AMP Group Holdings Limited

ABN 88 079 804 676

Directors’ report and Financial report for the year ended 31 December 2022

Directors' Report

Your directors present their report on the consolidated entity consisting of AMP Group Holdings Limited ("the Company" or "AMPGH") and the entities it controlled at the end of or during the year ended 31 December 2022.

DIRECTORS

The directors of AMPGH group during the year ended 31 December 2022 and up to the date of this report are listed below. Directors were in office for this entire period except where stated otherwise:

Current Directors
Jason Bounassif (Director)
John O'Farrell (Director)
David Cullen (Executive Director, appointed on 14 November 2022)
Peter Fredricson (Director, appointed on 13 January 2023)

Former Directors:
Nicola Darnell (Director, resigned on 05 August 2022)
James Georgeson (Director, resigned on 13 January 2023).

OPERATING AND FINANCIAL REVIEW

Principal activities

AMP Group Holdings Limited (AMPGH group) is a wholly owned controlled entity of AMP Limited and is the holding company of the majority of the controlled entities of the AMP Limited group (AMP group or AMP). AMP Bank is wholly owned by AMP Limited and is not part of the AMPGH group. However, AMP Group Holdings Limited provides an unconditional and irrevocable guarantee over AMP Bank Limited (AMP Bank).

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

The AMPGH group holds several strategic partnerships including:

- 14.97% equity interest in China Life AMP Asset Management Company Ltd (CLAMP), a fund management company which offers retail and institutional investors in China access to leading investment solutions
- 23.87% equity interest in US real estate investment manager, PCCP LLC

For the purpose of this report, our business is divided into two areas: Australian wealth management and New Zealand wealth management.

Description of business units

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

– **Platforms** includes superannuation, retirement and investment offers through which managed funds, managed portfolios, listed securities, term deposits and guarantee investment options can be accessed to build a personalised investment portfolio. The flagship North platform is an online wrap platform which continues to deliver on its commitment of strengthening and broadening investment choice for clients and providing a contemporary platform for advisers to manage their clients' funds.

– **Master Trust** offers a market competitive super and pension solution across individual and corporate super through one of the largest retail Master Trusts in Australia (SignatureSuper) with around 700,000 customer accounts. The highly rated SignatureSuper offer consists of three products across super and pension. The open investment menu caters to different risk profiles with exposure to a range of professional managers in order to meet the needs and goals of customers. The Master Trust business delivers high quality member services, with strong administration, contact centre and digital capabilities. It also has a proven pedigree in managing corporate super plans with complex and tailored benefit designs, including defined benefits.

– **Advice** provides professional services to a network of aligned and Independent Financial Advisers (IFAs). These advisers provide financial advice and wealth solutions to their clients, including retirement planning, investments and financing. In addition to supporting a network of professional advisers, the Advice business partners with a number of aligned advice businesses via equity ownership to support the growth and development of these businesses

New Zealand Wealth Management encompasses wealth management, financial advice and general insurance distribution businesses in New Zealand. It provides clients with a variety of wealth management solutions including KiwiSaver, corporate superannuation, retail investments, a wrap investment management platform and general insurance.

Sale of AMP Capital businesses

Global Equities and Fixed Income (GEFI)

On 8 July 2021, AMP announced the sale of its GEFI business to Macquarie Asset Management, which completed on 28 March 2022. The remaining AMP Capital public markets business, the Multi-Asset Group, which is responsible for asset allocation on behalf of AMP's Master Trust and Platform clients was transitioned to Australian Wealth Management from 1 January 2022 (now called AMP Investments).

Infrastructure Debt Platform

On 24 December 2021, AMP announced the sale of its Infrastructure Debt platform to Ares Holdings LP (Ares) which completed on 11 February 2022.

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 completion supports the delivery of AMP's strategic objective to simplify its portfolio and focus on its core businesses of retail banking and wealth management in Australia and New Zealand. Total consideration received was $521m.

AMP also remains eligible for a further cash earn-out of up to $180m which is contingent on future fund raisings for Global Infrastructure Fund III and Global Infrastructure Fund IV**.**

Domestic Real Estate and Infrastructure Equity businesses
As announced on 9 January 2023, there remains an outstanding condition precedent for the completion of the sale of AMP Capital's domestic real estate and infrastructure equity businesses to Dexus Funds Management Ltd (Dexus) under the current sale agreement. This relates to receiving approval from the applicable regulator in China for the transfer of AMP's interest in China Life AMP Asset Management (CLAMP) out of the sale perimeter. AMP and Dexus have agreed to extend the date for satisfaction or waiver of conditions precedent and implement a revised transaction structure with a two-stage completion process. However, as a result of these changes, the base purchase price has been reduced by $25m to $225m, and the remaining potential funds under management (FUM) based earnout has been forfeited.

On 20 March 2023, AMP announced 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) will occur on 24 March 2023, after both parties entered into an unconditional agreement on a revised transaction structure (revised structure) for the sale of the business. At first completion, AMP will receive payment of approximately A$337 million from Dexus comprising:
- A$175 million of the A$225 million base purchase price for the real estate and domestic infrastructure equity business;
- A$105 million for sponsor investments; and
- A$57 million for the cash, net of the remaining liabilities, held on the business' balance sheet.

Payment of the remaining A$50 million of the base purchase price is contingent on the transfer of AMP's interest in CLAMP out of the sale perimeter by 30 September 2024. Following that transfer, the one remaining AMP Capital legal entity will move to Dexus and final completion of the transaction will occur.

Divestment of equity interest in Resolution Life Australasia

On 3 November 2021, AMP agreed to the divestment of its 19.13% equity interest in Resolution Life Australasia (RLA) for a consideration of $524.0 million to Resolution Life Group. This transaction completed on 28 June 2022.

Review of operations and results

The loss attributable to shareholders of AMPGH for the year ended 31 December 2022 was $113.9 million (2021: $392.7 million profit).

Operating results by business area
The operating results of each business area[1] for 2022 were as follows:

Australian Wealth Management – NPAT fell from $89m in 2021 to $50m in 2022 primarily due to the impact of strategic competitive repricing in Master Trust and Platforms, lower revenue predominantly from investment market volatility and the impact of stressed and volatile markets on the North guarantee, partly offset by lower variable and controllable costs from cost reduction initiatives.

New Zealand wealth management – NPAT of $32m in 2022 decreased $7m (2021: $39m) primarily due to a significant drop in global investment markets.

AMP Capital – Continuing operations NPAT of $41m was up 11% from $37m in 2021 due to higher contributions from joint venture investments.

Capital management and dividend

Equity and reserves of the AMPGH group attributable to shareholders of AMPGH group was $2.8b at 31 December 2022 ($3.1b as at 31 December 2021).

Strategy and prospects

AMP set out its strategic growth plans for 2022–2024 on 30 November 2021. This outlined a clear path to create a new AMP. Since then, AMP has made strong progress to reposition its core capabilities in wealth management with investment in new, innovative products and services during 2022. A continued focus on simplification is driving further efficiency and re-shaping AMP's business portfolio. The business has built early momentum in exploring new opportunities for growth, including establishing partnerships to grow AMP's direct to consumer channel.

Reposition
AMP's strategy is to reposition its core capabilities to drive growth in banking and wealth platforms, investing in key areas to differentiate AMP's offering, and transforming its business model.

Simplify
AMP is focused on simplifying the business to drive efficiency and agility.

Explore
AMP will continue to explore organic and inorganic growth opportunities, including strategic partnerships with fintechs.

---

[1] Operating results have been re-presented to align to the FY 2021 Investor Report.

Strategic priorities for 2023
AMP is delivering on its transformation strategy to a path to the new AMP and has defined its priorities for the year ahead. AMP will be focused on returning capital to shareholders; growing IFA flows in our platforms business; controlling costs; supporting new growth opportunities, particularly through strategic partnerships; and continuing the revitalisation of its culture and brand.

MATERIAL RISKS

Risk is inherent to our business and AMPGH takes measured risks within our risk appetite to achieve our strategic objectives. AMPGH 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 our operating environment, enabling us to achieve our purpose and strategic objectives. Risk management is a responsibility of all AMPGH employees, and is reflected in many of our values – own it, be brave, do the right thing, and put customers first.

AMPGH has adopted AMP's risk management framework. 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:

- **Group strategy and business plans**
- **Risk management strategy**
- **Risk appetite statement**
- **Supporting policies and practices**

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.

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 AMPGH 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
AMPGH is focused on delivering its transformational 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 continues to be an area of significant focus for the financial services industry, both globally and in Australia and New Zealand. AMPGH 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 customer outcomes, AMP's reputation, or our value proposition to customers.

AMP's Code of Conduct outlines how AMPGH seeks to conduct its business and how it expects board members, leaders employees and contractors 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.

AMPGH 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. It includes providing low carbon investment choices to customers, managing and disclosing investment risks, leveraging our influence as an investor, reducing our own operational impacts and supporting customers and communities where possible.

AMP provides annual performance disclosures aligned to key pillars of the Task Force on Climate-related Financial Disclosures (TCFD) framework, including through its Sustainability report and through investor led disclosures such as the CDP (formerly Carbon Disclosure Project). In 2022, 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.

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 2022, including natural disasters, economic uncertainty, and rising interest rates. Throughout the year AMP supported customers in a number of ways, including activating AMP's disaster relief assistance program to provide support for customers affected by flooding.

Customer expectations are evolving which is intensifying competition within 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 2022, AMP continued to deliver on its strategy to reposition AMP as a simpler, purpose-led, customer-focused business in its core business of wealth management. Solid progress was made on this strategy during 2022, with notable developments including the launch of AMP's fully digital mortgage, and a first-to-market retirement solution.

Cyber security threats

Cyber risk remains a threat in a rapidly changing technological environment. AMP is committed to continually uplifting its cyber resilience through preventing, detecting, and responding to cyber incidents, in order to protect AMP's reputation, assets and business operations. AMP continues to invest in enhancing its cyber security capability so that it is both sustainable and commensurate to the threats faced. AMP's Cyber Defence Centre, launched in 2021 uses industry best practices, advanced technologies and intelligence sharing arrangements with Australian Government and industry entities to uplift AMP's cyber defenses, enhance situational awareness and mitigate malicious threats. The AMP Cyber Team broadened its reach to include financial advisers with the creation of a dedicated cyber policy, improved training materials, and awareness campaigns, including presentations at Professional Development days. 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 to the business given the evolving nature of the threat.

Operational risk environment

Operational risk exposures for AMPGH 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, money laundering and counter-terrorism financing, bribery and corruption. High operational risks are the result of a complex operating environment associated with legacy products, systems and, in some cases, manual controls. 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 AMPGH, 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 have completed all file reviews for our client remediation program and we continue reshaping the adviser network and simplifying superannuation products and investment options.

The AMPGH operational risk profile reflects these exposures and the financial statements of AMPGH 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 simplify the operating model of the ongoing business. In 2022, AMP announced the sale of AMP Capital's real estate, domestic infrastructure equity and international infrastructure equity businesses.

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 to 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

AMPGH operates in multiple jurisdictions, and each of these jurisdictions has its own legislative and regulatory requirements, as well as anticipated upcoming changes to these requirements.

AMPGH 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. AMPGH's commitment to strengthening its risk management practices, its control environment and enhancing its compliance systems across its businesses, will address these legislative and regulatory requirements. AMPGH's internal policies, frameworks and procedures seek to ensure any changes in our domestic and international regulatory obligations are complied with in each jurisdiction. Compliance, legal and regulatory risk that results in breaches is reported to AMPGH management committees and regulators. This is managed in accordance with internal policies.

Regulatory consultations and interactions are reported and monitored as part of AMPGH's internal risk and compliance reporting process. AMPGH actively participates in these interactions and cooperates with all regulators to resolve such matters.

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

THE ENVIRONMENT

In the normal course of its business operations, AMPGH group 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 2022 sustainability performance in AMP's 2022 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, 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.

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 directors) against any liability (including reasonable costs and expenses of defending proceedings for an actual or alleged liability) incurred in their capacity as an officer of the Company, unless the liability did not arise out of conduct in good faith. 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 or on behalf of the AMP Limited Board.

During, and since the end of, the financial year ended 31 December 2022, AMP Limited (the Company's parent company) maintained, and paid the premium 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 (including legal costs) 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 has entered into deeds of indemnity, insurance and access with current and former directors and secretaries of the Company, directors of other subsidiaries of AMP Limited and secretaries of other AMP group companies.
Those deeds provide that:

- those officers will have access to board papers and specified records of any AMP group company of which they are an officer (and of certain other companies) for their period of office and for at least ten (or, in some cases, seven) years after they cease to hold office (subject to certain conditions);
- the Company indemnifies the officers 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 an AMP group company or, an AMP representative of an external company; and
- the AMP group will maintain directors' and officers' insurance cover for those officers, to the extent permitted by law, for the period of their office and for at least ten years after they cease to hold office.

Indemnification 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 from the audit, 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 2022.

Auditor's independence declaration to the directors of AMP Group Holdings Limited

We have obtained an independence declaration from our auditor, Ernst & Young, a copy of which is attached to this report and forms part of the Directors' Report for the financial year ended 31 December 2022.

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 hundred thousand Australian dollars, unless stated otherwise.

Signed in accordance with a resolution of the directors.

……………………………………………

Director

Sydney, 22 March 2023

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
ey.com/au

Auditor's independence declaration to the directors of AMP Group Holdings Limited

As lead auditor for the audit of the financial report of AMP Group Holdings Limited for the financial year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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 Group Holdings Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Andrew Price
Partner
22 March 2023

AMP GROUP HOLDINGS LIMITED
ABN 88 079 804 676
FULL YEAR FINANCIAL REPORT
31 DECEMBER 2022

TABLE OF CONTENTS

Registered office:
50 Bridge Street
Sydney NSW 2000 Australia

AMP Group Holdings Limited, a company limited by shares, is incorporated and domiciled in Australia.

Consolidated income statement

for the year ended 31 December 2022

	Note	2022 $m	2021[1] $m
Fee revenue		**1,431.6**	1,608.3
Interest income using the effective interest method		**10.6**	2.0
Other investment gains		**-**	16.2
Share of profit or loss from associates	5.3	**33.0**	14.3
Movement in Guarantee liabilities		**20.5**	66.2
Other income		**76.7**	142.5
Total revenue		**1,572.4**	1,849.5
Fee and commission expenses		**(677.9)**	(674.1)
Staff and related expenses		**(543.0)**	(631.2)
Finance costs		**(58.5)**	(34.0)
Other operating expenses	1.1	**(555.0)**	(1,021.6)
Other investment losses		**(35.2)**	-
Total expenses		**(1,869.6)**	(2,360.9)
Loss before tax		**(297.2)**	(511.4)
Income tax credit	1.2(a)(b)	**42.8**	61.1
Loss after tax from continuing operations		**(254.4)**	(450.3)
Profit from discontinued operations	5.2	**368.4**	55.8
Profit/(Loss) for the year		**114.0**	(394.5)
Profit/(Loss) attributable to:			
Shareholders of AMP Group Holdings Limited[2]		**113.9**	(392.7)
Non-controlling interests		**0.1**	(1.8)
Profit/(Loss) for the year		**114.0**	(394.5)

1 Results for the year ended 31 December 2021 have been restated to be on a continuing operations basis. Refer to note 5.2.
2 Profit/(Loss) attributable to shareholders of AMP Group Holdings Limited is comprised of $254.5m loss from continuing operations (2021: $448.5m) and profit of $368.4m from discontinued operations (2021: $55.8m).

Statement of comprehensive income

for the year ended 31 December 2022

	Note	2022 $m	2021[1] $m
Loss for the year from continuing operations		**(254.4)**	(450.3)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges			
- net gain on cash flow hedges		**1.3**	3.4
- tax effect on cash flow hedge gain		**(0.4)**	(1.0)
		0.9	2.4
Translation of foreign operations and revaluation of hedge of net investments			
- gain/(loss) recognised on translation of foreign operations and revaluation of hedge of net investments		**25.6**	(11.5)
		25.6	(11.5)
Items that will not be reclassified subsequently to profit or loss			
Defined benefit plans			
- actuarial (loss)/gain	4.1(a)	**(0.7)**	101.3
- tax effect on actuarial (loss)/gain		**0.2**	(30.1)
		(0.5)	71.2
Other comprehensive income for the year from continuing operations		**26.0**	62.1
Total comprehensive loss for the year from continuing operations		**(228.4)**	(388.2)
Profit for the year from discontinued operations	5.2	**368.4**	55.8
Other comprehensive (loss)/gain for the year from discontinued operations	5.2	**(11.5)**	26.9
Total comprehensive income/(loss) for the period		**128.5**	(305.5)
Total comprehensive income/(loss) attributable to shareholders of AMP Group Holdings Limited		**128.4**	(303.7)
Total comprehensive income/(loss) attributable to non-controlling interests		**0.1**	(1.8)
Total comprehensive income/(loss) for the period		**128.5**	(305.5)

1 Results for the year ended 31 December 2021 have been restated to be on a continuing operations basis. Refer to note 5.2.

Consolidated statement of financial position

as at 31 December 2022

	Note	2022 $m	2021 $m
Assets			
Cash and cash equivalents	6.1(b)	**964.5**	1,168.8
Receivables	2.4	**1,081.3**	1,073.4
Investments in other financial assets	2.1	**1,238.4**	1,330.8
Intercompany tax receivable		**383.3**	385.1
Current tax assets		**7.2**	53.6
Assets held for sale[1]		**692.0**	575.8
Investments in associates	5.3	**323.5**	673.4
Right of use assets	6.3(a)	**395.6**	96.4
Deferred tax assets	1.2(c)	**293.3**	314.2
Intangibles	2.2	**186.0**	320.6
Other assets	2.3	**63.2**	146.6
Defined benefit plan asset	4.1(a)	**12.4**	2.7
Total assets		**5,640.7**	6,141.4
Liabilities			
Payables	2.5	**441.3**	313.2
Intercompany tax payable		**106.5**	111.3
Current tax liabilities		**0.5**	1.5
Employee benefits		**161.2**	397.2
Other financial liabilities	2.1	**314.4**	351.7
Liabilities held for sale[1]		**138.3**	174.6
Provisions	6.4	**296.4**	586.8
Interest-bearing liabilities	3.2(a)	**730.8**	922.7
Lease liabilities	6.3(b)	**568.8**	134.6
Deferred tax liabilities	1.2(c)	**4.0**	1.0
Guarantee liabilities	2.6	**64.4**	85.0
Total liabilities		**2,826.6**	3,079.6
Net assets		**2,814.1**	3,061.8
Equity			
Contributed equity	3.1	**9,157.7**	9,527.7
Reserves		**109.1**	(2,452.0)
Retained earnings		**(6,452.7)**	(4,017.2)
Total equity of shareholders of AMP Group Holdings Limited		**2,814.1**	3,058.5
Non-controlling interests		**-**	3.3
Total equity of shareholders of AMP Group Holdings Limited and non-controlling interests		**2,814.1**	3,061.8

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

Consolidated statement of changes in equity

for the year ended 31 December 2022

	Equity attributable to shareholders of AMP Group Holdings Limited										
	Contributed equity $m	Demerger reserve $m	Share-based payment reserve $m	Capital profits Reserve[1] $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**
2022											
Balance at the beginning of the year	**9,527.7**	**(2,565.5)**	**96.3**	**(26.7)**	**(0.7)**	**44.6**	**(2,452.0)**	**(4,017.2)**	**3,058.5**	**3.3**	**3,061.8**
Loss from continuing operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(254.5)**	**(254.5)**	**0.1**	**(254.4)**
Profit from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**368.4**	**368.4**	**-**	**368.4**
Other comprehensive income/(loss) from continuing operations	**-**	**-**	**-**	**-**	**0.9**	**25.6**	**26.5**	**(0.5)**	**26.0**	**-**	**26.0**
Other comprehensive loss from discontinued operations	**-**	**-**	**-**	**-**	**-**	**(11.5)**	**(11.5)**	**-**	**(11.5)**	**-**	**(11.5)**
Total comprehensive income	**-**	**-**	**-**	**-**	**0.9**	**14.1**	**15.0**	**113.4**	**128.4**	**0.1**	**128.5**
Share-based payment expense	**-**	**-**	**8.8**	**-**	**-**	**-**	**8.8**	**-**	**8.8**	**-**	**8.8**
Shares purchases		**-**	**(6.7)**	**-**	**-**	**-**	**(6.7)**	**-**	**(6.7)**	**-**	**(6.7)**
Shares issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers to retained earnings[2]	**-**	**2,565.5**	**(16.7)**	**-**	**-**	**-**	**2,548.8**	**(2,548.8)**	**-**	**-**	**-**
Capital reduction[3]	**(370.0)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(370.0)**	**-**	**(370.0)**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**	**-**	**(0.1)**
Sales and acquisitions of non-controlling interests	**-**	**-**	**-**	**(4.8)**	**-**	**-**	**(4.8)**	**-**	**(4.8)**	**(3.4)**	**(8.2)**
Balance at the end of the year	**9,157.7**	**-**	**81.7**	**(31.5)**	**0.2**	**58.7**	**109.1**	**(6,452.7)**	**2,814.1**	**-**	**2,814.1**
2021											
Balance at the beginning of the year	9,054.5	(2,565.5)	91.2	(39.8)	(3.1)	29.2	(2,488.0)	(3,695.7)	2,870.8	8.0	2,878.8
Loss from continuing operations	-	-	-	-	-	-	-	(448.5)	(448.5)	(1.8)	(450.3)
Profit from discontinued operations	-	-	-	-	-	-	-	55.8	55.8	-	55.8
Other comprehensive income/(loss) from continuing operations	-	-	-	-	2.4	(11.5)	(9.1)	71.2	62.1	-	62.1
Other comprehensive income from discontinued operations	-	-	-	-	-	26.9	26.9	-	26.9	-	26.9
Total comprehensive income	-	-	-	-	2.4	15.4	17.8	(321.5)	(303.7)	(1.8)	(305.5)
Share-based payment expense	-	-	10.6	-	-	-	10.6	-	10.6	-	10.6
Shares purchases	-	-	(5.5)	-	-	-	(5.5)	-	(5.5)	-	(5.5)
Shares issued	473.2	-	-	-	-	-	-	-	473.2	-	473.2
Sales and acquisitions of non-controlling interests	-	-		13.1	-	-	13.1	-	13.1	(2.9)	10.2
Balance at the end of the year	9,527.7	(2,565.5)	96.3	(26.7)	(0.7)	44.6	(2,452.0)	(4,017.2)	3,058.5	3.3	3,061.8

1 The Capital profits reserve represents gains and losses attributable to shareholders of AMPGH on the sale or acquisition of minority interests in controlled entities to or from entities outside the AMPGH group.
2 Transfers to retained earnings primarily represents the reclassification of the Demerger reserve.
3 On 19 August 2022 and on 21 November 2022, AMPGH Board of Directors has approved a capital return of $350m and $20m respectively with no cancellation of shares.

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Cash receipts in the course of operations		**1,865.4**	1,959.5
Interest received		**52.7**	29.6
Dividends and distributions received		**23.1**	120.5
Cash payments in the course of operations		**(2,618.5)**	(3,497.1)
Finance costs		**(39.2)**	(25.6)
Income tax (paid)/received		**(10.1)**	194.7
Net cash used in operating activities	6.1(a)	**(726.6)**	(1,218.4)
Cash flows from investing activities			
Net proceeds from sale of (payments to acquire):			
- investments in financial assets		**83.2**	1,126.7
- operating and intangible assets		**(23.9)**	(44.7)
- Resolution Life NOHC, AMP Capital's Global Equities and Fixed Income (GEFI) business and Infrastructure Debt platform		**980.2**	-
- operating controlled entities and investments in associates accounted for using the equity method		**(59.2)**	(9.4)
Net cash provided by investing activities		**980.3**	1,072.6
Cash flows from financing activities			
Proceeds from borrowings		**146.0**	-
Repayment of borrowings		**(335.1)**	(398.4)
Lease payments		**(47.9)**	(60.0)
Dividends paid		**(0.1)**	-
Net cash used in financing activities		**(237.1)**	(458.4)
Net increase/(decrease) in cash and cash equivalents		**16.6**	(604.2)
Cash and cash equivalents at the beginning of the year		**1,296.9**	1,901.1
Cash and cash equivalents at the end of the year	6.1(b)	**1,313.5**	1,296.9

ABOUT THIS REPORT

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

(a) Understanding the AMPGH financial report

The AMPGH group is comprised of AMP Group Holdings Limited, a holding company incorporated and domiciled in Australia, and the entities it controls (subsidiaries or controlled entities). The consolidated financial statements of AMP Group Holdings Limited (AMPGH) include the financial information of its controlled entities. AMPGH group comprises the majority of the controlled entities in the AMP Limited consolidated economic entity (the AMP group/AMP).

The 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 hundred thousand dollars, unless otherwise stated;
- has been prepared on a going concern basis generally using an 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 Group Holdings Limited is a for-profit entity and is limited by shares. The financial statements for the year ended 31 December 2022 were authorised for issue on 22 March 2023 in accordance with a resolution of the directors.

Sale of AMP Capital

On 23 April 2021, AMP announced its intention to exit AMP Capital's private markets investment management business via demerger. Subsequent to that announcement, and as part of AMP's divestment strategy, AMP announced a series of sales transactions, which includes AMP Capital's private markets investment management business and other AMP Capital businesses (collectively AMP Capital businesses). The residual investments of AMP Capital (China Life AMP Management Company Ltd (CLAMP), Pacific Coast Capital Partners (PCCP) and certain seed and sponsor investments) will remain a part of the AMPGH group. These transactions and their impact on AMPGH's financial statements for the year ended 31 December 2022 are as follows:

– On 11 February 2022, AMPGH completed the sale of its infrastructure debt platform to Ares Holdings LP. The results relating to the infrastructure debt platform have been classified as discontinued operations in the Consolidated income statement and the impact of the sale is included within the Gain on disposal of businesses sold in note 5.2.

– On 28 March 2022, AMPGH completed the sale of its Global Equities and Fixed Income (GEFI) business to Macquarie Asset Management (MAM). The sale included the opportunity for deferred consideration of $75m. In December 2022, AMPGH and MAM agreed to a final deferred consideration amount of $23m. The results relating to the GEFI business have been classified as discontinued operations in the Consolidated income statement and the impact of the sale is included in the Gain on disposal of businesses sold in note 5.2.

– As announced on 9 January 2023, there remains an outstanding condition precedent for the completion of the sale of AMP Capital's domestic real estate and infrastructure equity businesses to Dexus Funds Management Ltd (Dexus) under the current sale agreement. This relates to receiving approval from the applicable regulator in China for the transfer of AMP's interest in China Life AMP Asset Management (CLAMP) out of the sale perimeter. AMP and Dexus have agreed to extend the date for satisfaction or waiver of conditions precedent and implement a revised transaction structure with a two-stage completion process. However, as a result of these changes, the base purchase price has been reduced by $25m to $225m, and the remaining potential funds under management (FUM) based earnout has been forfeited.

On 20 March 2023, AMP announced 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) will occur on 24 March 2023, after both parties entered into an unconditional agreement on a revised transaction structure (revised structure) for the sale of the business. At first completion, AMP will receive payment of approximately A$337 million from Dexus comprising:

- A$175 million of the A$225 million base purchase price for the real estate and domestic infrastructure equity business;
- A$105 million for sponsor investments; and
- A$57 million for the cash, net of the remaining liabilities, held on the business' balance sheet.

Payment of the remaining A$50 million of the base purchase price is contingent on the transfer of AMP's interest in CLAMP out of the sale perimeter by 30 September 2024. Following that transfer, the one remaining AMP Capital legal entity will move to Dexus and final completion of the transaction will occur.

– 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 value realised is $582m, comprising of $521m cash payment, $57m of value from retained estimated future carry and performance fees and $4m 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) and its assets and liabilities have been separately classified as held for sale in the Consolidated statement of financial position. The gain or loss on disposal will be included in the results for the year ended 31 December 2023.

(b) Basis of consolidation
Entities are fully consolidated from the date of acquisition, being the date on which the AMPGH group obtains control, and continue to be consolidated until the date that control ceases. Control exists where the AMPGH 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 AMPGH group financial statements, along with those attributable to the shareholders of the parent entity. All intercompany transactions are eliminated in full, including unrealised profits arising from intra-group transactions.
The share of the net assets of controlled entities attributable to non-controlling interests is disclosed as a separate line item on the Consolidated statement of financial position.

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 AMPGH group;
- it helps explain the impact of significant changes in the AMPGH group; and/or
- it relates to an aspect of the AMPGH group's operations that is important to its future performance.

(c) Significant accounting policies
The significant 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.

Fee revenue
Fee revenue represents revenue from contracts with customers which arises primarily from the provision of (i) investment management and (ii) financial advisory services. Revenue is recognised when control of services is transferred to the customer at an amount that reflects the consideration which AMPGH group 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.

(i) 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.

(ii) Financial advisory fees
Financial advisory fees consist of commissions and fee-for-service revenue and 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.

Interest, dividends and distributions income
Interest income measured at amortised cost is recognised in the Consolidated income statement using the effective interest method. Revenue from dividends and distributions is recognised when the AMPGH 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, 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.

(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 judgements and estimates	Note		Page
Tax	1.2	Taxes	10
Fair value of financial assets	2.1	Investments in other financial assets and liabilities	13
Goodwill and acquired intangible assets	2.2	Intangibles	15
Defined benefit plan	4.1	Defined benefit plan asset	32
Discontinued operations	5.2	Discontinued operations	41
Right of use assets and lease liabilities	6.3	Right of use assets and lease liabilities	47
Provisions and contingent liabilities	6.4	Provisions and contingent liabilities	49

Section 1: Results for the year

- 1.1 Other operating expenses
- 1.2 Taxes

1.1 Other operating expenses

	2022 $m	2021[1] $m
Impairment of intangibles	**(4.5)**	(24.5)
Movement in expected credit losses	**(11.4)**	(24.6)
Information technology and communication	**(190.3)**	(194.4)
Professional and consulting fees	**(78.4)**	(176.2)
Onerous Lease Contracts	**(52.4)**	(117.8)
Amortisation of intangibles	**(47.0)**	(201.7)
Depreciation of property, plant and equipment	**(48.0)**	(53.2)
Other expenses	**(123.0)**	(229.2)
Total other operating expenses	**(555.0)**	(1,021.6)

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.

1.2 Taxes

OUR TAXES

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

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

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

(a) Income tax credit

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

	2022 $m	2021 $m
Loss before income tax	**(297.2)**	(511.4)
Tax at the Australian tax rate of 30% (2021: 30%)	**89.2**	153.4
Non-deductible expenses	**(18.4)**	(74.8)
Non-taxable income	**0.9**	40.6
Other items	**(4.6)**	(30.9)
Over provided in previous years	**(26.2)**	(29.8)
Differences in overseas tax rates	**1.9**	2.6
Income tax credit per Consolidated income statement	**42.8**	61.1

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.

Section 1: Results for the year

1.2 Taxes (continued)

(b) Analysis of income tax credit

	2022 $m	2021 $m
Current tax credit	**66.7**	237.0
Increase/(Decrease) in deferred tax assets	**12.3**	(222.3)
(Increase)/Decrease in deferred tax liabilities	**(36.2)**	46.4
Income tax credit	**42.8**	61.1

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.

(c) Analysis of deferred tax balances

	2022 $m	2021 $m
Analysis of deferred tax assets		
Expenses deductible in the future years	**225.6**	339.7
Unrealised movements on borrowings and derivatives	**(0.1)**	1.4
Unrealised investment losses	**0.4**	0.4
Losses available for offset against future taxable income	**3.4**	-
Lease liability	**169.1**	28.7
Capitalised software expenses	**98.1**	73.9
Transferred to assets held for sale	**(37.3)**	(6.0)
Other	**-**	8.8
Total deferred tax assets	**459.2**	446.9
Offset to tax	**(165.9)**	(132.7)
Net deferred tax assets	**293.3**	314.2
Analysis of deferred tax liabilities		
Income recognisable in the future years	**21.6**	34.0
Right of use assets	**117.9**	20.2
Intangible asset	**22.6**	32.0
Unearned revenue	**18.0**	28.4
Transferred to liabilities held for sale	**(13.5)**	(0.8)
Other	**3.3**	19.9
Total deferred tax liabilities	**169.9**	133.7
Offset to tax	**(165.9)**	(132.7)
Net deferred tax liabilities	**4.0**	1.0

(d) Amounts recognised directly in equity

	2022 $m	2021 $m
Income tax (expense) credit related to items taken directly to equity during the current year	**(0.2)**	(31.1)

Section 1: Results for the year

1.2 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
AMPGH and its wholly-owned Australian controlled entities are part of a tax-consolidated group, with AMP Limited being the head entity. 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 AMPGH 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 AMPGH 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.

Section 2: Investments, intangibles and working capital

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

- 2.1 Investments in other financial assets and liabilities
- 2.2 Intangibles
- 2.3 Other assets
- 2.4 Receivables
- 2.5 Payables
- 2.6 Fair value information

2.1 Investments in other financial assets and liabilities

	2022 $m	2021 $m
Financial assets measured at fair value through profit or loss		
Equity securities	**6.0**	13.8
Debt securities	**250.6**	747.7
Unlisted managed investment schemes	**173.1**	185.4
Derivative financial assets	**209.3**	295.9
Total financial assets measured at fair value through profit or loss	**639.0**	1,242.8
Other financial assets measured at amortised cost[1]		
Debt securities	**599.4**	88.0
Total other financial assets measured at amortised cost	**599.4**	88.0
Total other financial assets	**1,238.4**	1,330.8
Other financial liabilities		
Derivative financial liabilities	**123.7**	170.6
AMP Bank indemnity[2]	**56.7**	73.5
Collateral deposits held	**134.0**	107.6
Total other financial liabilities	**314.4**	351.7

1 Financial assets measured at amortised cost are presented net of immaterial expected credit losses.

2 On 4 February 2019, AMP Group Holdings Limited (AMPGH) entered into a deed of indemnity with AMP Bank under which AMPGH agreed to indemnify AMP Bank for up to $546m for credit losses in excess of those provided for as at 31 January 2019 suffered in connection with loans provided to an authorised representative of an AMP licensee.

Section 2: Investments, intangibles and working capital

2.1 Investments in other financial assets and liabilities (continued)

Accounting policy – recognition and measurement

Recognition and derecognition of financial assets and liabilities
Financial assets and financial liabilities are recognised at the date the AMPGH 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, and amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the AMPGH 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 profit or loss 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.

Financial assets measured at amortised cost – debt securities
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.

Impairment of financial assets
An allowance for expected credit losses (ECLs) is recognised for financial assets not held at fair value through profit or loss. 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 AMPGH group estimates these elements using appropriate credit risk models taking into consideration the internal and external credit ratings of the assets, nature and value of collaterals, forward-looking macro-economic scenarios, etc.

Depending on the nature of the financial asset, the AMPGH group applies either a three-stage approach or a simplified approach to measure ECLs.

Critical accounting estimates and judgements:
Financial assets 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 2.6.

Section 2: Investments, intangibles and working capital

2.2 Intangibles

	Goodwill $m	Capitalised costs $m	Value of in-force business $m	Distribution networks $m	Other intangibles $m	Total $m
2022						
Balance at the beginning of the year	**148.5**	**113.7**	**-**	**50.2**	**8.2**	**320.6**
Additions through separate acquisitions	**-**	**-**	**-**	**19.8**	**-**	**19.8**
Additions through internal development	**-**	**17.2**	**-**	**-**	**-**	**17.2**
Reductions through disposal	**-**	**(0.1)**	**-**	**(23.5)**	**(0.7)**	**(24.3)**
Transferred to other assets	**-**	**-**	**-**	**(5.3)**	**-**	**(5.3)**
Amortisation expense	**-**	**(41.3)**	**-**	**(5.7)**	**-**	**(47.0)**
Impairment loss	**-**	**(4.5)**	**-**	**-**	**-**	**(4.5)**
Transferred to asset held for sale	**(78.5)**	**(4.5)**	**-**	**-**	**(7.5)**	**(90.5)**
Balance at the end of the year	**70.0**	**80.5**	**-**	**35.5**	**-**	**186.0**

	Goodwill $m	Capitalised costs $m	Value of in-force business $m	Distribution networks $m	Other intangibles $m	Total $m
2021						
Balance at the beginning of the year	156.8	227.3	114.2	119.3	11.4	629.0
Additions through separate acquisitions	-	-	-	48.8	-	48.8
Additions through internal development	-	42.2	-	-	-	42.2
Reductions through disposal	-	(40.0)	(24.2)	(96.2)	-	(160.4)
Transferred to other assets	-	-	-	1.6	-	1.6
Amortisation expense	-	(92.6)	(90.0)	(17.8)	(1.3)	(201.7)
Impairment loss	-	(19.0)	-	(5.5)	-	(24.5)
Transferred to asset held for sale	(8.3)	(4.2)	-	-	(1.9)	(14.4)
Balance at the end of the year	148.5	113.7	-	50.2	8.2	320.6

Section 2: Investments, intangibles and working capital

2.2 Intangibles (continued)

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.

Value of in-force business
The value of in-force business represents the fair value of future business arising from existing contractual arrangements of a business acquired as part of a business combination. The value of in-force business was initially measured at fair value and was subsequently measured at fair value less amortisation and any accumulated impairment losses.

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.

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 goodwill 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 $70.0m (2021: $148.5m) arose from historical acquisitions where the AMPGH group was the acquirer. Goodwill attributable to the relevant CGUs is presented in the table below.

$m	**2022 $m**	**2021 $m**
New Zealand wealth management (NZWM)	**70.0**	70.0
AMP Capital	**-**	78.5
	70.0	148.5

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 at 31 December 2022. AMP Capital goodwill was transferred to assets held for sale in the Consolidated statement of financial position at 31 December 2022 considering the sale of AMP Capital.

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 CGUs; and
- assessment of whether there are any impairment indicators for acquired intangibles and, where required, in determining the recoverable amount.

Section 2: Investments, intangibles and working capital

2.3 Other assets

	2022 $m	2021 $m
Planner registers held for sale	**8.5**	9.8
Prepayments	**27.7**	63.9
Property, plant and equipment	**27.0**	72.9
Total other assets	**63.2**	146.6
Current	***35.4***	*67.4*
Non-current	***27.8***	*79.2*

2.4 Receivables

	2022 $m	2021 $m
Investment-related receivables	**33.6**	7.5
Client register receivables	**52.2**	40.7
Collateral receivables	**58.7**	28.5
Trade debtors and other receivables	**876.7**	996.7
Sublease receivables	**60.1**	-
Total receivables[1]	**1,081.3**	1,073.4
Current	***974.5***	*1,033.9*
Non-current	***106.8***	*39.5*

1 Receivables are presented net of ECL of $40.7m (2021: $34.6m).

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 AMPGH 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.

2.5 Payables

	2022 $m	2021 $m
Accrued expenses	**95.6**	173.2
Trade creditors and other payables	**95.7**	61.5
Parent entity	**250.0**	78.5
Total payables	**441.3**	313.2
Current	***441.3***	*313.2*
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.

Section 2: Investments, intangibles and working capital

2.6 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.

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	**6.0**	**-**	**-**	**6.0**	**6.0**
Debt securities	**250.6**	**-**	**250.6**	**-**	**250.6**
Unlisted managed investment schemes	**173.1**	**-**	**40.3**	**132.8**	**173.1**
Derivative financial assets	**209.3**	**-**	**209.3**	**-**	**209.3**
Total financial assets measured at fair value	**639.0**	**-**	**500.2**	**138.8**	**639.0**
Financial assets not measured at fair value					
Debt securities	**599.4**	**-**	**599.5**	**-**	**599.5**
Total financial assets not measured at fair value	**599.4**	**-**	**599.5**	**-**	**599.5**
Financial liabilities measured at fair value					
Derivative financial liabilities	**123.7**	**-**	**123.7**	**-**	**123.7**
AMP Bank indemnity	**56.7**	**-**	**-**	**56.7**	**56.7**
Collateral deposits held	**134.0**	**-**	**134.0**	**-**	**134.0**
Guarantee liabilities	**64.4**	**-**	**-**	**64.4**	**64.4**
Total financial liabilities measured at fair value	**378.8**	**-**	**257.7**	**121.1**	**378.8**
Financial liabilities not measured at fair value					
AMP Corporate entity borrowings	**730.8**	**-**	**734.9**	**-**	**734.9**
Total financial liabilities not measured at fair value	**730.8**	**-**	**734.9**	**-**	**734.9**
2021					
Financial assets measured at fair value					
Equity securities	13.8	-	-	13.8	13.8
Debt securities	747.7	-	747.7	-	747.7
Unlisted managed investment schemes	185.4	-	134.2	51.2	185.4
Derivative financial assets	295.9	-	295.9	-	295.9
Total financial assets measured at fair value	1,242.8	-	1,177.8	65.0	1,242.8
Financial assets not measured at fair value					
Debt securities	88.0	-	88.2	-	88.2
Total financial assets not measured at fair value	88.0	-	88.2	-	88.2
Financial liabilities measured at fair value					
Derivative financial liabilities	170.6	-	170.6	-	170.6
AMP Bank indemnity	73.5	-	-	73.5	73.5
Collateral deposits held	107.6	-	107.6	-	107.6
Guarantee liabilities	85.0	-	-	85.0	85.0
Total financial liabilities measured at fair value	436.7	-	278.2	158.5	436.7
Financial liabilities not measured at fair value					
AMP Corporate entity borrowings	922.7	-	939.2	-	939.2
Total financial liabilities not measured at fair value	922.7	-	939.2	-	939.2

Section 2: Investments, intangibles and working capital

2.6 Fair value information (continued)

AMPGH'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 be measured at an amount in excess of fair value due to fluctuations on fixed rate loans. As the fluctuations in fair value do not represent a permanent diminution and the carrying amounts of the loans are recorded at recoverable amounts after assessing impairment, it is not 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 published redemption prices of those managed investment schemes at the reporting date.
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.
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.

The 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); and
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the AMPGH 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 2022 financial year. Transfers to and from Level 3 are shown in the Reconciliation of Level 3 values table later in this note.

Section 2: Investments, intangibles and working capital

2.6 Fair value information (continued)

Level 3 fair values

For financial assets measured at fair value on a recurring basis and categorised within Level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets is governed by the AMP Capital asset valuation policy. This policy outlines the asset valuation methodologies and processes applied to measure non-exchange traded assets which have no regular market price, including investment property, infrastructure, private equity, alternative assets and illiquid debt securities. All significant Level 3 assets are referred to the appropriate valuation committee who meet at least every six months, or more frequently if required.

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	Published redemption prices.	Judgement made in determining unit prices
Guarantee liabilities	Discounted cash flow approach	Discount rate Hedging costs
AMP Bank indemnity	Assessment of expected credit losses	Cash flow forecasts Credit risk Collateral value

Sensitivity analysis

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

	2022		2021	
	(+)	(-)	(+)	(-)
	$m	$m	$m	$m
Financial assets[1]				
Equity securities	**0.6**	**(0.6)**	1.4	(1.4)
Unlisted managed investment schemes	**13.3**	**(13.3)**	5.1	(5.1)
Financial liabilities[2]				
Guarantee liabilities	**(3.3)**	**(2.1)**	(2.1)	(3.3)
AMP Bank indemnity[3]	**2.8**	**(2.8)**	3.7	(3.7)

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

2 Reasonably possible changes in equity market movements of 20% (2021: 20%) and bond yield movements of 100bps (2021: 50bps) have been applied in determining the impact on profit after tax and equity. The sensitivities disclosed are shown net of the offsetting impacts of derivatives held as economic hedges of the Guarantee liabilities.

3 The value of the AMP Bank indemnity is derived from AMP Bank's assessment of expected credit losses on loans subject to the indemnity. The sensitivity has been determined by increasing and decreasing the expected credit loss by 5%.

Section 2: Investments, intangibles and working capital

2.6 Fair value information (continued)

Level 3 fair values (continued)

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

Reconciliation of Level 3 values	Balance at the beginning of the period $m	FX gains/ (losses) $m	Total gains/ (losses) $m	Purchases/ (deposits) $m	Sales/ (withdrawals) $m	Net transfers in/(out) $m	Balance at the end of the period $m	Total gains/ (losses) on assets and liabilities held at reporting date $m
2022								
Assets classified as Level 3								
Equity securities	**13.8**	**-**	**(7.8)**	**-**	**-**	**-**	**6.0**	**(7.8)**
Unlisted managed investment schemes	**51.2**	**-**	**17.8**	**-**	**-**	**63.8**	**132.8**	**17.8**
Liabilities classified as Level 3								
Guarantee liabilities	**(85.0)**	**-**	**12.9**	**-**	**7.7**	**-**	**(64.4)**	**12.9**
AMP Bank indemnity	**(73.5)**	**-**	**16.8**	**-**	**-**	**-**	**(56.7)**	**16.8**
2021								
Assets classified as Level 3								
Equity securities	7.0	-	(1.2)	8.5	(0.5)	-	13.8	(1.2)
Unlisted managed investment schemes	41.3	1.3	3.1	6.8	-	-	51.2	3.1
Liabilities classified as Level 3								
Guarantee liabilities	(150.7)	-	33.0	-	32.7	-	(85.0)	33.0
AMP Bank indemnity	(81.4)	-	7.9	-	-	-	(73.5)	7.9

Section 3: Capital structure and financial risk management

This section provides information relating to:
- the AMPGH 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 AMPGH group consists of equity and debt. AMPGH determines the appropriate capital structure in order to finance the current and future activities of the AMPGH 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
- 3.2 Interest-bearing liabilities
- 3.3 Financial risk management
- 3.4 Derivatives and hedge accounting
- 3.5 Capital management

3.1 Contributed equity

	2022 $m	2021 $m
Issued capital		
10,373,884,672 (2021: 10,373,884,672) ordinary shares fully paid	**9,157.7**	9,527.7
Total contributed equity		
10,373,884,672 (2021: 10,373,884,672) ordinary shares fully paid	**9,157.7**	9,527.7

Issued capital		
Balance at the beginning of the year	**9,527.7**	9,054.5
Nil shares issued (2021: 10)	**-**	473.2
Capital reduction[1]	**(370.0)**	-
Balance at the end of the year	**9,157.7**	9,527.7

1 On 19 August 2022 and on 21 November 2022, AMPGH Board of Directors has approved a capital return of $350m and $20m respectively with no cancellation of shares.

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 AMP Group Holdings 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.

Section 3: Capital structure and financial risk management

3.2 Interest-bearing liabilities

(a) Interest-bearing liabilities

	2022			2021		
	Current $m	**Non-current $m**	**Total $m**	**Current $m**	**Non-current $m**	**Total $m**
Interest-bearing liabilities						
Corporate entity borrowings[1]						
- 6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	**-**	**-**	**-**	60.0	-	60.0
- CHF Medium Term Notes[2]	**331.6**	**252.6**	**584.2**	238.2	624.5	862.7
- Repurchase Agreement (NAB)	**146.6**	**-**	**146.6**	-	-	-
Total interest-bearing liabilities	**478.2**	**252.6**	**730.8**	298.2	624.5	922.7

1 The current/non-current classification of corporate entity borrowings is based on the maturity of the underlying debt instrument and related principal repayment obligations. The carrying value of corporate entity borrowings includes interest payable of $1.5m (2021: $3.2m) which is expected to settle within the next 12 months.

2 CHF 140m Senior Unsecured Fixed Rate Bond was issued on 18 April 2019 and was subsequently increased by CHF 100m on 3 December 2019. On 31 August 2022, CHF 30m of this note was repaid. The remaining balance matures on 18 July 2023. CHF 175m Senior Unsecured Fixed Rate Bond was issued on 3 March 2020 of which CHF 10m was repaid on 31 August 2022. The remaining balance matures on 3 June 2024.

(b) Changes in liabilities arising from financing activities

	2022 $m	**2021 $m**
1 January	**922.7**	1,306.3
Cash flows	**(189.1)**	(398.4)
Other	**(2.8)**	14.8
31 December	**730.8**	922.7

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 AMPGH's policy to hedge currency and interest rate risk arising on issued bonds 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.

Section 3: Capital structure and financial risk management

3.3 Financial risk management

The AMPGH Board has overall responsibility for the risk management framework including the approval of AMP's strategic plan, risk management strategy and risk appetite. Specifically, 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. AMPGH has adopted AMP group's risk management framework.

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 and business approved by the AMP Limited Chief Financial Officer (CFO) under delegation from the AMP Group Asset and Liability Committee (Group ALCO).

(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 the financial markets including interest rates, foreign exchange rates, equity prices, property prices, credit spreads, commodity prices, market volatilities and other financial market variables.

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

Market risk	Exposures	Management of exposures and use of derivatives
Interest rate risk The risk of an impact on the AMPGH 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 AMPGH group's long-term borrowings and subordinated debt.	Interest rate risk is managed by entering into interest rate swaps, which have the effect of converting borrowings from fixed to floating rate.
Currency risk The risk of an impact on the AMPGH 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 AMPGH group uses swaps to hedge the interest rate risk and foreign currency risk on foreign currency denominated borrowings. The AMPGH group utilises various hedging instruments to hedge foreign currency risk arising from certain investments denominated in a foreign currency. The AMPGH 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 AMPGH group will at times pre-hedge any future (but not expected) foreign currency receipts and payments, subject to market conditions.
Equity price risk The risk of an impact on the AMPGH 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 Group ALCO approval, use equity exposures or equity futures or options to hedge other enterprise-wide equity exposures.

Section 3: Capital structure and financial risk management

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 rate 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 periods.

		2022		2021	
Sensitivity analysis	**Change in variables**	**Impact on profit after tax Increase (decrease)**	**Impact on equity[1] Increase (decrease)**	**Impact on profit after tax Increase (decrease)**	**Impact on equity[1] Increase (decrease)**
		$m	**$m**	**$m**	**$m**
Interest rate risk	- 100bp	**1.0**	**1.0**	(2.7)	(2.7)
Impact of a 100 basis point (bp) change in Australian and international interest rates.	+100bp	**(5.0)**	**(5.0)**	(4.0)	(4.0)
Currency risk	10% depreciation of AUD	**(49.9)**	**(23.9)**	0.1	99.1
Impact of a 10% movement of exchange rates against the Australian dollar on currency sensitive monetary assets and liabilities.	10% appreciation of AUD	**20.3**	**1.7**	(0.5)	(81.5)
	10% increase in:				
Equity price risk	Australian equities	**0.3**	**0.3**	0.1	0.1
Impact of a 10% movement in Australian and international equities.	International equities	**0.6**	**0.6**	0.0	0.0
Any potential impact on fees from the AMPGH group's investment-linked business in is not included.	10% decrease in:				
	Australian equities	**(0.5)**	**(0.5)**	(0.7)	(0.7)
	International equities	**(0.5)**	**(0.5)**	(0.9)	(0.9)

1 Included in the impact on equity 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 for hedge accounting.

(b) Liquidity and refinancing risk

Risk	Exposures	Management of exposures
Liquidity risk The risk that the AMPGH 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 AMPGH group is not able to refinance the full quantum of its ongoing debt requirements on appropriate terms and pricing.	the AMPGH group corporate debt portfolio and AMP Capital through various investment funds, entities or mandates that AMPGH manages or controls within the AMPGH group.	Group Treasury maintains a defined surplus of cash to mitigate refinancing risk, satisfy regulatory requirements and protect against liquidity shocks in accordance with the requirements of the AMP Group Liquidity Risk Management Policy. This policy is reviewed and endorsed by the AMP Group ALCO and approved by the AMP Limited Board.

Section 3: Capital structure and financial risk management

3.3 Financial risk management (continued)

(b) Liquidity and refinancing risk (continued)

Maturity analysis

Below is a summary of the maturity profiles of the AMPGH group's undiscounted financial liabilities 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.

2022	Up to 1 year $m	1 to 5 years $m	Over 5 years $m	Not specified $m	Total $m
Non-derivative financial liabilities					
Payables	**441.3**	**-**	**-**	**-**	**441.3**
Borrowings	**463.4**	**268.3**	**-**	**-**	**731.7**
Lease liabilities	**68.0**	**277.0**	**438.0**	**-**	**783.0**
Guarantee liabilities	**-**	**-**	**-**	**64.4**	**64.4**
Derivative financial instruments					
Options	**12.4**	**-**	**-**	**-**	**12.4**
Interest rate swaps	**2.8**	**40.0**	**55.7**	**-**	**98.5**
Foreign currency forward contract	**12.7**	**-**	**-**	**-**	**12.7**
Total return swaps	**0.1**	**-**	**-**	**-**	**0.1**
Off-balance sheet items					
Buyback arrangement commitments	**83.0**	**-**	**-**	**-**	**83.0**
Investment commitments	**-**	**-**	**-**	**81.0**	**81.0**
Total undiscounted financial liabilities and off-balance sheet items	**1,083.7**	**585.3**	**493.7**	**145.4**	**2,308.1**

2021	Up to 1 year $m	1 to 5 years $m	Over 5 years $m	Not specified $m	Total $m
Non-derivative financial liabilities					
Payables	313.2	-	-	-	313.2
Borrowings	238.2	624.5	-	-	862.7
Lease liabilities	33.3	85.8	41.2	-	160.3
Subordinated debt	60.0	-	-	-	60.0
Guarantee liabilities	-	-	-	85.0	85.0
Derivative financial instruments					
Interest rate swaps	3.3	27.7	73.2	-	104.2
Cross currency swaps	16.4	4.9	-	-	21.3
Foreign currency forward contract	45.0	-	-	-	45.0
Futures	0.1	-	-	-	0.1
Off-balance sheet items					
Lease commitments	37.4	213.9	482.9	-	734.2
Investment commitments	-	-	-	452.0	452.0
Total undiscounted financial liabilities and off-balance sheet items	746.9	956.8	597.3	537.0	2,838.0

Section 3: Capital structure and financial risk management

3.3 Financial risk management (continued)

(c) Credit risk

Credit risk management is decentralised in business units within the AMPGH group, 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 AMPGH 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 Wholesale Counterparty Credit Risk Policy. This policy is reviewed and endorsed by the AMP Group ALCO and approved by the AMP Limited Board.

The AMP Group Wholesale Counterparty Credit Risk Policy 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 portfolio managers, senior management and the AMP Board Risk Committee through periodic financial risk management reports.

Group Treasury also might enter into credit default swaps to hedge the concentration risk exposure against a specific issuer, or aggregated at the parent entity, when material exposures are over the authorised limit.

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

Collateral and master netting or similar agreements

The AMPGH 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 AMPGH 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 $209.3m would be reduced by $nil to the net amount of $209.3m and derivative liabilities of $123.7m would be reduced by $nil to the net amount of $123.7m (2021: derivative assets of $295.9m would be reduced by $143.4m to the net amount of $152.5m and derivative liabilities of $170.6m would be reduced by $143.4m to the net amount of $27.2m).

Section 3: Capital structure and financial risk management

3.3 Financial risk management (continued)

(c) Credit risk (continued)

(ii) Other collateral
The AMPGH group has collateral arrangements in place with some counterparties in addition to collateral deposits held with respect to repurchase agreements.

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 2022 there was $132.9m (2021: $107.6m) of collateral deposits (due to other counterparties) and $58.7m (2021: $28.5m) of collateral loans (due from other counterparties) relating to derivative assets and liabilities.

3.4 Derivatives and hedge accounting

The AMPGH group is exposed to certain risks relating to its ongoing business operations. To mitigate the risks the AMPGH 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 AMPGH 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.

		Notional amount	Fair value Assets	Fair value Liabilities
2022		**$m**	**$m**	**$m**
Hedge type	**Hedging instrument**			
Fair value	Cross-currency swaps	**-**	**-**	**-**
Fair value	Interest rate swaps	**-**	**-**	**-**
Fair value and cash flow	Cross-currency interest rate swaps	**552.7**	**30.9**	**-**
Net investment	Foreign currency forward contract	**634.3**	**3.2**	**6.4**
Total		**1,187.0**	**34.1**	**6.4**

		Notional amount	Fair value Assets	Fair value Liabilities
2021		**$m**	**$m**	**$m**
Hedge type	**Hedging instrument**			
Fair value	Cross-currency swaps	78.0	-	16.4
Fair value	Interest rate swaps	61.7	-	1.0
Fair value and cash flow	Cross-currency interest rate swaps	828.2	36.0	-
Net investment	Foreign currency forward contract	404.8	-	0.9
Total		1,372.7	36.0	18.3

Section 3: Capital structure and financial risk management

3.4 Derivatives and hedge accounting (continued)

b) Hedged items

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

2022	**Carrying amount of hedged items**		**Accumulated amount of fair value adjustments on the hedged items**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	$m	**$m**	**$m**	**$m**
6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	**-**	**-**	**-**	**-**
Medium Term Notes	**-**	**583.6**	**-**	**31.0**

2021	**Carrying amount of hedged items**		**Accumulated amount of fair value adjustments on the hedged items**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	$m	**$m**	**$m**	**$m**
6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	-	60.0	17.4	-
Medium Term Notes	-	787.7	-	34.0

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

	2022	**2021**
	$m	**$m**
Gain/(loss) on hedging instrument	**11.0**	52.8
Loss/(gain) on hedged items attributable to the hedged risk	**(14.4)**	(48.1)
Hedge ineffectiveness recognised in the income statement	**(3.4)**	4.7

Derivative instruments accounted for as cash flow hedges

The AMPGH 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 AMPGH 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 AMPGH group recognised $nil (2021: $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 AMPGH group hedges its exposure to changes in exchange rates on the value of its foreign currency denominated seed pool investments. Hedge effectiveness is assessed based on the overall changes in the fair value of the forward contract, primarily using the cumulative dollar offset method.

The AMPGH group recognised $nil (2021: $nil) due to the ineffective portion of hedges relating to investments in foreign operations.

Section 3: Capital structure and financial risk management

3.4 Derivatives and hedge accounting (continued)

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

2022	**0 to 3 months $m**	**3 to 12 months $m**	**1 to 5 years $m**	**Over 5 years $m**	**Total $m**
Interest rate swaps	**-**	**-**	**-**	**-**	**-**
Cross-currency swaps	**-**	**-**	**-**	**-**	**-**
Cross-currency interest rate swaps	**-**	**302.2**	**250.5**	**-**	**552.7**
Foreign currency forward contract	**255.7**	**378.6**	**-**	**-**	**634.3**

2021	**0 to 3 months $m**	**3 to 12 months $m**	**1 to 5 years $m**	**Over 5 years $m**	**Total $m**
Interest rate swaps	-	-	61.7	-	61.7
Cross-currency swaps	-	-	78.0	-	78.0
Cross-currency interest rate swaps	-	218.0	610.2	-	828.2
Foreign currency forward contract	404.8	-	-	-	404.8

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. All derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from the change in fair value of derivatives, except those that qualify as effective cash flow hedges, are immediately recognised in the Consolidated income statement.

Hedge accounting
AMPGH 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) through Other comprehensive income in the Cash flow hedge reserve in equity. 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) through Other comprehensive income in the Hedge of net investment reserve in equity. 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.

Section 3: Capital structure and financial risk management

3.5 Capital management

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

- maintain a sufficient level of surplus capital above minimum regulatory capital requirements (MRR) to reduce the risk of breaching MRR;
- hold enough liquidity to ensure that AMPGH group has sufficient access to liquid resources, even under a range of stress situations; and
- maintain the AMPGH group's credit rating within a targeted range.

These factors are considered when forming AMPGH group's risk appetite as approved by the AMP Limited Board.

Capital requirements
A number of the operating entities within the AMPGH consolidated group of companies are regulated and are required to meet minimum regulatory capital requirements (MRR). In certain circumstances, APRA or other regulators may require AMPGH group or its subsidiary entities within the AMPGH group to hold a greater level of capital to support its business and and/or require those entities not to pay dividends on their shares or restrict the amount of dividends that can be paid by them. Any such adjustments would be incorporated into the minimum regulatory requirements and/or capital policies as required.

The main minimum regulatory capital requirements for entities within the AMPGH group are:

Operating entity	Minimum regulatory capital requirement
N. M. Superannuation Pty Limited	Operational Risk Financial Requirements as specified under the APRA Superannuation Prudential Standards
ASIC-regulated entities operating with an Australian Financial Services License (AFSL)	Capital requirements imposed under AFS Licenses.

All of the regulated entities within the AMPGH group have at all times during the current and prior financial year complied with all externally imposed capital requirements.

Section 4: Employee disclosures

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

- 4.1 Defined benefit plans
- 4.2 Share-based payments

4.1 Defined benefit plans

AMPGH contributed 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.	Accumulation benefits and a lump sum payment on retirement.
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 plan's 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 valuation	31 March 2022.	31 December 2020.
Additional contributions required	10% to 15% of member's salaries plus plan expenses.	No additional contributions are required until 31 December 2023, at which point the requirement will be reassessed.

(a) Defined benefit asset

	2022 $m	2021 $m
Present value of wholly-funded defined benefit obligations	**(645.2)**	(781.9)
Less: Fair value of plan assets	**657.6**	784.6
Defined benefit asset recognised in the Consolidated statement of financial position	**12.4**	2.7
Movement in defined benefit asset		
Deficit at the beginning of the year	**2.7**	(97.5)
Plus: Total expenses recognised in the Consolidated income statement	**(1.1)**	(2.2)
Plus: Employer contributions	**10.3**	0.6
Plus: Foreign currency exchange rate changes	**1.2**	0.5
Plus: Actuarial (losses)/gains recognised in Other comprehensive income[1]	**(0.7)**	101.3
Defined benefit asset recognised at the end of the year	**12.4**	2.7

1 The cumulative net actuarial gains and losses recognised in the Statement of comprehensive income is a $198.1m gain (2021: $199.4m gain).

Section 4: Employee disclosures

4.1 Defined benefit plans (continued)

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

	Defined benefit obligation		Fair value of plan assets	
	2022	**2021**	**2022**	**2021**
	$m	**$m**	**$m**	**$m**
Balance at the beginning of the year	**(781.9)**	(882.5)	**784.6**	785.0
Current service cost	**(1.1)**	(1.6)	**-**	-
Interest (cost)/income	**(5.2)**	(2.1)	**5.2**	1.5
Net actuarial gains/(losses)	**89.6**	62.1	**(90.3)**	39.4
Employer contributions	**-**	-	**10.3**	0.6
Contributions by plan participants	**(0.2)**	(0.1)	**0.2**	(0.1)
Foreign currency exchange rate changes	**3.4**	(2.1)	**(2.2)**	2.6
Benefits paid	**50.2**	44.4	**(50.2)**	(44.4)
Balance at the end of the year	**(645.2)**	(781.9)	**657.6**	784.6

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

	Fair value of plan assets		Present value of plan obligation		Net recognised surplus/(deficit)		Actuarial gains/(losses)	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	$m	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
AMP Australia Plan I	**240.5**	282.9	**(247.5)**	(295.5)	**(7.0)**	(12.6)	**(0.3)**	40.3
AMP Australia Plan II	**331.4**	396.6	**(294.3)**	(355.8)	**37.1**	40.8	**(7.0)**	27.0
AMP New Zealand Plan I	**13.1**	17.1	**(16.0)**	(20.2)	**(2.9)**	(3.1)	**-**	3.6
AMP New Zealand Plan II	**72.6**	88.0	**(87.4)**	(110.4)	**(14.8)**	(22.4)	**6.6**	30.4
Total	**657.6**	784.6	**(645.2)**	(781.9)	**12.4**	2.7	**(0.7)**	101.3

(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	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Weighted average discount rate	**5.7**	3.0	**4.6**	2.7	**5.8**	3.3	**4.6**	2.7
Expected rate of salary increases	**n/a**	n/a	**n/a**	n/a	**2.8**	2.8	**3.0**	3.0

(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	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Equity	**43**	42	**47**	52	**19**	18	**47**	52
Fixed interest	**37**	38	**38**	37	**51**	54	**38**	37
Property	**9**	9	**0**	0	**7**	6	**0**	0
Cash	**4**	4	**15**	11	**9**	9	**15**	11
Other	**7**	7	**0**	0	**14**	13	**0**	0

Section 4: Employee disclosures

4.1 Defined benefit plans (continued)

(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			
2022	**Australia**		**New Zealand**		**Australia**		**New Zealand**	
	(+)	**(-)**	**(+)**	**(-)**	**(+)**	**(-)**	**(+)**	**(-)**
Assumption	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Discount rate (+/- 0.5%)[1]	**(10.8)**	**11.6**	**n/a**	**1.1**	**(13.6)**	**14.8**	**n/a**	**8.9**
Expected salary increase rate (0.5%)	**n/a**	**n/a**	**n/a**	**n/a**	**0.2**	**n/a**	**n/a**	**n/a**
Expected deferred benefit crediting rate (0.5%)	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Pensioner indexation assumption (0.5%)[2]	**12.2**	**(11.5)**	**1.0**	**n/a**	**13.6**	**(12.6)**	**7.8**	**n/a**
Pensioner mortality assumption (10%)	**n/a**	**8.3**	**n/a**	**n/a**	**n/a**	**6.0**	**n/a**	**n/a**
Life expectancy (additional 1 year)	**n/a**	**n/a**	**0.8**	**n/a**	**n/a**	**n/a**	**2.5**	**n/a**

	AMP Plan I				AMP Plan II			
2021	Australia		New Zealand		Australia		New Zealand	
	(+)	(-)	(+)	(-)	(+)	(-)	(+)	(-)
Assumption	$m	$m	$m	$m	$m	$m	$m	$m
Discount rate (+/- 0.5%)[1]	(14.8)	16.0	n/a	1.5	(18.9)	20.8	n/a	13.3
Expected salary increase rate (0.5%)	n/a	n/a	n/a	n/a	0.3	n/a	n/a	n/a
Expected deferred benefit crediting rate (0.5%)	n/a	n/a	n/a	n/a	(0.3)	n/a	n/a	n/a
Pensioner indexation assumption (0.5%)[2]	16.4	(15.4)	1.4	n/a	18.7	(17.2)	11.4	n/a
Pensioner mortality assumption (10%)	n/a	10.9	n/a	n/a	n/a	8.1	n/a	n/a
Life expectancy (additional 1 year)	n/a	n/a	1.1	n/a	n/a	n/a	3.5	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**
Expected employer contributions ($m)	6.0	-	2.3	-
Weighted average duration of the defined benefit obligation (years)	8.0	7.0	10.0	10.0

Section 4: Employee disclosures

4.1 Defined benefit plans (continued)

Accounting policy – recognition and measurement

Defined benefit plans
The AMPGH 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 period, 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 period 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 asset/liability

The value of the group's defined benefit obligations are outputs of actuarial models dependent on a number of underlying assumptions. Managed 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

AMPGH group 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 AMPGH group currently offers is provided below.

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

	2022	**2021**
	$'000	**$'000**
Performance rights	**5,698.0**	4,050.0
Share rights and restricted shares - equity settled	**2,707.0**	6,524.2
Share rights - cash settled	**680.0**	2,759.0
Total share-based payments expense	**9,085.0**	13,333.2

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 AMPGH 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.

Section 4: Employee disclosures

4.2 Share-based payments (continued)

Cash-settled share-based payments

Cash-settled share-based payments are recognised when the terms of the arrangement provide AMP group 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, number of instruments expected to vest are reviewed at each reporting date and any changes are recognised in the Consolidated income statement and corresponding 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.

Plan	Long-term Incentive 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. 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	2019, 2021 and 2022.	2021.
Vesting conditions/period	The vesting of performance rights is subject to the following gateways: 1. 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 vesting outcome. 2. Performance Gateway and Hurdle – The number of rights that vest under the award will be determined based on 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). The vesting period is typically between three and three-and-a-half years. A one-year restriction period (holding lock) applies for LTI awards granted in 2021 and 2022.	The vesting of the CEO's sign-on performance rights is subject to the following 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, of which one has already vested. The board will test the performance hurdles for the remaining two tranches on or around the 22 November 2023 and 22 November 2024, respectively. If the performance hurdles are met, the rights vest and become exercisable.
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 2019 and 2022 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.	Unvested awards are forfeited if the CEO voluntarily ceases employment or is dismissed for misconduct.

Section 4: Employee disclosures

4.2 Share-based payments (continued)

(a) Performance rights (continued)

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

	2022	**2021**
Closing share price on grant date	**$1.01**	$1.075 – $1.65
Contractual life (years)	**4.1**	0.3 – 4.0
Dividend yield (per annum)	**0% – 5%**	0% – 5%
Expected volatility of share price	**39%**	42% – 44%
Risk-free interest rate (per annum)	**1%**	0.1% – 0.8%
TSR performance hurdle discount	**42%**	41% – 51%
TSR performance rights and share rights fair value	**$0.59**	$0.55 – $0.81
Fair value of performance rights (weighted average)	**$0.59**	$0.68
Expected time to vesting (years)	**3.1**	1.9-3.0

Performance rights movements

Number of performance rights	**2022**	**2021**
Opening balance as at 1 January	**20,181,967**	24,254,497
Granted during the year	**5,138,553**	2,801,550
Exercised during the year	**-**	-
Other changes[1]	**331,791**	(829,582)
Lapsed during the year	**(3,687,153)**	(6,044,498)
Closing balance as at 31 December	**21,965,158**	20,181,967

1 Other changes include employees who transferred between other entities within the AMP Limited group and AMP Group holdings.

Section 4: Employee disclosures

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 Incentive Plan	**Short-term Incentive plan**	**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 Limited policies and the board's discretion. In 2021, AMP Limited offered the opportunity to salary sacrifice between $1,000–$5,000 over a 12-month period to acquire shares in AMP Limited 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	LTI awards are subject to continued service periods of three to four years and typically carry voting and dividend rights equivalent to ordinary shares. Awards granted under the Deferred Bonus Equity Plan are split into two tranches with continued service conditions of two and three years respectively	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.	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 82% of the award, were vested and released to the CEO. The remaining rights may vest in accordance with the schedule below: – 14% on 22 November 2023 – 4% on 22 November 2024
Unvested awards	Unvested awards are forfeited if the participant voluntarily ceases employment or is dismissed for misconduct.			

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 Limited'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 AMPGH until the end of the performance 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

	2022	**2021**
Closing share price on grant date	**$0.96**	$1.07 – $1.35
Contractual life (years)	**0.9 – 3.9**	0.3 – 4.0
Dividend yield (per annum)	**0% – 5%**	0% – 5%
Dividend discount	**0% – 13%**	0% – 13%
Fair value of performance rights (weighted average)	**$0.88**	$1.10
Expected time to vesting (years)	**0.13 – 3.13**	0.9 – 3.25

Section 4: Employee disclosures

4.2 Share-based payments (continued)

Share rights movements

Number of share rights	2022	2021
Opening balance as at 1 January	**12,841,135**	14,317,911
Granted during the year	**6,348,598**	4,250,431
Exercised during the year	**(2,884,839)**	(3,451,425)
Other changes[1]	**1,149,289**	(905,420)
Lapsed during the year	**(1,223,618)**	(1,370,362)
Closing balance as at 31 December	**16,230,565**	12,841,135

1 Other changes include employees who transferred between other entities within the AMP Limited and AMP Group holdings.

Section 5: Group entities

This section explains significant aspects of the AMPGH 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	Country of		% Holdings	
Name of entity	**registration**	**Share type**	**2022**	**2021**
AMP Advice Holdings Pty Ltd	Australia	Ord	100	100
AMP Capital Funds Management Limited	Australia	Ord	100	100
Collimate Capital Limited	Australia	Ord	100	100
AMP Capital Investors (New Zealand) Limited	New Zealand	Ord	100	100
AMP Capital Investors Limited	Australia	Ord	100	100
AMP Capital Office and Industrial Pty Limited	Australia	Ord	100	100
AMP Capital Shopping Centres Pty Limited	Australia	Ord	100	100
AMP Financial Planning Pty Limited	Australia	Ord	100	100
AMP Group Finance Services Limited	Australia	Ord	100	100
AMP Group Holdings Limited	Australia	Ord A	100	100
AMP Services (NZ) Limited	New Zealand	Ord	100	100
AMP Services Limited	Australia	Ord A	100	100
AWM Services Pty Ltd	Australia	Ord	100	100
ipac Asset Management Limited	Australia	Ord	100	100
AMP Wealth Management New Zealand Limited	New Zealand	Ord	100	100
Hillross Financial Services Limited	Australia	Ord	100	100
ipac Group Services Pty Ltd	Australia	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

Section 5: Group entities

5.2 Discontinued operations

a) Sale of AMP Capital

AMP Limited has announced a series of sales transactions which will result in AMPGH's divestment of its AMP Capital businesses. AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (AASB 5) requires the income, expenses and cash flows of these businesses to be separately disclosed as discontinued operations. For the year ended 31 December 2022, discontinued operations represents the income, expenses and cash flows of:

– AMP Capital's infrastructure debt platform from 1 January 2022 to 11 February 2022;
– AMP Capital's GEFI business from 1 January 2022 to 28 March 2022;
– AMP Capital's real estate and domestic infrastructure equity business through to 31 December 2022; and
– AMP Capital's international infrastructure equity business through to 31 December 2022.

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

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

b) Profit or loss for the period from discontinued operations

The results of AMP Capital's discontinued businesses included within AMPGH 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.

	2022 $'000	2021 $'000
Total revenue of discontinued operations	**416.2**	828.1
Total expense of discontinued operations	**(421.8)**	(799.2)
(Loss)/Profit before tax from discontinued operations	**(5.6)**	28.9
Income tax (expense)/credit	**(11.5)**	26.9
(Loss)/Profit for the period from discontinued operations before disposals	**(17.1)**	55.8
Gain on disposal of businesses sold	**412.2**	-
Income tax expense resulting from the gain on disposal of businesses sold[1]	**(26.7)**	-
Gain on disposal of businesses sold after tax	**385.5**	-
Profit for the period from discontinued operations	**368.4**	55.8
Other comprehensive (loss)/profit for the period from discontinued operations	**(11.5)**	26.9
Total comprehensive income for the period	**356.9**	82.7

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

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

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

	2022 $'000	2021 $'000
Net cash (used in)/from operating activities	**(88.1)**	73.8
Net cash from/(used in) investing activities	**487.9**	(75.1)
Net cash inflows from/(used in) discontinued operations	**399.8**	(1.3)

Section 5: Group entities

5.2 Discontinued operations (continued)

Critical accounting estimates and judgements:

Discontinued operations

The presentation of discontinued operations includes gains or losses recognised on the sale of AMP Capital 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 transactions will complete within from the balance date,
- determining the fair value of the assets and liabilities held for sale, including the related impairment considerations, and
- assumptions used to estimate purchase price adjustments, earn-outs, the allocation of goodwill, provisions for directly attributable separation costs yet to be incurred, warranties and indemnities under sale agreements and potential onerous contracts resulting from the separation.

5.3 Investments in associates

Investments in associates accounted for using the equity method:

			Ownership interest		Carrying amount[1]	
			2022	2021	2022	2021
Associate	**Principal activity**	**Place of business**	**%**	**%**	**$m**	**$m**
China Life AMP Asset Management Company Ltd[2]	Investment management	China	**14.97**	14.97	**81.0**	74.1
Global Infrastructure Fund Sponsor[3]	Fund	Cayman Islands	**–**	4.74	**–**	70.6
Global Infrastructure Fund II[3]	Fund	Cayman Islands	**–**	2.81	**–**	118.6
AMP Capital Infrastructure Debt Fund IV USD LP[4]	Fund	Luxembourg	**–**	1.25	**–**	64.2
ACRT Finance Pty Limited[5]	Investment management	Australia	**–**	7.72	**–**	106.2
PCCP,LLC (Pacific Coast Capital Partners)	Investment management	United States	**23.87**	24.90	**170.1**	157.0
Other (individually immaterial associates)			**n/a**	n/a	**72.4**	82.7
Total investments in associates accounted for using the equity method					**323.5**	673.4

1 The carrying amount is after recognising $33m (2021: $14.3m) share of current period profit or loss from its associates accounted for using the equity method.

2 The AMPGH group has significant influence through representation on the entity's board.

3 Global Infrastructure Fund Sponsor and Global Infrastructure Fund II are classified as assets held for sale as at 31 December 2022.

4 This fund has been reclassified to investments in managed investments schemes as AMPGH no longer has significant influence following the sale of the infrastructure debt platform.

5 ACRT Finance Pty Limited was sold on 9 December 2022.

Accounting Policy – recognition and measurement
Investments in associates
Investments in associates accounted for using the equity method
Investments in entities over which the AMPGH group has the ability to exercise significant influence, but not control, are accounted for using the equity method of accounting. The investment is measured at cost plus post-acquisition changes in the AMPGH group's share of the associates' net assets, less any impairment in value. The AMPGH 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 carrying value of the associate.

Any impairment is recognised in the Consolidated income statement when there is objective evidence 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.

Section 5: Group entities

5.4 Parent entity information

	2022 $m	2021 $m
(a) Statement of comprehensive income - AMP Group Holdings Limited entity		
Dividends and interest from controlled entities[1]	**80.0**	-
Service fee revenue	**0.3**	-
Other operating income	**65.3**	29.9
Other operating expense	**(41.8)**	(11.3)
Impairment of investments in controlled entities	**(364.9)**	(483.0)
Income tax credit (expense)	**(5.7)**	(5.6)
Loss for the year	**(266.8)**	(470.0)
Total comprehensive loss for the year	**(266.8)**	(470.0)
(b) Statement of financial position - AMP Group Holdings Limited entity		
Current assets		
Cash and cash equivalents	**1.0**	-
Receivables	**162.0**	160.4
Loans and advances to subsidiaries	**-**	553.8
Loans and advances to parent	**350.0**	-
Non-current assets		
Investments in controlled entities	**2,685.3**	2,495.0
Deferred tax assets	**37.1**	38.7
Total assets	**3,235.4**	3,247.9
Current liabilities		
Payables	**386.5**	100.4
Loans from subsidiary	**350.0**	-
Current Tax Liabilities	**7.3**	-
Provisions	**8.7**	12.3
Deferred tax liabilities	**-**	0.2
AMP Bank indemnity	**55.2**	70.5
Total liabilities	**807.7**	183.4
Net assets	**2,427.7**	3,064.5
Equity		
Contributed equity	**9,157.7**	9,527.7
Retained earnings	**(6,730.0)**	(6,463.2)
Total equity	**2,427.7**	3,064.5

1 Dividend income from controlled entities $80m (2021: nil) is not assessable for tax purposes.

(c) Contingent liabilities of the AMP Group Holdings Limited entity

The AMP Group Holdings 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 to be remote.

(d) Parent entity and ultimate parent entity of AMP Group Holdings Limited

The parent entity and the ultimate parent entity of AMP Group Holdings Limited is AMP Limited.

Section 5: Group entities

5.5 Related party disclosures

(a) Key management personnel

Compensation of key management personnel

	2022 $000	2021 $000
Short-term benefits	**2,681**	3,070
Post-employment benefits	**101**	104
Share-based payments	**2,015**	1,677
Other long-term benefits	**(21)**	171
Total	**4,776.0**	5,022

Compensation of the AMPGH 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 AMPGH group. No guarantees are given or received in relation to these loans. Loans have currently been made to one (2021: one) key management personnel and their related parties. Details of these loans are:

	2022 $'000	2021 $'000
Balance as at the beginning of the year	**916**	954
Net repayments	**(5)**	(38)
Balance as at the end of the year	**911**	916
Interest charged	**29**	14

Key management personnel access to AMPGH's products

From time to time, key management personnel or their related entities may have had access to certain AMPGH 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.

(b) Transactions with related parties

Transactions with AMP Bank
AMP Bank provides the AMPGH group transactional and general banking services on normal commercial terms. These services include receiving short term deposits from AMPGH and its related parties and paying interest at market-related rates. AMP Bank has also issued loans to advisor practices within the AMPGH group on normal commercial terms.

The Company provides AMP Bank with an unconditional and irrevocable guarantee for a fee agreed under normal commercial terms. In addition to this, a deed of indemnity with AMP Bank was entered into to cover AMP Bank for certain credit losses incurred in connection with the above loans. Refer to note 2.1 for further details.

Transactions with other associates

The AMPGH group provides investment management services under general service level agreements with other associates as well as support to financial advice practices.

Dividends were received from associates during the year.

Transactions with investment entities

In conjunction with the establishment of new investment funds managed by AMP Capital or other group associates, the AMPGH group, from time to time, invests seed and sponsor capital. The structure of the fund or the AMPGH 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 AMPGH group's associates. Management fees are earned by the AMPGH group or its associates for managing and administering these investment funds.

All transactions between the AMPGH group, its associates and the funds are on an arm's length basis.

Section 5: Group entities

5.5 Related party disclosures (continued)

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 AMPGH 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.

Section 6: Other disclosures

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

6.1 Notes to Consolidated statement of cash flows

(a) Reconciliation of cash flow from operating activities

	2022 $m	2021 $m
Net profit/(loss) after income tax	**114.0**	(394.5)
Depreciation of operating assets	**56.6**	62.3
Amortisation and impairment of intangibles	**51.5**	226.5
Investment losses and movements in external unitholders' liabilities	**(375.3)**	(124.1)
Dividend and distribution income received	**21.8**	115.5
Share-based payments	**(14.6)**	8.6
Increase/(Decrease) in receivables, intangibles and other assets	**110.6**	(495.1)
(Decrease)/increase in guarantee liabilities	**(20.6)**	(65.7)
Increase in income tax balances	**39.1**	95.4
Decrease in other payables and provisions	**(709.7)**	(647.3)
Cash flows used in operating activities	**(726.6)**	(1,218.4)

(b) Reconciliation of cash

	2022 $m	2021 $m
Comprises:		
Cash and cash equivalents	**964.5**	1,168.8
Cash included in assets held for sale	**215.0**	21.1
Short-term bills and notes (included in Debt securities)	**134.0**	107.0
Cash and cash equivalents for the purpose of the Statement of cash flows	**1,313.5**	1,296.9

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 includes 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.

Section 6: Other disclosures

6.2 Commitments

(a) Investment commitments

At 31 December 2022, AMP Capital Finance Limited, a controlled entity of AMPGH, had uncalled investment commitments of $81m (2021: $452m) in relation to certain funds managed by AMP Capital. Subsequent to the reporting date, $nil of this committed capital was invested by AMP Capital Finance Limited into AMP Capital managed funds. These investment commitments will only be called when suitable investment opportunities arise, and the exact timeline remain unspecified. On 3 February 2023, investment commitments of $55m were transferred to DigitalBridge (DB) with the completion of the sale transaction to DB.

6.3 Right of use assets and lease liabilities

The AMPGH group adopted AASB 16 *Leases* (AASB 16) from 1 January 2019. Per AASB 16, the group recognises leases on balance sheet as lease liabilities except for short-term leases and leases of low value, with corresponding right of use assets being recognised on balance sheet as well.

(a) Right of use assets

The main type of ROU asset recognised by the AMPGH group is buildings. The following table details the carrying amount of the ROU assets at 31 December 2022 and the movements during the year.

	2022 $m	2021 $m
Balance at the beginning of the year	**96.4**	174.3
Additions[1]	**468.6**	(19.6)
Derecognitions and transfers to sublease receivables[2]	**(89.8)**	-
Impairment expense	**(30.1)**	(12.4)
Depreciation expense	**(47.3)**	(45.4)
Foreign currency exchange rate changes and other	**0.6**	2.2
Transferred to assets held for sale	**(2.8)**	(2.7)
Closing balance	**395.6**	96.4

1 The additions primarily represent the commencement of AMP's Quay Quarter Tower (QQT) lease offset by $58.0m of onerous lease provisions recognised during 2021.
2 This includes a sublease receivable of $60.1m transferred to receivables as disclosed in note 2.4.

(b) Lease liabilities

The following table details the carrying amount of lease liabilities at 31 December 2022 and the movements during the year.

	2022 $m	2021 $m
Balance at the beginning of the year	**134.6**	210.6
Additions[1]	**516.1**	-
Derecognitions	**(40.4)**	(25.8)
Interest expense	**25.1**	7.4
Payments made	**(63.7)**	(56.9)
Foreign currency exchange rate changes and other	**(0.1)**	2.7
Transferred to liabilities held for sale	**(2.8)**	(3.4)
Closing balance	**568.8**	134.6

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

The AMP group paid an amount of $8.0m (2021: $3.7m) in relation to short-term leases and $nil (2021: $0.3m) in relation to variable lease payments. The total cash outflow for leases in 2022 was $71.8m (2021: $60.4m).

Section 6: Other disclosures

6.3 Right of use assets and lease liabilities (continued)

Accounting policy – recognition and measurement

At inception, the AMPGH 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 AMPGH group's policy to separate non-lease components when recognising the lease liability.

The AMPGH 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 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, e.g. 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. Payments for such leases are recognised as an expense on a straight-line basis over the lease term.

Critical accounting estimates and judgements:

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

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

Section 6: Other disclosures

6.4 Provisions and contingent liabilities

	2022 $m	2021 $m
(a) Provisions		
Client remediation	**14.2**	87.3
Buy-back arrangements	**6.5**	20.0
Compliance and regulatory[1]	**40.6**	56.8
Obligations relating to corporate reorganisation	**91.0**	138.0
Other[2]	**144.1**	284.7
Total provisions	**296.4**	586.8

	Client remediation $m	Buy-back arrangements $m	Compliance and regulatory[1] $m	Obligations relating to corporate reorganisation $m	Other[2] $m	Total $m
(b) Movements in provisions						
Balance at the beginning of the year	**87.3**	**20.0**	**56.8**	**138.0**	**284.7**	**586.8**
Net provisions made during the year	**9.1**	**(8.0)**	**84.2**	**39.5**	**(82.5)**	**42.3**
Provisions used during the year	**(82.2)**	**(5.5)**	**(100.4)**	**(83.6)**	**(58.1)**	**(329.8)**
Transferred to liabilities held for sale	**-**	**-**	**-**	**(2.9)**	**-**	**(2.9)**
Balance at the end of the year	**14.2**	**6.5**	**40.6**	**91.0**	**144.1**	**296.4**

1 Includes provisions related to APRA enforceable undertaking.

2 Other provisions include provisions for onerous lease arrangements, deferred payments relating to purchase of client registers, make-good provisions relating to rental premises and other operational provisions. $nil (2021: $7.6m) is expected to be settled more than 12 months from the reporting date.

Accounting policy – recognition and measurement

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

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

Section 6: Other disclosures

6.4 Provisions and contingent liabilities (continued)

Industry and regulatory compliance investigations

AMPGH is subject to review from time to time by regulators, both in Australia and offshore. In Australia, AMPGH'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 AMPGH and the outcomes of those reviews and investigations can vary and may lead 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 AMPGH to enhance its control framework, governance and systems.

AMPGH 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.

Litigation

Shareholder class actions

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

Superannuation class actions

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

Financial adviser class action

In July 2020, a subsidiary of AMPGH, namely, AMP Financial Planning Pty Limited (AMPFP), was served with a class action in the Federal Court of Australia. The proceeding is brought on behalf of certain financial advisers who are or have been authorised by AMPFP. The claim relates to changes made by AMPFP to its Buyer of Last Resort policy in 2019. The claim is yet to be quantified and participation has not been determined. Currently, it is not possible to determine the ultimate impact of this claim, if any, upon AMP. AMPFP has filed its defence to the proceedings, and AMPFP is confident in the actions it took in 2019 and is defending the proceeding accordingly. The trial of the proceeding was held during the course of October and November 2022, and the Court has reserved its decision.

Commissions for advice and insurance advice class action

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

ASIC civil penalty proceedings in respect of deceased customers

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

ASIC is seeking declarations of contraventions of various sections of the Corporations Act and ASIC Act and orders for the payment of pecuniary penalties and other consequential orders. The AMP defendants filed a defence to the proceedings. A hearing to determine the quantum of penalties to be paid by the AMP defendants was held in December 2022, and the Court has reserved its decision. AMPGH's best estimate of the likely penalties to be paid has been provided for as at 31 December 2022. The provision is judgemental and the actual penalty could vary from the amount provided.

Section 6: Other disclosures

6.4 Provisions and contingent liabilities (continued)

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

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

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.

6.5 Auditors' remuneration

	2022 $'000	2021 $'000
AMP Limited and other corporate entities in the consolidated group		
Audit services		
- Group	**2,426.4**	1,690.9
- Controlled entities	**2,278.3**	2,901.5
Audit related services		
Statutory assurance services[1]	**524.6**	239.1
Other assurance services - audit related[2]	**1,139.9**	914.9
Total audit related services remuneration	**6,369.2**	5,746.4
Other non-audit services		
Non-audit services		
- Other assurance services - non-audit related[3]	**1,234.2**	1,667.4
- Taxation compliance services	**367.1**	502.7
- Other services[4]	**687.2**	1,025.8
Total other non-audit services remuneration	**2,288.5**	3,195.9
Total auditors' remuneration[5]	**8,657.7**	8,942.3

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, internal control reviews.
3 Other assurance services – non-audit related primarily relates to the services associated with the demerger and sale of AMP Capital businesses.
4 Other services include transaction support, risk management reviews, benchmarking 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 $6,320.2k (2021: $7,871.9k) of which $226.1k (2021: $382.2k) is for non-audit services.

Section 6: Other disclosures

6.6 New accounting standards

a) New and amended accounting standards adopted by the AMPGH group

A number of new accounting standards amendments have been adopted effective 1 January 2022. These have not had a material effect on the financial position or performance of the AMPGH 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 AMPGH group.

6.7 Events occurring after reporting date

On 3 February 2022, AMP announced the completion of the sale of AMP Capital's international infrastructure equity business to DigitalBridge Investment Holdco, LLC.

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 AMPGH group's operation in future years;
– the results of those operations in future years; or
– the AMPGH group's state of affairs in future financial years.

Directors' declaration

for the year ended 31 December 2022

In accordance with a resolution of the directors of AMP Group Holdings 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 Group Holdings Limited will be able to pay its debts as and when they become due and payable;

(b) in the opinion of the directors, the consolidated financial statements and notes of AMP Group Holdings Limited for the financial year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including section 296 (compliance with accounting standards) and section 297 (true and fair view); and

(c) the notes to the consolidated financial statements of AMP Group Holdings Limited for the financial year ended 31 December 2022 include an explicit and unreserved statement of compliance with the International Financial Reporting Standards, as set out in note 1 of the consolidated financial statements.

……………………………………………………………………......

Director

Sydney, 22 March 2023

200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the Shareholders of AMP Group Holdings Limited

Opinion

We have audited the financial report of AMP Group Holdings Limited (the Company) and its subsidiaries (collectively the Group or AMP), which comprises the consolidated statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies; and the directors' declaration.

In our opinion, 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 2022 and of their financial performance for the year ended on that date; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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 opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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.

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.

200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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.

Ernst & Young

Ernst & Young

Andrew Price
Partner
Sydney
22 March 2023