in line with members' best financial interests. The majority of superannuation members also benefited from investment returns in excess of 11.5% for the 2023 calendar year.

AMP Super Fund won the Momentum award at Super Review's 10th annual Super Fund of the Year Awards for 2023. AMP Super took the prize in the Momentum category, awarded to the fund that has made significant progress in completing key projects which will enhance its strategic positioning in coming years.

New Zealand

FY 23 performance

Underlying NPAT of $34m was up 6.3% from $32m at FY 22. Advice First's revenue growth in FY 23 of $5.8m includes the strategic acquisition of enable.me which delivers non AUM-based revenue through fee-based coaching programs.

$34m

Underlying NPAT
(FY 22: $32m)

A focus on cost controls resulted in controllable costs of $36m, compared to $35m in FY 22, despite inflationary pressures in this market. KiwiSaver, New Zealand's voluntary work-based retirement savings scheme, experienced a challenging 2H 23, reflecting the economic environment, delivering $70m in net cashflow.

The divestment of legacy products continued to simplify the business, as advice and distribution revenue continues to grow.

Managing our key risks

AMP's approach to achieving its strategic objectives is to take measured risks within our risk appetite. AMP has a clear strategic plan to drive our business forward and an Enterprise Risk Management framework to identify, measure, control and report risks.

Enterprise Risk Management framework

Effective risk management is fundamental to understanding and responding to changes in AMP's operating environment, enabling us to achieve our purpose and strategic objectives. Risk management is a responsibility of all AMP employees and is reflected in many of AMP's values – own it, be brave, do the right thing, and put customers first.

AMP's risk management framework provides the foundation for how risks are managed across AMP and enables AMP to meet its legislative and regulatory requirements, codes and ethical standards, as well as internal policies and procedures. It includes the following key components:

- **Strategy and business plans covering the whole of AMP**
- **Risk management strategy**
- **Risk appetite statement**
- **Supporting policies and practices**
- **Performance management**

By establishing the principles, requirements, roles and responsibilities for management of risk across AMP, the framework ensures all employees have clarity on how risks are to be managed to fulfil the obligations to key stakeholders, including customers, shareholders and regulators.

Risk is also integrated into performance management at AMP, and employees are assessed twice-yearly on 'respecting risk'.

The risk appetite statement articulates the level of risk the board is willing to accept to ensure the effective delivery of AMP's strategic objectives. There is clear alignment between AMP's corporate strategy and the risk appetite of the AMP Limited Board, to ensure that decisions made are consistent with the nature and level of risk the board and management are willing to accept.

Key business challenges

AMP is focused on delivering on its strategy, and in doing so remains conscious of various challenges affecting the financial services industry. These include, but are not limited to, the following (listed in alphabetical order):

Business, employee and business partner conduct

The conduct of financial institutions remains an area of significant focus for the financial services industry both globally and in Australia and New Zealand. AMP devotes significant effort to ensure that our business practices, management, staff or business partner behaviours adequately meet the expectations of regulators, customers and the broader community, and do not result in an adverse impact on our reputation and value proposition to customers.

Our Code of Conduct outlines how AMP seeks to conduct its business and how it expects people to conduct themselves. The principles that define the high standards outline the behaviour and decision-making practices, including how we treat our employees, customers, business partners and shareholders. We are committed to ensuring the right culture is embedded in our everyday practices.

AMP embraces a safe and respectful work environment that encourages our people to report issues or concerns in the workplace. Directors, employees (current and former), contractors, service providers or any relative or dependents of any of these people can utilise AMP's whistleblowing program to report conduct or unethical behaviours.

Climate change

AMP, its customers and its external suppliers may be adversely affected by physical and transition risks associated with climate change. These effects may directly impact AMP and its customers on a range of physical, financial and legal risks to our business, the investments we manage on behalf of our customers and the wider community.

Initiatives to mitigate or respond to adverse impacts of climate change may in turn impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes.

AMP's approach to managing climate-related risks and opportunities is detailed in AMP's annual Sustainability report, informed by key pillars of the Taskforce on Climate-related Financial Disclosures (TCFD) framework. In 2023, AMP retained an A- Leadership rating (second highest rating available) in the annual CDP investor disclosure program, indicating leadership in our management of climate related risks and opportunities. AMP has been carbon neutral across its operations since 2013 to address the direct impacts of our business activities.

Material Risks

Competitor and customer environment

The financial services industry, as well as the community in Australia and New Zealand more broadly, have faced various challenges throughout 2023, including natural disasters, economic uncertainty, and rising interest rates. Throughout the year AMP supported customers in a number of ways, including strengthening protection for bank customers at risk of financial abuse and experiencing vulnerability, and reducing interest rates across fixed term home loans in May 2023.

Customer expectations are evolving which is intensifying competition within banking and wealth management. Furthermore, as economic uncertainty prevails, it is affecting the performance of assets under management across the industry. AMP continues to adapt its capabilities and operating model in order to remain competitive and relevant to customers.

In 2023, AMP continued to deliver on its strategy to reposition AMP as a simpler, purpose-led, customer-focused business in its core markets of banking and wealth management. Notable strategic developments included completion of the sale of the AMP Capital real estate and domestic infrastructure equity business to Dexus Funds Management, the announcement of a new digital bank designed for small business and AMP's first-to market retirement solution recognised globally as winner of the Pension Fund Design and Reform Award at the World Pension Summit.

Cyber security threats, fraud and scam threats

Cyber risk, as well as fraud and scams, remain a threat in a rapidly changing technological and digital environment. AMP is committed to continually uplifting its response to these risks. We are uplifting cyber resilience through preventing, detecting, and responding to cyber incidents. We also continually monitor potential fraud and scams in order to identify and address them as early as possible.

AMP's Cyber Defence Centre uses industry best practices, advanced technologies and intelligence sharing arrangements with Australian Government and industry entities to uplift AMP's cyber defences, enhance situational awareness and mitigate malicious threats. The AMP Cyber Team recognises that the education and awareness of employees is critical to maintaining the security of customer data, and conducted ~40 educational seminars for employees on cyber security awareness, threats and responses. The Cyber Team broadened its reach to include financial advisers, with a dedicated cyber policy, improved training materials, and awareness campaigns. While AMP continues to demonstrate maturity uplifts against the National Institute of Standards and Technology (NIST) Cyber Security Framework and improve its overall control effectiveness, cyber security threats remain a key risk given the evolving nature of the threat. AMP Bank, aligned to the Australian Bankers Association Scam-Safe Accord, has committed to a range of anti scam measures to help protect our customers and the broader community from scammers. AMP Bank will introduce higher protections into our systems based on the principles of disrupt, detect and respond.

Operational risk environment

Operational risk exposures for AMP relate to losses resulting from inadequate or failed internal processes, people and systems or from external events. These include, but are not limited to, information technology, human resources, internal and external fraud and scams, money laundering and counter-terrorism financing, bribery and corruption. This environment will be further stressed by the other key business challenges included in this section.

Employee retention and key person risk are key operational risks for AMP, and these are currently elevated across financial services as a whole due to low unemployment and a competitive talent market. We are committed to mitigating operational risk by reducing operational complexity and strengthening risk management, internal controls and governance. We continue reshaping the adviser network and simplifying superannuation products and investment options, and our corporate structure.

The AMP operational risk profile reflects these exposures and the financial statements of AMP contain certain provisions and contingent liability disclosures for these risks in accordance with applicable accounting standards.

Organisational change

Changes were made throughout the year to continue to simplify the operating model of the business.

There is always a risk that business momentum is lost while organisational change is implemented. There is a risk that the extended period of change may have an adverse impact on employees causing a strain to deliver on our strategy and transformation initiatives. These risks will be mitigated by maintaining leadership and performance focus on the business.

AMP continues to invest in adopting new ways of working to drive efficiency and improve its practices to increase accountability and build on core strengths. We recognise that failure to execute appropriately on the implementation of these changes can increase the risks of disruption to AMP's business operations.

Regulatory environment

AMP operates in Australia and New Zealand, with their own legislative and regulatory requirements. AMP continues to anticipate upcoming changes to these requirements.

AMP continues to respond and adjust its business processes for any changes. However, failure to adequately anticipate and respond to future regulatory changes could have a material adverse impact on the performance of its businesses and achieving its strategic objectives. AMP is committed to continually strengthening its risk management practices, its control environment and enhancing its compliance systems across its businesses. AMP's internal policies, frameworks and procedures seek to ensure any changes in our regulatory obligations are complied with. Compliance, legal and regulatory risk that results in breaches is reported to AMP management committees and regulators. This is managed in accordance with internal policies. Regulatory consultations and interactions are reported and monitored as part of AMP's internal risk and compliance reporting process. AMP actively participates in these interactions and cooperates with all regulators to resolve such matters.

More information about our approach to these challenges can be found on our website at: corporate.amp.com.au/about-amp/corporate-sustainability.

Significant changes to the state of affairs

Apart from as elsewhere disclosed in this report, there were no other significant changes in the state of affairs during the year.

Our approach to governance

The board oversees AMP as it continues to deliver on its strategy, building on its 175-year heritage. This strategy enables AMP to deliver on its purpose, helping people create their tomorrow. As the board oversees AMP's progress against its strategy, the board's commitment to governance was demonstrated in a number of key areas in 2023:

Succession planning & board renewal

The AMP board engaged an external advisor to assist with its board succession planning. This involved refreshing the skills matrix to align to future strategy and supported the appointment of two new non-executive directors, Kathleen Bailey-Lord and Anna Leibel effective 1 January 2024.

Advisory Groups

In October 2022, AMP's board established two advisory groups to support and promote two of AMP's key strategic enablers, ESG and sustainability, and Technology transformation. These board advisory groups conducted workshops and deep dives with management throughout the year on these topics. Following the satisfaction of core objectives, the advisory groups were dissolved in mid-2023. ESG, sustainability and technology transformation will continue to be overseen by AMP's board and its committees.

Culture, conduct & ethical behaviour

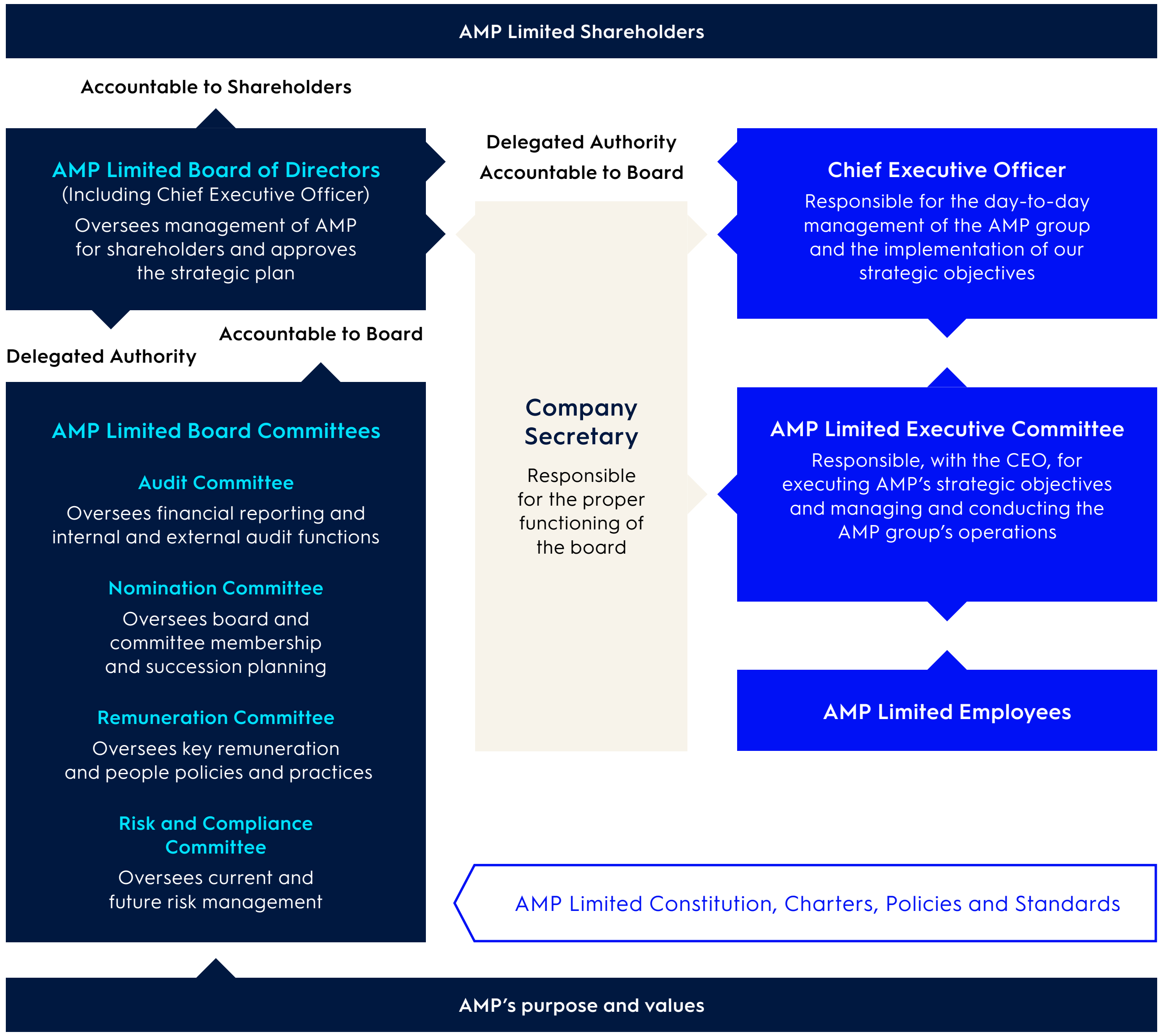
AMP's code of conduct was refreshed in 2023 in line with AMP's purpose and values. AMP launched new performance and recognition programs to drive accountability, and positively encourage employees to promote and work in alignment with AMP's values.

Risk culture

AMP continues to focus on maintaining an appropriate risk culture, aligned to AMP's purpose and values. Risk culture is measured biannually, with results provided to the board, and focus areas identified with clear action plans. AMP continues to engage with all employees on risk culture via an internal Speak Up survey, providing employees with opportunities to share their experiences of risk culture and provide valuable feedback.

→ To read more about AMP's approach to corporate governance, please see the 2023 Corporate governance statement

AMP's governance framework provides clear separation of the board's oversight functions from the executive responsibilities and accountability of the CEO and AMP's leadership team. This framework is supported by AMP's constitution, internal policies, charters, standards and procedures which facilitate this separation of responsibilities. An overview of AMP's corporate governance framework is depicted below.



From time to time, additional board committees, working or advisory groups are established, or a board member is appointed as the board's representative on management steering committees. In 2023, this included two advisory groups, an ESG (environmental, social and governance) & sustainability advisory group and a Technology transformation advisory group, to enhance the board's insight into these key strategic enablers.

Board of directors

Debra Hazelton

BA (Hons), MCom, GAICD

Independent Chair

Debra was appointed to the AMP Limited Board as a Non-executive director in June 2019 and as the Chair in August 2020. She was also appointed as the Chair of the Nomination Committee in August 2020 and is a member of the Remuneration Committee. Debra is also the Chair of the AMP Bank Board.

Experience

Debra brings significant experience from more than 30 years in global financial services, including as the local Chief Executive of Mizuho Bank in Australia and Commonwealth Bank in Japan. She has expertise across financial markets, institutional banking, risk management, treasury, human resource management and global corporate culture transformation. Debra is currently Chair of Export Finance Australia and a Non-executive director on the boards of Australia Post, Treasury Corporation of Victoria, Persol Holdings Co. Ltd (Tokyo Stock Exchange) and Vice President of the Australia-Japan Business Cooperation Committee. Her previous board experience includes Australia-Japan Foundation, Australian Financial Markets Association, Asia Society and Women in Banking and Finance. She has graduate and post-graduate degrees in economics and finance, as well as philosophy and Japanese language and literature.

Directorships of other ASX listed companies

– None

Directorships of other companies

– Non-executive director, Persol Holdings Co., Ltd (Tokyo Stock Exchange) (appointed July 2023)

Government and community involvement

– Chair and Non-executive director, Export Finance Australia (appointed December 2023, effective February 2024)
– Non-executive director, Australia Post (appointed October 2023)
– Non-executive director, Treasury Corporation of Victoria (appointed August 2018)
– Member and Vice President, Australia-Japan Business Cooperation Committee (appointed November 2020 and appointed as Vice President October 2021)
– Member, Chief Executive Women Australia (appointed January 2020)

Alexis George

BCom, FCA, GAICD

Chief Executive Officer

Alexis George was appointed Chief Executive Officer (CEO) of AMP Limited in August 2021. She is responsible for leading the AMP business. In addition, Alexis was appointed to the AMP Limited Board and AMP Bank Board in August 2021.

Experience

Alexis has more than 30 years' experience in the financial services industry in Australia and overseas. She spent seven years at ANZ, including most recently as the Deputy Chief Executive Officer, working with the CEO to drive group-wide strategic initiatives in addition to having responsibility for its shared service centres and banking services. As the Group Executive Wealth Australia, Alexis led ANZ's ~$4 billion wealth divestment program, including the separation and sale of its life insurance and superannuation businesses to Zurich and IOOF. Prior to ANZ, Alexis spent 10 years with ING Group in a number of senior roles, including CEO Czech Republic and Slovakia, responsible for banking, insurance and funds management, and Regional COO Asia, responsible for product, marketing, technology and operations.

Directorships of other ASX listed companies

– None

Government and community involvement

– Member, Chief Executive Women Australia (appointed October 2016)
– Member, Financial Services Council Board (appointed September 2023)
– Member, Australian Bankers Association Council (appointed August 2021)

Andrew Best

BLaws, BSc, MAICD

Independent, Non-executive director

Andrew was appointed to the AMP Limited Board as a Non-executive director in July 2022 and is a member of the Nomination, Remuneration and Risk and Compliance Committees. At the same time, Andrew was appointed to the AMP Bank Board and is a member of its Risk and Compliance Committee.

Experience

Andrew is a senior financial services executive with over 30 years' international and domestic experience across banking and financial markets in Australia, London, Hong Kong and Singapore, with a particular focus on capital markets and mergers and acquisitions. From 1989 to 2020, Andrew worked with J.P. Morgan Chase & Co holding various roles over his three-decade career with the company, including most recently as Head of Investment Banking for Australia and New Zealand from 2017 to 2020. Prior to that role, Andrew was Head of the Financial Institutions investment banking business for Australia and New Zealand from 2004. Andrew is a member of the Ord Minnett Private Opportunities Fund Investment Committee, a panel member for Adara Group, which provides independent pro bono advice to Australian companies as well as being an executive coach with Foresight Global Coaching.

Directorships of other ASX listed companies

– None

Government and community involvement

– Member, National Heart Foundation Advisory Board (appointed April 2020)

Rahoul Chowdry

BCom, FCA

Independent, Non-executive director

Rahoul was appointed to the AMP Limited Board as a Non-executive director in January 2020. He served as Chair of the Risk Committee from May 2020 to October 2022. He was appointed the Chair of the Audit Committee in October 2022 and is a member of the Nomination and Risk and Compliance Committees. At the same time, Rahoul was appointed to the AMP Bank Board and is Chair of its Audit Committee and a member of its Risk and Compliance Committee.

Experience

Rahoul has over 40 years' experience in professional services, advising complex multinational organisations in Australia and overseas. Rahoul is a member of the Audit and Risk Committee of Minter Ellison's Partnership Board. Between 2018 and 2021, he was Partner and National Leader of Minter Ellison's financial services practice in Australia and leader of the risk consulting practice. Prior to this, Rahoul was a Senior Partner in PwC Australia and subsequently Canada, serving for a total of almost 30 years. During this time, he held a number of leadership roles, delivering audit, assurance and risk consulting services to major financial institutions in Australia, Canada and the United Kingdom. Rahoul is also a member of the Advisory Committee for Genpact Australia Pty Ltd.

Directorships of other ASX listed companies

– None

Government and community involvement

– Member, Reserve Bank of Australia, Audit Committee (appointed February 2018)
– Member, Loreto Kirribilli, Finance and Risk Committee (appointed February 2024)

Michael Sammells

BBus, FCPA, GAICD

Independent, Non-executive director

Michael was appointed to the AMP Limited Board as a Non-executive director in March 2020. He was appointed as the Chair of the Remuneration Committee in August 2020 and is a member of the Audit and Nomination Committees. At the same time, Michael was also appointed to the AMP Bank Board and is a member of its Audit Committee.

Experience

Michael has over 35 years of professional experience, with significant experience in senior executive financial and commercial roles. His experience as Chief Financial Officer spans over 20 years in ASX Listed companies as well as the public sector. Michael is also Chair of Sigma Healthcare and has served on numerous private boards since 2010.

Directorships of other ASX listed companies

– Non-executive director and Chair, Sigma Healthcare Limited (appointed February 2020 and Chair in August 2022)

Directorships of other companies

– Non-executive director of GMHBA Limited (appointed October 2023)

Board of directors

Mike Hirst

BCom, SFFin, MAICD

Independent, Non-executive director

Mike was appointed to the AMP Limited Board as a Non-executive director in July 2021. He was appointed the Chair of the Risk and Compliance Committee in October 2022 and is a member of the Nomination and Remuneration Committees. At the same time, Mike was appointed to the AMP Bank Board and is Chair of its Risk and Compliance Committee.

Experience

Mike has more than 40 years of experience in board and senior executive leadership roles within retail banking, treasury, funds management and financial markets. Mike was the Managing Director of Bendigo and Adelaide Bank from 2009 to 2018 and prior to this, he worked in senior executive and management positions with Colonial Limited, Westpac Banking Corporation and Chase AMP Bank. Mike served as Deputy Chair of the Treasury Corporation of Victoria and previously held non-executive directorships with Austraclear Limited, Colonial First State, Rural Bank and Barwon Health Limited. Mike was a Commissioner on the Federal Government's National COVID-19 Commission Advisory Board, a member of the Federal Government's Financial Sector Advisory Council and was Deputy Chair of the Australian Banking Association.

Directorships of other ASX listed companies

– Non-executive director, AMCIL Limited (appointed January 2019)
– Non-executive director, Butn Limited (appointed September 2020)

Directorships of other companies

– Non-executive director of GMHBA Limited (appointed July 2018)
– Non- executive director of Adelaide Airport Limited (appointed September 2023)

Government and community involvement

– Acting Chair, Racing Victoria (appointed as a director in 2015, Deputy Chair in October 2016 and Acting Chair October 2016–October 2017 and from July 2023)
– Honorary Member, Business Council of Australia (appointed July 2018)

Andrea Slattery

BAcc, MCom, FCPA, FCA, FSSA, FAICD, GCB.D(ESG)

Independent, Non-executive director

Andrea was appointed to the AMP Limited Board as a Non-executive director in February 2019 and is a member of the Audit, Nomination and Risk and Compliance Committees. At the same time, she was appointed to the AMP Bank Board and is a member of its Audit and Risk and Compliance Committees. In addition, Andrea was also appointed to the AMP Foundation Board in March 2022.

Experience

As a Non-executive director, Andrea has substantial experience on global, public and private companies and government advisory committees in the finance, clean energy, infrastructure, superannuation, professional services and defence industries, spanning more than 30 years.

As an executive, Andrea was the co-founder, managing director and CEO of the SMSF Association from 2003 to 2017. Prior to this, Andrea was a financial adviser and Principal of her own tax consulting and advisory business. Andrea's previous Government Advisory Committee appointments include the Federal Government's Innovation Investment Partnership, Industry Working Group, Stronger Super Peak Consultative Group, Superannuation Advisory Group and the Future of Financial Advice.

Directorships of other ASX listed companies

– Non-executive director, Argo Global Listed Infrastructure (April 2015 – June 2022)

Directorships of other companies

– Non-executive director, Infrabuild Ltd (appointed December 2022)

Government and community involvement

– Non-executive director, Clean Energy Finance Corporation (appointed February 2018)
– Deputy Chair, Woomera Prohibited Area Advisory Board (appointed July 2019)
– Member, Chief Executive Women Australia (appointed January 2017)
– Member, Global Competent Boards (appointed November 2021)

Kathleen Bailey-Lord

BA(Hons), FAICD

Independent, Non-executive director

Kathleen was appointed to the AMP Limited Board as a non-executive director in January 2024 and is a member of the Nomination and Remuneration Committees. At the same time, Kathleen was appointed to the AMP Bank Board.

Experience

Kathleen has over 25 years' experience in board and senior executive leadership roles across diverse industry sectors including financial services, technology, utilities and education. Kathleen was the Group General Manager, Global Shared Services of Australia and New Zealand Banking Group (ANZ) from 2008–2013 and prior to this she was the Chief Executive Officer of The Fordham Group and held senior executive management positions with PMP Ltd, Phillips Fox Lawyers (now DLA Piper) and IBM Australia and New Zealand.

Directorships of other ASX listed companies

– Non-executive director and Chair, Janison Education Group Limited (appointed February 2022 and as Chair, October 2023)
– Non-executive director, Bank of Queensland (May 2019–August 2021)

Directorships of other companies

– Non-executive director, Datacom Group Limited (appointed April 2022)
– Non-executive director, Alinta Energy (appointed May 2021)

Government and community involvement

– Non-executive director, St Vincent's Health Australia Limited (appointed April 2023)
– Australian Institute of Company Directors, Victorian Councillor (appointed 2017) and Victorian President (elected 2024), Member of Technology Governance & Innovation Advisory Panel (appointed 2018)
– Member, Chief Executive Women (appointed January 2009)

Anna Leibel

LLM (EntGov), GDipITLdshp, GAICD

Independent, Non-executive director

Anna was appointed to the AMP Limited Board as a non-executive director in January 2024 and is a member of the Nomination and Risk and Compliance Committees. At the same time, Anna was appointed to the AMP Bank Board and its Risk and Compliance Committee.

Experience

Anna's experience spans private and public boards and senior executive leadership positions across a wide spectrum of highly regulated and asset-intensive service sectors such as financial services, telecommunications, infrastructure and healthcare. Anna was the Chief Delivery and Information Officer (2019–2021) and Chief Information Officer (2017–2019) at UniSuper and has also held senior executive roles with PwC and Telstra.

Directorships of other ASX listed companies

– None

Directorships of other companies

– Non-executive director, Secure Electronic Registries Victoria (SERV) (appointed September 2021)

Government and community involvement

– Non-executive director, Alfred Health (appointed July 2021)

Kate McKenzie BA, LLB, MAICD

Former Independent, Non-executive director

Kate served as an independent non-executive director of AMP Limited and AMP Bank Limited from November 2020 until her retirement in December 2023. Kate was also a member of the AMP Limited Nomination Committee for 2023 and Remuneration Committee (July–August 2023).

Group Executive Committee

Alexis George

BCom, FCA, GAICD

Chief Executive Officer

Alexis George was appointed Chief Executive Officer (CEO) of AMP Limited in August 2021. She is responsible for leading the AMP business. In addition, Alexis was appointed to the AMP Limited Board and AMP Bank Board in August 2021.

Experience

Alexis has more than 30 years' experience in the financial services industry in Australia and overseas. She spent seven years at ANZ, including most recently as the Deputy Chief Executive Officer, working with the CEO to drive group-wide strategic initiatives in addition to having responsibility for its shared service centres and banking services.

As the Group Executive Wealth Australia, Alexis led ANZ's ~$4 billion wealth divestment program, including the separation and sale of its life insurance and superannuation businesses to Zurich and IOOF. Prior to ANZ, Alexis spent ten years with ING Group in a number of senior roles including CEO Czech Republic and Slovakia, responsible for banking, insurance and funds management, and Regional COO Asia, responsible for product, marketing, technology and operations.

Alexis is a member of the Institute of Chartered Accountants and a graduate of the Australian Institute of Company Directors. Alexis is an active member of Chief Executive Women and is a passionate advocate for women in leadership roles. She is a member of the Financial Services Council Board and the Australian Bankers Association Council.

Blair Vernon

BBS

Chief Financial Officer

Blair joined AMP in 2009 and took up the role of Chief Financial Officer in July 2023.

Experience

Blair was previously CEO/Managing Director of New Zealand Wealth Management from January 2017, and prior to this served as AMP's Director Retail Financial Services; Director of Advice & Sales and General Manager Marketing and Distribution. Blair has over 30 years' experience across the financial services sector in New Zealand and Australia.

From August 2020 to January 2021, Blair also served as Acting CEO for AMP Australia, where he was responsible for AMP's wealth management and banking divisions with a focus on strengthening client-led outcomes.

David Cullen

BCom, LLB, LLM

Group General Counsel

David joined AMP in September 2004 and was appointed Group General Counsel in May 2018. David has group-wide responsibility for AMP's legal and governance functions.

Experience

David has over 30 years' experience in the legal profession, with extensive experience in the areas of M&A, corporate law and corporate governance, having worked in law firms in Perth and Sydney and with the ASX. Prior to his appointment as Group General Counsel, David was the Group Company Secretary and General Counsel, Governance at AMP, which included acting as Company Secretary for AMP Limited.

David holds a Bachelor of Commerce and Bachelor of Laws from the University of WA and a Master of Laws from the University of Sydney. He is a Fellow of the Governance Institute of Australia.

Rebecca Nash

BBus, GAICD, GradCert

Chief People, Sustainability and Community Officer

Rebecca was appointed the Chief People Officer in November 2021 and is responsible for leading human capital strategy, employee experience, talent and succession, leadership, performance, remuneration, recruitment, diversity and inclusion, cultural transformation and employee development. Rebecca is also accountable for corporate communications and sustainability. Rebecca joined AMP in April 2020 as Group Director People.

Experience

Rebecca has more than 25 years of local and global multi-sector experience. Prior to joining AMP, she spent seven years at Perpetual as the Group Executive, People & Culture, where her portfolio included sustainability and business transformation. During her time at Perpetual, Rebecca served as a Director of Perpetual Trustee Company. Prior to Perpetual, Rebecca held senior roles with National Australia Bank and Accenture. Rebecca is a graduate of the Australian Institute of Company Directors, Stanford Business School and Harvard Business School's Women on Boards program (2018). She holds a Bachelor of Business degree from the University of Technology, Sydney, and a change management qualification from the Australian Graduate School of Management at the University of New South Wales, Sydney.

Sean O'Malley

MBA, BCom, FIML

Group Executive, AMP Bank

Sean O'Malley was appointed the Group Executive of AMP Bank in September 2021. He is responsible for the management and growth of AMP Bank, and for Marketing across the group.

Experience

Sean joined AMP in May 2013 and has over 25 years of experience in delivering enhanced business results, predominately in financial services industries. He has deep and broad leadership experience, having performed multiple roles across the AMP business, including as Director of AMP Contact Centres and Operations Transformation with a focus on transforming the customer experience, and Director of AMP Direct, where he designed the organisational structure and operating model of AMP's direct-to-client advice model. Sean joined the bank as Director of Technology and Operations in 2016, focused on leading capability and technology enhancements, and the Future AMP Bank Core Program. In April 2021, Sean was appointed to Managing Director AMP Bank. Sean is responsible for leading the bank, delivering its future growth strategy, uplifting its digital capability and ensuring the ongoing delivery of high-quality products and services to customers.

Nicola Rimmer-Hollyman

BA (Hons), MSc, CMIIA, QAIP

Chief Risk Officer

Nicola joined AMP in August 2019 as Head of Internal Audit and became Chief Audit Executive in February 2020. She was appointed Acting Chief Risk Officer in February 2022 and Chief Risk Officer in May 2022, leading AMP's Risk Management function across the group.

Experience

Nicola has more than 25 years of experience in financial services, both domestically and internationally, during which time she has built a deep understanding of regulation, risk, governance and control. Nicola has held various roles in financial services organisations and regulators, including most recently with ANZ as General Manager of Audit for the Wealth business, and at Barclays, HBOS and the Financial Services Authority in the UK. Nicola is also a past President of the Chartered Institute of Internal Audit in the UK and a former board member of the Global Institute of Internal Audit.

Nicola holds a Bachelor of Arts (Honours) from Middlesex University and a Masters in Audit Management and Consultancy from the University of Central England.

Group Executive Committee

Edwina Maloney

LLB, GradDip Applied Finance & Investment (FINSIA)

Group Executive, Platforms

Edwina was appointed Group Executive Platforms in July 2023. The Platforms business provides superannuation, retirement and investment solutions to advisers and their clients.

Experience

Edwina is a seasoned executive, board director, consultant, and transformational leader having held senior executive roles across wealth management; superannuation and funds management businesses. In June 2021, Edwina was appointed Director, Platforms at AMP, with end-to-end accountability for AMP's Wealth Superannuation Fund, Wrap Platforms and SuperConcepts SMSF business (which was sold on 30 June 2023).

Previously, Edwina led AMP Capital's Global Product function, responsible for its Managed Investment Schemes, offshore domiciled funds and separate accounts. Before AMP, Edwina held various senior leadership roles at Perpetual Investments responsible for strategy; business development; product innovation and management functions. She was also a management consultant with Accenture specialising in wealth management and began her career as a lawyer with DLA Piper (then Phillips Fox).

Edwina holds a Bachelor of Laws (QUT) and a Graduate Diploma in Applied Finance & Investment (FINSIA). She is a Director of ASFA.

Matt Lawler

DipFinPlan, Dip Applied Finance and Investment (FINSIA)

Group Executive, Advice

Matt was appointed Group Executive Advice in July 2023, and is responsible for leading AMP's Advice business, which provides professional services to a network of aligned and independent financial advisers.

Experience

Matt is a highly experienced leader in financial services having held senior executive roles across financial advice, wealth management, superannuation, investments, mortgages and banking. Matt joined AMP in July 2021 to lead and transform AMP's advice business.

Matt has extensive experience in large scale advice transformations and a deep knowledge of building and operating successful advice businesses. He has led advice and mortgage broking businesses at MLC/NAB, was CEO of Yellow Brick Road, an ASX listed business, and Executive Director at Loan Market and Wealth Market, both privately owned businesses.

Matt holds a Diploma in Financial Planning from RMIT University and a Diploma in Applied Finance and Investment from FINSIA.

Melinda Howes

BEc, FIAA, GAICD

Group Executive, Superannuation and Investments

Melinda was appointed Group Executive Superannuation and Investments in January 2024, joining from KPMG where she led the Actuarial and Data Analytics team. She leads AMP's Investment business and the Superannuation (Master Trust) business which serves personal and corporate super members.

Experience

Melinda has deep expertise in superannuation with more than 30 years in the industry. She also has experience in wealth management, life insurance, general insurance and not for profit organisations, including as CEO of the Actuaries Institute and Policy Director at ASFA.

Having spent eleven years at BT Financial Group in the 1990–2000's, Melinda was Managing Director, Superannuation for seven years from 2014 where she led the transformation and simplification of BT's complex heritage superannuation business to a modern digital enterprise, migrating $31bn and 560,000 members from multiple products to the go-forward offer.

Melinda is an actuary and is a Fellow of the Institute of Actuaries of Australia. She has executive and non-executive director experience and is a graduate of the Australian Institute of Company Directors. She has been an active member of ASFA and the FSC over many years, including serving on ASFA's board and the FSC superannuation board committee.

Kavita Mistry

BSc, MIMS

Chief Technology Officer

Kavita was appointed Chief Technology Officer in January 2024, and is responsible for leading the group's technology strategy to ensure a digital first approach aligned to AMP's strategy of a simplified, customer-centric business.

Experience

Kavita is an accomplished technology leader with expertise in driving transformational change to deliver strategic and commercial objectives. Kavita has more than 20 years' experience across a variety of technology roles specialising in financial services, including superannuation, investments, digital, data, cloud, lending, and corporate technology.

Prior to AMP Kavita was at AustralianSuper, where she held the roles of co-acting CTO and Head of Enterprise Technology. At AustralianSuper she established and transformed technology capabilities across investments, member experience, cloud infrastructure, employee experience, data, and enterprise technology assets. Prior to this, Kavita held various senior positions over 14 years at ANZ, including leadership roles within Home and Business Lending technology.

Directors' report

for the year ended 31 December 2023

About the Directors' report

This directors' report provides information on the structure and progress of our business, our 2023 financial performance and our strategies and prospects for the future. It covers AMP Limited and the entities it controlled during the year ended 31 December 2023. In addition to the information contained in this section, the following information also forms part of the directors' report:

– Information on directors (pages 26–29)
– Managing key risks (pages 20–23)

All figures are in Australian dollars ($) unless otherwise stated.

Operating and financial review

Principal activities

AMP Group provides banking, superannuation, retirement and financial advice services in Australia and New Zealand.

For the purposes of this report, our business is divided into five operating business units: AMP Bank, Platforms, Master Trust, Advice and New Zealand Wealth Management.

AMP Bank offers residential mortgages, business financing, deposits and transactional banking services. The Bank continues to focus on growth through its digital channels, improving the experience for both customers and intermediaries. AMP Bank has helped around 191,000 customers with their banking needs and during 2023 provided over 9,000 customers with new home loans.

AMP's Platforms business is a leading provider of superannuation, retirement and investment solutions, enabling advisers and their clients to build a personalised investment portfolio on AMP's flagship North platform.

AMP's Master Trust, SignatureSuper, is one of the largest retail Master Trusts in Australia, providing superannuation and pension solutions to individuals and through workplace super.

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 this network of advisers, the Advice business partners with a number of advice practices via equity ownership to support their growth.

New Zealand Wealth Management provides clients with a variety of wealth management solutions including KiwiSaver, corporate superannuation, retail investments and general insurance. It also operates a wholly owned distribution business operating under the AdviceFirst and enable.me brands.

In addition to these operating business units, AMP also holds several strategic partnerships and other retained interests including:

– 19.99% of China Life Pension Company (CLPC),
– 14.97% of China Life AMP Asset Management Company Ltd (CLAMP), and
– 23.27% in US real estate investment manager, Pacific Coast Capital Partners LLC (PCCP).

Completion of Sale of AMP Capital

Domestic real estate and infrastructure equity business

Further to AMP's announcement of the first stage completion of the sale and transfer of the AMP Capital real estate and domestic infrastructure equity business to Dexus Funds Management Ltd (Dexus) in March 2023, AMP confirmed final completion of the transaction occurred on 30 November 2023 and AMP received the remaining $50m of the $225m base purchase price.

International infrastructure equity business

On 3 February 2023, AMP announced the completion of the sale and transfer of AMP Capital's international infrastructure equity business to DigitalBridge Group, Inc. (DigitalBridge). The total consideration received was $520m.

The completion of the sale of the domestic real estate and domestic and international infrastructure equity businesses supports the delivery of AMP's strategic objective to simplify its portfolio and focus on its core businesses in Australia and New Zealand.

Settlement of Shareholder class action and Financial adviser class action

Shareholder class action

AMP Limited has been subject to a Shareholder Class Action since 2018 relating to alleged breaches of continuous disclosure obligations. On 21 August 2023, AMP announced that an in-principle agreement had been reached to settle the shareholder class action, without admission of liability, for a total sum of $110m (inclusive of interest and costs), of which a majority of the settlement amount would be met by available insurance proceeds. On 14 November 2023, the settlement was approved by the Supreme Court of New South Wales and an amount of approximately $74m was subsequently recovered from AMP's insurers, resulting in a net exposure of approximately $36m for AMP. The receipt of the insurance proceeds and settlement payment to the lawyers for the plaintiffs were fully completed in January 2024.

Financial adviser class action

On 23 November 2023, AMP announced that an agreement had been reached to settle the class action brought on behalf of certain advice practices authorised by AMP Financial Planning Pty Limited as of 8 August 2019. The settlement is for a total sum of $100m, inclusive of costs and interest, without admission of liability, and subject to the finalisation and execution of a deed of settlement and approval by the Federal Court of Australia (the Court). The settlement covers the class action in its entirety, including for those parts of the proceeding about which there has been no judgment. Approval by the Court is expected in 1H 24.

Review of operations and results

The profit attributable to the shareholders of AMP Limited for the full year ended 31 December 2023 was $265m (FY22: $387m). Profit for the group and key performance metrics were as follows:

Profit ($m)	FY23	FY22	%FY
AMP Bank	**93**	103	(9.7)
Platforms	**90**	65	38.5
Master Trust	**53**	53	-
Advice	**(47)**	(68)	30.9
New Zealand Wealth Management	**34**	32	6.3
Group[1]	**(27)**	(1)	n/a
NPAT (underlying)	**196**	**184**	6.5
Items reported below NPAT[2]	**62**	152	(59.2)
Discontinued operations[3]	**7**	51	(86.3)
NPAT (statutory)	**265**	**387**	(31.5)

– FY23 NPAT (underlying) of $196m was $12m higher than FY22 (FY22: $184m). This reflects improved Platforms earnings (38.5%), improved New Zealand Wealth Management earnings (6.3%) and a reduction in losses in our Advice business (30.9%). This was partly offset by lower AMP Bank earnings (9.7%) due to previously flagged NIM compression, and lower Group earnings which were impacted by lower PCCP sponsor valuations, lower China partnership earnings and higher controllable costs arising from previously announced stranded costs of $20m from M&A transactions.
– FY23 NPAT (statutory) profit of $265m (FY22: $387m) was favourably impacted by a ~$245m net gain on sale of the AMP Capital and SuperConcepts businesses, partly offset by recognition of certain one-off costs, including transformation costs, provisions for financial adviser and shareholder class actions and leasing impairments resulting from subleasing activity to reduce future property costs.

Key performance metrics	FY23	FY22
Earnings		
EPS – actual (cps)	**9.3**	12.0
EPS – underlying (cps)	**6.8**	5.7
RoE – underlying	**5.0%**	4.6%
RoE – actual	**6.7%**	9.7%
Volumes		
AMP Bank total loans ($m)	**24,441**	24,033
– Platforms AUM ($m)	**71,060**	65,495
– Master Trust AUM ($m)	**51,865**	54,023
– New Zealand Wealth Management AUM ($m)	**10,853**	10,459
Total AUM ($b)	**133.8**	130.0
Controllable costs (pre-tax) and cost ratios		
Controllable costs – excluding discontinued operations ($m)	**744**	757
Cost to income ratio – excluding discontinued operations	**69.0%**	71.6%

1 Includes Strategic partnerships, Group costs not recovered from business units, investment income and interest expense on corporate debt.
2 Includes net gain on sale of AMP Capital and SuperConcepts businesses, transformation cost out and other one-off costs.
3 Includes earnings attributable to sold businesses of AMP Capital and SuperConcepts.

Directors' report

for the year ended 31 December 2023

- Basic earnings per share on a statutory basis for the year ended 31 December 2023 was 9.3 cents (FY22: 12.0 cents). On an underlying basis, earnings per share was 6.8 cents, an increase of 19.3% on FY22, driven by the buyback of shares as part of the capital management strategy.
- Underlying return on equity was 5.0% in FY23 (FY22: 4.6%). Total AUM across Platforms, Master Trust and New Zealand Wealth Management of $133.8b in FY23 increased by $3.8b (2.9%) from FY22.
- Group cost-to-income ratio improved to 69.0% in FY23 from 71.6% in FY22. AMP's controllable costs were $744m, $13m lower than FY22 which is at the lower end of the guidance previously provided to the market, with cost out initiatives continuing to negate the impacts of inflation and previously announced stranded costs of $20m.

2023 Business unit overview

AMP Bank

NPAT (underlying) of $93m decreased by $10m (9.7%) on FY22. Net interest income decreased 2.4% and net interest margin was down 11bps to 1.27%. AMP Bank's return on capital in FY23 was 7.9%, down from 9.3% in FY22 driven by lower profit.

During the period, AMP Bank targeted customer growth through digital and direct channels, growing to around 191,000 customers. AMP Bank provided over 9,000 customers with new home loans in FY23, and improved turnaround times to an average of 8.7 days. AMP Bank continues to maintain a conservative approach to lending - 90+ day arrears was 0.62%, and 43% of customers are ahead of their mortgage repayments by more than three months.

Platforms

NPAT (underlying) of $90m increased by $25m (38.5%) on FY22, predominantly driven by favourable North Guarantee valuations movements arising from higher equity markets and higher investment income, partly offset by higher controllable costs to support business growth.

Net cash inflows of $1,401m (FY22: $2,532m) were impacted by cyclical factors and economic conditions. This was particularly evident in the IDPS segment with cost-of-living pressures and higher interest rates impacting flows. AUM based revenue compared to average AUM of 47bps in FY23 was lower by 1bp compared to FY22, reflecting pricing changes from simplification.

The strategic focus on Independent Financial Advisers (IFAs) continues, with 31% of inflows to North now from IFAs, and with IFA inflows increasing by 33% since FY22. Average AUM of $68.1b was $1.8b higher than FY22 at $66.3b, with continued growth in managed portfolios where AUM now exceeds $13b.

Master Trust

NPAT (underlying) of $53m is in line with FY22, driven by lower controllable costs, partly offset by the impact on revenue following the simplification of investment options and lower average AUM. Negative net cashflows included the impact of a $4.3b mandate loss.

AUM based revenue compared to average AUM of 64bps in FY23 was lower by 3bps compared to FY22, driven by investment simplification. Master Trust's ongoing simplification initiatives are driving a lower controllable cost base (down 11% on FY22), as well as enabling competitive pricing for members.

Advice

The improvement of the Advice business continues, with NPAT losses (underlying) of $47m reduced by $21m (30.9%) from FY22, driven by continued focus on cost efficiency, with a $21m (15.2%) reduction in controllable costs. An 88.9% improvement in variable costs from FY22 was driven by factors including the restructuring of the equity portfolio.

The quality of the AMP Advice Network remains high with 51% of practices generating over $1m of revenue. Adviser satisfaction with licensee services also improved to 81% in the period, up from 68% at FY22.

New Zealand Wealth Management

NPAT (underlying) of $34m in FY23 is $2m higher than FY22. Lower AUM based revenue in FY23, as a result of divesting legacy AUM revenue lines, has been offset by growth in non-AUM revenue. Net cash outflows of $160m are $34m higher than cash outflows of $126m in FY22, with net outflows in wealth management products (-$304m) being offset by improved KiwiSaver cashflows (+$144m), reflecting new member and contribution growth.

During the period, the acquisition of enable.me, a financial advice and coaching business, further diversified non-AUM based revenue in New Zealand.

Strategic partnerships

Lower strategic partnerships earnings due to lower PCCP sponsor valuations impacted by US real estate and China partnership earnings due to regulatory changes relative to FY22.

Capital, liquidity and dividend

Capital and liquidity

A number of operating entities within the AMP Group of companies are regulated, including AMP Bank (an authorised deposit taking institution), superannuation entities, and the Advice businesses which have AFS Licence requirements. These companies are regulated by APRA and ASIC and are required to hold minimum levels of regulatory capital and liquidity.

In addition, target capital requirements to maintain sufficient capital for AMP's appetite for material risks are applied at the business unit level and calculated that sufficient capital is reserved to ensure minimum regulatory requirements are upheld under modelled stress scenarios comprising financial, product and operational risks as prudentially required.

AMP Group's surplus capital as at 31 December 2023 was $565m (FY22: $923m) reflecting the receipt of proceeds and the release of target capital requirements from the AMP Capital divestment, profits offset by share buybacks ($338m), the FY22 final dividend ($75m), the FY23 interim dividend ($70m), the redemption of eligible hybrid capital ($250m), and increases in the minimum regulatory requirements of Bank, Platforms and Master Trust.

Dividend and capital return

In August 2022, AMP announced a $1.1b capital management program to return capital to shareholders. The first tranche of the capital return ($350m) was delivered through on-market share buybacks and was completed on 29 March 2023.

The second tranche of the capital return ($400m) was delivered through on-market share buybacks ($255m) and final dividend for FY22 ($75m) and interim dividend for FY23 ($70m). The completion of Tranche 1 and Tranche 2 represents $750m of capital returned to shareholders.

The third tranche, representing the remaining $350m, is to be delivered through a final FY23 dividend of 2.0 cps (~$55m) franked at 20%, with the remaining $295m to be returned via further dividends which may be declared by the Board, and on-market buybacks that are subject to shareholder approval, as required.

Strategy and future prospects

AMP's strategy was updated in February 2024 to reflect the progress made to reposition and simplify the business. The strategy focuses on three key themes:

Drive business line profitability and positive customer experience

- Drive performance across AMP's operating business units, and refine retirement solutions in Platforms and Master Trust to solidify AMP's position in the retirement space. Address Net Interest Margin compression and return to an appropriate level of Return on Capital in AMP Bank.

Efficient capital, cost and balance sheet management

- Right size corporate costs, deliver on business simplification program. Maintain disciplined capital management, reduce net debt as appropriate and return surplus capital to shareholders.

Create new revenue sources and lasting points of differentiation

- Expand on channel opportunities, and extend retirement product innovation. Digital Business Bank to begin operating in Q1 2025 to diversify bank funding mix.

Strategic priorities for 1H 24

AMP's strategic priorities for 1H 24 align to these themes. Key focus areas include: Continuing to target reaching breakeven in Advice; refining the retirement product offer in Master Trust; continuing to deliver against controllable cost targets; progressing the digital business bank to launch in Q1 2025; investing in IFA sales and service in Platforms; and maintaining performance in New Zealand.

Further detail on strategy and prospects is included in the Strategy section of this report on pages 10–11.

The Environment

In the normal course of its business operations, AMP is subject to a range of environmental regulations of which there have been no material breaches during the year. You can find a review of AMP's 2023 sustainability performance in AMP's 2023 Sustainability report at corporate.amp.com.au/about-amp/corporate-sustainability, as well as further information on AMP's environmental policy and activities.

Events occurring after the reporting date

As at the date of this report and except as otherwise disclosed in this report, 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.

Directors’ report

for the year ended 31 December 2023

The AMP Limited Board of Directors

The directors of AMP Limited during the year ended 31 December 2023 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)
Kathleen Bailey-Lord (appointed as a director on 1 January 2024)
Andrew Best
Rahoul Chowdry
Mike Hirst
Anna Leibel (appointed as a director on 1 January 2024)
Michael Sammells
Andrea Slattery

Executive Director:

Alexis George (Chief Executive Officer and Managing Director)

Former Non-executive Director:

Kate McKenzie (resigned as a director on 31 December 2023)

Attendance at board and committee meetings

The AMP Limited Board met 20 times during the year ended 31 December 2023. The Chair and directors also attended other meetings, including board committee meetings, special purpose committees, strategy sessions and advisory and working groups. The Chair and directors also frequently attended meetings of committees, special purpose committees, and advisory and working groups of which they were not a member during the year.

The table below shows details of attendance by directors of AMP Limited at meetings of boards, committees and advisory groups of which they were members during the year ended 31 December 2023. Any voluntary attendances by directors in their capacity as observers are not included in the table below:

Board/committee	AMP Limited Board Meetings[1]		Audit Committee		Risk Committee		Nomination Committee		Remuneration Committee		AMP Ltd ESG & Sustainability Advisory Group[2]		AMP Ltd Technology Transformation Advisory Group[3]		Additional Committees[4]
Held/attended	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**B**
Debra Hazelton	20	20	–	–	–	–	5	5	6	6	4	4	–	–	6
Andrew Best[5]	20	18	–	–	7	7	5	4	2	2	–	–	2	2	–
Rahoul Chowdry	20	20	5	5	7	7	5	5	–	–	–	–	–	–	2
Mike Hirst	20	20	–	–	7	7	5	5	6	6	–	–	2	2	4
Michael Sammells	20	20	5	5	–	–	5	5	6	6	4	4	–	–	4
Andrea Slattery	20	20	5	4	7	7	5	4	–	–	4	4	–	–	–
Kate McKenzie[6]	20	19	–	–	–	–	5	4	1	1	–	–	2	2	–
Alexis George	20	20	–	–	–	–	–	–	–	–	–	–	–	–	–

Column A – indicates the number of meetings held while the director was a member of the board/committee. Directors may, and frequently do, attend meetings as observers if they are not a member of the committee.

Column B – indicates the number of those meetings attended.

1 Where board and committee meetings of AMP Limited and AMP Bank Limited were held concurrently, only one meeting has been recorded.
2 AMP Ltd ESG & Sustainability Advisory Group established 1 October 2022 and ceased 31 August 2023.
3 AMP Ltd Technology Transformation Advisory Group established 1 October 2022 and ceased 30 June 2023.
4 Additional committees were convened during the year on matters including board succession and renewal matters and financial results.
5 Andrew Best was a member of the Remuneration Committee effective 1 September 2023.
6 Kate McKenzie was a member of the Remuneration Committee effective 1 July 2023–31 August 2023, and retired as a Non-executive director of AMP Limited effective 31 December 2023.

Company secretary details

Details of each company secretary of AMP Limited as at the date of this report, including their qualifications and experience, are set out below.

David Cullen, Group General Counsel

BCom, LLB, LLM

David was appointed as the Company Secretary for AMP Limited on 4 March 2022. David joined AMP in September 2004 and was appointed Group General Counsel in May 2018. David has group-wide responsibility for AMP’s legal and governance functions. Prior to his appointment as Group General Counsel, David was the Group Company Secretary and General Counsel, Governance at AMP, which included acting as Company Secretary for AMP Limited.

Kate Gordon, Head of Corporate Governance

BA (Juris), LLB, LLM

Kate was appointed as the Company Secretary for AMP Limited on 4 March 2022 and is also secretary of several other AMP group companies. Kate joined AMP as Senior Company Secretary & Senior Legal Counsel in June 2020. Kate has significant experience in the legal profession with expertise in corporate governance, mergers & acquisitions, corporate and commercial law. Before joining AMP, Kate worked at Henry Davis York (now Norton Rose Fulbright) and HWL Ebsworth Lawyers.

Indemnification and insurance of directors and officers

Under its constitution, the company indemnifies, to the extent permitted by law, all current and former officers of the company (including the non-executive directors) against any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as an officer of the company. This indemnity is not extended to current or former employees of the AMP group against liability incurred in their capacity as an employee, unless approved by the AMP Limited Board.

During, and since the end of, the financial year ended 31 December 2023, the company maintained, and paid premiums for, directors’ and officers’ and company reimbursement insurance for the benefit of all of the officers of the AMP group (including each director, secretary and senior manager of the company) against certain liabilities as permitted by the *Corporations Act 2001*. The insurance policy prohibits disclosure of the nature of the liabilities covered, the amount of the premium payable and the limit of liability.

In addition, the company and each of the current and former directors, and a subsidiary of the company and each of the company secretaries, are parties to deeds of indemnity, insurance and access. Those deeds provide that:

- these officers will have access to board papers and specified records of the company (and of certain other companies) for their period of - office and for at least 10 (or, in some cases, seven) years after they cease to hold office (subject to certain conditions);
- the company indemnifies the directors, and a subsidiary of the company indemnifies the secretaries, to the extent permitted by law, and to the extent and for the amount that the relevant officer is not otherwise entitled to be, and is not actually, indemnified by another person;
- the indemnity covers liabilities (including legal costs) incurred by the relevant officer in their capacity as a current or former director or secretary of the company, or as a director or secretary of any AMP group company or an AMP representative in relation to an external company; and
- the company will maintain directors’ and officers’ insurance cover for the directors, to the extent permitted by law, for the period of their office and for at least 10 years after they cease to hold office.

Indemnification and insurance of auditors

To the extent permitted by law, the company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising out of or relating to the audit or the audit engagement agreement, other than where the claim is determined to have resulted from any negligent, wrongful or wilful act or omission by or of Ernst & Young. No payment has been made to indemnify Ernst & Young during or since the financial year ended 31 December 2023.

Remuneration disclosures

The remuneration arrangements for AMP directors and senior executives are outlined in the remuneration report which forms part of the directors’ report for the year ended 31 December 2023. Directors’ and senior executives’ interests in AMP Limited shares, performance rights and options are also set out in the remuneration report on the following pages.

Remuneration report

I would like to thank our CEO Alexis, as well as the executive team and all AMP employees. Their dedication and hard work during the year has continued to drive AMP forward in its strategy.

Remuneration report Contents

Dear fellow shareholder

Thank you for taking the time to read AMP's Remuneration Report for 2023.

Overview of 2023

As Debra and Alexis have outlined earlier in this annual report, 2023 was a year of progress for AMP against our strategy to reposition and simplify the business. We completed the sale of AMP Capital, as well as other non-core businesses including SuperConcepts, and resolved several material legacy matters that enable us to focus on the future of the business. We made further progress on our strategy to create a simpler, more focused wealth management and banking business across Australia and New Zealand, and the focus has now turned to right-sizing AMP's operations for the shape of the business going forward.

AMP's approach to remuneration

The Board seeks to achieve a balance between remuneration outcomes and shareholder experience. In doing so, we consider how to attract and incentivise the right executive talent to deliver on AMP's strategy, as well as recognising the importance of aligning management's interests to those of our shareholders. This means recognising and rewarding the achievements and the progress that has been made during the period, while overlaying the experience of our shareholders and ensuring that the outcomes for executives appropriately reflect that.

Listening and responding to feedback on the 2022 Remuneration Report

Following the 2023 AGM, where AMP received a 'first strike' against the adoption of its 2022 Remuneration Report, the board sought further feedback from shareholders, their representatives and proxy advisors on the matter of remuneration. Following this, we have carefully considered the feedback received and where appropriate, taken action to address some of their key concerns.

– In particular, we know that the balance of financial and non-financial metrics in AMP's 2023 performance scorecard is an area of focus for our shareholders, proxy advisors and other stakeholders. During the year, the board made changes to reflect this feedback, increasing the weighting of financial metrics to 60% (from 40%) by assessing strategic objectives through quantifiable financial metrics. This further strengthens management's alignment with shareholders' interests, while maintaining a material weighting to non-financial metrics, in line with the requirements of APRA's prudential standard CPS 511.
– Furthermore, we recognise that the use of upward discretion in 2022 was an area of concern for some stakeholders. The use of upward and downward discretion by the Board in recent years has always sought to ensure that management is appropriately rewarded to reflect what has been achieved in that period. For example, the Board exercised judgment and reduced the 2023 statutory net profit after tax (NPAT) outcome on the Scorecard, taking into account the overall quality of AMP's financial performance. We will continue to seek to align remuneration outcomes with performance outcomes, including financial results, considering shareholder experience and expectations.
– We understand the importance of transparency related to the alignment between pay and performance, and the board has committed to retrospectively disclose short term incentive (STI) targets, together with the outcomes delivered in the performance year. You can read more about this in section 4.2 of this report.
– Some stakeholders raised concern with the weighting and inclusion of RepTrak as a measure within our Long Term Incentive (LTI) plan. Building trust and driving a strong reputation with AMP's stakeholders is clearly fundamental to our success as an organisation. AMP's RepTrak score has been part of our incentive scorecard for the past three years, and is measured on an absolute basis. In order to meet the requirements of CPS 511, we have now also included RepTrak as a measure for LTI purposes, on a relative basis against a chosen comparator group. The board considers that as these measures are calculated on a different basis, it is appropriate that management is focused on both the short-term absolute performance, as well as the long-term relative performance of AMP's reputation. There is further detail on the way this is measured in section 1.2 of this report.
– To reflect the changed portfolio and scale of the business, and in response to stakeholder feedback on CEO and Non-executive director (NED) remuneration quantum, during the year we updated our remuneration benchmark group to reflect the relative size and complexity of our reshaped portfolio. Board fees were also reviewed in 2023 against this group of companies and overall NED fees have reduced by more than 43% from 2019 to 2023. For 2024, we do not anticipate any increases to NED fees, nor any increases to Executive KMP fixed remuneration levels (unless there is a change in the scope of role).

You can read more about AMP's response to the feedback we received, and specific actions taken to address this, in section 1.2 of this report. The Board values an open and constructive dialogue about AMP's remuneration framework and approach with our stakeholders. We appreciate and welcome your feedback.

2023 STI outcomes

The board carefully assessed the 2023 scorecard result, as well as considering the economic and operating environment, and shareholder experience during the performance year. As a result, the board has determined the incentive pool funding of 75%. For the CEO and other Executive Key Management Personnel (KMP), this has resulted in an average STI outcome of 73.5% of target, or 36.7% of the maximum opportunity. In determining this outcome, the Board believes it has balanced the shareholder experience with rewarding, retaining and incentivising those executives key to the long-term successful execution of AMP's strategy. An overview of the STI performance objectives and assessment is in section 4.2.

LTI plan outcomes

During 2023, several LTI plans were performance tested. As announced at our 2023 AGM, the board determined that the 2019 Transformation Incentive Award that was performance tested in February 2023, was below the minimum threshold for any vesting and therefore the performance rights granted under this plan were lapsed. Furthermore, both the 2021 LTI plan and two tranches under the CEO's sign-on award granted in August 2021, were performance tested and did not satisfy the shareholder return measures. As a result, the performance rights granted under these plans lapsed. Further details on the performance testing and outcomes for these awards can be found in section 4.4.

Key Management Personnel

Having made significant change to AMP and simplified the portfolio since the appointment of Alexis George as CEO, during 2023 we further streamlined the organisational structure to remove one of the Key Management Personnel (KMP) roles on our Executive Committee, the Chief Executive – Australian Wealth Management. This has resulted in more of our core business leaders reporting directly to the CEO, and fewer KMP, which is more appropriate for the size of the business.

I would like to thank our CEO Alexis, as well as the executive team and all AMP employees. Their dedication and hard work during the year has continued to drive AMP forward in its strategy. There remains much to do, and we recognise the hard work that it has taken to get to this point.

Michael Sammells
Chair, Remuneration Committee

Remuneration report

This report details the remuneration framework and outcomes for Key Management Personnel (KMP) of AMP Limited for the year ended 31 December 2023. It has been prepared and audited in accordance with the disclosure requirements of the *Corporations Act 2001*.

Section 1 First strike

1.1 Response to 2023 no vote

At AMP's 2023 Annual General Meeting (AGM), 49.10% of votes cast were against the adoption of the 2022 Remuneration Report, constituting a 'first strike' under the Corporations Act. Following this outcome, the board has further considered AMP's executive remuneration framework and engaged with shareholders, proxy advisers and other stakeholders to understand their concerns. The board has listened and taken all comments into consideration in an effort to achieve a balance between remuneration outcomes and shareholder experience, while at the same time considering how to attract and incentivise the right executive talent to deliver on AMP's transformation strategy.

1.2 Specific feedback received and AMP's response

The following table summarises key feedback received from some shareholders and proxy advisors in the lead up to and at AMP's 2023 AGM, and AMP's response to their key concerns.

Areas of concern from stakeholders	AMP's response
Pay for Performance	
Alignment of remuneration outcomes with financial results Use of upward discretion in 2022	The board acknowledges the feedback from the market with regards to positive discretion particularly in light of the share price decline post results release. The board remains committed to being transparent in its efforts to align remuneration outcomes with performance outcomes, and the consideration of shareholder experiences and expectations. The 2022 STI outcomes for the CEO and other Executive Committee (ExCo) members were allocated based on performance against the 2022 scorecard in addition to other performance factors that occurred during the year, that were not envisaged at the start of 2022, including a pivot from listing AMP Capital to divesting the business through a series of trade sales. The board exercised upward discretion of 15% which was withheld until regulatory approval was received for the commencement of the second tranche of capital return, aligning management and shareholder interests. The board deemed that upward discretion was warranted due to the value creation and strategic delivery during the year related to the AMP Capital sales with management essentially having completed all work within their control by year end. The board exercises discretion to ensure that management is rewarded appropriately and there is appropriate variability in pay-for-performance outcomes. For example, in 2021, the board exercised downward discretion with respect to Executive KMP STI outcomes, recognising shareholder experience and the impacts of organisational instability during the first half of 2021. The board determines the AMP incentive pool based on a holistic assessment of company performance and relies on clearly defined principles in exercising its discretion. This includes taking into consideration various factors, including the overall company performance, risk, reputation and shareholder experience, from both an outcome and stakeholder expectation perspective. For further information, refer to the STI adjustment principles in section 3.2 and the overall remuneration adjustment guidelines in section 5.2.

1.2 Specific feedback received and AMP's response *continued*

Areas of concern from stakeholders	AMP's response
Fixed remuneration (FR) and maximum quantum of remuneration of Executive KMP, in particular the CEO, to be aligned to the size of the company	When Alexis George was appointed as CEO (August 2021), her remuneration package was set taking into account a number of factors that were relevant and appropriate at the time, including AMP's market capitalisation. Since her appointment, the CEO has not received an increase in FR, nor has her variable remuneration opportunity changed. There is no intention to increase the CEO and other Executive KMP's remuneration levels for 2024. A number of qualitative and quantitative factors are considered in setting remuneration levels for the non-executive directors, executives and other employees. AMP's approach is to ensure that total remuneration, regardless of an employee's level in the company, remains market competitive, in order to attract and retain high-performing talent to deliver AMP's strategy. During the year AMP reassessed and changed its remuneration benchmark group to better reflect the relative size and complexity of the smaller business. In determining appropriate remuneration levels in addition to the external benchmarking, judgements are required that take into account not only size and market capitalisation, but also ensures comparison to those companies that operate within the same industry, are subject to the same regulations and scrutiny, and have similar levels of complexity. We recognise that we have become a smaller organisation and, in those instances, where roles were historically positioned at higher levels relative to our positioning today, we aim to align them to the median of the benchmark group over time.
Level of non-executive director fees	Board fees were also reviewed in 2023 against the revised remuneration benchmark peer group and are comparable to the market. Overall NED fees have reduced by more than 43% in total from 2019 to 2023. Please refer to section 6.1 for a more detailed explanation.
STI Framework	
Balance between financial and non-financial metrics and choice of strategic measures included in the 2023 Scorecard	During the year, the board made changes to the 2023 scorecard to reflect this stakeholder feedback, increasing the weighting of financials to 60% (from 40%) and replacing those non-financial strategic metrics with quantifiable financial metrics. **Former** **40% Financial** – Statutory Net Profit After Tax – Underlying Net Profit After Tax **20% Strategic** – Bank strategic objectives tracking to plan – Wealth Management strategic objectives tracking to plan – Tracking to approved business benefits case, including mission timeline **Current** **60% Financial** – Statutory Net Profit After Tax – Underlying Net Profit After Tax – Bank Return on Capital (ROC) – Platforms Net Cash Flow – Total Controllable Costs The change strengthens management's alignment with shareholders' interests, whilst maintaining a material weighting to non-financial metrics per the requirements of CPS 511. The weighting of non-financial metrics across total variable reward for the CEO and other ExCo members remains material at 35% in aggregate.
Disclosure of alignment between pay and performance, including disclosure of retrospective STI targets	The board has committed to retrospectively disclosing the STI targets together with the outcomes delivered in the performance year. Refer to section 4.2 of this report. The changes made to the 2023 Scorecard (outlined above) were also disclosed to the market as part of the 2023 Half Year Results Directors' Report.

Remuneration report

1.2 Specific feedback received and AMP's response *continued*

Areas of concern from stakeholders	AMP's response
LTI Framework	
Use of three-year performance period as opposed to four	In reviewing the executive remuneration framework, the board considered the performance period of the LTI. A three-year performance period was adopted due to the following reasons: – With three long term performance metrics in the LTI plan, (Relative Total Shareholder Return (RTSR), and the two new metrics of Reputation (based on RepTrak performance) and adjusted Earnings Per Share (EPS) Growth), a consistent performance period across all three metrics is preferred. Setting targets and strategy for a period of greater than three years is challenging given the company transition, market and external environment. – Whilst the majority of ASX100 Financial Services companies have moved to a performance period of four years, the majority of these companies are within the ASX50 and much larger in size compared to AMP. There is more prevalence of three-year performance periods among companies below the ASX100, such as AMP. Furthermore, at the time changes to the 2023 LTI design were being contemplated, the revised framework met and continues to meet the voting guidelines of proxy advisors, in particular, that LTI performance periods should be at least three years. – The LTI plan has a three-year performance period plus additional restriction periods of up to three years in the case of the CEO (and an additional two years for the other ExCo members), ensuring management interests are aligned with shareholders' interests over the initial three-year performance period and also over the remaining deferral period, which is up to a six- year period in total for each grant.
Appropriate weighting of financial and non-financial metrics	The board included RepTrak as an LTI measure to align to the requirements of CPS511, which requires material weight to be provided to non-financial measures. The externally managed RepTrak measure has been given a 30% weighting, ensuring an appropriate balance between the requirements of CPS 511 and a continuing focus on financial performance.
Inclusion of RepTrak as an LTI metric	Building trust with stakeholders and continuing to improve AMP's reputation with customers and the wider community remains paramount as a key enabler in how we create value. After considering various non-financial metrics, the board selected reputation as a measure for the LTI, as it is key to successful delivery of AMP's transformation strategy. The score measures corporate reputation across a broad range of areas, including scores for products and services, corporate citizenship, conduct, workplace, leadership, performance and innovation. The reputation metric uses data provided by RepTrak, an independent provider, making the measure comparable to benchmarks and the market over time. Furthermore, over the last twelve months, the use of a RepTrak score as a non-financial metric in assessing company performance is becoming more prevalent, particularly in the financial services industry following the introduction of the CPS 511 requirement to have a material weighting to non-financial metrics.
Including RepTrak in both the Scorecard and LTI design, is rewarding management twice for the same work	RepTrak has been part of AMP's Scorecard for the past three years and is measured on an absolute basis. The board determined to include RepTrak in both STI and LTI measures as they are calculated on a different basis. RepTrak for STI purposes (which accounts for 7.5% of the scorecard) is measured annually based on our score, ensuring that management is focused on continual improvement each year and progressively contributing to the overall long-term recovery of our Reputation. Whereas, for LTI purposes, RepTrak is measured on a relative basis and tracks the long-term performance in our RepTrak score relative to the chosen comparator group (refer to section 3.2), ensuring that management's performance is measured on a basis that removes the impacts and/or influences of the market (i.e., removing the likelihood of a scenario where favourable market factors benefit all market participants). Including RepTrak in both the STI and LTI ensures that management are focused on both the short term absolute performance and long term relative performance.

1.2 Specific feedback received and AMP's response *continued*

Areas of concern from stakeholders	AMP's response
Shareholder alignment	
NED ownership levels are lagging against the Minimum Share Ownership requirements	Between 2019 and 2022, opportunities for NEDs to acquire shares during the trading windows in accordance with AMP's Trading Policy were limited due to ongoing transactions, including the sale of AMP Life, portfolio review and sales of AMP Capital businesses. Furthermore, AMP's Trading Policy has historically prescribed trading windows following the release of half year and yearly financial results and the Annual General Meeting, meaning NEDs and other designated employees had limited opportunities throughout the year to trade in AMP securities. During 2023, the trading policy was amended to move from trading windows to black-out periods. This change not only aligns with the market practice observed amongst our financial services peers, but also creates more opportunities for NEDs and other designated employees to acquire AMP securities during appropriate periods. Details of the NED and Executive KMP minimum shareholding requirements can be found in sections 3.2 and 6.2, respectively.

Remuneration report

2 Section

Remuneration snapshot

2.1 Key management personnel

Name	Position	Term as KMP
Executive KMP		
Alexis George	Chief Executive Officer	Full year
Sean O'Malley	Group Executive, AMP Bank	Full year
Nicola Rimmer-Hollyman	Chief Risk Officer	Full Year
James Georgeson	Chief Financial Officer	Until 6 January 2023
Peter Fredricson	Chief Financial Officer	9 January 2023 to 29 May 2023
Blair Vernon	Chief Financial Officer	From 3 July 2023
Scott Hartley	Chief Executive Officer, Australian Wealth Management	Until 28 July 2023
Non-executive directors		
Debra Hazelton	Chair	Full year
Andrew Best	Non-Executive Director	Full year
Rahoul Chowdry	Non-Executive Director	Full year
Michael Hirst	Non-Executive Director	Full year
Kathryn McKenzie	Non-Executive Director	Full year
Michael Sammells	Non-Executive Director	Full year
Andrea Slattery	Non-Executive Director	Full year

In 2023, AMP announced changes to the organisation's structure and consequently, AMP's executive leadership team. The changes are summarised below.

- **Chief Financial Officer:** In November 2022, AMP appointed Peter Fredricson as CFO, replacing James Georgeson. In May 2023, AMP announced Mr Fredricson's retirement and further simplification and streamlining of the business. The role of CFO and Group Executive Transformation were consolidated, and Blair Vernon was appointed to this expanded role effective 3 July 2023.
- **Chief Executive Officer, Australian Wealth Management (AWM):** In line with simplifying the organisation, the role of CEO AWM was removed as part of the transition to AMP's new operating model and a flatter organisational structure. Mr Hartley remained CEO AWM until 28 July 2023. As a result, the respective leadership roles of the Platforms, Advice and Superannuation and Investment businesses were elevated to report directly to the CEO and form part of Executive Committee. Edwina Maloney and Matt Lawler continue to manage the Platforms and Advice business units, respectively, and Melinda Howes was appointed as the Group Executive for the Superannuation and Investments business unit and commenced in the role on 29 January 2024. These new roles were deemed to not meet the definition of KMP.

→ Further information regarding these announcements can be found on AMP's Shareholder Centre

2.2 Remuneration principles

The goal of AMP's remuneration strategy is to align performance, prudent risk management and reward outcomes. It is designed to support the attraction, retention and reward of high-performing talent required to deliver strong customer outcomes, sustained returns to shareholders and foster an environment where AMP's employees can thrive. At the beginning of each year the board sets the scorecard for the performance period to support the achievement of the business strategy. The scorecard consists of five key strategic priorities as outlined below and the board determines the appropriate objectives, metrics and targets. Outcomes awarded under AMP's remuneration framework reflect both **what** the strategy seeks to deliver and **how** it is delivered, as the performance assessment explicitly considers not only the financial and strategic priorities delivered but also relies on the visible demonstration of AMP's desired culture, purpose and values, and conduct expectations. Risk is considered in all elements of the remuneration framework and the decision making process with respect to remuneration outcomes, as detailed in section 5. The remuneration principles provide AMP with the flexibility to address the challenges in attracting and retaining talent, remaining competitive and differentiating for performance.

Our Remuneration principles

Market competitive to attract the right people	Reflect AMP's purpose and values	Differentiate for performance and adjust for risk	Linked to strategy and sustainable value creation	Balance interests of customers, people and shareholders

1. Purpose

2. Strategy

3. Business unit strategy
- Bank
- Platforms
- Advice
- Master Trust
- New Zealand

4. Shareholder experience

5. Key result areas | **6. Deliver & track** | **7. Performance assessment** | **8. Reward**

Short term incentive short term incentive

5. Key result areas	6. Deliver & track	7. Performance assessment	8. Reward
Financials Strategy Customer People Risk	**Plan** – Set AMP Scorecard for the year ahead **Track** – Track progress quarterly **Report** – Report progress to board quarterly – Review and overlay qualitative risk assessment quarterly	**What** – AMP scorecard and other outcomes – Individual Performance Assessment **How** – Values and behaviours – Risk management	The board determines the AMP incentive pool based on a holistic assessment of company performance. Individual outcomes based on AMP incentive pool, business unit performance and individual performance assessment, are recommended by the: – CEO for each Executive Committee member – the Chair of the AMP Board for the CEO

Long term incentive

5. Key result areas	6. Deliver & track	7. Performance assessment	8. Reward
Relative TSR Relative reputation score Absolute EPS	**Plan** – Set LTI targets at the start of the three year performance period	**What** – TSR performance against ASX200 Financials ex A-REITS – RepTrak performance against 15 organisations from RepTrak's benchmark 60 index – Adjusted EPS between 4% and 8%	The board determines the outcomes for each LTI performance measure and determines the number of performance rights that vest into restricted shares for up to two to three years.

Demonstrate desired conduct and risk behaviours and outcomes

Remuneration report

2.3 2023 remuneration outcomes summary

2023 STI outcomes

Financial

Finance & Strategy	Weighting	% Achieved	Weighted outcome
	60%	53%	31.8%

Non-financial

	Weighting	% Achieved	Weighted outcome
Customer	15%	117%	17.6%
People	15%	104%	15.6%
Risk	10%	100%	10.0%

→ Refer to section 4.2 for further information

Scorecard result

75%

Total Pool

75%

2023 LTI Plan outcome

RTSR	Performance period	Peer group	Ranking
	1 Jan 2021 ↓ 31 Dec 2023	S&P/ASX 100 Financials Ex A-REITS	7TH Percentile

→ Refer to section 4.4 for further information

LTI result (% vested)

0%

2.3 2023 remuneration outcomes summary *continued*

2019 Transformation Incentive Plan

CAGR TSR	Performance period	Peer group	Outcome
	1 Aug 2019 ↓ 15 Feb 2023	S&P/ASX 100 Financials Ex A-REITS	-6.4% CAGR TSR

→ Refer to section 4.4 for further information

LTI result (% vested)

0%

2.4 Actual remuneration realised in 2023

Under AMP's 2023 remuneration framework, executives are eligible to receive a mix of fixed remuneration, STI (delivered 60% in cash and 40% deferred in share rights, see section 3.1) and LTI (delivered 100% in performance rights).

The table below sets out the actual remuneration received during 2023 for those executives who were deemed KMP as at 31 December 2023 and the market value of any equity vested during 2023 that was awarded in prior years (either as deferred STI and/or LTI).

This information differs from the statutory remuneration table which presents remuneration in accordance with Australian Accounting Standards. Statutory disclosures are included in section 7.1.

Executive KMP	Year	Fixed[1] remuneration $'000	2023 Cash STI paid[2] $'000	Other cash awards paid[3] $'000	STI & other equity awards vested[4] $'000	LTI equity awards vested[5] $'000	Benefits[6] $'000	Total remuneration received $'000
Alexis George	**2023**	**1,715**	**772**	**257**	**239**	**–**	**1**	**2,984**
	2022	1,715	655	–	420	–	2	2,792
Sean O'Malley	**2023**	**637**	**272**	**90**	**115**	**–**	**–**	**1,114**
	2022	600	204	–	48	–	4	856
Nicola Rimmer-Hollyman	**2023**	**600**	**192**	**57**	**–**	**–**	**2**	**851**
	2022	517	151	–	–	–	–	668
Blair Vernon[7]	**2023**	**462**	**218**	**–**	**–**	**–**	**51**	**731**
	2022	–	–	–	–	–	–	–

1 Fixed remuneration (FR) includes superannuation and salary sacrificed benefits and reflects the time in role during 2023.
2 Cash STI paid during the relevant year is based on outcomes related to the applicable year's performance and reflected for the relevant reporting period. Cash STI represents the 60% portion of the total STI awarded to be paid as cash in March 2024, with the remaining 40% of the STI award will be deferred in share rights in April 2024.
3 As outlined in our 2022 Remuneration Report, the board withheld a portion of the 2022 cash STI, which was only to be released upon the commencement of the second tranche of the capital return. The second tranche of capital return commenced from April 2023, therefore this withheld amount was paid on April 2023 and is included in this column.
4 The value of vested equity awards is calculated based on the units which vested multiplied by the five-day volume weighted average price (VWAP) up to and including the vesting date of each award. The amounts disclosed includes the portion of Alexis George's sign-on awards that vested during 2023 and 2022 and tranche 1 of the 2021 Deferred STI.
5 No LTI equity awards vested during 2023 or 2022.
6 Other benefits may include non-monetary benefits and any related FBT exempt and FBT payable benefits, excluding salary sacrificed benefits. For Blair Vernon, the amount also includes a one-off relocation allowance and the provision of taxation advice and services as part of his relocation package in moving from New Zealand to Australia.
7 For Blair Vernon, the amounts disclosed reflects remuneration paid in line with his KMP period. Refer to Section 2.1 for further information.

Remuneration report

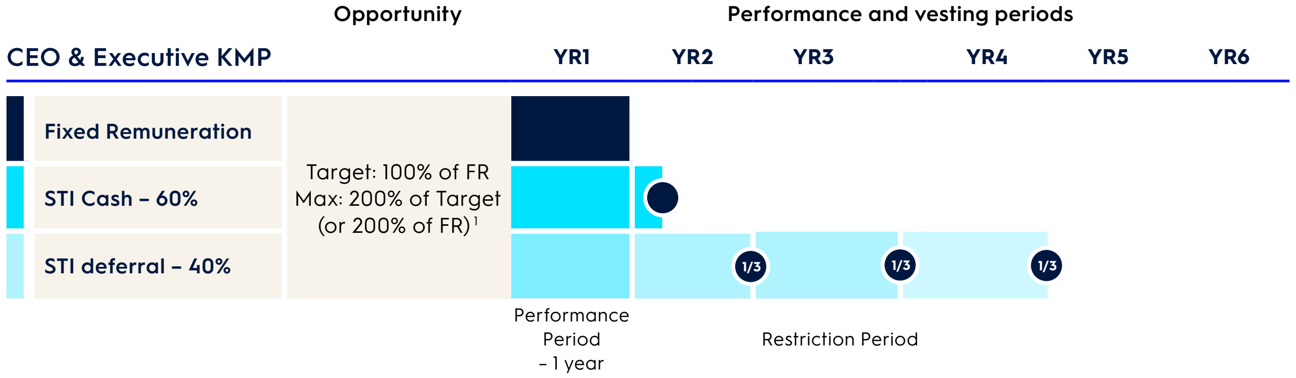
3 Section Remuneration strategy and framework

3.1 Remuneration framework and mix

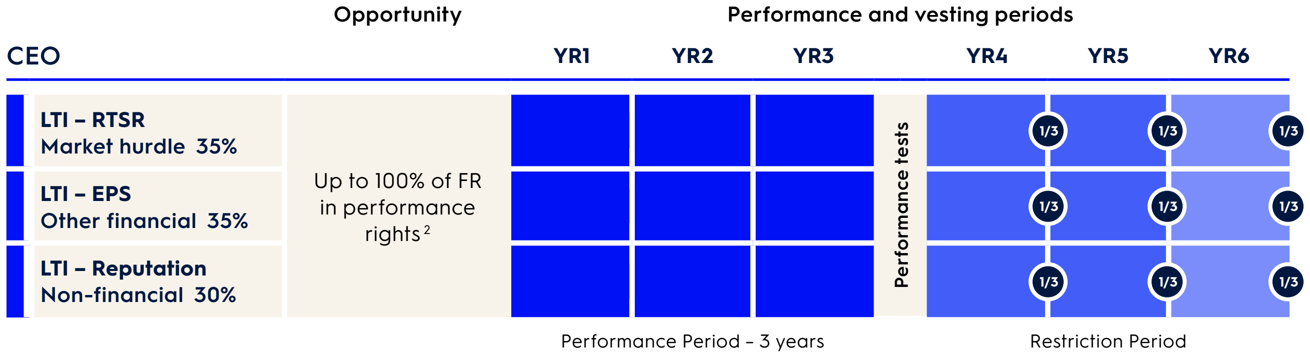
The following diagrams illustrate the remuneration framework that applied in 2023 to AMP's ExCo, which includes the Executive KMP. It is underpinned by the remuneration governance, risk management and consequence management frameworks and is subject to AMP Board discretion. Through variable remuneration and deferrals, emphasis is placed on reward, balancing the retention and motivation of executives, whilst aligning to shareholder experience, long-term sustainable value creation and compliance with regulatory frameworks. By deferring variable reward, executives are aligned to shareholders' interests and held accountable (individually or collectively) over the long term as the board has the ability, if appropriate, to adjust past, present and future remuneration downwards through clawback and malus (refer to sections 5.2 and 5.3 for further information).

AMP's remuneration framework

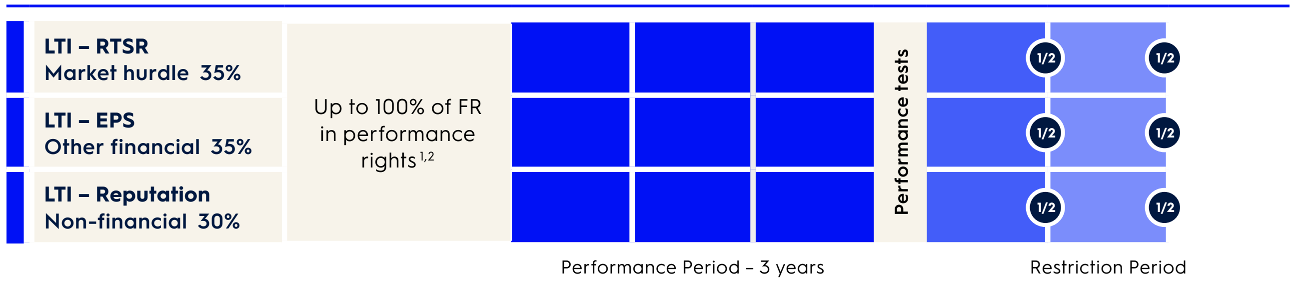
Short Term Incentive



Long Term Incentive



Executive KMP



1 The Chief Risk Officer's (CRO) STI target is 70% of FR (maximum is 200% of target or 140% of FR) and LTI maximum opportunity is up to 70% of FR.
2 The LTI is allocated using a face value methodology.

3.1 Remuneration framework and mix *continued*

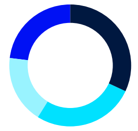
Remuneration mix

The remuneration mix for the CEO and other ExCo members (excluding the CRO) at maximum opportunity delivers 75% of total remuneration as variable reward, and therefore represents 'at risk' remuneration. The CRO's remuneration mix is different to the other ExCo members in order to maintain the independence of the role and safeguard against any conflicts of interest in carrying out the risk control function across the organisation.

CEO and other Executive Committee members

Fixed Remuneration	25%
STI Cash	30%
STI Deferred Share Rights	20%
LTI Performance Rights	25%

Chief Risk Officer



Fixed Remuneration	32%
STI Cash	27%
STI Deferred Share Rights	18%
LTI Performance Rights	23%

3.2 Remuneration framework details

Fixed remuneration and contracts

Purpose

Fixed remuneration is determined with reference to the size of the role, the executive's skill and experience and benchmarking practices as described below, to ensure that remuneration levels are market competitive to attract and retain talent.

Market positioning and remuneration benchmarking group

The Remuneration Committee utilises market data as part of the review process. Remuneration levels are compared to a benchmarking group comprising a subset of the companies from the ASX200 Financials (ex A-REITS), adjusted on a periodic basis to reflect appropriate size, market capitalisation and other qualitative factors. Adjustments to the benchmarking group include removing the big five banks, foreign organisations listed on the ASX and organisations that do not directly compete in the same industry/sector as AMP (e.g., insurance companies). In setting remuneration levels, we take into account both internal and external relativities based on our positioning within the benchmarking group. However, we recognise that we have become a smaller organisation and, in those instances, where roles were historically positioned at higher levels relative to our positioning today, we aim to align them to the median of the benchmark group over time.

Fixed remuneration increases

The board reviews the CEO and other ExCo members' fixed remuneration annually. As disclosed in the 2022 Remuneration Report, there were no fixed remuneration increases in 2023 other than the fixed remuneration increase awarded for the Group Executive AMP Bank, Sean O'Malley, whose remuneration increased by 8.3%, effective 1 April 2023. This change was to reflect fixed remuneration levels of similar roles in other ASX financial services entities and an acknowledgement of his contribution and performance in the role. For 2024, there are no planned fixed remuneration increases for the CEO or other ExCo members, unless there is a change in scope of role.

Contract terms

Contract terms	CEO	Executive KMP
Length of contract	Open-ended	Open-ended
Notice period	Six months by AMP or by Alexis George	Six months by AMP or the executive

Entitlements on termination

– Accrued fixed pay, superannuation and other statutory requirements.
– Executives eligible for incentives may be awarded on a pro rata basis for the current period in the case of death, disablement, redundancy, retirement or notice without cause, subject to the original performance periods and hurdle.
– In the event of redundancy, the AMP Redundancy, Redeployment and Retrenchment Policy in place at the time will be applied. This is the same policy that applies to all employees at AMP.
– With respect to equity based awards already granted:
  - Unvested rights will lapse if an executive resigns or is summarily dismissed before the vesting date. Should an executive cease employment for any other reason, any unvested rights will be retained and vest in the ordinary course subject to the original terms and performance conditions, if applicable.
  - Vested rights will be retained but are subject to clawback, for example, in the case of serious misconduct.

Restrictions on termination benefits

AMP will not make payments on termination that require shareholder approval or breach the Corporations Act.

Post-employment restraint

Six-month restraint on entering employment with a competitor and 12-month restraint on solicitation of AMP clients and employees.

Remuneration report

3.2 Remuneration framework details *continued*

2023 Short-term incentive

Overview

STI is the variable remuneration at-risk component designed to motivate and reward for performance during the year.

STI opportunity

Target STI opportunity is 100% of fixed remuneration (FR) for the CEO and Executive KMP (70% of FR for the CRO). Maximum STI opportunity is 2x target (including the CRO).

Award determination

STI opportunity: FR $ x Target STI opportunity % = Target STI opportunity $

x

STI outcome: STI pool outcome → Adjusted for individual performance and behaviours → Risk overview = Individual STI outcome

STI outcomes are determined with reference to the holistic performance of AMP and the AMP incentive pool, and Executive KMP individual performance and behaviours. The AMP incentive pool is determined by the board based on:

- A scorecard comprising financials, strategic, customer and people priorities and objectives that supports AMP's risk management framework.
- Other outcomes including shareholder value creation.
- Behaviour in line with AMP's purpose and values, conduct and risk appetite.

The board considers both the achievement of the risk metrics as well as a risk overview when determining the incentive pool.

Individual performance

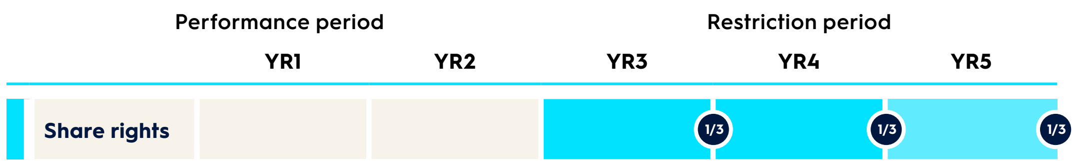
For Executive KMP, performance is assessed based on AMP and their business unit scorecards. This ensures an executive's performance is aligned to both company and their individual business unit performance. Their individual performance, conduct and how they demonstrate the values is also considered when determining the individual STI outcome.

Delivery

60% of the STI award is delivered as cash and 40% is deferred into equity.

Deferred STI is delivered as conditional share rights that represents the right to receive a fully-paid ordinary AMP share (or a cash equivalent payment) for nil consideration subject to continued employment at the time of vesting, aligning executives directly to the shareholder experience.

Vesting period



STI adjustment principles

The board may, in its absolute discretion, adjust targets and/or outcomes upwards or downwards, to ensure management has been rewarded appropriately. For example, where an event occurs that means the targets of the relevant scorecard objective are no longer appropriate. Situations where this discretion to adjust can be applied include:

- Factors not known or relevant at the beginning of the performance period which have a material impact on performance, such as
  - Material change to the strategic business plan.
  - Material regulatory or legislative change.
  - Material changes in external market or natural disasters.
  - Significant out of plan business development such as acquisitions and divestments.
- Material risk or conduct events that have impacted on shareholder experience, the reputation of the company or led to disciplinary action from our regulators (refer to section 5).

Where these events result in a materially different outcome to forecasts, adjustments should reflect the holistic contribution of employees/Executive KMP and exclude significant costs or gains that were unforeseen, were not in the ordinary course of business or were not the direct result of Executive KMP efforts.

3.2 Remuneration framework details *continued*

Forfeiture (malus)

The board has the ability to adjust and lapse unvested equity (including downwards to zero) in a range of circumstances, such as protecting financial soundness or responding to unexpected or unintended consequences that were unforeseen (such as material risk management breaches, unexpected financial losses, reputational damage or regulatory non-compliance). Refer to section 5.3 for further information on how the board considers adjusting remuneration for material risk and conduct events.

2023 Long-term incentive

Overview

LTI awards granted during 2023 by the board in the form of performance rights that vest subject to three measures: Relative Total Shareholder Return (RTSR), Adjusted Earnings Per Share (EPS) and Reputation (based on relative RepTrak performance).

LTI opportunity

The total allocation value of LTI awards that was granted during 2023 to Executive KMP:

100% of FR for Executive KMP.

70% of FR for the Chief Risk Officer.

Allocation methodology

Face value with the number of performance rights granted based on the Volume Weighted Average Price (VWAP) of shares during the 10-trading day period up to 1 January 2023.

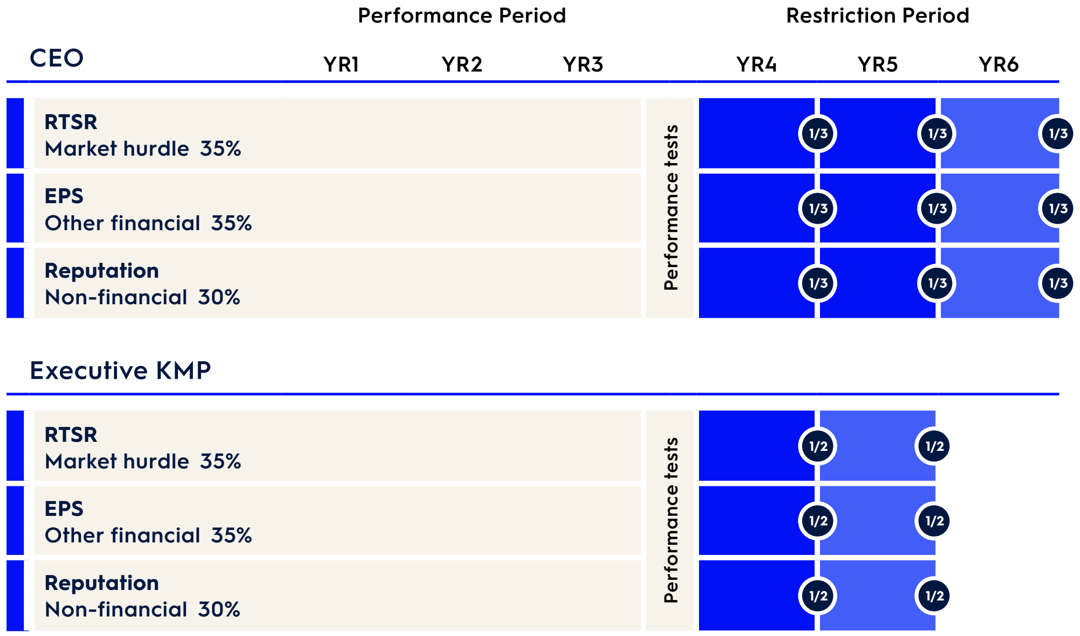
LTI opportunity: FR $ x LTI opportunity % = LTI opportunity %

÷

LTI grant: 10-day VWAP (face value allocation) = Number of performance rights granted

Performance and vesting period

The performance of each metric will be assessed from 1 January 2023 to 31 December 2025. If any of the performance rights vest, there is a further restriction period of up to three years for the CEO and two years for other Executive KMP, subject to continued service (per the diagram below).



Remuneration report

3.2 Remuneration framework details *continued*

2023 Long-term incentive

Performance hurdles

RTSR – 35%

35% of the LTI award will be determined based on AMP's Compound Average Growth Rate (CAGR) in Total Shareholder Return (TSR) relative to a peer group of ASX 200 financial companies excluding A-REITs as at 1 January 2023. RTSR performance is tested over a three-year performance period from 1 January 2023 through to 31 December 2025.

RTSR was chosen as it provides a robust measure of AMP's financial performance and returns for shareholders in comparison to other companies.

EPS – 35%

35% of the LTI award is determined based on AMP's Compound Average Growth Rate (CAGR) in AMP's adjusted EPS. EPS is calculated by dividing AMP's underlying net profit after tax for the relevant reporting period by the weighted average number of ordinary shares of AMP during the period. EPS performance is tested over a three-year performance period from 1 January 2023 through to 31 December 2025.

EPS was chosen as a measure as it provides an appropriate proxy for measuring intrinsic long-term shareholder value creation and ensures management are assessed on their direct financial contribution.

Reputation – 30%

30% of the LTI award will be determined based on AMP's RepTrak score performance relative to a comparator index as at 1 January 2023.

RepTrak score performance will be tested over a three-year performance period from 1 January 2023 through to 31 December 2025. As at 1 January 2023, the RepTrak score for AMP is 57.8 and will be used as the starting point for testing purposes.

Reputation was chosen as a measure as part of AMP's strategy to build trust with stakeholders and restore the AMP brand.

Vesting Schedule

CAGR TSR performance – AMP TSR ranking	Proportion of RTSR component vesting
< 50th percentile	0%
50th percentile	50%
> 50th percentile and < 75th percentile	Straight-line vesting from 50% to 100% (rounded to the nearest whole percentile)
≥ 75th percentile	100%

Vesting Schedule

CAGR EPS performance – AMP EPS	Proportion of EPS component vesting
< 4% per annum	0%
4%	50%
> 4% and < 8%	Straight-line vesting from 50% to 100% (rounded to the nearest whole percentile)
≥ 8%	100%

Vesting Schedule

AMP RepTrak Performance	Proportion of RTSR component vesting
< 50th percentile	0%
50th percentile	50%
> 50th percentile and < 75th percentile	Straight-line vesting from 50% to 100% (rounded to the nearest whole percentile)
≥ 75th percentile	100%

3.2 Remuneration framework details *continued*

2023 Long-term incentive

Peer/comparator group

RTSR Peer Group

- ANZ
- ASX
- AUB Group
- Bank of Queensland
- Bendigo & Adelaide Bank
- Challenger
- Commonwealth Bank of Australia
- Credit Corp Group
- HUB24
- Insignia Financial
- Insurance Australia Group
- Macquarie Group
- Magellan Financial Group
- Medibank Pvt
- National Australia Bank
- Netwealth Group
- Nib holdings
- Perpetual
- Pinnacle Investment Management Group
- QBE Insurance Group
- Steadfast Group
- Suncorp Group
- Virgin Money UK
- Westpac Banking Group

RepTrak Comparator Group

- AGL Energy
- Alinta
- ANZ Bank
- Australian Taxation Office
- Commonwealth Bank
- Medibank
- NAB
- NBN Co
- News Corp
- Optus
- Origin
- Reserve Bank of Australia
- Rio Tinto
- Telstra
- Westpac Banking Group

Vesting/forfeiture conditions	If an executive is terminated for cause or gives notice of resignation to AMP before the vesting date, all unvested rights (or restricted shares) will lapse or be forfeited, unless the board determines otherwise. In all other cases, unless the board determines otherwise: – A pro rata portion of the executive's performance rights (calculated based on the portion of the performance period that has elapsed up until the date of termination) will remain on foot to be tested in the ordinary course. – All restricted shares allocated to the executive on vesting of the performance rights will remain on foot until the end of the relevant restriction period for each respective tranche.
Retesting	There is no retesting if the performance hurdle is not met.
Dividend entitlements	No dividend is paid or payable on any unvested rights.
Clawback/malus	The board retains the discretion to adjust downwards and lapse the unvested portion of any LTI award, including to zero in line with the Remuneration Adjustment Guidelines outlined in section 5.3.

3.3 Executive minimum shareholding requirements

The relevant amount of AMP equity required to be held by the Executive Committee (which includes the Executive KMP) under minimum shareholding policy and the time to comply is as follows:

Category	Fixed Pay	Timeframe	Securities included to meet requirements
CEO	200%	Executive KMP are expected to achieve the minimum shareholding requirement within a five-year period from commencement in their role	**AMP Limited shares:** Ordinary AMP Limited shares registered in the Executive KMP's name or a related party **AMP share rights:** Granted to executives through AMP's employee share plans
Executive KMP	100%		

Share rights allocated to Executive KMP are included to meet their minimum holding requirement only where future vesting is not subject to any further performance condition (other than a continued service condition). AMP Limited shares and/or share rights cannot be hedged. Executive KMP are not expected to purchase shares to meet the requirement. Rather, it is expected that they would not sell any shares held (other than to cover arising tax liabilities) and that they will retain vested shares and share rights until the minimum requirement is reached.

Remuneration report

4 Section Performance and reward outcomes

4.1 Summary of 2023 outcomes

The table below illustrates AMP's performance over the past five years and remuneration outcomes.

	2019	2020	2021	2022	2023
Financial results					
Profit (loss) after tax attributable to shareholders ($m)	(2,467)	177	(252)	387	**265**
Net profit after tax (underlying) ($m)[1]	439	233	280	184	**196**
Cost to income ratio (%)[1]	66	76	67	72	**69**
Shareholder outcomes					
Total dividends paid during the year (cents per share)[2]	–	10	–	–	**5**
Share price at 31 December ($)	1.91	1.56	1.01	1.31	**0.93**
Remuneration outcomes					
Relative TSR percentile[3]	–	–	n/a	n/a	**7th**
LTI vesting outcome (% of grant)	–	–	n/a	n/a	**0%**
Average STI received by Executive KMP (as % of target opportunity)[4]	46	–	39	88	**73.5**
Average STI received by Executive KMP (as % of maximum opportunity)[4]	23	–	20	44	**36.7**

1 NPAT (underlying) represents shareholder attributable net profit or loss after tax after excluding non-recurring revenue and expenses. Note, NPAT (underlying) and associated cost to income ratio for financial years 2019–2021 are as reported and have not been restated to reflect the removal of AMP Capital discontinued operations from NPAT (underlying).
2 Refers to dividends paid during the year and not dividends declared. Refer to note 1.5 of the 2023 Financial Report for further information.
3 No LTI grants were tested during 2021 and 2022.
4 The average STI outcome relates to Executive KMP including the CEO. Refer to section 4.3 for further information of each Executive KMP's 2023 STI outcome.

4.2 STI Performance objectives and assessment

Company and executive performance is assessed by reference to the scorecard, underpinned by five key result areas, each which have objectives, metrics and targets that were set at the beginning of 2023, noting that the strategic objectives were changed during the year to reflect stakeholder feedback from the AGM and ensure an overall weighting of 60% to financial outcomes (as communicated in the 2023 Half Year Directors' Report). Achievements against these objectives were used by the board as one of the key inputs in determining the STI incentive pool.

60% Financial

Finance Weighting: 40%
Weighted outcome: 37.6%
Board determined outcome: 25.0%

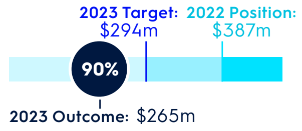
Profitability

NPAT (underlying)

End of 2022 position: $184m (as reported)
2023 Target: $200m
End of 2023 outcome: $196m (as reported)

AMP achieved an underlying NPAT equivalent to 98% achievement of target or a weighted outcome of 19.6%. This result reflects improved underlying profit, offset by reduced AUM revenue due to the long-term strategic simplification of Master Trust, and lower strategic partnership earnings impacted by US real estate valuations and regulatory changes in China. Controllable costs have remained a focus, with trajectory for further reductions in 2024.

NPAT (statutory)



End of 2022 position: $387m (as reported)
2023 Target: $293.5m
End of 2023 outcome: $265m (as reported)

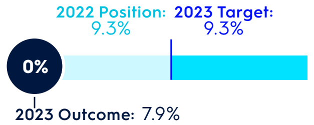
For 2023, AMP achieved a statutory NPAT equivalent to 90% achievement of target or a weighted outcome of 18%. The outcome tracked just below plan with NPAT challenged by higher corporate borrowing costs, and factors impacting underlying NPAT (as outlined above).

As the 2023 statutory NPAT result includes several planned and unplanned one-off events, such as the impacts of class actions, impairments and the gain on sale of AMP Capital and SuperConcepts, the board has assessed the overall quality of AMP's financial results and determined a weighted outcome of 5.4% for this metric.

Strategy Weighting: 20%
Weighted outcome: 6.8%

Grow Bank Profitably

Bank ROC



End of 2022 position: 9.3%
2023 Target: 9.3%
End of 2023 outcome: 7.9%

For 2023, Bank ROC was below the minimum threshold performance level, impacted by previously disclosed net interest margin compression, and increased funding costs. In the second half of 2023, the decision to further lower growth to respond to this margin pressure resulted in residential mortgage book growth of 0.61x system for the year.

Wealth Management Strategic Priorities

Platforms Net Cashflow

End of 2022 position: $936m cash inflow
2023 Target: $1bn cash inflow
End of 2023 outcome: $443m cash outflow

Despite a solid performance in Platforms and underlying NPAT improving, Platforms' Net Cashflows were below the minimum threshold of performance. This outcome was predominantly driven by a reduction in discretionary flows given the economic environment.

4.2 STI Performance objectives and assessment *continued*

60% Financial

Simplify the business

Total controllable costs

2023 Target: $760m | 2022 Position: $791m | 102% | 2023 Outcome: $743.8m

End of 2022 position: $791m (excluding AMP Capital)
2023 Target: $760m
End of 2023 outcome: $743.8m

AMP has remained focused on simplifying the operating model and finding efficiencies to deliver sustainable cost reduction. For 2023, controllable costs were reduced to $743.8m, exceeding target and delivering a weighted outcome of 6.8%. This was achieved through continued focus on achieving efficiencies within the Advice and Master Trust businesses, despite inflation, and the impact of previously announced stranded costs from the AMP capital transactions emerging in Group costs.

Further information on the Group Financial Performance can be found in Business Review section of AMP's 2023 Annual Report

40% Non-financial

Customer

Weighting: 15% | Weighted outcome: 17.6%

Improve our brand and reputation

Improvement in RepTrak score (absolute)

2022 Position: 57.2 | 2023 Target: 59 | 105% | 2023 Outcome: 60.2

End of 2022 position: 57.2
2023 Target: 59.0
End of 2023 outcome: 60.2

AMP's RepTrak score (absolute score) improved by 3 points over 2023, resulting in a weighted outcome of 7.9%. The increase in RepTrak score was attributable to improvements across both customer and non-customer segments.

Deliver to our customers

Customer satisfaction score

2023 Target: 7.0 | 130% | 2023 Outcome: 7.6

End of 2022 position: n/a – not measured in 2022
2023 Target: 7.0 (out of 10)
End of 2023 outcome: 7.6 (out of 10)

Aligned with a renewed focus to be a purpose-led business, 2023 was the first year that AMP introduced Customer Satisfaction (prior to this AMP measured customer engagement through Net Promoter Score (NPS)). Customer satisfaction presents an overall view of AMP customers, members and Advisers across Bank, NZWM, Advice, Platforms and Master Trust. Significant improvement was achieved over 2023, with a final outcome of 7.6, representing a weighted outcome of 9.7%.

People

Weighting: 15% | Weighted outcome: 15.6%

Improve employee engagement

Employee Satisfaction

2022 Position: 73 | 2023 Target: 73 | 100% | 2023 Outcome: 73

End of 2022 position: 73
2023 Target: 73
End of 2023 outcome: 73

For 2023, the Employee Satisfaction target of 73 was maintained from 2022, given the level of ongoing transformation planned. Achieving a result of 73 resulting in a weighted outcome of 7.5%, is a strong result, noting in particular that cost-out activity and operating model changes which impacted almost all business areas.

4.2 STI Performance objectives and assessment *continued*

40% Non-financial

Build an inclusive culture

Inclusion index

Position: 75 | 2023 Target: 75 | 95% | 2023 Outcome: 74

End of 2022 position: 75
2023 Target: 75
End of 2023 outcome: 74

AMP's inclusion index remained stable at 74, 1 point below target resulting in a weighted outcome of 3.6%. Management remain focussed on fostering an inclusive environment, including implementing a new Inclusion Strategy and Action plan, a renewed Policy, the mandating of inclusion learning, and celebrating days of significance, to create an environment of belonging.

Gender diversity

2023 Target: 40:40:20 | 2022 Position: 45:55 | 120% | 2023 Outcome: 46:54

End of 2022 position: 45% (female) : 55% (male)
2023 Target: 40% (male) : 20% (any gender)
End of 2023 outcome: 46% (female) : 54% (male)

AMP's gender diversity levels were maintained within the target of 40:40:20. Results showed an improvement from 2022, with gender diversity targets achieved at all levels including Board, Executive Management, Head of, Middle Management and the broader workforce.

Further information regarding diversity and inclusion can be found in AMP's 2023 Sustainability Report

40% Non-financial

Risk

Weighting: 10% | Weighted outcome: 10.0%

Effective risk management

Effective management of risks

2022 Position: 6 | 2023 Target: 0–1 | 100% | 2023 Outcome: 1

End of 2022 position: Number of risks = 6
2023 Target: 0–1 risks
End of 2023 outcome: 1

Effective management of risks was in line with our target of 0-1 risks outside of risk appetite, with 1 risk outside of risk appetite resulting in a weighted outcome of 5%. The risk outside of appetite related to a compliance risk being addressed as a part of the ongoing Court Enforceable Undertaking (CEU) agreed with APRA in 2019. Action plans are in place to bring this risk back within risk appetite. Progress against the CEU is tracking well and almost near completion.

Deliver a culture that respects risk

Risk culture maturity assessment

2022 Position: Evolving | 2023 Target: Evolving | 100% | 2023 Outcome: Evolving

End of 2022 position: Evolving
2023 Target: Evolving
End of 2023 outcome: Evolving

AMP achieved a positive risk culture assessment in line with plan, resulting in a weighted outcome of 5%. This was supported through actions aligned to key focus areas, including assessment and oversight, supporting employees to understand and embrace AMP's purpose & values including sharing risk culture dashboard reporting with all employees, supporting psychological safety, and recognising and rewarding employees for demonstrating a respect for risk through AMP's recognition platform AMPED.

2023 Performance Assessment – Total scorecard result	75.0%

Remuneration report

4.2 STI Performance objectives and assessment *continued*

Incentive pool determination

The overall scorecard outcome was 75%. This result was delivered in a challenging economic environment and is reflective of management's continuing progress on delivering a more streamlined and cost-efficient AMP. The board determined an incentive pool of 75%. In arriving at a decision, the board particularly considered:

- Portfolio strategy – significant progress on simplifying the portfolio, repositioning AMP's core businesses in wealth management and retail banking and completing the AMP Capital divestment.
- Capital return – $483 million of capital returned to shareholders via dividends and on-market buybacks over 2023.
- Cost out program – in line with target, despite high inflation and stranded costs related to AMP's sold businesses.
- Improving risk management and customer satisfaction, notwithstanding ongoing transformation and transactions.
- Maintaining high levels of employee engagement despite ongoing disruption from transformation activity and operating model changes.
- Continued improvement in AMP's reputation score, demonstrating that AMP's reputation is recovering.
- Resolution of two significant legacy issues – settlement of the shareholder class action and agreement to settle Buyer of Last Resort (BOLR) class action.

These considerations were balanced against the overall shareholder experience over 2023. The board also considered that the Scorecard outcome of 75%, represented 37.5% of the maximum available opportunity and no other variable remuneration that was subject to performance testing during 2023 vested and became payable.

Scorecard result

75%

Total Incentive pool

75%

4.3 Short-term Incentives Awarded

The following table shows the STI awarded to current and former Executive KMP for the 2023 performance year. It differs from the statutory table in section 7.1 which is prepared according to Australian Accounting Standards.

	Pro rated target STI opportunity[1] $'000	Total STI outcome awarded[2] $'000	60% to be paid as Cash in March 2024[3] $'000	40% to be delivered in share rights[3] $'000	STI awarded as % of pro rated target STI opportunity[4] %	STI awarded as % of pro rated max STI opportunity[4] %
Executive KMP						
Alexis George	1,715	1,286	772	514	75%	37%
Scott Hartley	515	300	180	120	58%	29%
Sean O'Malley	650	453	272	181	70%	35%
Nicola Rimmer-Hollyman	420	320	192	128	76%	38%
Blair Vernon	412	364	218	146	88%	44%
Total STI awarded		**2,723**	**1,634**	**1,089**		

1 Scott Hartley was eligible to participate in the 2023 STI for the portion of the year he was CEO AWM. For Blair Vernon, the prorated target STI opportunity reflects his KMP period as CFO.
2 The STI outcome awarded is based on performance during 2023 and reflects their outcome in line with their KMP period.
3 Of the STI awarded, 60% is delivered in cash and 40% is delivered in share rights that will be granted in April 2024.
4 Represents the STI award as a percentage of the pro rated target and max STI opportunity (which is 200% of target). The average STI received by Executive KMP was 73.5% of the target opportunity, or 36.7% of the maximum opportunity.
5 Peter Fredricson and James Georgeson were not eligible to participate in the 2023 STI.

4.4 Long-term Incentive outcome

Performance rights that were awarded under the 2021 Long Term Incentive (LTI) plan and allocated in April 2021, were subject to an RTSR performance condition measured over a three-year performance period from 1 January 2021 to 31 December 2023. The number of performance rights that vest under the award was determined by the Board by reference to a comparison of CAGR in AMP's TSR relative to the CAGR in TSR to the peer group of S&P/ASX 100 financial companies excluding A-REITs as at 1 January 2021, in line with the vesting schedule below.

Vesting Schedule

CAGR TSR performance	Proportion of LTI grant vesting
AMP's TSR ranking below the 50th percentile of the peer group	0%
AMP's TSR ranking at the 50th percentile of the peer group	50%
AMP's TSR ranking between the 50th and 75th percentile of the peer group	50% plus 2% for each additional percentile (rounded to nearest whole percentile)
AMP's TSR ranking is at least the 75th percentile of the peer group	100%

ASX100 Financials (ex A-REITs) peer group as at 1 January 2021:

- ANZ Group Holdings Limited
- ASX Limited
- Bank of Queensland Limited
- Bendigo and Adelaide Bank Limited
- Challenger Limited
- Commonwealth Bank of Australia
- Insurance Australia Group Limited
- Macquarie Group Limited
- Magellan Financial Group Limited
- Medibank Private Limited
- National Australia Bank Limited
- QBE Insurance Group Limited
- Suncorp Group Limited
- Westpac Banking Corporation

Each Performance Right that vested following testing of the performance condition entitled the plan participants to one AMP share. The RTSR performance condition for the Performance Rights was tested following the conclusion of the performance period on 31 December 2023 and the results and vesting outcome are detailed below. The results were calculated by an external provider and approved by the board after considering any risk and conduct issues in line with the remuneration adjustment guidelines in section 5.3.

Performance Period	Performance Condition	Percentile Rank	% vested	% lapsed
1 January 2021 to 31 December 2023	AMP's TSR ranking against the S&P/ASX100 Financials (ex A-REITS)	7th percentile	0%	100%

Remuneration report

4.5 Transformation Incentive Award

Performance rights that were awarded to Executive KMP under the 2019 Transformation Incentive (LTI) plan and allocated in August 2019, were subject to two performance measures, with 75% of the award subject to CAGR TSR performance condition measured against an index of ASX100 Financial Services excluding A-REITs companies over the performance period 1 August 2019 to 15 February 2023, and the remaining 25% subject to a Risk and Control assessment.

TSR Vesting Schedule

Index Return Achieved	Proportion of LTI grant vesting
AMP's CAGR TSR below 75% of the index return	0%
AMP's CAGR TSR at 75% of the index return	25%
AMP's CAGR TSR at 90% of the index return	50%
AMP's CAGR TSR at 100% of the index return	75%
AMP's CAGR TSR at 110% of the index return	100%

Straight-line vesting applies for performance between the thresholds above.

The Total Shareholder Return component did not vest following AMP's share price performance relative to the index it is measured against. Over the performance period, AMP had a CAGR TSR of -6.4% compared to the Index CAGR TSR of +1.4%.

In determining the outcome of the Risk and Control component, the board has taken into consideration a range of factors in making its decision, including the shareholder experience and the overall performance of the organisation over the performance period.

As such, the board has determined that both components of the award were below the minimum threshold for any vesting and therefore the performance rights granted under this plan were lapsed.

4.6 CEO sign on award outcome

As previously disclosed to the market in April 2021, Alexis George was provided a sign-on equity award as a part of her appointment as CEO to compensate for remuneration foregone with her previous employer. The equity awards granted as part of that arrangement was structured as follows:

- Four tranches of share rights subject to a continued service condition.
- Three tranches of Performance Rights subject to an absolute Total Shareholder Return (ATSR) condition.
- Three tranches of Performance Rights subject to a RTSR condition.

Further details of each tranche of performance rights can be found in table 7.4.

Each of the performance metrics was subject to the following vesting schedules, respectively:

Absolute TSR		Relative TSR	
CAGR ATSR performance	**Proportion of LTI grant vesting**	**CAGR TSR performance**	**Proportion of LTI grant vesting**
Nil or Negative TSR	0%	AMP's TSR ranking below the 50th percentile of the peer group	0%
Positive TSR	50%	AMP's TSR ranking at the 50th percentile of the peer group	50%
Between positive TSR and 8.5% CAGR	50% plus 2% for each additional percentile (rounded to nearest whole percentile)	AMP's TSR ranking between the 50th and 75th percentile of the peer group	50% plus 2% for each additional percentile (rounded to nearest whole percentile)
CAGR of 8.5% or above	100%	AMP's TSR ranking is at least the 75th percentile of the peer group	100%

ASX100 Financials (ex A-REITs) peer group was defined as follows:

- ANZ Group Holdings Limited
- ASX Limited
- Bank of Queensland Limited
- Bendigo and Adelaide Bank Limited
- Challenger Limited
- Commonwealth Bank of Australia
- Insurance Australia Group Limited
- Macquarie Group Limited
- Magellan Financial Group Limited
- Medibank Private Limited
- National Australia Bank Limited
- QBE Insurance Group Limited
- Suncorp Group Limited
- Westpac Banking Corporation

In 2023, the second tranches of the ATSR and RTSR performance rights were performance tested.

The RTSR and ATSR performance condition for tranche two of the performance rights were both tested following the conclusion of the performance period on 22 November 2023. The results and vesting outcome are detailed below. The results were calculated by an external provider and approved by the board after considering any risk and conduct issues in line with the remuneration adjustment guidelines in section 5.3.

Component	Performance Period	Performance Condition	Result	% vested	% lapsed
ATSR – Tranche 2	22 November 2021 to 22 November 2023	Compound annual growth in AMP's TSR	-11.6%	0%	100%
RTSR – Tranche 2	22 November 2021 to 22 November 2023	AMP's TSR ranking against the S&P/ ASX100 Financials (ex A-REITS)	21st percentile	0%	100%

Each Performance Right that vested following testing of the performance condition entitled the plan participants to one AMP share.

Remuneration report

5 Section

Remuneration governance

5.1 Governance framework

There are a number of remuneration governance and oversight processes in place at AMP, primarily exercised through the AMP Limited Board, subsidiary boards and the Remuneration Committee. The Remuneration Committee assists the various boards to fulfil their remuneration obligations by developing, monitoring and assessing remuneration strategy, policies and practices across AMP. Members of the Remuneration Committee are independent non-executive directors. More information on the role of the Remuneration Committee can be found in the corporate governance section of AMP's website.

The board believes that to make prudent remuneration decisions, it needs both a robust framework and the ability to exercise judgement. Therefore, the board has adopted a remuneration adjustment framework to guide the board in determining the appropriate remuneration outcomes. Refer to section 5.3 for further information on the remuneration adjustment guideline.

From time-to-time, the Remuneration Committee may seek external guidance or benchmarking information from independent remuneration advisers. Any advice provided by external advisers is used as a guide and is not a substitute for consideration of all the issues by each non-executive director of the Remuneration Committee. The Remuneration Committee did not engage any independent remuneration advisers to provide remuneration recommendations, as defined in the Corporations Act.

The following diagram outlines AMP's remuneration governance framework.

Remuneration governance framework

AMP Limited Board | **AMP subsidiary Boards**

Risk and Compliance Committee

Assists the board with oversight of the implementation and operation of AMP's risk management framework.

Makes recommendations to the Remuneration Committee on:

- Risk-related adjustments for remuneration outcomes.
- Risk-related adjustments for the incentive pool.
- Risk-related matters that may require the application of malus or clawback or in-year reduction to incentives.

Remuneration Committee

Advises the AMP Board and the boards of AMP subsidiaries in setting and overseeing AMP's remuneration policy and practices. Key responsibilities include:

- Reviewing AMP's remuneration policy, including effectiveness and compliance with regulatory requirements.
- Reviewing the remuneration arrangements, performance objectives, measures and outcomes for executives and senior management.
- Reviewing the remuneration arrangements for non-executive directors.
- Reviewing AMP's remuneration disclosures;
- Overseeing all incentive plans.
- Reviewing and making recommendations in relation to equity awards, including malus and clawback.

Management

The CEO makes recommendations to the Remuneration Committee on the performance and remuneration outcomes for her direct reports.

Management advises the Remuneration Committee and provides information on remuneration related matters.

Independent remuneration advisers

The Remuneration Committee may engage remuneration advisers when it needs additional information to assist the AMP Board in making remuneration decisions.

5.2 Risk management in remuneration

In addition to the robust risk features of the performance management framework, the board has a range of mechanisms available to adjust remuneration and incentive outcomes to reflect behavioural, risk or compliance outcomes. The table below summarises the range of mechanisms available and their intended operation.

Risk assessment	Risk and conduct outcomes	Malus and clawback provisions	Board discretion
Enterprise and business unit levels	**All employees**	**All incentive plans**	
The Chief Risk Officer (CRO) has a standing agenda item and reports at each of the Remuneration Committee meetings, covering the overall assessment of risk management at the conclusion of the performance year as an input to the determination of the incentive pool. At the conclusion of each performance year, the Chair of the Risk and Compliance Committee (who is also a member of the Remuneration Committee) provides an overview of the key issues considered by the Risk and Compliance Committee that are likely to be relevant to the assessment of the remuneration outcomes for the CEO and ExCo members by the Remuneration Committee.	Employees' risk management behaviour and conduct is specifically considered as part of individual performance assessment and in the determination of remuneration outcomes. The consequence management framework ensures that behaviour which does not meet expectations is actively and consistently managed, throughout the year, including adjustments to past, present and future remuneration if appropriate.	Incentive plan terms allow the board to adjust and lapse (malus) unvested equity awards or reclaim (clawback) vested incentives in certain circumstances. All deferred incentives are subject to a conduct and risk review before vesting. This applies to current and former employees.	The board may apply its absolute discretion to adjust past, present and future remuneration, subject to the equity incentive plan rules governing the plan and in compliance with the relevant policies. It does this in line with the remuneration adjustment framework to provide greater consistency in remuneration adjustments (refer to section 5.3 below).

The board exercises discretion to apply remuneration consequences to executives with overall accountability for matters arising in their business units with adverse risk, customer and/or reputational impacts. There is a standing agenda item at each Remuneration Committee for the CRO to present any risk related information the Committee should consider when making remuneration decisions. This also gives the Remuneration Committee an opportunity to make enquiries and have unfettered access to risk and internal audit executives. The Remuneration Committee considers both the achievement of the risk metrics as well as a risk overview when determining the incentive pool. Before every equity vesting event, management provides a report to the Committee to highlight if there is any reason, including risk considerations, why the Committee should exercise its discretion to lapse the unvested equity award.

AMP has a Consequence Management Committee (CMC), which was established to ensure consistent management of workplace conduct matters and application of AMP's Consequence Management policy. The CMC comprises the CEO, Chief People, Sustainability and Community Officer and Chief Risk Officer as standing members. Statistics and insights on all conduct cases across AMP Limited are reported to the Risk and Compliance Committee on a biannual basis, following review by the CMC. Under the consequence management framework, all substantiated cases of misconduct require the application of a management and/or remuneration consequence. Where there is a recommendation from People, Sustainability and Community (and as endorsed by the CMC) to apply malus or clawback to past remuneration as a part of the recommended remuneration consequence, submissions are made to the Remuneration Committee to exercise its discretion to lapse the unvested equity award.

During the year, there was no application of the Consequence Management policy in relation to 2023 remuneration outcomes for any of AMP's current executives.

Remuneration report

5.3 Remuneration adjustment guidelines

The board has adopted a remuneration adjustment framework to provide guidance in exercising discretion related to past, present and future remuneration and to provide greater consistency in remuneration adjustments. The framework is considered at each remuneration decision point to identify whether there have been any material conduct or risk events that have impacted on shareholder experience, the reputation of the company or led to disciplinary action from our regulators.

This tool is intended to help the AMP Board in making potential downward adjustments to variable remuneration. It is not intended to be used as a prescriptive or formulaic decision tree, as board judgement will always need to be applied according to the facts and circumstances of a particular situation. Whilst the framework is designed to deal with material risk and conduct events, the board can also exercise its discretion to apply positive adjustments if appropriate.

The following chart is an example of the types of qualitative and quantitative indicators the board may consider in exercising discretion in relation to material conduct and risk events.

Considerations for adjusting remuneration

Is the remuneration outcome on an individual or cohort basis in line with the actual values and original intent?

Considerations

Qualitative indicators	Quantitative indicators
Customer and people Has there been a potential breakdown of trust with AMP's employees, customers, fund beneficiaries or members of the community or operated in a way that is contrary to our stated values?	Reputation, Customer Satisfaction or Employee Satisfaction scores
Reputation Has there been unexpected widespread media coverage about AMP that has impacted the reputation or brand?	Reputation Score, Shareholder experience
Risk Has there been a material deterioration in the risk culture or profile of the company?	Unacceptable level of risk appetite
Finance Have we behaved in a way that was not fiscally responsible and there was an impact on our prudential standing or reputation?	Capital adequacy, credit rating

Potential adjusting event identified

Enact

Decision making

Remuneration Committee | Board decision

Adjust remuneration

Adjustment to be proportionate to the severity of the risk and conduct outcome

- Reduction or cancellation of cash payments
- Malus applied to existing equity awards on foot
- Clawback of already paid/ released equity awards
- Downward adjustment to in period remuneration
- Pre grant adjustment to quantum of future LTI grant

6 Section Non-executive director fees and shareholding requirements

6.1 Non-executive director fees

The Remuneration Committee is responsible for reviewing non-executive director (NED) fees for AMP Limited and its main subsidiaries. In reviewing these fees, the Remuneration Committee has regard to a range of factors including the complexity of AMP's operations and those of its main subsidiaries, fees paid to board members of other Australian corporations of a similar size and complexity, and the responsibilities and workload requirements of each board and committee. The Remuneration Committee obtains market data and recommends any proposed fee changes to the AMP Limited Board for approval.

A review of NED fees for the AMP Limited Board (which also include fees for all AMP Bank Board duties and obligations) was conducted in line with regular annual NED fee review practice. This included a reassessment and adjustment of the remuneration benchmark group to better reflect the relative size and complexity by removing the big five banks, foreign organisations listed on the ASX and organisations that do not directly compete in the same industry/sector as AMP (e.g., insurance companies) . Based on market data analysis, the board determined that current fees are competitive to companies of comparable size, complexity and regulatory supervision. Noting that total NED fees paid have reduced by more than 43% since 2019, it was assessed that for the time being, maintaining fees at slightly above the median of the financial services sector (excluding ANZ, CBA, Macquarie, NAB, Westpac and others) was justified due to ongoing time demands on the boards of AMP Limited and AMP Bank.

During 2023, the board met 20 times and committees and advisory groups met an additional total of 29 times and dealt with ongoing legacy matters, including those related to AMP Capital sales completion, class action process and settlements, plus ongoing interactions related to capital returns and regulatory matters.

The total remuneration earned by AMP Limited NEDs during 2023 (including all AMP Bank duties and obligations) was $2.157m, which represents 46.7% of the 2023 annual fee pool.

The current members and role of each standing committee as at the date of this statement are set out in the Corporate governance statement.

The following table shows the annual NED fees for the board and permanent committees of AMP Limited and its main subsidiaries for 2023.

	Chair base fee[1] 2023[3] $	Member base fee[2] 2023[3] $
AMP Limited		
Board	561,000	204,000
Audit Committee	46,750	21,590
Risk and Compliance Committee	46,750	21,590
Remuneration Committee	46,750	21,590
Nomination Committee	nil	nil
ESG Advisory Group	46,750	21,590
Technology Transformation Advisory Group	46,750	21,590
AMP Bank		
Board	nil	nil
Audit Committee	nil	nil
Risk and Compliance Committee	nil	nil

1 The Chair of AMP Limited does not receive separate committee fees.
2 No additional fees are paid to NEDs for their membership or for chairing the AMP Bank Limited Board.
3 There was a restructure of the AMP Limited and Bank Board committee memberships on 1 October 2022 to incorporate the establishment of the ESG & Sustainability and Technology Transformation Advisory Groups.

Remuneration report

6.2 Non-executive director minimum shareholding

The minimum shareholding requirement (MSR) for NEDs is set out in AMP's minimum shareholding policy. Under this policy, NEDs are required to accumulate and hold a minimum value of AMP shares to ensure their interests are closely aligned with the long-term interests of AMP shareholders. For the purposes of determining whether the minimum shareholding has been met, the value of each share held by a NED will be the share price at the time the share was acquired. As at the date of this report, these minimum values are:

- **AMP Limited Chair:** $561,000 – the equivalent of the AMP Limited Chair base fee.
- **Other AMP Limited NEDs:** $204,000 – the equivalent of the AMP Limited NED base fee.

NEDs are ordinarily expected to achieve these levels within four years of their appointment, see section 7.6. The policy expects NEDs to apply at least 25% of their base fee each year to acquire AMP shares until the MSR has been met. NEDs are also encouraged to increase their ownership over their tenure. Any such acquisition of AMP shares may only occur when permitted to do so in accordance with AMP's Trading Policy. Between 2019 and 2022, opportunities for NEDs to acquire shares during the trading windows in accordance with AMP's Trading Policy were limited due to the ongoing transactions, including the sale of AMP Life, portfolio review and sales of AMP Capital businesses.

Since then, NEDs have been able to increase their share ownership when not in possession of inside information.

In addition, as part of an overall update and to provide greater opportunity for NEDs to buy AMP shares, AMP's Trading Policy was updated in 2023. These updates saw the policy transition from trading windows to blackout periods to permit NEDs and other designated persons to trade in AMP shares outside of blackout windows in accordance with the trading policy and subject to any inside information.

As at the date of this report, all non-executive Directors have either met their minimum holding requirement or are on target to do so.

7 Section Statutory tables

The following disclosures provide additional information and/or are required under the Corporations Act. This includes the 2023 Executive KMP remuneration that is prepared according to Australian Accounting Standards.

7.1 Statutory remuneration disclosure

Statutory remuneration represents the accounting expense of remuneration in the financial year. It includes fixed remuneration, cash STI, the fair value amortisation expense of equity awards granted, long service leave entitlements and insurance, reflective of the relevant KMP period.

		Short-term employee benefits			Post-employment benefits	Share-based payments[4]	Long-term benefits		
	Year	Cash salary[1] $'000	Cash STI[2] $'000	Other short-term benefits[3] $'000	Super-annuation benefits $'000	Rights and options $'000	Other[5] $'000	Termination benefits[6] $'000	Total[7] $'000
Executive KMP									
Alexis George	**2023**	**1,670**	**772**	**18**	**29**	**1,514**	**7**		**4,010**
	2022	1,678	912	25	27	1,360	5	–	4,007
Sean O'Malley	**2023**	**600**	**272**	**(10)**	**29**	**414**	**22**		**1,327**
	2022	565	294	36	26	467	27	–	1,415
Nicola Rimmer-Hollyman	**2023**	**539**	**192**	**(2)**	**57**	**236**	**10**		**1,032**
	2022	455	202	22	52	203	13	–	947
Blair Vernon[8,9]	**2023**	**448**	**218**	**70**	**15**	**307**	**15**		**1,073**
	2022	–	–	–	–	–	–	–	–
Former Executive KMP									
Peter Fredricson[8]	**2023**	**281**	**–**	**17**	**13**	**–**	**–**	**56**	**367**
	2022	–	–	–	–	–	–	–	–
James Georgeson[8]	**2023**	**12**	**–**	**35**	**2**	**155**	**(86)**	**152**	**270**
	2022	724	396	14	26	1,756	12	–	2,928
Scott Hartley[8]	**2023**	**514**	**180**	**27**	**5**	**420**	**(4)**	**225**	**1,367**
	2022	871	432	5	28	583	3	–	1,922
Total	**2023**	**4,064**	**1,634**	**155**	**150**	**3,046**	**(36)**	**433**	**9,446**
	2022	4,293	2,236	102	159	4,369	60	–	11,219

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1 Cash salary is inclusive of base salary and short-term compensated absences, less superannuation deductions.
2 Cash STI reflects 60% of STI award outcome for the 2023 performance year for Executive KMP.
3 Other short-term benefits include non-monetary benefits and any related FBT exempt benefits and FBT payable benefits, for example car parking and leasing arrangements, insurances, professional memberships and subscriptions, vouchers and the net change in annual leave accrued. For Blair Vernon, the amount also includes a one-off relocation allowance and the cost of tax advice associated with his relocation from New Zealand to Australia.
4 The values in the table reflect the current year accounting expense for all share rights and performance rights outstanding at any point during the year, as required under the Australian Accounting Standards. The cost of the award is amortised at the fair value over the vesting period and updated at each reporting period for changes in the number of instruments that are expected to vest. For Peter Fredricson, the value includes the recognition and reversal of expenses for awards that have lapsed. For Scott Hartley and James Georgeson, the value was adjusted to reflect the acceleration of accounting expense that was expected to be amortised in future periods as required by the Australia Accounting Standards as a result of their employment ending with AMP.
5 Other long-term benefits represent the net change in long service leave accrued.
6 For Peter Fredricson, termination benefits relates to four weeks' paid in lieu of notice. For James Georgeson, termination benefits relates to almost 11 weeks' paid in lieu of notice. For Scott Hartley, termination benefits relates to a redundancy payment of 13 weeks' severance pay in line with AMP's Redundancy, Redeployment and Retrenchment Policy. All termination benefits provided were in compliance with Part 2D.2, Division 2 of the Corporations Act.
7 The total in this table for 2022 of $11.219 million is different to the total for 2022 in the 2022 Remuneration Report as it does not include $668 thousand for David Cullen, $666 thousand for Shawn Johnson and $446 thousand for Rebecca Nash who were derecognised as KMP part way through 2023 and reported in the 2022 Remuneration Report. It also does not include the negative amount of $893 thousand for Phil Pakes (former Chief Risk Offer) who was also reported in the 2022 Remuneration Report.
8 For Blair Vernon, Peter Fredricson, James Georgeson and Scott Hartley, the amounts disclosed in this table reflect their periods as KMP.
9 Upon Blair Vernon's appointment to the CFO role, his fixed remuneration package reflects non-monetary benefits he forfeited upon relocating from New Zealand to Australia and compensates for the different taxation rates between the two tax jurisdictions.

7.2 Loans and other transactions

AMP provides home loans to Australians to help them buy, build or renovate properties. The table below includes loans offered to executives in the ordinary course of business and on equivalent terms to those offered to other employees and shareholders. The table below also includes other borrowing facilities offered to employees from time-to-time as a part of our global mobility arrangements (see footnotes for further information).

The following table shows loan balances that exceed $100,000 held by current and former Executive KMP during the reporting year. No Executive KMP held a loan balance of less than $100,000.

KMP	Balance on 1 Jan 2023 $'000	Write downs $'000	Net advances (repayments) $'000	Balance on 31 Dec 2023 $'000	Interest charged $'000	Interest not charged $'000	Highest balance during the year $'000
Executive KMP							
Alexis George	680	–	(13)	667	38	–	681
Sean O'Malley	1,550	–	(126)	1,424	76	–	1,574
Blair Vernon[1]	–	–	26	26	–	2	106
Former Executive KMP							
James Georgeson	911	–	1,139	2,050	67	–	3,008
Scott Hartley	1,024	–	(252)	772	18	–	1,024
Total (incl. related parties)[2]	**4,165**	**–**	**774**	**4,939**	**199**	**–**	**6,393**

1 Blair Vernon was granted an interest-free loan under a tax protection agreement to assist with his personal Australian tax liability as a result of working between New Zealand and Australia in the role of Group Executive, Transformation and New Zealand Wealth Management. The deemed interest and associated fringe benefits tax has been recorded as a non-monetary benefit in section 7.1 of the remuneration report.
2 Five Executive KMP hold loans.

Other transactions

Executive KMP and their related parties may have access to AMP products and these products are provided to executives within normal employee terms and conditions. The products may include personal banking with AMP bank and/or financial investment services.

7.3 Executive shares and share rights holding

The following table shows the number of shares and share rights held by Executive KMP and/or their related parties during 2023. A related party is typically a family member of the executive and/or is an entity in which the executive has direct or indirect control. The definition of units includes AMP Limited shares and share rights which are not subject to performance conditions.

		Shares and Share Right Holdings						MSR Progress[6]	
Name	**Type**	**Balance at 1 Jan 2023**	**Granted[1]**	**Exercised/ released[2]**	**Forfeited/ lapsed**	**Other transactions**	**Balance on 31 Dec 2023[3]**	**Total Value on 31 Dec 2023 per the MSR[4]**	**Requirement per the MSR[4]**
Executive KMP									
Alexis George	Shares	1,476,929	–	228,538	–	–	1,705,467		$3,430,000
	Share rights	449,051	444,378	(228,538)	–	–	664,891		by
Total		**1,925,980**	**444,378**	**–**	**–**	**–**	**2,370,358**	$2,204,433	1 August 2026
Sean O'Malley	Shares	128,019	–	87,187	–		215,206		$650,000
	Share rights	332,758	143,252	(87,187)	–	–	388,823		by
Total		**460,777**	**143,252**	**–**	**–**	**–**	**604,029**	$561,747	14 November 2026
Nicola Rimmer-Hollyman	Shares	11,250	–	–	–		11,250		$600,000
	Share rights	272,924	111,093	–	–	–	384,017		by
Total		**284,174**	**111,093**	**–**	**–**	**–**	**395,267**	$367,598	12 February 2027
Blair Vernon[5]	Shares	339,682	–	–	–		339,682		$925,000
	Share rights	628,129	–	–	–	–	628,129		by
Total		**967,811**	**–**	**–**	**–**	**–**	**967,811**	$900,064	5 August 2025
Former Executive KMP									
James Georgeson[5]	Shares	282,754	–	145,312	–	–	428,066		
	Share rights	464,678	192,952	(145,312)	–	–	512,318	n/a	n/a
Total		**747,432**	**192,952**	**–**	**–**	**–**	**940,384**		
Peter Fredricson[5]	Shares	–	–	–	–	–	0		
	Share rights	–	–	–	–	–	0	n/a	n/a
Total		**–**	**–**	**–**	**–**	**–**	**–**		
Scott Hartley[5]	Shares	6,394	–	160,937	–	–	167,331		
	Share rights	321,874	210,495	(160,937)	–	–	371,432	n/a	n/a
Total		**328,268**	**210,495**	**–**	**–**	**–**	**538,763**		

1 Relates to share rights awarded as part of the 2022 STI deferral on 1 April 2023, with a fair values of $1.02 for Tranche 1, $0.97 for Tranche 2 and $0.92 for Tranche 3.
2 A portion of share rights granted to Alexis George as part of her sign-on award on 2 August 2021 vested and was exercised to AMP Limited shares on 22 November 2023 at a market price of $0.87 per share. For James Georgeson, Sean O'Malley and Blair Vernon, Share Rights exercised relates to the 2020 STI deferral that vested on 17 February 2023 at a market price of $1.32.
3 There are no share rights held by any KMP's related parties and no share rights held indirectly or beneficially by our KMP. As at 31 December 2023, there were no share rights vested, or vested and exercisable or vested and unexercisable. No amount is payable by the Executive KMP on grant, vesting or exercise of their share rights. Any share rights that vest following the end of the vesting period will be automatically exercised.
4 We assess compliance with our minimum shareholding requirement (MSR) each year. The table above summarises the position of each Executive KMP as at 31 December 2023 against the requirement at the reporting date. The total value of each holding was calculated on 31 December 2023 using a closing price of $0.93.
5 The opening balance shown for Blair Vernon and the closing balances shown for Peter Fredricson, James Georgeson and Scott Hartley are reflective of their holdings on the respective dates they became or ceased KMP, respectively.

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7.4 Executive performance rights holdings

The following table shows the performance rights which were granted, exercised or lapsed during 2023.

	Grant date	Performance measure	Fair value per right	Holding at 1 Jan 2023	Granted[1]	Vested[2]	Lapsed/ cancelled[3]	Held on 31 Dec 2023[4]	Rights exercised to AMP Limited shares
Executive KMP									
Alexis George	9-Aug-21	Absolute TSR	0.62	511,702	–	–	(287,154)	224,548	–
	9-Aug-21	Relative TSR	0.61	1,535,158	–	–	(861,490)	673,668	–
	30-May-22	Relative TSR	0.59	1,818,278	–	–	–	1,818,278	–
	1-Apr-23	Relative TSR	0.44	–	438,715	–	–	438,715	–
	1-Apr-23	Adjusted EPS	0.92	–	438,715	–	–	438,715	–
	1-Apr-23	Reputation	0.92	–	376,042	–	–	376,042	–
Total				**3,865,138**	**1,253,472**	**–**	**(1,148,644)**	**3,969,966**	**–**
Sean O'Malley	12-Sep-19	CAGR of TSR	1.21	552,486	–	–	(552,486)	–	–
	30-May-22	Relative TSR	0.59	636,132		–	–	636,132	–
	1-Apr-23	Relative TSR	0.44	–	166,277	–	–	166,277	–
	1-Apr-23	Adjusted EPS	0.92	–	166,277	–	–	166,277	–
	1-Apr-23	Reputation	0.92	–	142,523	–	–	142,523	–
Total				**1,188,618**	**475,077**	**–**	**(552,486)**	**1,111,209**	**–**
Nicola Rimmer-Hollyman	12-Sep-19	CAGR of TSR	1.21	276,243	–	–	(276,243)	–	–
	30-May-22	Relative TSR	0.59	318,066		–	–	318,066	–
	1-Apr-23	Relative TSR	0.44	–	107,440	–	–	107,440	–
	1-Apr-23	Adjusted EPS	0.92	–	107,441	–	–	107,441	–
	1-Apr-23	Reputation	0.92	–	92,092	–	–	92,092	–
Total				**594,309**	**306,973**	**–**	**(276,243)**	**625,039**	**–**
Blair Vernon[5]	1-Jan-21	Relative TSR	0.81	406,161	–	–	(406,161)	–	–
	30-May-22	Relative TSR	0.59	791,631	–	–	–	791,631	–
	1-Apr-23	Relative TSR	0.44	186,517	–	–	–	186,517	–
	1-Apr-23	Adjusted EPS	0.92	186,517	–	–	–	186,517	–
	1-Apr-23	Reputation	0.92	159,871	–	–	–	159,871	–
Total				**1,730,697**	**–**	**–**	**(406,161)**	**1,324,536**	**–**

1 Relates to the 2023 LTI plan. Refer to section 3.2 for further information.
2 During the 2023 financial year, no long term incentive performance rights vested.
3 Performance Rights granted under the 2019 Transformation Incentive Plan (with a grant date of 12 September 2019) lapsed after the minimum threshold for any vesting was not satisfied. Performance Rights granted under the 2021 LTI plan (with a grant date of 1 January 2021) lapsed after the minimum threshold for any vesting was not satisfied. For Alexis George (CEO), Performance Rights with a grant date of 9 August 2021 were performance tested on 22 November 2023 and lapsed after the minimum ATSR and RTSR thresholds for any vesting was not satisfied. Refer to section 4 for further information.
4 There are no options or performance rights held by any KMP's related parties and no options or performance rights held indirectly or beneficially by our KMP. As at 31 December 2023, there were no performance rights vested, or vested and exercisable or vested and unexercisable. No amount is payable by the Executive KMP on grant, vesting or exercise of their performance rights. Any performance rights that vest following the testing of the performance condition will be automatically exercised and any performance rights that do not vest following the performance testing will lapse (and expire) at that time.
5 The opening balances shown for Blair Vernon reflects his holding on the date he became KMP. Refer to Section 2.1 for further information.

7.4 Executive performance rights holdings *continued*

	Grant date	Performance measure	Fair value per right	Holding at 1 Jan 2023	Granted[1]	Vested[2]	Lapsed/ cancelled[3]	Held on 31 Dec 2023[4]	Rights exercised to AMP Limited shares
Former Executive KMP									
Peter Fredricson[5]	1-Apr-23	Relative TSR	0.44	–	191,858	–	(191,858)	–	–
	1-Apr-23	Adjusted EPS	0.92	–	191,858	–	(191,858)	–	–
	1-Apr-23	Reputation	0.92	–	164,450	–	(164,450)	–	–
Total				**–**	**548,166**	**–**	**(548,166)**	**–**	**–**
James Georgeson[5]	12-Sep-19	CAGR of TSR	1.21	1,657,458	–	–	(1,657,458)	–	–
	1-Jan-21	Relative TSR	0.81	454,821	–	–	(454,821)	–	–
	30-May-22	Relative TSR	0.59	795,165	–	–	(354,052)	441,113	–
Total				**2,907,444**	**–**	**–**	**(2,466,331)**	**441,113**	**–**
Scott Hartley[5]	1-Jan-21	Relative TSR	0.81	545,785	–	–	(545,785)	–	–
	30-May-22	Relative TSR	0.59	954,198	–	–	(318,646)	635,552	–
	1-Apr-23	Relative TSR	0.44	–	230,229	–	(153,556)	76,673	–
	1-Apr-23	Adj EPS	0.92	–	230,229	–	(153,556)	76,673	–
	1-Apr-23	Reputation	0.92	–	197,341	–	(131,621)	65,720	–
Total				**1,499,983**	**657,799**	**–**	**(1,303,164)**	**854,618**	**–**

1 Relates to the 2023 LTI plan. Refer to section 3.2 for further information.
2 During the 2023 financial year, no long term incentive performance rights vested.
3 Performance Rights granted under the 2019 Transformation Incentive Plan (with a grant date of 12 September 2019) lapsed after the minimum threshold for any vesting was not satisfied. Performance Rights granted under the 2021 LTI plan (with a grant date of 1 January 2021) lapsed after the minimum threshold for any vesting was not satisfied. For Alexis George (CEO), Performance Rights with a grant date of 9 August 2021 were performance tested on 22 November 2023 and lapsed after the minimum ATSR and RTSR thresholds for any vesting was not satisfied. Refer to section 4 for further information.
4 There are no options or performance rights held by any KMP's related parties and no options or performance rights held indirectly or beneficially by our KMP. As at 31 December 2023, there were no performance rights vested, or vested and exercisable or vested and unexercisable. No amount is payable by the Executive KMP on grant, vesting or exercise of their performance rights. Any performance rights that vest following the testing of the performance condition will be automatically exercised and any performance rights that do not vest following the performance testing will lapse (and expire) at that time.
5 For Peter Fredricson, James Georgeson and Scott Harley in the closing balance reflects the dates they ceased to be KMPs. Refer to Section 2.1 for further information.

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7.5 Non-executive director remuneration

The following table shows the remuneration earned by AMP NEDs for 2023.

NED	Year	Short-term benefits: Board and committee fees $'000	Short-term benefits: Additional board duties[1] $'000	Short-term benefits: Non-monetary benefits[2] $'000	Post-employment benefits: Superannuation[3] $'000	Total $'000
Debra Hazelton	**2023**	**539**	**–**	**–**	**22**	**561**
	2022	536	–	–	25	561
Andrew Best	**2023**	**207**	**13**	**–**	**24**	**244**
	2022	111	5	–	12	128
Rahoul Chowdry	**2023**	**246**	**–**	**–**	**26**	**272**
	2022	264	–	–	24	288
Mike Hirst	**2023**	**267**	**11**	**–**	**5**	**283**
	2022	257	5	–	13	275
Kathryn McKenzie	**2023**	**185**	**23**	**–**	**22**	**230**
	2022	228	12	–	24	264
Michael Sammells	**2023**	**246**	**14**	**–**	**26**	**286**
	2022	329	13	–	23	365
Andrea Slattery	**2023**	**220**	**31**	**2**	**27**	**280**
	2022	255	19	–	27	301
Total[4]	**2023**	**1,910**	**92**	**2**	**152**	**2,156**
	2022	1,980	54	–	148	2,182

1 Additional work and attendance at Technology Transformation and ESG & Sustainability Advisory Groups. The Advisory Groups were dissolved in 2023 after the board determined that they had achieved the key objectives set on their formation. The dissolution of the Advisory Groups was completed on 31 August 2023.
2 Non-monetary benefits consist of related party travel, gifts on compassionate grounds and the associated fringe benefits tax.
3 Superannuation contributions have been disclosed separately in this table but are included in the base NED fees disclosed elsewhere in this report.
4 The total in this table for 2022 of $2.182 million is different to the total for 2022 in the 2022 Remuneration Report as it does not include $82 thousand for former non-executive director John O'Sullivan.

7.6 Securities held by non-executive directors

The following table details the shareholdings and movements in those shareholdings in AMP Limited held directly, indirectly or beneficially by NEDs or their related parties during the year and as at 31 December 2023. For this purpose, a NED's related parties are their close family members (as defined in the applicable accounting standard) and any entities over which the NED (or a close family member) has control, joint control or significant influence (whether direct or indirect).

NED	Balance on 1 Jan 2023 #	Shares acquired during the year #	Shares disposed during the year #	Balance on 31 Dec 2023[1] #	Value on 31 Dec 2023 per the MSR[2] $
Debra Hazelton	400,285	–	–	400,285	519,938
Andrew Best[3]	100,000	53,712	–	153,712	167,708
Rahoul Chowdry	100,000	–	–	100,000	205,000
Michael Hirst	200000	–	–	200,000	222,950
Kathryn McKenzie[4]	198,000	20,000	–	218,000	237,551
Michael Sammells[5]	120,000	50,000	–	170,000	203,524
Andrea Slattery	203,975	–	–	203,975	296,578

1 As at 31 December 2023 and the date of this report, each of the current NEDs held a 'relevant interest' (as defined in the *Corporations Act 2001*) in the number of AMP shares disclosed above for that NED.
2 The AMP Limited Chair has a minimum requirement of $561,000 (equivalent of the AMP Limited Chair base fee) and the other AMP Limited NEDs have a minimum requirement of $204,000 (equivalent of the AMP Limited NED base fee). The total value of each holding was calculated as at 31 December 2023 using purchase price (per the Non-Executive Director Shareholding Policy, found in Section 6.2).
3 Andrew Best purchased 50,000 AMP Limited shares on 20 February 2023 at a market price of $1.0975 per share and 3,712 AMP Limited Shares were issued on 3 April 2023 under AMP's Dividend Reinvestment Plan.
4 Kathryn McKenzie purchased 20,000 AMP Limited shares on 5 April 2023 at a market price of $1.0925 per share.
5 Michael Sammells purchased 50,000 AMP Limited shares on 22 February 2023 at a market price of $1.0948 per share.

Remuneration report

8 Section — Looking forward to 2024

Following the 2023 AGM, where AMP received a 'first strike' against the adoption of its 2022 Remuneration Report, the board sought feedback from shareholders, their representatives and proxy advisors on the matter of remuneration, and we took action to address their key concerns (refer to section 1 for further information). As many of these changes applied to 2023, the remuneration framework for 2024 remains largely unchanged. Furthermore, we do not anticipate any fixed remuneration increases for the CEO and other Executive KMP (unless there is a change in the scope of the role).

The 2024 scorecard is consistent with 2023, other than the introduction of the new objective to focus on the Master Trust and KiwiSaver cashflows (which replaces Bank ROC). This new objective and measure for 2024 is introduced to demonstrate a renewed focus on the performance and strategic contributions of our retained businesses. Whilst Bank ROC remains a key focus for management, the overall Bank returns continue to contribute to AMP's NPAT on both a statutory and underlying basis. The 2024 Scorecard seeks to continue to strike the right balance of financial and non-financial metrics to ensure management's alignment with shareholders' interests, while maintaining a material weighting to non-financial metrics, in line with the requirements of APRA's prudential standard CPS 511.

2024 SCORECARD

Key result areas	Weighting	Objectives	Metric
Financially aligned (60%)			
Profitability	30%	✓ Deliver profitable returns	AMP Net profit after tax (statutory)
		✓ Deliver sustainable growth	AMP Net profit after tax (underlying)
Strategy	30%	✓ Grow the Platforms business	Platforms net cashflows
		✓ Master Trust and KiwiSaver cashflows	Net YoY improvements on Master Trust & New Zealand Wealth Management net cashflows
		✓ Simplify the business	AMP total controllable costs
Non-financial (40%)			
Customer	10%	✓ Deliver to our customers	AMP customer satisfaction
People	10%	✓ Deliver an inclusive high-performance culture	AMP employee satisfaction
			AMP inclusion index
Reputation	10%	✓ Deliver a positive reputation	AMP absolute RepTrak
Risk	10%	✓ Effective risk management	Deliver within AMP risk appetite
		✓ Deliver a culture that respects risk	Risk culture maturity assessment
	100%	The overall AMP performance scorecard outcome is subject to board discretion and a risk overview, and is one aspect the board considers in assessing overall performance and determining the incentive pool for STI outcomes	

Directors' report

for the year ended 31 December 2023

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.

Non-audit services

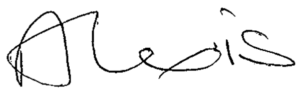
The Audit Committee has reviewed details of the amounts paid or payable to the auditor for non-audit services provided to the AMP group during the year ended 31 December 2023, by the company's auditor, EY.

The directors are satisfied that the provision of those non-audit services by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit assignments were approved by the Chief Financial Officer (CFO), or his nominated delegate, or the Chair of the Audit Committee;
- no non-audit assignments were carried out which were specifically excluded by the AMP Charter of Audit Independence; and
- the proportion of non-audit fees to audit fees paid to EY, as disclosed in note 6.5 to the financial report is not considered significant enough to compromise EY's independence or cause a perception of compromise.

Signed in accordance with a resolution of the directors.

Debra Hazelton
Chair



Alexis George
Chief Executive Officer and Managing Director

Sydney, 14 February 2024

Auditor's independence declaration

to the directors of AMP Limited

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
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Building a better working world

As lead auditor for the audit of the financial report of AMP Limited for the financial year ended 31 December 2023, 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Sarah Lowe

Sarah Lowe
Partner
14 February 2024

Financial report

for the year ended 31 December 2023

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Consolidated income statement

for the year ended 31 December 2023

	Note	2023 $m	2022[1] $m
Fee revenue	1.1(c)	**1,372**	1,402
Interest income using the effective interest method		**1,401**	803
Other investment gains		**31**	–
Share of profit from associates	5.3	**75**	80
Movement in guarantee liabilities		**32**	21
Other income	1.1(c)	**65**	33
Total revenue		**2,976**	2,339
Fee and commission expenses		**(684)**	(689)
Staff and related expenses		**(581)**	(589)
Finance costs		**(1,189)**	(591)
Other operating expenses	1.2	**(592)**	(526)
Other investment losses		**–**	(1)
Total expenses		**(3,046)**	(2,396)
Loss before tax		**(70)**	(57)
Income tax benefit	1.4(a)	**89**	58
Profit after tax from continuing operations		**19**	1
Profit after tax from discontinued operations	5.2	**246**	386
Profit for the year		**265**	387

Earnings per share		**cents**	**cents**
Basic	1.3	**9.3**	12.0
Diluted	1.3	**9.1**	11.9
Profit per share from continuing operations			
Basic	1.3	**0.7**	–
Diluted	1.3	**0.6**	–

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.

Consolidated statement of comprehensive income

for the year ended 31 December 2023

	Note	2023 $m	2022[1] $m
Profit after tax from continuing operations		**19**	1
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value reserve			
– net gain/(loss) on fair value asset reserve		**81**	(229)
– tax effect on fair value asset reserve (gain)/loss		**(24)**	69
– net amount transferred to profit or loss for the year		**(1)**	(1)
– tax effect on amount transferred to profit or loss for the year		**–**	–
		56	(161)
Cash flow hedges			
– net (loss)/gain on cash flow hedges		**(69)**	338
– tax effect on cash flow hedge loss/(gain)		**21**	(101)
– net amount transferred to profit or loss for the year		**(124)**	(14)
– tax effect on amount transferred to profit or loss for the year		**37**	4
		(135)	227
Translation of foreign operations and revaluation of hedge of net investments		**4**	23
		4	23
Items that will not be reclassified subsequently to profit or loss			
Fair value reserve		**–**	1
		–	1
Defined benefit plans			
– actuarial losses	4.1(a)	**(12)**	(1)
– tax effect on actuarial losses		**4**	–
		(8)	(1)
Other comprehensive (loss)/income for the year from continuing operations		**(83)**	89
Total comprehensive (loss)/income for the year from continuing operations		**(64)**	90
Profit for the year from discontinued operations	5.2(b)	**246**	386
Other comprehensive loss for the year from discontinued operations	5.2(b)	**(7)**	(12)
Total comprehensive income for the year from discontinued operations	5.2(b)	**239**	374
Total comprehensive income for the year		**175**	464

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.

Consolidated statement of financial position

as at 31 December 2023

	Note	2023 $m	2022 $m
Assets			
Cash and cash equivalents		**1,440**	1,816
Receivables	2.5	**426**	405
Investments in other financial assets	2.2	**5,368**	5,825
Current tax assets		**83**	76
Assets held for sale[1]		**–**	746
Loans and advances	2.1(a)	**24,530**	24,080
Investments in associates	5.3	**803**	771
Right of use assets	6.3(a)	**329**	396
Deferred tax assets	1.4(c)	**640**	556
Intangibles	2.3	**209**	198
Other assets	2.4	**48**	65
Defined benefit plan asset	4.1(a)	**–**	12
Total assets		**33,876**	34,946
Liabilities			
Payables	2.6	**185**	209
Current tax liabilities		**23**	57
Employee benefits		**140**	178
Other financial liabilities	2.2	**179**	294
Liabilities held for sale[1]		**–**	140
Provisions	6.4	**508**	297
Interest-bearing liabilities	3.2	**28,382**	28,962
Lease liabilities	6.3(b)	**536**	569
Deferred tax liabilities	1.4(c)	**16**	5
Guarantee liabilities		**32**	64
Defined benefit plan liability	4.1(a)	**1**	–
Total liabilities		**30,002**	30,775
Net assets		**3,874**	4,171
Equity			
Contributed equity	3.1	**4,664**	5,002
Reserves		**239**	297
Retained earnings		**(1,029)**	(1,128)
Total equity		**3,874**	4,171

1 Assets and liabilities held for sale as at 31 December 2022 included AMP Capital's real estate and infrastructure equity businesses.

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Equity attributable to shareholders of AMP Limited									
	Contributed equity $m	Share-based payment reserve $m	Capital profits reserve[1] $m	Profits reserve[2] $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 equity $m
2023										
Balance at the beginning of the year	**5,002**	**116**	**(32)**	**-**	**(127)**	**265**	**75**	**297**	**(1,128)**	**4,171**
Retained earnings adjustments[3]	-	-	-	-	-	-	-	-	12	12
Restated balance at the beginning of the year	**5,002**	**116**	**(32)**	**-**	**(127)**	**265**	**75**	**297**	**(1,116)**	**4,183**
Profit from continuing operations	-	-	-	-	-	-	-	-	19	19
Profit from discontinued operations	-	-	-	-	-	-	-	-	246	246
Other comprehensive income/(loss) from continuing operations	-	-	-	-	56	(135)	4	(75)	(8)	(83)
Other comprehensive loss from discontinued operations	-	-	-	-	-	-	(7)	(7)	-	(7)
Total comprehensive income/(loss)	-	-	-	-	56	(135)	(3)	(82)	257	175
Share-based payment expense	-	9	-	-	-	-	-	9	-	9
Share purchases	(338)	(5)	-	-	-	-	-	(5)	-	(343)
Dividends paid	-	-	-	-	-	-	-	-	(145)	(145)
Transfers to profits reserve	-	-	-	22	-	-	-	22	(22)	-
Sales and acquisitions of non-controlling interests	-	-	(2)	-	-	-	-	(2)	-	(2)
AMP Foundation charitable distribution	-	-	-	-	-	-	-	-	(3)	(3)
Balance at the end of the year	**4,664**	**120**	**(34)**	**22**	**(71)**	**130**	**72**	**239**	**(1,029)**	**3,874**

1 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.
2 The profits reserve represents profits of entities within the group transferred to a separate reserve to preserve their profit character. Such profits are available to enable payment of franked dividends in future years.
3 In 2023, AMP Bank aligned its accounting treatments of interest income recognised on credit-impaired loans with the treatment outlined in the Material accounting policies on page 87; and realised gains/losses on collateral deposits, with the policy for realised gains/losses to be recognised in the period in which they arise. The adjustment to 2023 opening retained earnings reflects the impact of these changes on prior years. Prior years' numbers have not been restated as the impact was not material.

Consolidated statement of changes in equity

for the year ended 31 December 2023

Equity attributable to shareholders of AMP Limited

2022	Contributed equity $m	Demerger reserve $m	Share-based payment reserve $m	Capital profits reserve[1] $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
Balance at the beginning of the year	10,200	(2,566)	132	(27)	32	38	64	(2,327)	(3,893)	3,980	3	3,983
Profit from continuing operations[2]	-	-	-	-	-	-	-	-	1	1	-	1
Profit from discontinued operations[2]	-	-	-	-	-	-	-	-	386	386	-	386
Other comprehensive income/(loss) from continuing operations	-	-	-	-	(160)	227	23	90	(1)	89	-	89
Other comprehensive loss from discontinued operations	-	-	-	-	-	-	(12)	(12)	-	(12)	-	(12)
Total comprehensive income/(loss)	-	-	-	-	(160)	227	11	78	386	464	-	464
Share-based payment expense	-	-	11	-	-	-	-	11	-	11	-	11
Share purchases	(267)	-	(10)	-	-	-	-	(10)	-	(277)	-	(277)
Capital reduction[3]	(4,931)	-	-	-	-	-	-	-	4,931	-	-	-
Transfers to retained earnings[4]	-	2,566	(17)	-	1	-	-	2,550	(2,550)	-	-	-
Sales and acquisitions of non-controlling interests	-	-	-	(5)	-	-	-	(5)	-	(5)	(3)	(8)
AMP Foundation charitable distribution	-	-	-	-	-	-	-	-	(2)	(2)	-	(2)
Balance at the end of the year	5,002	-	116	(32)	(127)	265	75	297	(1,128)	4,171	-	4,171

1 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.
2 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.
3 In December 2022, in accordance with section 258F of the *Corporations Act 2001*, the AMP board resolved to reduce AMP's share capital by $4,931m, representing historic permanent losses recognised by the AMP group in prior reporting periods. Those losses arose from businesses which no longer operate, including UK demerger losses and losses relating to AMP's wealth protection and mature businesses which were sold to Resolution Life in 2020. The adjustment to share capital had the effect of reducing AMP's contributed equity and retained losses as disclosed on the Consolidated statement of changes in equity. The adjustment had no impact on the net assets, financial results, cash flows, and regulatory capital of the consolidated group or the company's number of shares issued.
4 Transfers to retained earnings primarily represents the reclassification of the demerger reserve.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Note	2023 $m	2022 $m
Cash flows from operating activities			
Cash receipts in the course of operations		**1,419**	1,975
Interest received		**1,368**	834
Dividends and distributions received		**32**	78
Cash payments in the course of operations		**(1,907)**	(2,873)
Net movement in loans and advances		**(456)**	(1,605)
Net movement in deposits from customers		**557**	2,947
Finance costs		**(1,138)**	(465)
Income tax benefit received		**20**	72
Net cash (used in)/provided by operating activities	6.1	**(105)**	963
Cash flows from investing activities			
Net proceeds/(payments) from sale or acquisition of:			
– investments in financial assets		**373**	(1,782)
– operating and intangible assets		**(32)**	(30)
– AMP Capital and SMSF businesses		**910**	-
– Resolution Life Non-Operating Holding Company, AMP Capital's Global Equities and Fixed Income (GEFI) business and Infrastructure Debt platform		**–**	980
– other operating controlled entities and investments in associates accounted for using the equity method		**–**	(59)
Payments for loan book acquisition		**–**	(434)
Net cash provided by/(used in) investing activities		**1,251**	(1,325)
Cash flows from financing activities			
Net movement in borrowings – banking operations		**(728)**	243
Net movement in borrowings – non-banking operations		**(486)**	(437)
Share buy-backs		**(338)**	(267)
Purchase of shares relating to share-based payments arrangements		**(5)**	(10)
Payments for the principal portion of lease liabilities		**(35)**	(40)
Dividends paid		**(145)**	-
Net cash used in financing activities		**(1,737)**	(511)
Net decrease in cash and cash equivalents		**(591)**	(873)
Cash and cash equivalents at the beginning of the year[1]		**2,031**	2,911
Cash and cash equivalents prior to deconsolidation and transfers		**1,440**	2,038
Cash and cash equivalents deconsolidated		**–**	(7)
Cash and cash equivalents at the end of the year		**1,440**	2,031
Cash and cash equivalents classified as assets held for sale		**–**	(215)
Cash and cash equivalents per Consolidated statement of financial position		**1,440**	1,816

1 Cash and cash equivalents at the beginning of the year has been restated to exclude $133m of debt securities as they were previously included as cash equivalents for the purposes of the Consolidated statement of cash flows.

Notes to the financial statements

for the year ended 31 December 2023

About this report

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

(a) Understanding the AMP financial report

The AMP group (AMP) 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 and investments in associates.

The consolidated financial report:

- is a general purpose financial report;
- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board;
- is presented in Australian dollars with all values rounded to the nearest million dollars ($m), unless otherwise stated;
- has been prepared on a going concern basis generally using a historical cost basis; however where permitted under accounting standards, a different basis may be used, including the fair value basis;
- presents assets and liabilities on the face of the Consolidated statement of financial position in decreasing order of liquidity and therefore does not distinguish between current and non-current items;
- presents reclassified comparative information where required for consistency with the current year's presentation within the financial report, including restated comparative information to reflect the impact of discontinued operations as detailed in note 5.2.

AMP Limited is a for-profit entity and is limited by shares. The financial statements for the year ended 31 December 2023 were authorised for issue on 14 February 2024 in accordance with a resolution of the directors.

Sale of AMP Capital

International Infrastructure Equity business

On 3 February 2023, AMP announced the completion of the sale of AMP Capital's international infrastructure equity business to DigitalBridge Investment Holdco, LLC which had previously been announced on 28 April 2022. Total transaction value was $582m, comprising $520m cash, $57m of value from retained estimated future carry and performance fees and $5m of gains on foreign exchange hedges of the estimated consideration between signing and completion. In addition, AMP remains eligible for a further cash earn-out of up to $180m which is contingent on future fund raisings. The results of this business have been classified as discontinued operations in the Consolidated income statement (refer to note 5.2).

Domestic Real Estate and Infrastructure Equity businesses

On 24 March 2023, AMP announced the first stage of completion of the sale and transfer of the AMP Capital real estate and domestic infrastructure equity business to Dexus, after both parties entered into a non-binding term sheet which contemplated a revised transaction structure with a two-stage completion process. In the first stage, the revised transaction structure allowed the transfer to Dexus of most legal entities (holding the majority of the AMP Capital domestic assets and management rights) as well as employees. The total consideration received for the first stage was $335m.

On 30 November 2023, AMP announced the second stage of completion had occurred and the payment of the remaining $50m of the base purchase price which was contingent on the transfer of CLAMP had been received. The results of the Domestic Real Estate and Infrastructure Equity businesses have been classified as discontinued operations in the Consolidated income statement (refer to note 5.2).

Sale of SuperConcepts Self-Managed Superannuation Fund (SMSF) administration and software businesses

On 8 June 2023, AMP announced it has entered into an agreement to sell its SMSF administration and software business, SuperConcepts, to a private management group and Pemba Capital Partners. The sale completed on 30 June 2023, and total consideration of approximately $5m was received. The results of this business have been classified as discontinued operations in the Consolidated income statement (refer to note 5.2).

(b) Basis of consolidation

Entities are fully consolidated from the date of acquisition, being the date on which the AMP group obtains control, and continue to be consolidated until the date that control ceases. Control exists where the AMP group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Income, expenses, assets, liabilities and cash flows of controlled entities are consolidated into the AMP group financial statements, along with those attributable to the shareholders of the parent entity. All inter-company transactions are eliminated in full, including unrealised profits arising from intra-group transactions.

Materiality

Information has only been included in the financial report to the extent that it has been considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the AMP group;
- it helps explain the impact of significant changes in the AMP group; and/or
- it relates to an aspect of the AMP group's operations that is important to its future performance.

(c) Material accounting policies

The material accounting policies adopted in the preparation of the financial report are contained in the notes to the financial statements to which they relate. All accounting policies have been consistently applied to the current year and comparative period, unless otherwise stated. Where an accounting policy relates to more than one note or where no note is provided, the accounting policies are set out below.

Interest income and interest expense, dividend and distribution income

Interest income and interest expense on financial assets and financial liabilities measured at amortised cost are recognised in the Consolidated income statement using the effective interest method. Revenue from dividends and distributions is recognised when the AMP group's right to receive payment is established.

Foreign currency transactions

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars (the functional currency) using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation of foreign exchange transactions are recognised in the Consolidated income statement, except for qualifying cash flow hedges and hedges of net investments in foreign operations, which are deferred to equity.

On consolidation the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date
Reserves	Reporting date

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and subsequently transferred to the Consolidated income statement on disposal of the foreign operation.

Notes to the financial statements

for the year ended 31 December 2023

(d) Critical judgements and estimates

Preparation of the financial statements requires management to make judgements, estimates and assumptions about future events. Information on critical judgements and estimates considered when applying the accounting policies can be found in the following notes:

Accounting estimates and judgements	Note description	Note #	Page
Taxes	Taxes	1.4	96
Impairment of financial assets	Expected credit losses (ECLs)	2.1	100
Financial assets and liabilities measured at fair value	Investments in other financial assets and liabilities	2.2	102
Goodwill and acquired intangible assets	Intangibles	2.3	104
Defined benefit obligations	Defined benefit plans	4.1	126
Discontinued operations	Discontinued operations	5.2	134
Right of use assets and lease liabilities	Right of use asset and lease liabilities	6.3	141
Provisions and contingent liabilities	Provisions and contingent liabilities	6.4	143

1
Section

Results for the year

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

Statutory measures of performance disclosed in this report are:

– Statutory earnings per share (EPS) – basic and diluted, and
– Profit/(loss) after tax attributable to the shareholders of AMP.

NPAT (underlying) is AMP's key measure of business performance. This performance measure is disclosed for each AMP operating segment within Segment performance.

1.1 Segment performance
1.2 Other operating expenses
1.3 Earnings per share
1.4 Taxes
1.5 Dividends

1.1 Segment performance

The AMP group identifies its operating segments based on separate financial information that is regularly reviewed by the Chief Executive Officer and the 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. On 29 May 2023, AMP announced the removal of the Australian Wealth Management construct from its financial reporting to reflect the simplification of AMP's operating model. Platforms, Master Trust and Advice results are reported individually.

Reportable segment	Segment description
AMP Bank	AMP Bank offers residential mortgages, business financing, deposits and transactional banking services.
Platforms	Platforms provides superannuation, retirement and investment solutions, enabling advisers and their clients to build a personalised investment portfolio on AMP's flagship North platform.
Master Trust	Master Trust offers market competitive superannuation and pension solutions to individuals and through workplace super.
Advice	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 this network of advisers, the Advice business partners with a number of advice practices via equity ownership to support their growth.

1.1 Segment performance *continued*

Reportable segment	Segment description
New Zealand Wealth Management (NZWM)	New Zealand Wealth Management provides clients with a variety of wealth management solutions including KiwiSaver, corporate superannuation, retail investments and general insurance. It also operates a wholly owned distribution business operating under the AdviceFirst and enable.me brands.
Group	Group includes strategic partnerships, Group costs not recovered from business units, investment income and interest expense on corporate debt.

(a) Segment profit

2023	AMP Bank $m	Platforms $m	Master Trust $m	Advice $m	NZWM $m	Group $m	Total $m
Segment profit/(loss) after income tax	**93**	**90**	**53**	**(47)**	**34**	**(27)**	**196**
Segment revenue	**389**	**333**	**343**	**50**	**135**	**58**	**1,308**
Presentation adjustments[1]							**129**
Total statutory revenue from contracts with customers							**1,437**
Other segment information							
Income tax (expense)/benefit	**(40)**	**(38)**	**(23)**	**22**	**(14)**	**23**	**(70)**
Depreciation and amortisation	**(9)**	**(10)**	**(1)**	**(2)**	**(1)**	**–**	**(23)**
Investment income	**–**	**14**	**5**	**–**	**–**	**64**	**83**
2022[2]							
Segment profit/(loss) after income tax	103	65	53	(68)	32	(1)	184
Segment revenue	397	297	384	56	125	89	1,348
Presentation adjustments[1]							87
Total statutory revenue from contracts with customers							1,435
Other segment information							
Income tax (expense)/benefit	(44)	(28)	(22)	32	(13)	23	(52)
Depreciation and amortisation	(10)	(13)	(3)	(7)	(1)	–	(34)
Investment income	–	5	3	–	–	45	53

1 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.
2 The results for the year ended 31 December 2022 have been re-presented to be consistent with the current year presentation of operating segments.

Notes to the financial statements

for the year ended 31 December 2023

1.1 Segment performance *continued*

(b) The following table allocates the disaggregated segment revenue from contracts with customers to the group's operating segments (see note 1.1(a)):

2023	AMP Bank $m	Platforms $m	Master Trust $m	Advice $m	NZWM $m	Group $m	Total $m
AUM based revenue	**–**	**320**	**343**	**–**	**88**	**–**	**751**
Net interest income	**373**	**–**	**–**	**–**	**–**	**–**	**373**
Strategic partnerships[1]	**–**	**–**	**–**	**–**	**–**	**58**	**58**
Other revenue[2]	**16**	**13**	**–**	**50**	**47**	**–**	**126**
Total segment revenue per segment note	**389**	**333**	**343**	**50**	**135**	**58**	**1,308**
Presentation adjustments[3]							**129**
Total statutory revenue from contracts with customers							**1,437**

2022[4]	AMP Bank $m	Platforms $m	Master Trust $m	Advice $m	NZWM $m	Group $m	Total $m
AUM based revenue	–	319	383	–	92	–	794
Net interest income	382	–	–	–	–	–	382
Strategic partnerships[1]	–	–	–	–	–	89	89
Other revenue[2]	15	(22)	1	56	33	–	83
Total segment revenue per segment note	397	297	384	56	125	89	1,348
Presentation adjustments[3]							87
Total statutory revenue from contracts with customers							1,435

1 Includes profit contributions from CLPC, CLAMP, PCCP and sponsor investments.
2 Includes Advice, North Guarantee and NZWM other revenues.
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.
4 The results for the year ended 31 December 2022 have been re-presented to be consistent with the current year presentation of operating segments.

(c) Statutory revenue:

Statutory revenue from contracts with customers	2023 $m	2022[1] $m
Fee revenue		
– Investment management and related fees	**800**	806
– Financial advisory fees[2]	**572**	596
	1,372	1,402
Other income	**65**	33
Total statutory revenue from contracts with customers	**1,437**	1,435

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.
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.

1.1 Segment performance *continued*

(d) Reconciliations

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

	2023 $m	2022[1] $m
Total segment profit after income tax	**196**	184
Litigation and remediation related costs	**(99)**	(25)
Transformation cost out	**(51)**	(61)
Impairments	**(10)**	(68)
Separation costs	**–**	(90)
Other items[2]	**226**	400
Amortisation of intangible assets	**(4)**	(4)
Discontinued operations[3]	**7**	51
Net profit after tax	**265**	387

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.
2 Other items substantively comprise the gain on sale of AMP Capital and SMSF businesses for the year ended 31 December 2023 and gain on sale of the Infrastructure Debt platform for the year ended 31 December 2022, permanent tax differences and other one-off related impacts.
3 Includes the results of SMSF, International Infrastructure Equity, Real Estate and Domestic Infrastructure Equity businesses for the year ended 31 December 2023 (2022: It included the results of SMSF, International and Domestic Infrastructure Equity, Real Estate, Infrastructure Debt, Global Equities and Fixed Income businesses).

Total segment revenue differs from Total revenue as follows:

	2023 $m	2022[1] $m
Total segment revenue	**1,308**	1,348
Add revenue excluded from segment revenue		
– Other income	**65**	33
Add back expenses netted against segment revenue		
– Interest expense related to AMP Bank	**1,116**	502
– External investment manager and adviser fees paid in respect of certain assets under management	**455**	435
Movement in guarantee liabilities	**32**	21
Total revenue	**2,976**	2,339

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.

(e) Segment assets

Segment asset information has not been disclosed because the balances are not used by the Chief Executive Officer or the executive team for evaluating segment performance, or in allocating resources to segments.

Notes to the financial statements

for the year ended 31 December 2023

1.1 Segment performance *continued*

Accounting policy – recognition and measurement

Revenue from contracts with customers

For AMP, revenue from contracts with customers arises primarily from the provision of investment management and financial advisory services. Revenue is recognised when control of services is transferred to the customer at an amount that reflects the consideration which AMP is entitled to in exchange for the services provided. As the customer simultaneously receives and consumes the benefits as the service is provided, control is transferred over time. Accordingly, revenue is recognised over time.

Fee rebates provided to customers are recognised as a reduction in fee revenue.

Investment management and related fees

Fees are charged to customers in connection with the provision of investment management and other related services. These performance obligations are satisfied on an ongoing basis, usually daily, and revenue is recognised as the service is provided.

Financial advisory fees

Financial advisory fees consist of fee-for-service revenue and commission income which are earned for providing customers with financial advice and performing related advisory services. These performance obligations are satisfied over time. Accordingly, revenue is recognised over time.

A substantial majority of the financial advisory fees received are paid to advisers. Financial advisory fees are presented gross of the related cost which is presented in Fees and commission expenses in the Consolidated income statement.

1.2 Other operating expenses

	2023 $m	2022[1] $m
Impairment of intangibles	**(3)**	(9)
Movement in expected credit losses	**(12)**	(11)
Information technology and communication	**(131)**	(186)
Lease related impairments and provisions	**(21)**	(52)
Professional and consulting fees	**(124)**	(87)
Amortisation of intangibles	**(26)**	(44)
Depreciation of property, plant and equipment	**(44)**	(49)
Other expenses[2]	**(231)**	(88)
Total other operating expenses	**(592)**	(526)

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.
2 Includes litigation expenses of $136m, net of recovery from insurers, relating to class actions (2022: $nil).

1.3 Earnings per share

Basic earnings per share

Basic earnings per share is calculated based on Profit attributable to shareholders of AMP and the weighted average number of ordinary shares outstanding.

Diluted earnings per share

Diluted earnings per share is based on Profit attributable to shareholders of AMP and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares, such as options and performance rights.

	2023 $m	2022[1] $m
Profit attributable to shareholders of AMP		
Continuing operations	**19**	1
Discontinued operations	**246**	386
Profit attributable to shareholders of AMP	**265**	387

	2023 millions	2022 millions
Weighted average number of ordinary shares for basic EPS[2]	**2,860**	3,213
Add: potential ordinary shares considered dilutive	**42**	51
Weighted average number of ordinary shares used in the calculation of dilutive earnings per share	**2,902**	3,264

	2023 cents	2022 cents
Earnings per share		
Basic	**9.3**	12.0
Diluted	**9.1**	11.9
Earnings per share for continuing operations		
Basic	**0.7**	-
Diluted	**0.6**	-

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.
2 The weighted average number of ordinary shares outstanding is calculated after deducting the weighted average number of treasury shares held during the year.

Earnings per share for discontinued operations		
Basic	**8.6**	12.0
Diluted	**8.5**	11.9

Notes to the financial statements

for the year ended 31 December 2023

1.4 Taxes

Our 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. Further information on AMP's tax matters can be found in the AMP Tax Report at amp.com.au/shares.

(a) Income tax benefit

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

	2023 $m	2022[1] $m
Loss before tax	**(70)**	(57)
Tax at the Australian tax rate of 30% (2022: 30%)	**21**	17
Non-deductible expenses	**(23)**	(23)
Non-taxable income	**22**	41
Other items	**33**	2
Over provided in previous years	**35**	19
Differences in overseas tax rates	**1**	2
Income tax benefit per Consolidated income statement	**89**	58

(b) Analysis of income tax benefit

	2023 $m	2022[1] $m
Current tax benefit/(expense)	**69**	(2)
(Decrease)/increase in deferred tax assets[2]	**(84)**	197
Decrease/(increase) in deferred tax liabilities[3]	**104**	(137)
Income tax benefit	**89**	58

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis. Refer to note 5.2.
2 Deferred Tax Assets (DTAs) before offset adjustments increased by $26m, of which $15m related to discontinued operations. In addition, DTAs related to continuing operations increased by $11m, reflecting $95m recognised in the Consolidated statement of comprehensive income (relating to reserves and defined benefit plans), offset by $84m recognised in income tax expense.
3 Deferred Tax Liabilities (DTLs), before offset adjustments, decreased by $47m related to continuing operations, reflecting $104m recognised in income tax benefit, offset by $57m recognised in the Consolidated statement of comprehensive income (relating to reserves and defined benefit plans).

1.4 Taxes continued

(c) Analysis of deferred tax balances

	2023 $m	2022 $m
Analysis of deferred tax assets		
Expenses deductible in the future years	**226**	236
Unrealised investment losses	**29**	58
Losses available for offset against future taxable income	**352**	289
Lease liabilities	**159**	169
Capitalised software expenses	**84**	108
Transferred to assets held for sale	**–**	(37)
Other	**–**	1
Total deferred tax asset	**850**	824
Offset to tax	**(210)**	(268)
Net deferred tax assets	**640**	556
Analysis of deferred tax liabilities		
Unrealised investment gains	**61**	121
Right of use assets	**97**	118
Intangible assets	**25**	26
Unearned revenue	**30**	18
Transferred to liabilities held for sale	**–**	(14)
Other	**13**	4
Total deferred tax liability	**226**	273
Offset to tax	**(210)**	(268)
Net deferred tax liabilities	**16**	5

(d) Amounts recognised directly in equity

	2023 $m	2022 $m
Deferred income tax benefit/(expense) related to items taken directly to equity during the year	**38**	(28)

(e) Unused tax losses not recognised

	2023 $m	2022 $m
Revenue losses	**212**	212
Capital losses[1]	**980**	1,115

1 Unused capital losses not recognised do not include projections of capital gain/(loss) from the sales of AMP Capital Holding Limited group entities and small financial planning entities.

Notes to the financial statements

for the year ended 31 December 2023

1.4 Taxes *continued*

Accounting policy – recognition and measurement

Income tax expense

Income tax expense is the tax payable on taxable income for the current period based on the income tax rate for each jurisdiction and adjusted for changes in deferred tax assets and liabilities. These changes are attributable to:

- temporary differences between the tax bases of assets and liabilities and their Consolidated statement of financial position carrying amounts;
- unused tax losses; and
- the impact of changes in the amounts of deferred tax assets and liabilities arising from changes in tax rates or in the manner in which these balances are expected to be realised.

Adjustments to income tax expense are also made for any differences between the amounts paid, or expected to be paid, in relation to prior periods and the amounts provided for these periods at the start of the current period.

Any tax impact on income and expense items that are recognised directly in equity is also recognised directly in equity.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences and are measured at the tax rates which are expected to apply when the assets are recovered or liabilities are settled, based on tax rates that have been enacted or substantively enacted for each jurisdiction at the reporting date. Deferred tax assets and liabilities are not discounted to present value.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax consolidation

AMP Limited and its wholly owned Australian controlled entities are part of a tax-consolidated group, with AMP Limited being the head entity (the company). A tax funding agreement has been entered into by the head entity and the controlled entities in the tax-consolidated group and requires entities to fully compensate the company for current tax liabilities and to be fully compensated by the company for any current or deferred tax assets in respect of tax losses arising from external transactions occurring after 30 June 2003, the implementation date of the tax-consolidated group.

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 setting assumptions used to forecast future profitability in order to determine 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 (DTAs). Future profitability may differ from forecasts which could impact management's expectations in future periods with respect to the recoverability of DTAs and result in DTA impairments or reversals of prior DTA impairments.

1.5 Dividends

Dividends paid and proposed during the year are shown in the table below:

	2023 Final	2023 Interim	2022 Final	2022 Interim
Dividend per share (cents)	**2.0**	2.5	2.5	–
Franking percentage	**20%**	20%	20%	–
Dividend amount ($m)	**55**	70	75	–
Payment date	**4 April 2024**	29 September 2023	3 April 2023	–

	2023 $m	2022 $m
Dividends paid		
Previous year final dividend on ordinary shares	**75**	–
Interim dividend on ordinary shares	**70**	–
Total dividends paid[1]	**145**	–

1 Total dividends paid includes $nil dividends paid on treasury shares (2022: $nil).

Dividend franking credits

Franking credits available to shareholders are $58m (2022: $71m), based on a tax rate of 30%. This amount is calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits that will arise from the settlement, after the end of the reporting date, of liabilities for income tax and receivables for dividends.

The Company's ability to utilise the franking account credits depends on meeting *Corporations Act 2001* requirements to declare dividends. The impact of the proposed dividend will be to reduce the balance of franking credit account by $5m.

Franked dividends are franked at a tax rate of 30%.

Notes to the financial statements

for the year ended 31 December 2023

2 Section

Loans and advances, investments, intangibles and working capital

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

2.1 Loans and advances

(a) Loans and advances

	2023 $m	2022 $m
Housing loans	**24,386**	23,929
Business finance loans	**244**	252
Total loans and advances[1,2]	**24,630**	24,181
Less: Provisions for impairment		
Individual provisions		
– Housing loans	**(2)**	(2)
– Business finance loans	**(54)**	(64)
Collective provisions	**(44)**	(35)
Total provisions for impairment	**(100)**	(101)
Total net loans and advances	**24,530**	24,080
Movement in provisions:		
Individual provision		
Balance at the beginning of the year	**66**	90
Increase in provision – housing loans	**1**	–
Bad debts written off	**(1)**	(1)
Provision released	**(10)**	(23)
Balance at the end of the year	**56**	66
Collective provision		
Balance at the beginning of the year	**35**	26
Increase in provision	**9**	9
Balance at the end of the year	**44**	35

1 Total loans and advances include net capitalised costs of $134m (2022: $119m).
2 Total loans and advances of $18,498m (2022: $18,691m) is expected to be received more than 12 months after the reporting date.

2.1 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 year.

2023	Stage 1 collective $m	Stage 2 collective $m	Stage 3 collective and individual $m	Total $m
Balance at the beginning of the year	**18**	**12**	**71**	**101**
Transferred to Stage 1 (12-months ECL)	**7**	**(4)**	**(3)**	**–**
Transferred to Stage 2 (lifetime ECL credit impaired)	**(1)**	**7**	**(6)**	**–**
Transferred to Stage 3 (lifetime ECL credit impaired)	**(1)**	**(3)**	**4**	**–**
Increased/(released) provisions during the year	**(7)**	**3**	**11**	**7**
Bad debts written off	**–**	**–**	**(1)**	**(1)**
Release of provision for business finance loans	**–**	**–**	**(7)**	**(7)**
Balance at the end of the year	**16**	**15**	**69**	**100**

2022	Stage 1 collective $m	Stage 2 collective $m	Stage 3 collective and individual $m	Total $m
Balance at the beginning of the year	18	8	90	116
Transferred to Stage 1 (12-months ECL)	12	(2)	(10)	–
Transferred to Stage 2 (lifetime ECL credit impaired)	(1)	2	(1)	–
Transferred to Stage 3 (lifetime ECL credit impaired)	–	(1)	1	–
Increased/(released) provisions during the year	(11)	5	8	2
Bad debts written off	–	–	(1)	(1)
Release of provision for business finance loans	–	–	(16)	(16)
Balance at the end of the year	18	12	71	101

Accounting policy – recognition and measurement

Financial assets measured at amortised cost – loans and advances and debt securities

Loans and advances and debt securities are measured at amortised cost when both of the following conditions are met:

– the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. These assets are subsequently recognised at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Loans and advances are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when AMP Bank provides money directly to a customer, including loans and advances to advisers, and with no intention of trading the financial asset. Loans and advances are initially recognised at fair value, including direct and incremental transaction costs relating to loan origination. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Notes to the financial statements

for the year ended 31 December 2023

2.1 Loans and advances *continued*

Impairment of financial assets

An allowance for expected credit losses (ECLs) is recognised for financial assets measured at amortised cost, debt securities measured at fair value through other comprehensive income (FVOCI) and loan commitments. ECLs are probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial instrument. The key elements in the measurement of ECLs are as follows:

- PD – the probability of default is an estimate of the likelihood of default over a given time horizon.
- EAD – the exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- LGD – loss given default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive, including from the realisation of any collateral.

The group estimates these elements using appropriate credit risk models taking into consideration a number of factors, including the internal and external credit ratings of the assets, nature and value of collateral and forward-looking macro-economic scenarios.

Other than ECL on trade receivables, where a simplified approach is taken, the group applies a three-stage approach to measure the ECLs as follows:

Stage 1 (12-month ECL)

The group collectively assesses and recognises a provision at an amount equal to 12-month ECL when financial assets are current and/or have had a good performance history and are of low credit risk. It includes financial assets where the credit risk has improved and the financial assets have been reclassified from Stage 2 or even Stage 3 based on improved performance observed over a predefined period of time. A financial asset is considered to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Stage 2 (Lifetime ECL – not credit impaired)

The group collectively assesses and recognises a provision at an amount equal to lifetime ECL on financial assets where there has been a significant increase in credit risk since initial recognition but the financial assets are not credit impaired.

The quantitative criteria used to determine a significant increase in credit risk is a series of relative and absolute thresholds. Financial assets that were 30 days past due at least once over the last six months are deemed to have significant increase in credit risk since initial recognition. For loans and advances, other risk factors like hardship, loan to value ratio (LVR) and loan to income ratio (LTI) are also considered in order to determine a significant increase in credit risk.

Stage 3 (Lifetime ECL – credit impaired)

The group measures loss allowances at an amount equal to lifetime ECL on financial assets that are determined to be credit impaired based on objective evidence of impairment. Financial assets are classified as impaired when payment is 90 days past due or when there is no longer reasonable assurance that principal or interest will be collected in their entirety on a timely basis.

Critical accounting estimates and judgements

Impairment of financial assets

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.

2.2 Investments in other financial assets and liabilities

	2023 $m	2022 $m
Financial assets measured at fair value through profit or loss		
Equity securities	**12**	5
Debt securities	**315**	255
Unlisted managed investment schemes[1]	**208**	233
Derivative financial assets	**323**	575
Total financial assets measured at fair value through profit or loss	**858**	1,068
Financial assets measured at fair value through other comprehensive income		
Debt securities[2]	**3,819**	4,150
Total financial assets measured at fair value through other comprehensive income	**3,819**	4,150
Other financial assets measured at amortised cost		
Debt securities	**679**	599
Other financial assets	**12**	8
Total other financial assets measured at amortised cost	**691**	607
Total other financial assets	**5,368**	5,825
Other financial liabilities		
Derivative financial liabilities	**116**	161
Collateral deposits held	**63**	133
Total other financial liabilities	**179**	294

1 $54m (2022: $53m) 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.

Accounting policy – recognition and measurement

Recognition and derecognition of financial assets and liabilities

Financial assets and financial liabilities are recognised at the date the AMP group becomes a party to the contractual provisions of the instrument. At initial recognition, financial assets are classified as subsequently measured at fair value through profit or loss, fair value through other comprehensive income (OCI), or amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership of the financial asset are passed to an unrelated third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets measured at fair value through profit or loss

Financial assets measured on initial recognition as financial assets measured at fair value through profit or loss are initially recognised at fair value, determined as the purchase cost of the asset, exclusive of any transaction costs. Transaction costs are expensed as incurred in profit or loss. Any realised and unrealised gains or losses arising from subsequent measurement at fair value are recognised in the Consolidated income statement in the period in which they arise.

Financial assets measured at fair value through profit or loss – debt securities

Debt securities can be irrevocably designated, at initial recognition, as measured at fair value through profit or loss where doing so would eliminate or significantly reduce a measurement or recognition inconsistency or otherwise results in more relevant information. Fair value on initial recognition is determined as the purchase cost of the asset, exclusive of any transaction costs. Transactions costs are expensed as incurred in profit or loss. Subsequent measurement is determined with reference to the bid price at the reporting date. Any realised and unrealised gains or losses arising from subsequent measurement at fair value are recognised in the Consolidated income statement in the period in which they arise.

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for the year ended 31 December 2023

2.2 Investments in other financial assets and liabilities *continued*

Financial assets measured at fair value through OCI – debt securities

Debt securities are measured at fair value through OCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through OCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses and impairment losses or reversals are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. The accumulated gains or losses recognised in OCI are recycled to profit and loss upon derecognition of the assets.

The group classifies debt securities held by AMP Bank under this category.

Financial assets measured at amortised cost – debt securities

Refer to note 2.1 for details.

Critical accounting estimates and judgements

Financial assets and liabilities measured at fair value

Where available, quoted market prices for the same or similar instruments are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Management applies judgement in selecting valuation techniques and setting valuation assumptions and inputs. Further detail on the determination of fair value of financial instruments is set out in note 2.7.

2.3 Intangibles

2023	Goodwill $m	Capitalised costs $m	Distribution networks $m	Other intangibles $m	Total $m
Balance at the beginning of the year	70	92	36	–	198
Additions through separate acquisitions[1]	18	–	13	–	31
Additions through internal development	–	27	–	–	27
Reductions through disposal	–	(9)	(5)	–	(14)
Amortisation expense[2]	–	(24)	(6)	–	(30)
Impairment loss	–	(3)	–	–	(3)
Balance at the end of the year	**88**	**83**	**38**	**–**	**209**

2022	Goodwill $m	Capitalised costs $m	Distribution networks $m	Other intangibles $m	Total $m
Balance at the beginning of the year	149	123	50	8	330
Additions through separate acquisitions	–	–	20	–	20
Additions through internal development	–	26	–	–	26
Reductions through disposal	–	–	(23)	(1)	(24)
Transferred from inventories	–	–	(5)	–	(5)
Amortisation expense[2]	–	(43)	(6)	–	(49)
Impairment loss	–	(9)	–	–	(9)
Transferred to assets held for sale	(79)	(5)	–	(7)	(91)
Balance at the end of the year	70	92	36	–	198

1 On 31 March 2023, AdviceFirst, a subsidiary of AMP New Zealand Holdings Limited acquired enable.me, a financial advisory and coaching business for upfront consideration of NZD 15m and contingent consideration of NZD 7m, subject to achieving certain revenue targets. This resulted in recognition of $18m in goodwill and $8m in distribution networks.
2 Includes $4m of amortisation expense related to discontinued operations (2022: $5m).

Accounting policy – recognition and measurement

Goodwill

Goodwill acquired in a business combination is recognised at cost and subsequently measured at cost less any accumulated impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets acquired and liabilities assumed.

Capitalised costs

Costs are capitalised when the costs relate to the creation of an asset with expected future economic benefits which are capable of reliable measurement. Capitalised costs are amortised on a straight-line basis over the estimated useful life of the asset, commencing at the time the asset is first put into use or held ready for use, whichever is the earlier.

Distribution networks

Distribution networks such as customer lists, financial planner client servicing rights or other distribution-related rights, either acquired separately or through a business combination, are initially measured at fair value and subsequently measured at cost less amortisation and any accumulated impairment losses.

Notes to the financial statements

for the year ended 31 December 2023

2.3 Intangibles *continued*

Amortisation

Intangible assets with finite useful lives are amortised on a straight-line basis over the useful life of the intangible asset. The estimated useful lives are generally:

Item	Useful life
Capitalised costs	Up to 10 years
Distribution networks	2 to 15 years

The useful life of each intangible asset is reviewed at the end of the period and, where necessary, adjusted to reflect current assessments.

Impairment testing

Goodwill and intangible assets that have indefinite useful lives are tested at least annually for impairment. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). An impairment loss is recognised when the CGU's carrying amount exceeds the CGU's recoverable amount. When applicable, an impairment loss is first allocated to goodwill and any remainder is then allocated to the other assets on a pro-rata basis.

Composition of goodwill

The goodwill of $88m (2022: $70m) relates to the NZWM CGU. The $18m increase in goodwill relates to NZWM's acquisition of the enable.me business during this year.

The annual impairment assessment for NZWM resulted in significant headroom and there was no reasonably possible change to a key assumption used in the assessment that would result in an impairment as at 31 December 2023.

Critical accounting estimates and judgements

Management applies judgement in selecting valuation techniques and setting valuation assumptions to determine the:

- acquisition date fair value and estimated useful life of acquired intangible assets;
- allocation of goodwill to CGUs and determining the recoverable amount of the CGUs; and
- assessment of whether there are any impairment indicators for acquired intangibles and internally generated intangibles, where required, in determining the recoverable amount.

2.4 Other assets

	2023 $m	2022 $m
Planner registers held for sale	**2**	9
Prepayments	**29**	30
Property, plant and equipment	**17**	26
Total other assets	**48**	65
Current	***27***	*35*
Non-current	***21***	*30*

2.5 Receivables

	2023 $m	2022 $m
Investment related receivables	**25**	29
Client register receivables	**40**	52
Collateral receivables	**43**	108
Trade debtors and other receivables[1]	**231**	156
Sublease receivables	**87**	60
Total receivables[2]	**426**	405
Current	***316***	*297*
Non-current	***110***	*108*

1 Includes $50m of receivables from insurers related to the shareholder class action (2022: $nil). Refer to note 6.7 for more information.
2 Receivables are presented net of ECL of $39m (2022: $40m).

Accounting policy – recognition and measurement

Receivables

Trade debtors, client register, sublease receivables, collateral and other receivables are measured at amortised cost, less an allowance for ECLs. Investment related receivables are financial assets measured at fair value through profit or loss.

The group applies a simplified approach in calculating ECLs for receivables. Therefore, the group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.6 Payables

	2023 $m	2022 $m
Accrued expenses	**69**	99
Trade creditors and other payables	**116**	110
Total payables	**185**	209
Current	***185***	*209*
Non-current	**–**	–

Accounting policy – recognition and measurement

Payables

Payables are measured at the nominal amount payable. Given the short-term nature of most payables, the nominal amount payable approximates fair value.

Notes to the financial statements

for the year ended 31 December 2023

2.7 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.

2023	Carrying amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total fair value $m
Financial assets measured at fair value					
Equity securities	12	–	–	12	12
Debt securities	4,134	3,601	533	–	4,134
Unlisted managed investment schemes	208	–	90	118	208
Derivative financial assets	323	–	323	–	323
Total financial assets measured at fair value	4,677	3,601	946	130	4,677
Financial assets not measured at fair value					
Loans and advances	24,530	–	–	24,499	24,499
Debt securities	679	–	683	–	683
Other financial assets	12	–	12	–	12
Total financial assets not measured at fair value	25,221	–	695	24,499	25,194
Financial liabilities measured at fair value					
Derivative financial liabilities	116	–	116	–	116
Collateral deposits held	63	–	63	–	63
Guarantee liabilities	32	–	–	32	32
Total financial liabilities measured at fair value	211	–	179	32	211
Financial liabilities not measured at fair value					
AMP Bank					
– Deposits	21,370	–	21,503	–	21,503
– Other	6,045	–	6,058	–	6,058
– Subordinated Debt	202	–	205	–	205
Corporate borrowings	765	778	–	–	778
Total financial liabilities not measured at fair value	28,382	778	27,766	–	28,544

2.7 Fair value information *continued*

2022	Carrying amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total fair value $m
Financial assets measured at fair value					
Equity securities	5	–	–	5	5
Debt securities	4,405	3,260	1,145	–	4,405
Unlisted managed investment schemes	233	–	100	133	233
Derivative financial assets	575	–	575	–	575
Total financial assets measured at fair value	5,218	3,260	1,820	138	5,218
Financial assets not measured at fair value					
Loans and advances	24,080	–	–	23,963	23,963
Debt securities	599	–	600	–	600
Other financial assets	8	–	8	–	8
Total financial assets not measured at fair value	24,687	–	608	23,963	24,571
Financial liabilities measured at fair value					
Derivative financial liabilities	161	–	161	–	161
Collateral deposits held	133	–	133	–	133
Guarantee liabilities	64	–	–	64	64
Total financial liabilities measured at fair value	358	–	294	64	358
Financial liabilities not measured at fair value					
AMP Bank					
– Deposits	20,737	–	20,778	–	20,778
– Other	6,769	–	6,752	–	6,752
– Subordinated Debt	201	–	209	–	209
Corporate borrowings	1,255	878	396	–	1,274
Total financial liabilities not measured at fair value	28,962	878	28,135	–	29,013

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

Equity securities	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.
Debt securities	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.
Loans	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 amounts.
Unlisted managed investment schemes	The fair value of investments in unlisted managed investment schemes is determined on the basis of redemption price, and independent external valuation of those managed investment schemes as appropriate at the reporting date.

Notes to the financial statements

for the year ended 31 December 2023

2.7 Fair value information *continued*

Derivative financial assets and liabilities	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 (eg 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.
Corporate borrowings	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.
AMP Bank deposits and other borrowings	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.
Guarantee liabilities	The fair value of the 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 and 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).
- 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 2023 financial year. Transfers to and from Level 3 are shown in the Reconciliation of Level 3 values table later in this note.

Level 3 fair values

The following table shows the valuation techniques used in measuring Level 3 fair values of financial assets 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	Discounted cash flow and income approach	Discount rate Terminal value growth rate Cash flow forecasts
Guarantee liabilities	Discounted cash flow approach	Discount rate Hedging costs

2.7 Fair value information *continued*

Sensitivity

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

	2023		2022	
	(+) $m	(-) $m	(+) $m	(-) $m
Financial assets[1]				
Equity securities	**2**	**(2)**	1	(1)
Unlisted managed investment schemes	**24**	**(24)**	27	(27)
Financial liabilities				
Guarantee liabilities[2]	**3**	**(9)**	2	(7)

1 Reasonably possible changes in price movements of 20% (2022: 20%) have been applied in determining the impact on profit after tax and equity.
2 Reasonably possible changes in equity market movements of 20% (2022: 20%) and bond yield movements of 100bps (2022: 100 bps) have been applied in determining the impact on profit after tax and equity. The sensitivities disclosed are shown net of the offsetting impacts of derivatives held as economic hedges of the guarantee liabilities.

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:

2023	Balance at the beginning of the year $m	FX gains/ (losses) $m	Total gains/ (losses) $m	Purchases/ (deposits) $m	Sales/ (withdrawals)[1] $m	Net transfers in/(out)[2] $m	Balance at the end of the year $m	Total gains/ (losses) on assets and liabilities held at reporting date $m
Assets classified as Level 3								
Equity securities	**5**	**–**	**–**	**7**	**–**	**–**	**12**	**–**
Unlisted managed investment schemes	**133**	**1**	**(9)**	**3**	**(10)**	**–**	**118**	**(8)**
Liabilities classified as Level 3								
Guarantee liabilities	**(64)**	**–**	**18**	**–**	**14**	**–**	**(32)**	**18**
2022								
Assets classified as Level 3								
Equity securities	13	–	(8)	–	–	–	5	(8)
Unlisted managed investment schemes	51	–	18	–	–	64	133	18
Liabilities classified as Level 3								
Guarantee liabilities	(85)	–	13	–	8	–	(64)	13

1 A positive value in respective of guarantee liabilities represents claim payments.
2 Net transfers in of $64m in 2022 related to investments in AMP Capital Infrastructure Debt Fund III USD LP and AMP Capital Infrastructure Debt Fund IV USD LP which were transferred from investments in associates as AMP no longer had significant influence following the sale of the infrastructure debt platform.

Notes to the financial statements

for the year ended 31 December 2023

3
Section

Capital structure and financial risk management

This section provides information relating to:
- the AMP group's capital management and equity and debt structure; and
- exposure to financial risks – how the risks affect financial position and performance and how the risks are managed, including the use of derivative financial instruments

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 directors review the group's capital structure and dividend policy regularly and do so in the context of the group's ability to satisfy minimum and target capital requirements.

3.1 Contributed equity

	2023 $m	2022 $m
Issued capital		
2,741,080,904 (2022: 3,043,140,026) ordinary shares fully paid	**4,670**	5,008
Treasury shares[1]		
2,126,387 (2022: 2,126,387) treasury shares	**(6)**	(6)
Total contributed equity		
2,738,954,517 (2022: 3,041,013,639) ordinary shares fully paid	**4,664**	5,002
Issued capital		
Balance at the beginning of the year	**5,008**	10,206
302,059,122 (2022: 222,965,827) shares purchased on-market	**(338)**	(267)
Capital reduction[2]	**–**	(4,931)
Balance at the end of the year	**4,670**	5,008

1 Held by AMP Foundation.
2 In December 2022, in accordance with section 258F of the *Corporations Act 2001*, the AMP board resolved to reduce AMP's share capital by $4,931m, representing historic permanent losses recognised by the AMP group in prior reporting periods. Those losses arose from businesses which no longer operate, including UK demerger losses and losses relating to AMP's wealth protection and mature businesses which were sold to Resolution Life in 2020. The adjustment to share capital had the effect of reducing AMP's contributed equity and retained losses as disclosed on the Consolidated statement of changes in equity. The adjustment had no impact on the net assets, financial results, cash flows, and regulatory capital of the consolidated group or the company's number of shares issued.

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.

Accounting policy – recognition and measurement

Issued capital

Issued capital in respect of ordinary shares is recognised as the fair value of consideration received by the AMP Limited entity. Incremental costs directly attributable to the issue of certain new shares are recognised in equity as a deduction, net of tax, from the proceeds.

Treasury shares

AMP Foundation holds AMP Limited shares (treasury shares). These shares, plus any corresponding Consolidated income statement fair value movement on the shares and any dividend income, are eliminated on consolidation.

3.2 Interest-bearing liabilities

(a) Interest-bearing liabilities

	2023			2022		
	Current $m	Non-current $m	Total $m	Current $m	Non-current $m	Total $m
Interest-bearing liabilities						
AMP Bank						
– Deposits[1]	**20,540**	**830**	**21,370**	19,983	754	20,737
– Other	**5,695**	**350**	**6,045**	3,229	3,540	6,769
– Subordinated debt[2,3]	**–**	**202**	**202**	–	201	201
Corporate borrowings[3]						
– AMP Capital Notes 2[4]	**–**	**274**	**274**	–	273	273
– CHF Medium Term Notes[5]	**218**	**–**	**218**	332	252	584
– AUD Medium Term Notes[6]	**–**	**273**	**273**	–	–	–
– AMP Notes 3 (first call 2023, maturity 2028)[7]	**–**	**–**	**–**	252	–	252
– Other	**–**	**–**	**–**	146	–	146
Total interest-bearing liabilities	**26,453**	**1,929**	**28,382**	23,942	5,020	28,962

1 Deposits comprise at-call customer deposits and customer term deposits with AMP Bank.
2 AMP Bank subordinated debt was issued on 7 October 2022 and matures on 7 October 2032.
3 The current/non-current classification of AMP Bank subordinated debt and corporate borrowings is based on the maturity of the underlying debt instrument and related principal repayment obligations. The carrying values of AMP Bank subordinated debt and corporate borrowings include interest payable of $5m (2022: $8m), which is expected to be settled within the next 12 months.
4 AMP Capital Notes 2 (ASX:AMPPB) were issued on 23 December 2019. Subject to APRA approval, AMP has the right, but not the obligation, to redeem all or some of the Notes on 16 December 2025, or, subject to certain conditions, at a later date. They are perpetual with no maturity date. In certain circumstances, AMP may be required to convert some or all of the Notes into AMP ordinary shares.
5 Senior Unsecured Fixed Rate Notes of CHF 140m were issued on 18 April 2019 and were subsequently increased by CHF 100m on 3 December 2019. These Notes were fully repaid in instalments of CHF 30m on 31 August 2022 and of CHF 210m on 18 July 2023 respectively. Senior Unsecured Fixed Rate Notes of CHF 175m were issued on 3 March 2020. These Notes were partially repaid in instalments of CHF 10m on 31 August 2022 and of CHF 39m on 7 December 2023 respectively. The remaining balance matures on 3 June 2024.
6 Senior Unsecured Medium Term Notes were issued on 9 November 2023. The maturity date of this instrument is 9 November 2026.
7 AMP Notes 3 are floating rate subordinated unsecured notes issued on 15 November 2018 and mature on 15 November 2028. AMP has exercised its right to redeem all of the Notes on 15 November 2023.

(b) Changes in liabilities arising from operating and financing activities

	2023 $m	2022 $m
Balance at the beginning of the year	**28,962**	26,117
Cash flows	**(657)**	2,753
Other	**77**	92
Balance at the end of the year	**28,382**	28,962

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3.2 Interest-bearing liabilities *continued*

Accounting policy – recognition and measurement

Interest-bearing liabilities are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

It is AMP's policy to hedge currency and interest rate risk arising on issued notes and subordinated debt. When fair value hedge accounting is applied, the carrying amounts of borrowings and subordinated debt are adjusted for changes in fair value related to the hedged risk for the period that the hedge relationship remains effective. Any changes in fair value for the period are recognised in the Consolidated income statement. In cash flow hedge relationships, the borrowings are not revalued.

Finance costs include:

(i) borrowing costs:
- interest on bank overdrafts, borrowings and subordinated debt;
- amortisation of discounts or premiums related to borrowings;

(ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs; and

(iii) changes in the fair value of derivative hedges together with any change in the fair value of the hedged assets or liabilities that are designated and qualify as fair value hedges, foreign exchange gains and losses and other financing-related amounts. Changes in the fair value of derivatives in effective cash flow hedges are recognised in the cash flow hedge reserve. The accounting policy for derivatives is set out in note 3.4.

Finance costs are recognised as expenses when incurred.

3.3 Financial risk management

Financial risk arises from the holding of financial instruments and financial risk management (FRM) is an integral part of the AMP group's enterprise risk management framework. The AMP Limited Board has overall responsibility for the AMP group's enterprise risk management framework, including the approval of AMP's strategic plan, risk management strategy and risk appetite.

This note discloses financial risk in accordance with the categories in AASB 7 *Financial Instruments: Disclosures*:
- market risk;
- liquidity and refinancing risk; and
- credit risk.

These risks are managed in accordance with the board-approved risk appetite statement and the individual policies for each risk category.

(a) Market risk

Market risk is the risk that the fair value of assets and liabilities, or future cash flows of a financial instrument, will fluctuate due to movements in financial markets, including interest rates, foreign exchange rates, equity prices, property prices, credit spreads, commodity prices and other financial market variables.

The following table provides information on significant market risk exposures for the AMP group, which could lead to an impact on the AMP group's profit after tax and shareholders' equity position, and the management of those exposures.

3.3 Financial risk management *continued*

(a) Market risk *continued*

Market risk	Exposures	Management of exposures and use of derivatives
Interest rate risk The risk of an impact on the AMP group's profit after tax and equity arising from fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. Interest rate movements could result from changes in the absolute levels of interest rates, the shape of the yield curve, the margin between yield curves and the volatility of interest rates.	The AMP group's long-term borrowings, subordinated debt and investment held in interest-bearing securities.	The AMP group interest rate risk is managed by entering into interest rate swaps, which have the effect of converting investments or borrowings from fixed to floating rates.
	AMP Bank's interest rate risk from mismatches in the repricing terms of assets and liabilities (term risk) and variable rate short-term repricing bases (basis risk).	AMP Bank uses natural offsets, interest rate swaps and basis swaps to hedge the mismatches within exposure limits. AMP group's Group Treasury team (Group Treasury) manages the exposure in AMP Bank by maintaining a net interest rate risk position within the limits delegated and approved by the AMP Bank Board.
	The AMP group's defined benefit plans exposures, both through the fair value of plan assets (specifically interest-bearing assets), as well as the valuation of defined benefit obligations (through changes in the discount curve used for actuarial valuations).	The AMP group periodically reviews exposures to interest rates arising from defined benefit plans exposures, and considers the use of derivatives in managing these exposures. No derivatives were employed to manage exposures to interest rates during the year ended 31 December 2023.
Currency risk The risk of an impact on the AMP group's profit after tax and equity arising from fluctuations of the fair value of a financial asset, liability or commitment due to changes in foreign exchange rates.	Foreign currency denominated assets and liabilities. Foreign equity accounted associates and capital invested in overseas operations. Foreign exchange rate movements on specific cash flow transactions.	The AMP group uses swaps to hedge the foreign currency risk on foreign currency denominated borrowings. The AMP group utilises various hedging instruments to hedge foreign currency risk arising from certain investments denominated in a foreign currency. The AMP group hedges material foreign currency risk originated by receipts and payments once the value and timing of the expected cash flow is known. In addition, the AMP group will at times pre-hedge any future (but not expected) foreign currency receipts and payments, subject to market conditions.
	The AMP group's defined benefit plans exposures, through the value of unhedged exposures to plan asset denominated in foreign currencies.	AMP group periodically reviews exposures to foreign currencies arising from defined benefit plans exposures, and considers the use of derivatives in managing these exposures. No derivatives were employed to manage exposures to foreign currencies during the year ended 31 December 2023.
Equity price risk The risk of an impact on the AMP group's profit after tax and equity arising from fluctuations in the fair value or future cash flows of a financial instrument due to changes in equity prices.	Exposure for shareholders includes listed and unlisted shares, guarantee liabilities and participation in equity unit trusts.	Group Treasury may, with AMP group's Asset and Liability Committee (Group ALCO) approval, use equity exposures or equity futures or options to hedge other enterprise-wide equity exposures.
	The AMP group's defined benefit plans exposures, through the value of exposures to plan asset held in equities, or equity-like exposures.	AMP group periodically reviews exposures to equities arising from defined benefit plans exposures, and considers the use of derivatives in managing these exposures. No derivatives were employed to manage exposures to equities during the year ended 31 December 2023.

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3.3 Financial risk management *continued*

(a) Market risk *continued*

Sensitivity analysis

The table below includes sensitivity analysis showing how the profit after tax and equity would have been impacted by changes in market risk variables. The analysis:

- shows the direct impact of a reasonably possible change in market rates and is not intended to illustrate a remote, worst case stress test scenario;
- assumes that all underlying exposures and related hedges are included and the change in variable occurs at the reporting date; and
- does not include the impact of any mitigating management actions over the period to the subsequent reporting date.

The categories of risks faced and methods used for deriving sensitivity information did not change from previous years.

		2023		2022	
Sensitivity analysis	**Change in variables**	**Impact on profit after tax increase/ (decrease) $m**	**Impact on equity[1] increase/ (decrease) $m**	**Impact on profit after tax increase/ (decrease) $m**	**Impact on equity[1] increase/ (decrease) $m**
Interest rate risk					
Impact of a 100 basis point (bp) change in Australian and international interest rates.	- 100bp	**2.3**	**3.8**	1.0	(17.7)
	+100bp	**(4.1)**	**(9.9)**	(5.0)	10.3
Currency risk					
Impact of a 10% movement of exchange rates against the Australian dollar on currency sensitive monetary assets and liabilities.	10% depreciation of AUD	**9.7**	**73.8**	(63.5)	20.7
	10% appreciation of AUD	**(8.9)**	**(62.7)**	27.5	(45.5)
Equity price risk					
Impact of a 10% movement in Australian and international equities. Any potential impact on fees from the AMP group's investment-linked business is not included.	10% increase in:				
	Australian equities	**0.5**	**11.9**	0.3	6.7
	International equities	**0.5**	**13.1**	0.6	8.6
	10% decrease in:				
	Australian equities	**(1.3)**	**(12.7)**	(0.5)	(6.9)
	International equities	**(1.4)**	**(14.0)**	(0.5)	(8.5)

1 Includes both the impact on profit after tax as well as the impact of amounts that would be taken directly to equity in respect of the portion of changes in the fair value of derivatives that qualify as cash flow hedges or net investment hedges for hedge accounting.

(b) Liquidity and refinancing risk

Risk	Exposures	Management of exposures
Liquidity risk The risk that the AMP group is not able to meet its obligations as they fall due because of an inability to liquidate assets or obtain adequate funding when required. **Refinancing risk** The risk that the AMP group is not able to refinance the full quantum of its ongoing debt requirements on appropriate terms and pricing.	The AMP group corporate debt portfolio and AMP Bank retail and wholesale funding sources.	Group Treasury maintains a defined surplus of cash to mitigate refinancing risk (for both AMP's non-bank corporate exposures and AMP Bank's specific exposures), satisfy regulatory requirements and protect against liquidity shocks in accordance with the requirements of the AMP Group Liquidity Policy. This policy is reviewed and endorsed by Group ALCO and approved by the AMP Limited Board.

3.3 Financial risk management *continued*

(b) Liquidity and refinancing risk *continued*

Maturity analysis

Below is a summary of the maturity profiles of AMP's undiscounted financial liabilities and off-balance sheet items at the reporting date, based on contractual undiscounted repayment obligations. Repayments that are subject to notice are treated as if notice were to be given immediately.

2023	**Up to 1 year $m**	**1 to 5 years $m**	**Over 5 years $m**	**Not specified $m**	**Total $m**
Non-derivative financial liabilities					
Payables	**185**	**–**	**–**	**–**	**185**
Borrowings[1]	**24,062**	**4,301**	**504**	**–**	**28,867**
Lease liabilities	**69**	**279**	**368**	**–**	**716**
Subordinated debt[2]	**42**	**596**	**–**	**–**	**638**
Guarantee liabilities	**–**	**–**	**–**	**32**	**32**
Derivative financial instruments					
Options	**4**	**–**	**–**	**–**	**4**
Interest rate swaps	**15**	**26**	**54**	**–**	**95**
Foreign currency forward contract	**2**	**–**	**–**	**–**	**2**
Total return swaps	**14**	**–**	**–**	**–**	**14**
Futures	**1**	**–**	**–**	**–**	**1**
Off-balance sheet items					
Credit-related commitments – AMP Bank[3]	**3,576**	**–**	**–**	**–**	**3,576**
Investment commitments	**–**	**–**	**–**	**18**	**18**
Total undiscounted financial liabilities and off-balance sheet items	**27,970**	**5,202**	**926**	**50**	**34,148**
2022					
Non-derivative financial liabilities					
Payables	209	–	–	–	209
Borrowings[1]	23,681	4,292	44	–	28,017
Lease liabilities	68	277	438	–	783
Subordinated debt[2]	51	432	535	–	1,018
Guarantee liabilities	–	–	–	64	64
Derivative financial instruments					
Options	20	–	–	–	20
Interest rate swaps	12	50	66	–	128
Cross currency swaps	4	–	–	–	4
Foreign currency forward contract	9	–	–	–	9
Off-balance sheet items					
Credit-related commitments – AMP Bank[3]	3,464	–	–	–	3,464
Investment commitments	–	–	–	81	81
Total undiscounted financial liabilities and off-balance sheet items	27,518	5,051	1,083	145	33,797

1 Borrowings include AMP Bank deposits.
2 Includes AMP Bank subordinated debt and AMP Capital Notes 2 (2022: It included AMP Bank subordinated debt, AMP Capital Notes 2 and AMP Notes 3).
3 Credit-related loan commitments are off-balance sheet as they relate to unexercised commitments to lend to customers of AMP Bank.

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3.3 Financial risk management *continued*

(c) Credit risk

Credit risk management is decentralised in business units within AMP, with the exception of credit risk directly and indirectly impacting shareholder capital, which is measured and managed on an aggregate basis by Group Treasury at the AMP group level and reported to Group ALCO.

Risk	Exposures	Management of exposures and use of derivatives
Credit risk Credit default risk is the risk of financial or reputational loss due to a counterparty failing to meet their contractual commitments in full and on time. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty or where a number of counterparties are engaged in similar business activities that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.	Wholesale credit risk, arising from corporate investments held in relation to the management of liquidity.	Wholesale credit risk exposures arising from corporate investments made in relation to the management of liquidity (and related activities, including hedging financial risks) are managed by Group Treasury in accordance with the AMP Group Aggregate Risk Exposures and Intra-Group Transaction Exposure Policy. This policy is reviewed and endorsed by the AMP Group ALCO and approved by the AMP Limited Board.
	Credit risk arising from the AMP group's Australian banking activities which are predominantly related to residential mortgage lending and business finance loans.	Wholesale credit risk exposures arising from investments made in relation to the management of liquidity within AMP Bank (and related activities, including hedging financial risks) are managed by Group Treasury in accordance with the AMP Bank Wholesale Counterparty Credit Risk Policy. This policy is reviewed and endorsed by the AMP Bank ALCO and approved by the AMP Bank Limited Board. Specific detail relating to the credit risk management of the AMP Bank loan portfolio is outlined below.

The AMP Group Large Exposures & Credit Concentration Risk Standard sets out the assessment and determination of what constitutes credit concentration risk. The policy sets exposure limits based on each counterparty's credit rating (unless special considerations are defined). Additional limits are set for the distribution of the total portfolio by credit rating bands. Compliance with this policy is monitored and exposures and breaches are reported to senior management and the AMP Board Risk Committee through periodic financial risk management reports.

Group Treasury may also enter into credit default swaps to hedge concentration risk against material exposures.

The exposures on interest-bearing securities and cash equivalents which impact AMP's capital position are managed by Group Treasury within limits set by the AMP Group Wholesale Counterparty Credit Risk Policy.

Impairment assessment

Definition of default

AMP Bank considers a financial asset defaulted and hence Stage 3 impaired when payment is 90 days past due or when there is no longer reasonable assurance that principal or interest will be collected in their entirety on a timely basis.

AMP Bank's internal risk grading and PD estimation process

AMP Bank's credit risk management department runs expected credit loss models for the residential mortgage book as well as the business finance loans. The Bank's residential mortgage book is a portfolio with a low number of defaults. In recent times, the Bank's residential mortgage book has grown significantly, and a larger history of default data has been captured. This has enabled the Bank to successfully develop its internal behavioural scorecards which have been used to replace the benchmark PDs to better stratify the portfolio by credit risk worthiness.

Internal risk grades for the residential mortgage book are as follows:

Internal credit rating grade	Internal credit rating grade description
Performing	Not in arrears in the past six months
Past due but not impaired	Accounts in arrears but have not been past 90 days in the last six months
Impaired	90 days past due over the last six months

3.3 Financial risk management *continued*

(c) Credit risk *continued*

For business finance loans a probability of default risk grade model is applied that includes weighted risk factors such as interest coverage ratio, revenue growth, licence compliance rating, experience in business and arrears levels. Practices on watch-list are also downgraded. Credit judgement may be applied to arrive at the final risk grade.

Internal risk grades for business finance loans are as follows:

Internal risk grade	Internal risk grade description	Broadly corresponds with Standard & Poor ratings of
A to H	Sub-investment grade	BB+ to CCC
I	Impaired	D

AMP Bank's interbank and financial institutions exposures, as well as exposures to interest-bearing securities, are based on the external credit rating of the counterparties as follows:

Internal risk grade description	Broadly corresponds with Standard & Poor ratings of
Senior investment grade	AAA to A-
Investment grade	BBB+ to BBB-
Sub-investment grade	BB+ up to but not including defaulted or impaired

Exposure at default (EAD)

EAD is modelled by applying assumptions in relation to the amortisation of the loans based on scheduled principal and interest repayments, except for Stage 3 loans.

Loss given default (LGD)

For the residential mortgage portfolio, the key driver for the LGD calculation is the value of the underlying property since, in a foreclosure scenario, the proceeds from the sale of a property are secured by AMP Bank to repay the loan. The value of the underlying residential property is captured via the LVR, which applies both the changes in loan balance and estimated value of the collateral using market data and indices. Both floor and haircuts are applied to provide for model risk.

For business finance loans, the LGD is calculated via assumptions to the reduction in valuations of practices (being a multiple of their recurring cash flows) in the event of default, such as client run-off or deterioration in valuation due to compliance issues. In addition, haircuts are applied to capture the volatility observed in the register values in the event of default but also general volatility in valuations over time.

Grouping of financial assets for expected credit losses (ECL) calculation

AMP Bank calculates ECL on an individual basis on all Stage 3 assets, and interbank and debt securities measured at FVOCI.

For all other asset classes ECL is calculated on a collective basis, taking into account risk factors for each loan to calculate the ECL estimate and then aggregating the estimated number for each relevant portfolio.

Forward-looking information

AMP Bank's ECL model incorporates a number of forward-looking macroeconomic factors (MEF) that are reviewed on a quarterly basis and approved by the Credit Risk Committee (CRC). The MEF include unemployment, property prices, ASX All Ordinaries index and Reserve Bank of Australia cash rate.

At least three different scenarios with fixed weightings are used in the model. The weightings are reviewed on an annual basis. The ECL is calculated as the probability weighted average of the provision calculated for each economic scenario.

Management overlay

Management overlay is required to mitigate model risk and any systemic risk that is not recognised by the model.

The management overlays are reviewed on an annual basis or more frequently if required and presented to the CRC and Board Audit Committee (BAC) for endorsement.

Write-offs

Financial assets are written off either partially or in their entirety only when there is no reasonable expectation of recovery. Recovery actions can cease if they are determined as being no longer cost effective or in some situations where the customers have filed for bankruptcy.

Credit risk of the loan portfolio in AMP Bank

AMP Bank is predominantly a lender for residential properties for both owner occupied and investment purposes. In relation to each loan application, AMP Bank completes a credit assessment, including cost of living expense assessment, and requires valuation of the proposed security property.

AMP Bank's CRC and Board Risk Committee (BRC) oversee trends in lending exposures and compliance with the risk appetite statement. AMP Bank secures its housing loans with mortgages over relevant properties and as a result, manages credit risk on its loans with conservative lending policies and particular focus on the LVR. The LVR is calculated by dividing the total loan

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3.3 Financial risk management *continued*

(c) Credit risk *continued*

amount outstanding by the lower of AMP Bank's approved valuation amount or the purchase price. Loans with LVR greater than 80% are fully mortgage insured. Mortgage insurance is provided by Genworth Mortgage Insurance Australia Ltd and QBE Lenders Mortgage Insurance Ltd, who are regulated by APRA. AMP Bank has strong relationships with both insurers and has experienced minimal levels of historic claim rejections and reductions.

The average LVR at origination of AMP Bank's loan portfolio for existing and new business is set out in the following table:

LVR %	Existing business 2023 %	New business 2023 %	Existing business 2022 %	New business 2022 %
0 – 50	**20**	**22**	18	14
51 – 60	**14**	**13**	13	11
61 – 70	**20**	**16**	20	15
71 – 80	**36**	**39**	37	49
81 – 90	**8**	**8**	10	8
91 – 95	**1**	**2**	1	3
> 95	**1**	**–**	1	–

Renegotiated loans

Where possible, AMP Bank seeks to restructure loans for borrowers seeking hardship relief rather than take possession of collateral. This may involve capitalising interest repayments for a period and increasing the repayment arrangement for the remaining term of the loan. Once the terms have been renegotiated, the loan is no longer considered past due or an impaired asset unless it was greater than 90 days in arrears in the previous six months or a specific provision has been raised for the loan. AMP Bank assisted customers by renegotiating $155m (2022: $81m) of loans during the year.

Collateral and master netting or similar agreements

The AMP group obtains collateral and utilises netting agreements to mitigate credit risk exposures from certain counterparties.

(i) Derivative financial assets and liabilities

The credit risk of derivatives is managed in the context of the AMP group's overall credit risk policies and includes the use of Credit Support Annexes to derivative agreements which facilitate the bilateral posting of collateral as well as the clearing of derivative positions on the London Clearing House.

Certain derivative assets and liabilities are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

An ISDA agreement does not automatically meet the criteria for offsetting in the Consolidated statement of financial position. This is because the AMP group, in most cases, does not have any current legally enforceable right to offset recognised amounts.

If these netting arrangements were applied to the derivative portfolio, the derivative assets of $323m would be reduced by $35m to the net amount of $288m and derivative liabilities of $116m would not be reduced (2022: derivative assets of $575m would be reduced by $213m to the net amount of $362m and derivative liabilities of $161m would be reduced by $4m to the net amount of $157m).

(ii) Other collateral

The AMP group has collateral arrangements in place with some counterparties in addition to collateral deposits held with respect to repurchase agreements. The amount and type of collateral required by AMP Bank on housing loans depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

AMP Bank holds collateral against its loans and advances primarily in the form of mortgage interests over property, other registered securities over assets and guarantees.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In the event of customer default, AMP Bank can enforce any security held as collateral against the outstanding claim. Any loan security is usually held as mortgagee in possession while AMP Bank seeks to realise its value through the sale of the property. Therefore, AMP Bank does not hold any real estate or other assets acquired through the repossession of collateral.

Collateral generally consists of 11am loans and deposits and is exchanged between the counterparties to reduce the exposure from the net fair value of derivative assets and liabilities between the counterparties. As at 31 December 2023, there was $63m (2022: $133m) of collateral deposits (due to other counterparties) and $43m (2022: $108m) of collateral loans (due from other counterparties) relating to derivative assets and liabilities.

3.4 Derivatives and hedge accounting

The group is exposed to certain risks relating to its ongoing business operations. To mitigate the risks, the group uses derivative financial instruments, such as cross-currency swaps and interest rate swaps. When the group designates certain derivatives to be part of a hedging relationship, and they meet the criteria for hedge accounting, the hedges are classified as:

- cash flow hedges;
- fair value hedges; or
- net investment hedges.

Derivative financial instruments are held for risk and asset management purposes only and not for the purpose of speculation. Not all derivatives held are designated as hedging instruments. The group's risk management strategy and how it is applied to manage risk is explained further in note 3.3.

(a) Hedging instruments

The following table sets out the notional amount of derivative instruments designated in a hedge relationship by relationship type as well as the related carrying amounts.

2023		Notional amount $m	Fair value assets $m	Fair value liabilities $m
Hedge type	**Hedging instrument**			
Cash flow	Interest rate swaps	**16,726**	**148**	**–**
Fair value and cash flow	Cross-currency interest rate swaps	**191**	**26**	**–**
Net investment	Foreign currency forward contract	**631**	**15**	**–**
Total		**17,548**	**189**	**–**

2022		Notional amount $m	Fair value assets $m	Fair value liabilities $m
Hedge type	**Hedging instrument**			
Cash flow	Interest rate swaps	18,050	337	–
Fair value and cash flow	Cross-currency interest rate swaps	553	31	–
Net investment	Foreign currency forward contract	634	3	6
Total		19,237	371	6

(b) Hedged items

The following table sets out the carrying amounts of hedged items in fair value hedge relationships, and the accumulated amount of fair value hedge adjustments in these carrying amounts. The group does not always hedge its entire exposure to a class of financial instruments, therefore the carrying amounts below do not always equal the total carrying amounts disclosed in other notes.

	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
2023	Assets $m	Liabilities $m	Assets $m	Liabilities $m
Medium Term Notes	**–**	**218**	**–**	**26**
2022				
Medium Term Notes	–	584	–	31

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3.4 Derivatives and hedge accounting *continued*

Fair value hedge relationships resulted in the following changes in the values used to recognise hedge ineffectiveness for the year:

	2023 $m	2022 $m
(Loss)/gain on hedging instrument	**(4)**	11
Gain/(loss) on hedged items attributable to the hedged risk	**5**	(14)
Gain/(loss) after ineffectiveness	**1**	(3)

Derivative instruments accounted for as cash flow hedges

The group is exposed to variability in future interest cash flows on non-trading assets and liabilities which bear interest at fixed and variable rates. The group uses interest rate swaps to manage interest rate risks and many of the swaps are cash flow hedges for accounting purposes.

Methods used to test hedge effectiveness and establish the hedge ratio include regression analysis and for some portfolio hedge relationships, a comparison to ensure the expected interest cash flows from the portfolio exceed those of the hedging instruments. The main potential source of hedge ineffectiveness from cash flow hedges is mismatches in the terms of hedged items and hedging instruments, for example the frequency and timing of when interest rates are reset.

During the year, the AMP group recognised $nil (2022: $nil) due to ineffectiveness on derivative instruments designated as cash flow hedges.

Derivative instruments accounted for as fair value hedges

Fair value hedges are used to protect against changes in the fair value of financial assets and financial liabilities due to movements in exchange rates and interest rates.

Hedge effectiveness is assessed by comparing the overall changes in the fair value of the hedging instrument against the changes in the fair value of the hedged items attributable to the hedged risks. The main potential source of ineffectiveness on fair value hedges is currency basis spread, which is included in the valuation of the hedging instrument but excluded from the value of the hedged item.

Hedges of net investments in foreign operations

The group hedges its exposure to changes in exchange rates on the value of its foreign currency denominated strategic partnerships. Hedge effectiveness is assessed based on the overall changes in the fair value of the forward contract, primarily using the cumulative dollar offset method.

During the year, the AMP group recognised $nil (2022: $nil) due to the ineffective portion of hedges relating to strategic investments in foreign operations.

The following table sets out the maturity profile of derivative instruments in a hedge relationship.

2023	0 to 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
Interest rate swaps	**2,925**	**7,820**	**3,642**	**2,339**	**16,726**
Cross-currency interest rate swaps	**–**	**191**	**–**	**–**	**191**
Foreign currency forward contract	**62**	**569**	**–**	**–**	**631**
Total	**2,987**	**8,580**	**3,642**	**2,339**	**17,548**

2022					
Interest rate swaps	1,547	8,141	6,455	1,907	18,050
Cross-currency interest rate swaps	–	302	251	–	553
Foreign currency forward contract	256	378	–	–	634
Total	1,803	8,821	6,706	1,907	19,237

3.4 Derivatives and hedge accounting *continued*

Accounting policy – recognition and measurement

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value exclusive of any transaction costs on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Derivatives are recognised as assets when their fair values are positive and as liabilities when their fair values are negative. Any gains or losses arising from changes in the fair values of derivatives, except those that qualify as effective hedges, are immediately recognised in the Consolidated income statement.

Hedge accounting

AMP continues to apply the hedge accounting requirements under AASB 139 *Financial instruments: Recognition and Measurement.*

Cash flow hedges

The effective portion of changes in the fair value of cash flow hedges is recognised (including related tax impacts) in the Consolidated statement of comprehensive income. The ineffective portion is recognised immediately in the Consolidated income statement. The balance of the cash flow hedge reserve in relation to each particular hedge is transferred to the Consolidated income statement in the period when the hedged item affects profit or loss. Hedge accounting is discontinued when a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting. The cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated income statement.

Fair value hedges

Changes in the fair value of fair value hedges are recognised in the Consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If a hedge no longer meets the criteria for hedge accounting, the cumulative gains and losses recognised on the hedged item will be amortised over the remaining life of the hedged item.

Net investment hedges

The effective portion of changes in the fair value of net investment hedges is recognised (including related tax impacts) in the Consolidated statement of comprehensive income. Any ineffective portion is recognised immediately in the Consolidated income statement. The cumulative gain or loss existing in equity remains in equity until the foreign investment is disposed of.

3.5 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 technical insolvency; 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.

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3.5 Capital management *continued*

Calculation of capital resources

The AMP group's eligible capital resources include ordinary equity and certain hybrid capital instruments less intangibles, equity investments and other assets required to be removed by regulation.

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

	2023 $m	2022 $m
AMP statutory equity attributable to shareholders of AMP Limited	**3,874**	4,171
Accounting mismatch and other adjustments[1]	**(80)**	(94)
AMP shareholder equity	**3,794**	4,077
Goodwill and other intangibles[2]	**(209)**	(289)
Equity investments[3]	**(803)**	(1,012)
Other regulatory adjustments[4]	**(390)**	(138)
Level 3 eligible capital	**2,392**	2,638
Eligible hybrid capital resources[5]	**134**	350
Total eligible capital resources	**2,526**	2,988
Minimum regulatory requirements (MRR)	**1,425**	1,366
Target capital requirements	**536**	699
Total capital requirements	**1,961**	2,065
Group surplus capital	**565**	923

1 Accounting mismatches and other adjustments relate to the net assets of AMP Foundation and surpluses recognised on defined benefit plans.
2 For the year ended 31 December 2023, no goodwill and other intangibles have been classified as assets held for sale on the Consolidated statement of financial position (2022: $91m).
3 Equity investments relate to holdings of associate equity investments where AMP holds a minority interest. As at 31 December 2023, no equity investments have been classified as assets held for sale on the Consolidated statement of financial position (2022: Global Infrastructure Fund Sponsor ($76m), Global Infrastructure Fund II ($122m), AMP Capital Core Property Fund ($30m) and other equity investments ($14m)).
4 Other regulatory adjustments relate to securitisation, deferred tax assets and other deductions.
5 Eligible hybrid capital instruments relate to 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 are regulated and are required to meet 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 MRR and monitored as part of the capital management policy.

The principal 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
Other ASIC regulated businesses	Capital requirements under AFSL requirements

AMP maintains capital targets reflecting its material risks (including financial risk, product risk and operational risk) and risk appetite as approved by the AMP Limited and AMP Bank Boards. The target capital requirement is the level of surplus capital that AMP seeks to carry to reduce the risk of breaching MRR. Other components of AMP's capital targets include amounts relating to group investments, defined benefit funds and other operational risks.

4 Section
Employee disclosures

This section provides details on the various programs the AMP group uses to reward and recognise employees, including key management personnel.

4.1 Defined benefit plans

AMP contributes to defined benefit plans which provide benefits to employees, and their dependants, on resignation, retirement, disability or death of the employee. The benefits are based on years of service and an average salary calculation. All defined benefit plans are now closed to new members.

The characteristics and risks associated with each of the defined benefit plans are described below:

Plan details	Australia	New Zealand
Plan names	AMP Australia Plan I and AMP Australia Plan II.	AMP New Zealand Plan I and AMP New Zealand Plan II.
Entitlements of active members	A lump sum or pension on retirement. Pensions provided are lifetime indexed pensions with a reversionary spouse pension.	A lump sum or pension on retirement. For those who elect for a pension, the plan also provides for a spouses' pension.
Governance of the plans	The plans' trustees – this includes administration of the plan, management and investment of the plan assets, and compliance with superannuation laws and other applicable regulations.	The plans' trustees – this includes administration of the plan, management and investment of the plan assets, and looking after the interests of all beneficiaries.
Valuations required	Every year.	Every three years.
Key risks	The risk of actual outcomes being different to the actuarial assumptions used to estimate the defined benefit obligation, investment risk and legislative risk.	
Date of last valuation	31 March 2023.	31 December 2020.
Additional recommended contributions	No additional contributions are required until the 31 March 2024 valuation is completed.	No additional contributions are required until the 31 December 2023 valuation is completed.

(a) Defined benefit (liability)/asset

	2023 $m	2022 $m
Present value of wholly-funded defined benefit obligations	**(677)**	(645)
Fair value of plan assets	**676**	657
Defined benefit (liability)/asset recognised in the Consolidated statement of financial position	**(1)**	12
Movement in defined benefit (liability)/asset		
Defined benefit asset recognised at the beginning of the year	**12**	3
Plus: Total expenses recognised in the Consolidated income statement	**(2)**	(1)
Plus: Employer contributions	**–**	10
Plus: Foreign currency exchange rate changes	**1**	1
Plus: Actuarial losses recognised in the Consolidated statement of comprehensive income[1]	**(12)**	(1)
Defined benefit (liability)/asset recognised at the end of the year	**(1)**	12

1 The cumulative net actuarial gains and losses recognised in the Statement of comprehensive income is a $186m gain (2022: $198m gain).

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4.1 Defined benefit plans *continued*

(b) Reconciliation of the movement in the defined benefit (liability)/asset

	Defined benefit obligation		Fair value of plan assets	
	2023 $m	2022 $m	2023 $m	2022 $m
Balance at the beginning of the year	**(645)**	(782)	**657**	785
Current service cost	**(1)**	(1)	**–**	–
Interest (expense)/income	**(27)**	(5)	**26**	5
Net actuarial (losses)/gains	**(56)**	89	**44**	(90)
Employer contributions	**–**	–	**–**	10
Foreign currency exchange rate changes	**1**	3	**–**	(2)
Benefits paid	**51**	51	**(51)**	(51)
Balance at the end of the year	**(677)**	(645)	**676**	657

(c) Analysis of defined benefit (deficit)/surplus by plan

	Fair value of plan assets		Present value of plan obligation		Net recognised (deficit)/surplus		Actuarial (losses)/gains	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
AMP Australia Plan I	**247**	240	**(260)**	(248)	**(13)**	(8)	**(5)**	–
AMP Australia Plan II	**344**	331	**(318)**	(294)	**26**	37	**(11)**	(7)
AMP New Zealand Plan I	**13**	13	**(15)**	(16)	**(2)**	(3)	**1**	–
AMP New Zealand Plan II	**72**	73	**(84)**	(87)	**(12)**	(14)	**3**	6
Total	**676**	657	**(677)**	(645)	**(1)**	12	**(12)**	(1)

(d) Principal actuarial assumptions

The following table sets out the principal actuarial assumptions used as at the reporting date in measuring the defined benefit obligations of the Australian and New Zealand defined benefit funds:

	AMP Plan I				AMP Plan II			
	Australia		New Zealand		Australia		New Zealand	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Weighted average discount rate	**5.1**	5.7	**4.5**	4.6	**5.3**	5.8	**4.5**	4.6
Expected rate of salary increases	**n/a**	n/a	**n/a**	n/a	**2.8**	2.8	**3.0**	3.0

4.1 Defined benefit plans *continued*

(e) Allocation of assets

The asset allocations of the defined benefit funds are shown in the following table:

	AMP Plan I				AMP Plan II			
	Australia		New Zealand		Australia		New Zealand	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Equity	**58**	43	**46**	47	**58**	19	**46**	47
Fixed interest	**20**	37	**40**	38	**20**	51	**40**	38
Property	**14**	9	**–**	–	**14**	7	**–**	–
Cash	**3**	4	**14**	15	**3**	9	**14**	15
Other	**5**	7	**–**	–	**5**	14	**–**	–

(f) Sensitivity analysis

The defined benefit obligation has been recalculated for each scenario by changing only the specified assumption as outlined below, whilst retaining all other assumptions as per the base case. The table below shows the increase/(decrease) for each assumption change. Where an assumption is not material to the fund it has been marked as n/a.

	AMP Plan I				AMP Plan II			
2023	Australia		New Zealand		Australia		New Zealand	
Assumption	(+) $m	(-) $m	(+) $m	(-) $m	(+) $m	(-) $m	(+) $m	(-) $m
Discount rate (+/- 0.5%)[1]	**(11)**	**13**	**n/a**	**1**	**(15)**	**17**	**n/a**	**8**
Pensioner indexation assumption (0.5%)[2]	**14**	**(11)**	**1**	**n/a**	**15**	**(14)**	**7**	**n/a**
Pensioner mortality assumption (10%)	**n/a**	**10**	**n/a**	**n/a**	**n/a**	**7**	**n/a**	**n/a**
Life expectancy (additional 1 year)	**n/a**	**n/a**	**1**	**n/a**	**n/a**	**n/a**	**2**	**n/a**
2022								
Discount rate (+/- 0.5%)[1]	(11)	12	n/a	1	(14)	15	n/a	9
Pensioner indexation assumption (0.5%)[2]	12	(11)	1	n/a	14	(13)	8	n/a
Pensioner mortality assumption (10%)	n/a	8	n/a	n/a	n/a	6	n/a	n/a
Life expectancy (additional 1 year)	n/a	n/a	1	n/a	n/a	n/a	2	n/a

1 (+/- 1%) discount rate applied to AMP New Zealand Plan I and II.
2 1% indexation increase applied to AMP New Zealand Plan I and II.

(g) Expected contributions and maturity profile of the defined benefit obligation

	AMP Plan I		AMP Plan II	
	Australia	New Zealand	Australia	New Zealand
	$m	$m	$m	$m
Expected employer contributions	–	–	–	–
Weighted average duration of the defined benefit obligation (years)	8	7	11	10

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for the year ended 31 December 2023

4.1 Defined benefit plans *continued*

Accounting policy – recognition and measurement

Defined benefit plans

The AMP group recognises the net deficit or surplus position of each fund in the Consolidated statement of financial position. The deficit or surplus is measured as the difference between the fair value of the funds' assets and the discounted defined benefit obligations of the funds, using discount rates determined with reference to market yields on high quality corporate bonds at the end of the reporting period.

After taking into account any contributions paid into the defined benefit funds during the year, movements in the net surplus or deficit of each fund, except actuarial gains and losses, are recognised in the Consolidated income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions over the year and the returns on plan assets are recognised (net of tax) directly in retained earnings through Other comprehensive income.

Contributions paid into defined benefit funds are recognised as reductions in the deficit.

Critical accounting estimates and judgements

Defined benefit obligations

The value of the group's defined benefit obligations are outputs of actuarial models dependent on a number of underlying assumptions. Management applies judgement in selecting the assumptions used. Key assumptions include:

- discount rate;
- expected future salary increases;
- pension indexation;
- mortality; and
- life expectancy.

4.2 Share-based payments

AMP has multiple employee share-based payment plans. Share-based payment plans help create alignment between employees participating in those plans (participants) and shareholders. Information on plans which AMP currently offers is provided below.

The following table shows the expense recorded for AMP share-based payment plans during the year:

	2023 $'000	2022 $'000
Plans currently offered		
Performance rights[1]	**4,696**	6,457
Share rights and restricted shares - equity settled	**4,023**	4,259
Share rights – cash settled	**–**	680
Total share-based payments expense	**8,719**	11,396

1 Non-market performance rights which were forfeited or where performance conditions were not met were reversed during the year.

Accounting policy – recognition and measurement

Equity-settled share-based payments

The cost of equity-settled share-based payments is measured using their fair value at the date on which they are granted. The fair value calculation takes into consideration a number of factors, including the likelihood of achieving market-based vesting conditions such as total shareholder return (market conditions).

The cost of equity-settled share-based payments is recognised in the Consolidated income statement, together with a corresponding increase in the share-based payment reserve (SBP reserve) in equity, over the vesting period of the instrument. At each reporting date, the AMP group reviews its estimates of the number of instruments that are expected to vest and any changes to the cost are recognised in the Consolidated income statement and the SBP reserve, over the remaining vesting period.

Where the terms of an equity-settled share-based payment are modified and the expense increases as a result of the modification, the increase is recognised over the remaining vesting period. When a modification reduces the expense, there is no adjustment, and the pre-modification cost continues to be recognised.

Where an equity-settled award does not ultimately vest, expenses are not reversed; except for awards where vesting is conditional upon a non-market condition, in which case all expenses are reversed in the period in which the instrument lapses.

Cash-settled share-based payments

Cash-settled share-based payments are recognised when the terms of the arrangement provide AMP with the discretion to settle in cash or by issuing equity instruments, and it has a present obligation to settle the arrangement in cash. A present obligation may occur where the past practice has set a precedence for future settlements in cash.

Cash-settled share-based payments are recognised over the vesting period of the award in the Consolidated income statement, together with a corresponding liability. The fair value is measured on initial recognition and re-measured at each reporting date up to and including the settlement date, with any changes in fair value recognised in the Consolidated income statement. Similar to equity-settled awards, the number of instruments expected to vest are reviewed at each reporting date and any changes are recognised in the Consolidated income statement and as a corresponding movement in liability. The fair value is determined using appropriate valuation techniques.

(a) Performance rights

The Chief Executive Officer (CEO) and Executive Committee members receive their long-term incentive (LTI) award in the form of performance rights. This is intended to ensure the interests of those executives, who are able to most directly influence company performance, are appropriately aligned with the interests of shareholders.

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for the year ended 31 December 2023

4.2 Share-based payments *continued*

(a) Performance rights *continued*

Plan	Long-term Incentive (LTI) Awards	CEO Sign-on Performance Rights Award
Overview	Performance rights give the participant the right to acquire one fully paid ordinary share in AMP Limited upon meeting specific performance hurdles. They are granted at no cost to the participant and carry no dividend or voting rights until they vest. Upon vesting, the performance rights convert to restricted shares, which are subject to further restriction periods. This award may be settled through an equivalent cash payment, at the discretion of the board.	As part of the CEO's incentive package, performance rights were awarded on appointment. The performance rights give the CEO the right to acquire one fully paid ordinary share in AMP Limited (per right) upon meeting specific performance conditions, including hurdles that are subject to an absolute and relative Total Shareholder Return (TSR) measure. The award was granted at no cost to the CEO and carries no dividend or voting rights. This award may be settled through an equivalent cash payment, at the discretion of the board.
Years granted	2021, 2022 and 2023	2021
Vesting conditions/ period	The vesting of performance rights under the 2021 and 2022 LTI awards is subject to: – Relative TSR: which measures the Compound Annual Growth Rate (CAGR) or CAGR in the Company's TSR relative to CAGR in TSR to the peer group of ASX100 financial companies (excluding A-REITs) over the relevant Performance Period. Any performance rights that vest are subject to a further one-year restriction period. The vesting of performance rights under the 2023 LTI award is subject to: – Relative TSR (35% of award): measures AMP's CAGR TSR relative to a peer group of ASX 200 financial companies (excluding A-REITs) over a three year Performance Period. – Adjusted Earnings Per Shares (EPS) (35% of award): measures AMP's CAGR in AMP's adjusted EPS over a three year Performance Period. – Reputation (30% of award): measures AMP's RepTrak score performance relative to a comparator group which is based on a subset of 15 organisations positioned similarly to AMP in RepTrak's Benchmark 60 index, over a three year Performance Period. Any performance rights that vest are subject to further restriction periods of up to three years in the case of the CEO and up to an additional two years for the other Executive Committee members.	The vesting of the CEO's sign-on performance rights is subject to the following performance hurdles and gateways: 1. Absolute TSR – measures the CAGR in the Company's TSR over the relevant Performance Period. 2. Relative TSR – measures the Company's TSR performance relative to a peer group over the relevant Performance Period. The comparator group for the relative TSR performance hurdle will be an adjusted ASX100 Financials index. Each component was awarded in three tranches. The first tranche of each component vested in 2021, and the second tranche of each component lapsed during 2023 due to not meeting the minimum threshold for performance. The board will test the performance hurdles for the final tranche of each component on or around 22 November 2024. If the performance hurdles are met, the rights will vest and become exercisable.
Risk and Conduct Gateway	All equity plans are subject to a Risk and Conduct Gateway – if a participant's performance and conduct is not in line with AMP's expectations, the board has discretion to amend the number of units granted and/or the vesting outcome in line with the board's adjustment guidelines.	

4.2 Share-based payments *continued*

(a) Performance rights *continued*

Plan	Long-term Incentive (LTI) Awards / CEO Sign-on Performance Rights Award
Unvested awards	If a participant is terminated for cause or gives notice of resignation before the vesting date, all unvested rights will lapse or be forfeited, unless the board determines otherwise. If a participant's employment ends for any other reason, the unvested awards will remain on foot. For the CEO sign-on performance rights and the 2022 and 2023 LTI awards, a pro rata portion of rights are retained. All unreleased restricted shares allocated to the participant on vesting will remain on foot until the end of the restriction period, unless the participant is terminated for cause, in which case the awards are forfeited.

Valuation of performance rights

The values for performance rights are based on valuations prepared by an independent external consultant. The valuations are based on the 10-day volume weighted average share price over the 10-day trading period prior to the start of the award's valuation period. Assumptions regarding the dividend yield and volatility have been estimated based on AMP's dividend yield and volatility over an appropriate period.

In determining the share-based payments expense, the number of instruments expected to vest has been adjusted to reflect the number of employees expected to remain with AMP until the end of the performance period; this is revisited each reporting date. The following table shows the factors and range considered in determining the value of the performance rights granted during the last two years.

Performance rights

	2023	2022
Closing share price on grant date	**$1.05**	$1.01
Contractual life (in years)	**3.8–5.8**	4.1
Dividend yield (per annum)	**4%–5%**	0%–5%
Expected volatility of share price	**0%–40%**	39%
Risk-free interest rate (per annum)	**0%–2.9%**	0.1%
Performance rights hurdle discount	**12%–58%**	42%
Fair value of performance rights (weighted average)	**$0.75**	$0.59
Expected time to vesting (in years)	**3.7**	3.1

Performance rights movements

Number of performance rights	2023	2022
Balance at the beginning of the year	**32,410,318**	29,754,528
Granted during the year	**5,345,802**	7,592,943
Exercised during the year	**–**	–
Lapsed during the year	**(24,821,377)**	(4,937,153)
Balance at the end of the year	**12,934,743**	32,410,318

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4.2 Share-based payments *continued*

(b) Share rights

The Chief Executive Officer (CEO), Executive Committee members, and certain executives and employees are provided share rights as a part of their remuneration arrangements. These arrangements are summarised as follows:

	Share rights			
	Long-term Variable Remuneration Awards	**Short-term Incentive Awards**	**Salary Sacrifice Plan**	**CEO Sign-on Share Rights Award**
Overview	Share rights give the participant the right to acquire one fully paid ordinary share in AMP Limited after a specified service period. They are granted at no cost to the participant and carry no dividend or voting rights until they vest. All awards are subject to ongoing employment, compliance with AMP policies and the board's discretion. In 2021, AMP offered the opportunity to salary sacrifice between $1,000-$5,000 over a 12-month period to acquire shares in AMP which includes a matching contribution on a 2:5 basis.			The sign-on share rights give the CEO the right to acquire one fully paid ordinary share in AMP Limited (per right) after a specified service period. They were granted at no cost to the CEO and carry no dividend or voting rights until they vest. This award may be settled through an equivalent cash payment at the discretion of the board.
Vesting conditions/ period	Long-term Variable Remuneration (LTVR) awards for certain executives (pre 2023) are subject to continued service periods of three or four years. LTVR awards for certain executives granted from 2023 onwards, are subject to continued service periods that vest in three equal tranches over a three year period, or a single tranche after four years. Awards granted under the Deferred Bonus Equity Plan are split into two tranches with continued service conditions of two and three years respectively. These awards may be settled through an equivalent cash payment, at the discretion of the board.	The Short-term Incentive (STI) awards typically have 40% to 60% of the award deferred in equity. The vesting period is between one to four years of continued service. These awards may be settled through an equivalent cash payment, at the discretion of the board.	Shares granted under the share matching component of the salary sacrifice plan are subject to continued service for two years from grant date.	The first and second tranches, representing 96% of the award, were vested and released to the CEO. The remaining 4% of the award are scheduled to vest on 22 November 2024.
Unvested awards	Unvested awards are forfeited if the participant voluntarily ceases employment or is dismissed for misconduct.			

4.2 Share-based payments *continued*

(b) Share rights *continued*

Valuation of share rights

The fair value of share rights has been calculated as at the grant date by external consultants using a discounted cash flow methodology. If relevant to the award, fair value has been discounted for the present value of dividends expected to be paid during the vesting period to which the participant is not entitled. For the purposes of the valuation, it is assumed share rights are exercised as soon as they have vested. Assumptions regarding the dividend yield have been estimated based on AMP's dividend yield over an appropriate period.

In determining the share-based payments expense, the number of instruments expected to vest has been adjusted to reflect the number of employees expected to remain with AMP until the end of the vesting period. The following table shows the factors and range considered in determining the independent fair value of the share rights granted during the last two years:

Share rights

	2023	2022
Closing share price on grant date	**$1.05**	$0.96
Contractual life (in years)	**0.8–3.8**	0.9–3.9
Dividend yield (per annum)	**4%–5%**	0%–5%
Dividend discount	**3%–16%**	0%–13%
Fair value of share rights (weighted average)	**$0.94**	$0.88
Expected time to vesting (in years)	**0.0–3.1**	0.0–3.1

Share rights movements

Number of share rights	2023	2022
Balance at the beginning of the year	**17,726,479**	15,003,196
Granted during the year	**6,988,269**	7,243,680
Exercised during the year	**(3,570,506)**	(3,296,779)
Lapsed during the year	**(1,099,223)**	(1,223,618)
Balance at the end of the year	**20,045,019**	17,726,479

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5 Section

Group entities

This section explains significant aspects of the AMP group structure, including significant investments in controlled operating entities, and investments in associates. It also provides information on business acquisitions and disposals made during the year.

5.1 Controlled entities

Significant investments in controlled operating entities are as follows:

Operating entities Name of entity	Country of registration	Share type	% holdings 2023	2022
AMP Bank Limited	Australia	Ord	**100**	100
AMP Capital Funds Management Limited	Australia	Ord	**–**	100
AMP Capital Investors (New Zealand) Limited	New Zealand	Ord	**–**	100
AMP Capital Investors Limited	Australia	Ord	**–**	100
AMP Capital Office and Industrial Pty Limited	Australia	Ord	**–**	100
AMP Capital Shopping Centres Pty Limited	Australia	Ord	**–**	100
AMP Financial Planning Pty Limited	Australia	Ord	**100**	100
Charter Financial Planning Limited	Australia	Ord	**100**	100
AMP Group Finance Services Limited	Australia	Ord	**100**	100
AMP Services (NZ) Limited	New Zealand	Ord	**100**	100
AMP Services Limited	Australia	Ord	**100**	100
AWM Services Pty Ltd	Australia	Ord	**100**	100
ipac Asset Management Limited	Australia	Ord	**100**	100
Hillross Financial Services Limited	Australia	Ord	**100**	100
AMP Wealth Management New Zealand Limited	New Zealand	Ord	**100**	100
AdviceFirst Limited	New Zealand	Ord	**100**	100
National Mutual Funds Management Ltd	Australia	Ord	**100**	100
N.M. Superannuation Pty Ltd	Australia	Ord	**100**	100
NMMT Limited	Australia	Ord	**100**	100

5.2 Discontinued operations

(a) Sale of AMP Capital

During 2022, AMP announced a series of sales transactions which resulted in AMP's divestment of its AMP Capital and SMSF 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 year ended 31 December 2023, discontinued operations represents the income, expenses and cash flows of:

- AMP Capital's international infrastructure equity business from 1 January to 3 February 2023;
- AMP Capital's real estate and domestic infrastructure equity business from 1 January to 24 March 2023; and
- SuperConcepts Self-Managed Superannuation Fund administration and software business from 1 January to 30 June 2023.

In accordance with AASB 5, the comparative period results have been restated. As result, in addition to the businesses above, whose results were included for the entire comparative period, the discontinued operations for year ended 31 December 2022 also included the income, expenses and cashflows of:

- AMP Capital's infrastructure debt platform from 1 January 2022 to 11 February 2022; and
- AMP Capital's GEFI business from 1 January 2022 to 28 March 2022.

The residual assets of AMP Capital, principally its investments in CLAMP, PCCP and related sponsor investments 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 for the year from discontinued operations

The results of AMP Capital and SMSF 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.

	2023 $m	2022[1] $m
Total revenue of discontinued operations	**146**	452
Total expense of discontinued operations	**(147)**	(460)
Loss before tax from discontinued operations	**(1)**	(8)
Income tax expense	**–**	(9)
Loss for the year from discontinued operations before disposals	**(1)**	(17)
Gain on disposal of businesses sold	**232**	413
Income tax benefit/(expense) resulting from the gain on disposal of businesses sold[2]	**15**	(10)
Gain on disposal of businesses sold after tax	**247**	403
Profit for the year from discontinued operations	**246**	386
Other comprehensive loss for the year from discontinued operations	**(7)**	(12)
Total comprehensive income for the year	**239**	374

1 Results for the year ended 31 December 2022 have been restated to be on a continuing operations basis.
2 Income tax expense is net of the utilisation of previously unrecognised capital losses.

(c) Cash flows provided by discontinued operations

The cash flows provided by discontinued operations during the year and included within the Consolidated statement of cash flows, are set out below, including comparative information.

	2023 $m	2022 $m
Net cash used in operating activities	**(107)**	(89)
Net cash provided by investing activities	**360**	488
Net cash provided by discontinued operations	**253**	399

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5.2 Discontinued operations *continued*

Critical accounting estimates and judgements:

The presentation of discontinued operations includes gains or losses recognised on the sale of AMP Capital and SMSF businesses and incorporates management's judgements 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 that transactions will complete within from the balance date,
- determining the fair value of the assets and liabilities held for sale, including 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.

5.3 Investments in associates

Investments in associates accounted for using the equity method:

Associate	Principal activity	Place of business	Ownership interest 2023 %	Ownership interest 2022 %	Carrying amount[1] 2023 $m	Carrying amount[1] 2022 $m
China Life Pension Company[2,3]	Pension Company	China	**19.99**	19.99	**461**	447
China Life AMP Asset Management Company Ltd[3]	Investment Management	China	**14.97**	14.97	**88**	81
PCCP, LLC (Pacific Coast Capital Partners)	Investment Management	United States	**23.27**	23.87	**180**	170
Other[4]			**n/a**	n/a	**74**	73
Total investments in associates					**803**	771

1 The carrying amount is after recognising $75m (2022: $80m) share of current year profit or loss from the associates accounted for using the equity method.
2 AMP's 31 December 2022 financial report was qualified with respect to the external auditor's ability to obtain sufficient, appropriate, third-party audit evidence about AMP's share of the net income and consequently the carrying amount of its investment in China Life Pension Company (CLPC) for the year ended 31 December 2022. On 28 March 2023, subsequent to the issuance of AMP's 31 December 2022 financial report, CLPC's audited financial statements were issued which evidenced that AMP's share of CLPC's net income for the year ended 31 December 2022 and consequently the carrying amount of AMP's investment in CLPC at that date was supported.
3 AMP has significant influence through representation on the entity's board.
4 Other primarily consists of ownership interests in Advice-related businesses.

5.3 Investments in associates *continued*

Accounting Policy – recognition and measurement

Investments in associates

Investments in entities over which the AMP group has the ability to exercise significant influence, but not control, are accounted for using the equity method. The investment is measured at cost plus post-acquisition changes in the AMP group's share of the associates' net assets, less any impairment in value. The AMP group's share of profit or loss of associates is included in the Consolidated income statement. Any dividend or distribution received from associates is accounted for as a reduction in the carrying value of the associate.

Any impairment is recognised in the Consolidated income statement when there is objective evidence that a loss has been incurred. It is measured as the amount by which the carrying amount of the investment in entities exceeds the recoverable amount.

5.4 Parent entity information

(a) Statement of comprehensive income – AMP Limited entity

	2023 $m	2022 $m
Dividends and distributions from controlled entities and net gains or losses on financial assets[1]	**704**	27
Interest revenue	**1**	1
Service fee revenue	**6**	5
Share of profit from associates accounted for using the equity method	**38**	47
Other income	**–**	87
Operating expenses	**(80)**	(9)
Impairment of investments in controlled entities	**–**	(100)
Finance costs	**(27)**	(36)
Income tax benefit[2]	**134**	76
Profit for the year	**776**	98
Total comprehensive income for the year	**776**	98

1 Dividends and distributions from controlled entities of $694m (2022: $13m) is not assessable for tax purposes.
2 Income tax benefit includes $nil (2022: $nil) utilisation of previously unrecognised revenue tax losses.

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for the year ended 31 December 2023

5.4 Parent entity information *continued*

(b) Statement of financial position – AMP Limited entity

	2023 $m	2022 $m
Current assets		
Cash and cash equivalents	**7**	1
Receivables and prepayments[1]	**211**	172
Current tax assets	**78**	69
Loans and advances to subsidiaries	**250**	350
Investments in other financial assets	**11**	65
Non-current assets		
Investments in controlled entities	**4,302**	4,909
Investments in associates	**471**	457
Loans and advances to subsidiaries	**500**	500
Deferred tax assets[2]	**353**	289
Total assets	**6,183**	6,812
Current liabilities		
Payables[1]	**496**	874
Interest-bearing liabilities	**–**	632
Current tax liabilities	**23**	58
Provisions	**112**	2
Other financial liabilities	**–**	3
Subordinated debt	**–**	252
Non-current liabilities		
AMP Capital Notes 2[3]	**274**	272
AUD Medium Term Notes[3]	**273**	–
Total liabilities	**1,178**	2,093
Net assets	**5,005**	4,719
Equity		
Contributed equity	**4,670**	5,008
Share-based payment reserve	**31**	29
Other reserve	**25**	12
Retained earnings	**279**	(330)
Total equity	**5,005**	4,719

1 Receivables and payables include tax-related amounts receivable from subsidiaries $118m (2022: $168m) and payable to subsidiaries $437m (2022: $434m).
2 Deferred tax assets include amounts recognised for losses available for offset against future taxable income of $352m (2022: $287m).
3 The AMP Limited entity is the issuer of AMP Capital Notes 2 and AUD Medium Term Notes. Further information on these is provided in note 3.2.

(c) Contingent liabilities of the AMP Limited entity

The AMP Limited entity has entered into deeds to provide capital maintenance and liquidity support to AMP Bank Limited. At the reporting date, the likelihood of any outflow in settlement of these obligations is considered remote.

5.5 Related party disclosures

(a) Key management personnel

Compensation of key management personnel

	2023 $'000	2022 $'000
Short-term benefits	**7,857**	10,069
Post-employment benefits	**302**	378
Share-based payments	**3,046**	3,577
Other long-term benefits	**(36)**	55
Termination benefits	**433**	291
Total	**11,602**	14,370

Compensation of the group's key management personnel includes salaries, non-cash benefits and contributions to the post-employment benefits. Executive officers also participate in share-based incentive programs (refer to note 4.2). The amounts disclosed in the table are recognised as an expense during the reporting period.

Loans to key management personnel

Loans to key management personnel and their related parties are provided by AMP Bank and are on similar terms and conditions generally available to other employees within the group. No guarantees are given or received in relation to these loans. Loans have been made to five current and former key management personnel and their related parties. Details of these loans are:

	2023 $'000	2022 $'000
Balance at the beginning of the year	**4,165**	3,605
Net advances	**774**	560
Balance at the end of the year	**4,939**	4,165
Interest charged	**199**	114

Key management personnel access to AMP's products

From time to time, key management personnel or their related entities may have had access to certain AMP products and services such as investment products, personal banking and financial investment services. These products and services are offered to key management personnel on the same terms and conditions as those entered into by other group employees or customers.

Notes to the financial statements

for the year ended 31 December 2023

5.5 Related party disclosures *continued*

(b) Transactions with related parties

Transactions with non-executive directors

Some non-executive directors of AMP group hold directorships or positions in other companies or organisations. AMP may provide or receive services from these companies or organisations negotiated based on arm's length terms. None of the non-executive directors were, or are, involved in any procurement or board decision making regarding the companies or organisations with which they have an association.

Transactions with other associates

The group provides investment management and banking services under general service level agreements with other associates as well as support to financial advice practices.

Dividends were received from associates.

Transactions with investment entities

The AMP group, from time to time, invests sponsor capital. The structure of the fund or the group's level of ownership may result in the fund being treated as an associate of the group. See note 5.3 for details of the group's associates. Management fees are earned by AMP or its associates for managing and administering these investment funds.

All transactions between the group, its associates and the funds are on an arm's length basis.

Accounting policy – recognition and measurement

Short-term benefits – Liabilities arising in respect of salaries and wages and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at their nominal amounts.

Post-employment benefits – Defined contribution funds – The contributions paid and payable by the AMP group to defined contributions funds are recognised in the Consolidated income statement as an operating expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments – Refer to note 4.2.

Other long-term benefits – Other employee entitlements are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, discount rates are determined with reference to market yields at the end of the reporting period on high quality corporate bonds or, in countries where there is no deep market in such bonds, by using market yields at the end of the period on government bonds.

6 Section

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.

6.1 Notes to the Consolidated statement of cash flows

(a) Reconciliation of cash flow from operating activities

	2023 $m	2022 $m
Net profit after income tax	**265**	387
Depreciation of operating assets	**39**	57
Amortisation and impairment of intangibles	**33**	52
Investment gains/(losses) and share of profit/(losses) from investments in associates	**(193)**	(474)
Dividend and distribution income received	**31**	71
Share-based payment expense	**9**	11
Increase in loans and advances, receivables and other assets	**(507)**	(1,545)
Decrease in guarantee liabilities	**(32)**	(21)
(Decrease)/increase in income tax balances	**(41)**	88
Increase in deposits, other payables and provisions	**291**	2,337
Net cash (used in)/provided by operating activities	**(105)**	963

Accounting policy – recognition and measurement

Cash and cash equivalents

Cash and cash equivalents comprise cash-on-hand that is available on demand and deposits that are held at call with financial institutions. Cash and cash equivalents are measured at fair value, being the principal amount. For the purpose of the Consolidated statement of cash flows, cash and cash equivalents also include other highly liquid investments not subject to significant risk of change in value, with short periods to maturity, net of outstanding bank overdrafts. Bank overdrafts are shown within interest-bearing liabilities in the Consolidated statement of financial position.

Notes to the financial statements

for the year ended 31 December 2023

6.2 Commitments

(a) Investment commitments

At 31 December 2023, AMP group had uncalled investment commitments of $18m (2022: $81m) in relation to certain sponsor investments. Subsequent to the reporting date, $nil of this committed capital was invested by AMP group into managed funds. These investment commitments will only be called when suitable investment opportunities arise, and the exact timeline remains unspecified.

(b) AMP Bank credit-related commitments

At 31 December 2023, AMP Bank had credit-related commitments of $3,576m (2022: $3,464m), which included undrawn balances on customer approved limits as well as loan offers pending signing by customers and signed loan contracts pending settlement. AMP Bank expects that not all of the credit-related commitments will be drawn before their contractual expiry.

6.3 Right of use assets and lease liabilities

Per AASB 16 *Leases* (AASB 16), the group recognises lease liabilities except for short-term leases and leases where the underlying asset is of low value, with corresponding right of use assets in the Consolidated statement of financial position.

(a) Right of use (ROU) assets

The main type of ROU asset recognised by the group is premises. The following table details the carrying amount of the ROU assets at 31 December 2023 and the movements during the year.

	2023 $m	2022 $m
Balance at the beginning of the year	**396**	96
Additions	**10**	469
Derecognitions and transfers to sublease receivables[1]	**(11)**	(90)
Impairment expense[2]	**(27)**	(30)
Depreciation expense	**(39)**	(47)
Foreign currency exchange rate movement	**–**	1
Transferred to assets held for sale	**–**	(3)
Balance at the end of the year	**329**	396

1 Includes transfers to sublease receivables of $11m (2022: $60m).
2 Includes an impairment expense of $11m (2022: $1m) recognised in relation to discontinued operations.

(b) Lease liabilities

The following table details the carrying amount of lease liabilities at 31 December 2023 and the movements during the year.

	2023 $m	2022 $m
Balance at the beginning of the year	**569**	135
Additions	**2**	517
Derecognitions	**–**	(40)
Interest expense	**31**	25
Payments made	**(66)**	(65)
Transferred to liabilities held for sale	**–**	(3)
Balance at the end of the year	**536**	569

The AMP group paid $3m (2022: $8m) in relation to short-term leases and $nil (2022: $nil) in relation to variable lease payments. The total cash outflow for leases in 2023 was $69m (2022: $73m).

6.3 Right of use assets and lease liabilities *continued*

Accounting policy – recognition and measurement

At inception, the AMP group assesses whether a contract is, or contains, a lease. Such assessment involves the application of judgement as to whether:

- the contract involves the use of an identified asset;
- the group obtains substantially all the economic benefits from the asset; and
- the group has the right to direct the use of the asset.

It is AMP's policy to separate non-lease components when recognising the lease liability.

The group recognises a Right of Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured as the present value of future lease payments, plus initial direct costs and restoration costs of the underlying asset, less any lease incentives received. The ROU asset is depreciated over the shorter of the lease term and the useful life of the underlying asset. The ROU asset is tested for impairment, including any reversal, if there is an indicator, and is adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of future lease payments discounted using the group's incremental borrowing rate. Lease payments generally include fixed payments and variable payments that depend on an index, eg CPI. A lease liability is remeasured when there is a change in future lease payments from a change in an index, or if the group's assessment of whether an option will be exercised changes.

Interest expense on lease liabilities is recognised within finance costs in the Consolidated income statement.

The group has elected not to recognise ROU assets and lease liabilities for leases where the lease term is less than or equal to 12 months and where the underlying asset is of low value. Payments for such leases are recognised as an expense on a straight-line basis over the lease term.

Critical accounting estimates and judgements

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.

6.4 Provisions and contingent liabilities

	2023 $m	2022 $m
(a) Provisions		
Compliance, remediation and litigation	**261**	81
Obligations relating to corporate reorganisation	**78**	91
Other[1]	**169**	125
Total provisions	**508**	297

1 Other provisions include provisions for onerous lease arrangements, deferred payments relating to purchase of client registers, make-good provisions relating to premises and other operational provisions.

Notes to the financial statements

for the year ended 31 December 2023

6.4 Provisions and contingent liabilities *continued*

	Compliance, remediation and litigation[1] $m	Obligations relating to corporate reorganisation $m	Other $m	Total $m
(b) Movements in provisions				
Balance at the beginning of the year	81	91	125	297
Net provisions raised during the year	250	76	89	415
Provisions utilised during the year	(70)	(89)	(45)	(204)
Balance at the end of the year	**261**	**78**	**169**	**508**

1 Net provisions raised during the year include provisions of $110m and $100m in respect of shareholder and financial adviser class actions respectively. The nature of these class actions have been described in AMP's half year financial report for the period ended 30 June 2023. During the second half of 2023 and up to the date of this report, the following developments have occurred: agreements to settle the shareholder and financial adviser class actions were reached subject to approval by the Supreme Court of New South Wales and the Federal Court of Australia respectively. Court approval of the settlement of the shareholder class action was received on 14 November 2023 and the payment was finalised in January 2024 (refer to note 6.7 for further information). Court approval of the financial adviser class action is expected in the first half of 2024 upon which the payment will be finalised.

Accounting policy – recognition and measurement

Provisions

Provisions are recognised when:

- AMP has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. For provisions other than employee entitlements, the discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is disclosed where a legal or constructive obligation is possible, but not probable; or where the obligation is probable, but the financial impact of the event is unable to be reliably estimated.

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 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.

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 AMP to not disclose such information. It is AMP'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, disagreement with management's position on judgemental matters including provisions and tax positions, 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 internal 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.

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 Pty 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 of 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.

6.4 Provisions and contingent liabilities *continued*

Litigation and claims

Superannuation class actions

During May and June 2019, certain subsidiaries of AMP Limited, namely, N.M. Superannuation Proprietary Limited (NM Super), AMP Superannuation Pty Limited (AMP Super), NMMT Limited and AMP Services Limited (AMP Services), were served with two class actions in the Federal Court of Australia (the Federal Court). The first of those class actions related to the fees charged to members of certain of AMP superannuation funds. The second of those actions related 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 consolidated class action is in respect of the period July 2008 to September 2019. The AMP respondents have filed defences to the proceedings. The claims are yet to be quantified and participation has not been determined. At present, the proceedings are listed for a trial of eight weeks commencing on 26 May 2025. Currently, the potential outcome and costs associated with the matter remain uncertain. The proceedings are being defended.

Commissions for advice and insurance advice class action

In July 2020, AMPFP and Hillross Financial Services Limited (Hillross), both subsidiaries of AMP Limited, were served with a class action in the Federal Court. 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, AMPFP, Hillross and Charter Financial Planning Limited (Charter), were served with a class action in the Federal Court. 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 consolidated class action is in respect of the period July 2014 to February 2021. The AMP respondents have filed a defence to the proceedings. The claim is yet to be quantified and participation has not been determined. Currently, the potential outcome and costs associated with the matter remain uncertain. The proceedings are being defended.

Proceedings brought by Munich Re Australia

In April 2023, AMP Limited and certain subsidiaries, namely, AMP Services, NM Super, AMP Super and AWM Services Pty Limited, were served with proceedings in the Supreme Court of New South Wales brought by Munich Reinsurance Company of Australasia Limited (Munich Re). The proceedings primarily relate to allegations of misleading or deceptive conduct in respect of the entry by Munich Re and Resolution Life Australasia Limited (formerly AMP Life Limited, which is also a defendant to the proceedings) (RLA) into certain reinsurance arrangements in 2016 and 2017. The AMP respondents have filed a defence in the primary proceedings. RLA has similarly filed a defence in the primary proceedings and a cross-claim against AMP Services in respect of an indemnity said to be given by AMP Services to RLA. AMP Services is yet to file a defence to the cross-claim. The claim is yet to be quantified. Currently, the potential outcome and costs associated with the matter remain uncertain. The proceedings are being defended.

Indemnities and warranties

Under the terms of sale agreements of various entities transacted by AMP from time to time, AMP has given certain covenants, warranties and indemnities in favour of counterparties to those sales. From time to time, AMP may be notified of potential breaches of these covenants, warranties and indemnities. A breach of these covenants or warranties, or the triggering of an indemnity, may result in AMP being potentially liable for some future payments to those entities. Management reviews these notified potential breaches on an ongoing basis, and provision amounts, where applicable, are adjusted at each reporting period to reflect management's best estimate. In addition, there remain other indemnities and warranties for which no provision has been recognised as at the reporting date and a contingent liability exists should such indemnities and warranties be called upon or where actual outcomes differ from management's expectations.

Critical 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.

Notes to the financial statements

for the year ended 31 December 2023

6.5 Auditor's remuneration

	2023 $'000	2022 $'000
Audit services		
– Group	**2,239**	2,426
– Controlled entities	**1,878**	2,455
Total audit services remuneration	**4,117**	4,881
Audit related assurance services		
Statutory assurance services[1]	**244**	607
Other assurance services – audit related[2]	**1,005**	1,384
Total audit related assurance services remuneration	**1,249**	1,991
Total audit related services remuneration	**5,366**	6,872
Non-audit services		
– Other assurance services – non-audit related[3]	**–**	1,234
– Taxation compliance services	**5**	367
– Other services[4]	**375**	746
Total non-audit services remuneration	**380**	2,347
Total auditor's remuneration[5]	**5,746**	9,219

1 Statutory assurance services relate to AFSL audits and certain APRA reporting assurance required to be performed by the statutory auditor.
2 Other assurance services – audit related primarily relate to compliance plan audits, sustainability audit, other APRA compliance reporting, derivative risk statement assurance, and internal control reviews.
3 FY22 fees relate to the services associated with the demerger and sale of the AMP Capital businesses.
4 Other services include risk management reviews, regulatory reviews, and transaction services.
5 Total amount excludes audit related fees and non-audit fees paid or payable for Trusts and Funds not consolidated into the group. Total fees excluded are $3,392k (2022: $6,320k) of which $140k (2022: $226k) related to non-audit services.

6.6 New accounting standards

(a) New and amended accounting standards adopted by the AMP group

A number of new accounting standards' amendments have been adopted effective 1 January 2023. These have not had a material effect on the financial position or performance of the AMP group.

(b) New accounting standards issued but not yet effective

A number of new accounting standards and amendments have been issued but are not yet effective, none of which have been early adopted by the AMP group in this financial report. These new standards and amendments, when applied in future periods, are not expected to have a material impact on the financial position or performance of the AMP group.

6.7 Events occurring after reporting date

In January 2024, AMP finalised its payment obligation in the shareholder class action brought by Komlotex Pty Ltd in June 2018, for a total sum of $110m inclusive of interest and costs. An amount of $74m was covered by insurance proceeds, resulting in a net $36m expense for AMP in the FY23 financial report.

As at the date of this report, the directors are not aware of any other matters or circumstances other than those described in the report that have arisen since the end of the financial year that have significantly affected, or may significantly affect:

– the AMP group's operation in future years;
– the results of those operations in future years; or
– the AMP group's state of affairs in future financial years.

Directors' declaration

for the year ended 31 December 2023

In accordance with a resolution of the directors of AMP Limited, for the purposes of section 295(4) of the *Corporations Act 2001*, the directors declare that:

(a) in the opinion of the directors, there are reasonable grounds to believe that AMP Limited will be able to pay its debts as and when they become due and payable;

(b) in the opinion of the directors, the financial statements and the notes of the AMP Limited consolidated entity for the financial year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including section 296 (compliance with accounting standards) and section 297 (true and fair view);

(c) the notes to the financial statements of the AMP Limited consolidated entity for the financial year ended 31 December 2023 include an explicit and unreserved statement of compliance with the International Financial Reporting Standards, as set out in 'About this report – (a) Understanding the AMP financial report' section of the Notes to the financial statements; and

(d) the declarations required by section 295A of the *Corporations Act 2001* have been given to the directors.

Debra Hazelton
Chair

Alexis George
Chief Executive Officer and Managing Director

Sydney, 14 February 2024

Independent Auditor's Report

to the Shareholders of AMP Limited

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Building a better working world

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Report on the Financial Report for the Year Ended 31 December 2023

Qualified opinion

We have audited the financial report of AMP Limited (the Company) and its subsidiaries (collectively the Group or AMP), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Group is 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 31 December 2023 and of its consolidated financial performance for the year ended on that date; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for qualified opinion

As disclosed in section 5.3 of the notes to the financial statements, the Company's investment in China Life Pension Company (CLPC), a foreign associate accounted for using the equity method, is carried at $461 million on the consolidated statement of financial position at 31 December 2023. The Company's share of CLPC's post-tax net income of $38 million is included in the Company's income for the year then ended. The financial statements of CLPC are still in the process of being audited by CLPC's auditor at the date of this report, and consequently we were unable to obtain sufficient appropriate evidence about the Company's share of CLPC's net income for the year then ended and consequently the carrying amount of the Company's investment in CLPC as at 31 December 2023 to the extent it was impacted by this amount. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Our opinion on the financial report for the year ended 31 December 2022 was similarly qualified. In the audit for the year ending 31 December 2023, we were able to obtain sufficient appropriate evidence to support the Company's share of CLPC's net income that was recorded in 2022 and consequently the carrying amount of the Company's investment in CLPC as at 31 December 2022 to the extent it was impacted by this amount.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independent Auditor's Report

to the Shareholders of AMP Limited

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion*, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Credit Provisions

Financial report reference: Section 2.1: Loans and advances, Section 3.3 Financial Risk Management

Why significant	How our audit addressed the matter
As at 31 December 2023 loans and advances totalled $24,630 million against which provisions for expected credit losses of $100 million are required to be recorded in accordance with Australian Accounting standards, as disclosed in section 2.1. This was a key audit matter due to the value of the provisions, and the degree of judgment and estimation uncertainty associated with the provision calculation. Key areas of judgment included: – the application of the impairment requirements of AASB 9 *Financial Instruments* within the Group's expected credit loss methodology; – the identification of exposures with a significant deterioration in credit risk; – assumptions used in the expected credit loss model (for exposures assessed on an individual or collective basis); and – the incorporation of forward-looking information to reflect current and anticipated future external factors, including economic scenarios adopted and the probability weighting determined for each scenario.	Our audit procedures included the following: – We assessed the methodology of the Group's expected credit loss model and its underlying methodology against the requirements of AASB 9. – We assessed the following for exposures evaluated on a collective basis and associated overlays: • significant modelling and forward-looking macroeconomic assumptions; • the basis for and data used to determine the provision at 31 December 2023; and • we involved our actuarial specialists to test the mathematical accuracy of the model and to assess key assumptions. – We examined a sample of exposures on an individual basis by: • assessing the reasonableness and timeliness of internal credit quality assessments based on the borrowers' particular circumstances; and • evaluating the associated provisions by assessing the reasonableness of key inputs into the calculation, with particular focus on collateral values, work out strategies and the value and timing of recoveries. – We also assessed the adequacy of the disclosures in the notes to the financial statements.

Independent Auditor's Report

to the Shareholders of AMP Limited

Taxation

Financial report reference: Section 1.4: Taxes

Why significant	How our audit addressed the matter
As presented in the consolidated statement of financial position and Section 1.4, the Group has significant tax balances as at 31 December 2023, being a current tax asset of $83 million, a current tax liability of $23 million, a deferred tax asset of $640 million, and a deferred tax liability of $16 million. Due to the complexity and high level of judgment required in the following areas, we considered this to be a key audit matter: – the tax consequences of recent changes to the entities within the AMP Limited tax consolidated group; – estimating future taxable income and assessing the recoverability of tax losses and other deferred tax assets in future years; and – the adequacy of provisioning and assessing the recoverability of current tax.	Our audit procedures included the following: – We involved our tax specialists to assess the application of tax laws and regulations in the determination of the Group's tax balances, including the Group's assessment of the impact of entities leaving and joining the tax consolidated group on the determination of tax balances. – We examined the Group's deferred tax asset recoverability assessment and evaluated the reasonableness of key assumptions, including: • assessing the Group's growth and other key assumptions and reviewing tax adjustments made to the Group's profit forecasts to determine future taxable income; and • reviewing and assessing the Group's analysis to determine the period over which deferred tax assets attributable to tax losses are forecast to be utilised. – We evaluated management's assessment of the recoverability of current tax assets including the underlying tax principles applied and management forecasts. – We also assessed the adequacy of the disclosures in the notes to the financial statements.

Independent Auditor's Report

to the Shareholders of AMP Limited

Information Technology (IT) systems and controls over financial reporting

Why significant	How our audit addressed the matter
– A significant part of the Group's operations and financial reporting processes are primarily reliant on IT systems for the processing and recording of a high volume of transactions. – The group-wide IT environment is complex in terms of the scale and nature of IT systems relied upon. IT General Controls (ITGCs) support the continuous operation of the automated and other IT dependent controls within the business processes related to financial reporting. Effective ITGCs are required to ensure that IT applications process business data as expected and that changes are made in an appropriate manner. – A fundamental component of these IT systems and controls is ensuring that risks relating to inappropriate user access management, unauthorised program changes and IT operating protocols are addressed. – We identified User Access Management including IT privileged access controls for applications that are critical to financial reporting is of a heightened risk and therefore this is considered to be a key audit matter.	– We focused our audit procedures on those IT systems and controls that are significant to the Group's financial reporting process. – We involved our IT specialists to assist with assessing and evaluating the significant IT systems and controls. – We assessed the design and tested the operating effectiveness of the Group's IT controls, including those related to user access management, change and operating management and data integrity. – Where we identified design and/or operating deficiencies in the IT control environment, our audit procedures included the following: • assessed the integrity and reliability of the systems and data related to financial reporting; and • where automated procedures were supported by systems with identified deficiencies, we assessed compensating or mitigating controls that were not reliant on the IT control environment. This involved varying the nature, timing and extent of audit procedures performed.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

to the Shareholders of AMP Limited

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

to the Shareholders of AMP Limited

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of AMP Limited for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Sarah Lowe
Partner
Sydney
14 February 2024

Securityholder information

Distribution of AMP Capital Notes 2 holdings as at 1 February 2024

Range	Number of holders	Notes held	% of issued capital
1–1,000	2,508	902,918	32.83
1,001–5,000	336	666,065	24.22
5,001–10,000	25	174,634	6.35
10,001–100,000	28	787,461	28.63
100,000 over	1	218,922	7.96
TOTAL	**2,898**	**2,750,000**	**100.00**

As at 1 February 2024, the total number of shareholders holding less than a marketable parcel of five AMP Capital Notes is four.

Twenty largest AMP Capital Notes 2 holders as at 1 February 2024

Rank	Name	Notes held	% of issued Notes
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	218,922	7.96
2	BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS>	75,685	2.75
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	69,147	2.51
4	MUTUAL TRUST PTY LTD	56,612	2.06
5	CITICORP NOMINEES PTY LIMITED	49,569	1.80
6	JOHN E GILL TRADING PTY LTD	49,449	1.80
7	DELMOS PTY LTD <THE RIDGEWILL A/C>	48,232	1.75
8	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	44,972	1.64
9	BINOLA NOMINEES PTY LTD <THE DELMOS S/F A/C>	34,695	1.26
10	ELMORE SUPER PTY LTD <THE PEABODY SUPER FUND A/C>	30,000	1.09
11	SOHIE INVESTMENTS PTY LTD	29,867	1.09
12	NORA GOODRIDGE INVESTMENTS PTY LTD	28,773	1.05
13	SKYPLAZA INVESTMENTS PTY LTD	27,815	1.01
14	J C FAMILY INVESTMENTS PTY LIMITED <J HERRINGTON SUPER FUND A/C>	25,853	0.94
15	INVIA CUSTODIAN PTY LIMITED <A/M UNIT A/C>	21,440	0.78
16	HARMANIS HOLDINGS PTY LTD <THE HARMAN FAMILY A/C>	20,000	0.73
17	MR ISAAC COHEN + MRS ESTELLE MARY COHEN + MR DAVID PETER COHEN <COHEN FAMILY SUPER FUND A/C>	19,300	0.70
18	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	17,245	0.63
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	16,500	0.60
20	CAFELO PTY LTD <B J WILLOWS PENSION S/F A/C>	15,413	0.56
TOTAL	Top 20 holders of AMP Capital Notes 2	899,489	32.71
Total remaining holders balance		**1,850,511**	**67.29**

Securityholder information

Substantial holders as at 1 February 2024

The names of substantial holders in AMP Limited, and the number of ordinary shares which each substantial holder and the substantial holder's associates have a relevant interest in, as disclosed in substantial holding notices received by AMP Limited before 1 February 2024, are set out below.

For details of the related bodies corporate of the substantial holders who also hold relevant interests in AMP Limited ordinary shares, refer to the substantial holding notices lodged with ASX, under the company code AMP.

Shareholder	Number of ordinary shares	Voting power %
State Street Corporation[1]	168,276,435	6.12%
Vanguard Group[2]	163,318,732	5.96%

1 Substantial holding as at 30/11/2023, as per notice lodged with ASX on 4 December 2023.
2 Substantial holding as at 7/7/2022, as per notice lodged with ASX on 11 July 2022. Voting power adjusted to reflect the current number of shares on issue as at 31 December 2023.

Distribution of AMP Limited shareholdings as at 1 February 2024

Range	Number of holders	Shares held	% of issued capital
1–1,000	236,988	140,354,059	5.12
1,001–5,000	172,303	346,575,880	12.64
5,001–10,000	17,526	124,886,558	4.56
10,001–100,000	13,812	336,049,922	12.26
100,000 over	781	1,793,214,485	65.42
TOTAL	**441,410**	**2,741,080,904**	**100.00**

As at 1 February 2024, the total number of shareholders holding less than a marketable parcel of 535 shares is 95,145.

Twenty largest AMP Limited shareholdings as at 1 February 2024

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	588,615,912	21.47
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	378,744,242	13.82
3	CITICORP NOMINEES PTY LIMITED	300,630,293	10.97
4	NATIONAL NOMINEES LIMITED	90,004,632	3.28
5	BNP PARIBAS NOMS PTY LTD	68,618,063	2.50
6	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	22,171,117	0.81
7	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	20,905,735	0.76
8	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	14,456,682	0.53
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	13,242,510	0.48
10	WASHINGTON H SOUL PATTINSON AND COMPANY LTD	9,000,000	0.33
11	CITICORP NOMINEES PTY LIMITED <143212 NMMT LTD A/C>	7,183,715	0.26
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	6,131,454	0.22
13	MESTJO PTY LTD	6,000,000	0.22
14	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	5,774,045	0.21
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	5,626,806	0.21
16	HEM CORPORATION NO2 PTY LTD	5,500,000	0.20
17	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	4,410,330	0.16
18	BNP PARIBAS NOMS (NZ) LTD	4,193,299	0.15
19	GLENN HARGRAVES INVESTMENTS PTY LTD	3,925,000	0.14
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,721,152	0.14
Total		**1,558,854,987**	**56.87**
Total remaining holders balance		**1,182,225,917**	**43.13**

Securityholder information

AMP Limited shares voting rights

The voting rights attached to AMP Limited ordinary shares are that each registered holder of shares present in person (or by proxy, attorney or representative) at a meeting of shareholders has one vote on a vote taken by a show of hands, and one vote for each fully paid share held on a vote taken by a poll.

On-market acquisitions for employee incentive schemes during the financial year ended 31 December 2023

Rights granted under the Equity Incentive Plan **as at 1 February 2024**:

- 8,787,641 Share Rights, of which the number of holders was 66.
- 20,137,999 Performance Rights, of which the number of holders was 61.
- No Options were awarded in 2023.

Number of share rights on issue as at 1 February 2024

Size of holding	Number of holders	Number of share rights
1–1,000	–	–
1,001–5,000	–	–
5,001–10,000	9	70,175
10,001–100,000	59	5,722,470
100,001 and over	12	2,994,996
Total	**80**	**8,787,641**

Number of performance rights on issue as at 1 February 2024

Size of holding	Number of holders	Number of Performance rights
1–1,000	–	–
1,001–5,000	–	–
5,001–10,000	–	–
10,001–100,000	40	3,527,469
100,001 and over	32	16,610,530
Total	**72**	**20,137,999**

On-market acquisitions for employee incentive schemes during the financial year ended 31 December 2023

2,655,396 AMP Limited ordinary shares were purchased on-market to satisfy entitlements under AMP's employee incentive schemes; 2,516,620 at an average of A$1.091943 and 138,776 at an average of A$0.949909.

Stock exchange listings

AMP Limited's ordinary shares are quoted on the Australian Securities Exchange. AMP de-listed from the New Zealand Stock Exchange on 7 February 2022. AMP capital notes are quoted on the Australian Securities Exchange.

Restricted securities

There are no restricted securities on issue.

Glossary

AUM based revenue	Includes revenue derived from AUM or AUM-linked sources (eg account and administration fees). For the Australian and New Zealand Wealth Management businesses this includes administration and investment revenue on superannuation, retirement and investment products.
Business finance loans	Business loans provided to financial advisers and mortgage brokers, which are secured by a General Security Agreement over the business assets, including the client servicing rights, or other assets. Commercial lending credit policy, process and rates apply to these loans.
Common Equity Tier 1 capital	Comprises the highest quality components of capital that fully satisfy all of the following essential characteristics: a) provide a permanent and unrestricted commitment of funds b) are freely available to absorb losses c) do not impose any unavoidable servicing charge against earnings, and d) rank behind the claims of depositors, policyholders and other creditors in the event of winding up.
Contingent liabilities	A situation existing at reporting date, where past events have led to a possible obligation, the outcome of which depends on uncertain future events, or an obligation where the outcome is not sufficiently probable or reliably measurable to warrant recognising the liability at this reporting date.
Controllable costs	Costs that AMP incurs in running its business. Controllable costs include operational and project costs and exclude variable costs, provision for bad and doubtful debts and interest on corporate debt.
Corporate debt	Borrowings used to fund shareholder activities of the AMP group, including the impact of any cross-currency swaps entered into to convert the debt into A$, but excluding debt used to fund AMP Bank activities.
Cost to income ratio	Calculated as controllable costs divided by gross margin. Gross margin is calculated as total operating earnings and underlying investment income before tax expense plus controllable costs.
Cost to income ratio (AMP Bank)	Calculated as controllable costs divided by gross margin, excluding loan impairment expenses. Gross margin is calculated as total operating earnings before tax expense plus controllable costs.
Defined benefit plan	A scheme that provides a retirement benefit, usually based on salary and/or a predetermined formula for calculating that benefit. Unlike an accumulation scheme, the retirement benefit and method of calculation is known to the member at all times.
Earnings per share (EPS) (actual)	Calculated as NPAT (statutory) of AMP Limited divided by the statutory weighted average number of ordinary shares.

Glossary

Earnings per share (EPS) (underlying)	Calculated as NPAT (underlying) of AMP Limited divided by the basic weighted average number of ordinary shares.
Franking rate	The amount of tax AMP has already paid on a dividend payment. This can be used as a tax credit by Australian resident shareholders. The franking rate is determined by AMP's taxable income. AMP's policy is to always frank dividends at the highest possible rate.
Incentive pool	The money used for the payment of short-term incentive (STI) rewards. The pool size varies each year depending on AMP's performance against financial and non-financial measures.
Intangibles	Represents acquired goodwill, acquired asset management mandates, capitalised costs, buyer of last resort (BOLR) assets and other assets.
Interest cover (actual)	Calculated on a rolling 12-month post-tax basis as NPAT (statutory) of AMP Limited before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.
Interest cover (underlying)	Calculated on a rolling 12-month post-tax basis as NPAT (underlying) of AMP Limited before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.
Investment income	The income on shareholder assets invested in income producing investment assets (as opposed to income producing operating assets) attributed to business units (including Group Office). The return on AMP Bank income producing investment assets is included in AMP Bank NPAT. Shareholder funds invested in income producing assets may be higher or lower than business unit capital due to the working capital requirements of the business unit. The normalisation of expected returns on investment income through the use of a separate market adjustment has been abolished, with reported investment income now reflecting actual, rather than forecast, investment returns.
Key management personnel (KMP)	The Chief Executive Officer (CEO), nominated direct reports of the CEO and the non-executive directors, who have authority and responsibility for planning, directing and controlling the activities of AMP.
Level 3 eligible capital	Comprises the highest quality components of capital for AMP Limited as the head of a Level 3 group. Level 3 eligible capital has similar characteristics to Common Equity Tier 1 capital for insurers and ADIs.
Long-term incentive (LTI)	An executive reward for helping AMP achieve specific long-term performance targets. It is awarded in the form of share rights and/or performance rights to motivate executives to create long-term value for shareholders. A right is an entitlement to receive one AMP Limited share per right subject to meeting the vesting conditions.

Glossary

Net interest margin (AMP Bank)	Net interest income over average interest earning assets.
Net Profit After Tax (NPAT) (underlying)	Represents shareholder attributable net profit or loss after tax excluding market adjustments, accounting mismatches and non-recurring revenue and expenses.
Net Profit After Tax (NPAT) (statutory)	Reflects the net profits (or losses) distributable to AMP Limited shareholders in a given period.
Non-executive directors (NEDs)	Board directors who are not employees of AMP (they are independent).
Operating earnings	Total operating earnings are the shareholder attributable profits or losses that relate to the performance of AMP. Operating earnings exclude investment earnings on shareholder capital and one-off items.
Performance rights	A form of executive remuneration designed to reward long-term performance. Selected executives are granted performance rights. Each performance right is a right to acquire one AMP share after a performance period if a specific performance hurdle is met.
Return on equity (RoE) (actual)	RoE (actual) is calculated as NPAT (statutory) of AMP Limited divided by the average of the monthly average shareholder equity for the period.
RoE (underlying)	Calculated as annualised NPAT (underlying) divided by the average of the monthly average shareholder equity for the period.
Sponsor revenue (AMP Capital)	Income on sponsor capital assets, including normal valuation movements and net profit/loss on sales, gross of funding costs.
Share right	A share right is an entitlement to acquire one AMP share at the end of a vesting period, as long as the service conditions are met.
Short-term incentive (STI)	A form of variable remuneration that is based on AMP achieving performance against a scorecard comprising financial, strategic, customer, people and risk related targets and objectives. Individual STI outcomes are assessed with reference to the scorecard, risk, the holistic performance of AMP, shareholder experience and individual performance and behaviours. For some executives, a portion is paid in cash and the remaining amount is deferred into share rights and restricted for a specified time, strengthening the alignment with shareholders' interests.
Total shareholder return (TSR)	A measure of the value returned to shareholders over a period of time. It takes into account the changes in market value of AMP shares, plus the value of any dividends paid and capital returns on the shares.

Glossary

Underlying profit	AMP's key measure of business profitability, as it smooths investment market volatility stemming from shareholder assets invested in investment markets and aims to reflect the trends in the underlying business performance of the AMP group. Underlying profit excludes all items listed below the 'underlying profit' line. Other items largely comprise the net of one-off and non-recurring revenues and costs.
Variable costs	Include costs that vary directly with the level of related business (eg investment management fees and banking commissions and securitisation costs).
Vesting	Remuneration term defining the point at which the required performance hurdles and/or service requirements have been met, and a financial benefit may be realised by the recipient.

Corporate directory

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