

## ASX Release

8 August 2024

### AMP announces 1H 24 results

*Delivering on strategic initiatives, capital return commitment and cost discipline*

#### Overview

- **Underlying Net Profit After Tax (NPAT)**<sup>1</sup> up 5.4% to \$118 million (1H 23: \$112 million)
  - **AMP Bank** underlying NPAT of \$35 million (1H 23: \$57 million), reflecting previously flagged Net Interest Margin (NIM) compression. Credit quality remains strong
  - **Platforms** underlying NPAT of \$54 million (1H 23: \$44 million), with improved net cashflows and disciplined cost management. IFA flows now 35% of inflows and are up 30%
  - **Superannuation & Investments** (formerly Master Trust) underlying NPAT of \$34 million (1H 23: \$28 million), with stable margins and ongoing reduction in outflows
  - **Advice** underlying NPAT loss of \$15 million (1H 23: \$25 million), an improvement of 40% on 1H 23. Transformational partnership for AMP Advice announced today
  - **New Zealand** underlying NPAT stable at \$17 million
- **Statutory NPAT** of \$103 million (1H 23: \$261 million), with the prior corresponding period reflecting the net gain of \$209 million on sale of AMP Capital and SuperConcepts
- **Controllable costs down 6.4% to \$339 million, on track for FY24 target**
- **Capital management:** Returned \$963 million of \$1.1 billion capital return commitment since August 2022
  - **FY 24 interim dividend** of 2.0 cents per share, 20% franked, declared today
  - **\$158 million of tranche 3 on-market share buyback** completed in 1H 24

#### AMP Chief Executive Alexis George said:

*“We have made good progress this half on our key strategic commitments, and we have positive momentum heading into the second half of the year. We have continued to deliver on simplification and cost reduction, while also driving growth in our wealth businesses and returning capital to shareholders.*

*“The launch of our digital small business bank is on track for Q1 25 as part of our strategy to diversify revenues and funding mix in AMP Bank. In Platforms, our ongoing focus on the IFA market is driving flows, and we continue to build momentum in our managed portfolios offer. The innovative MyNorth Lifetime retirement solution is gaining traction with IFAs and is an important differentiator in conversations with advisers about the benefits of choosing North. We have significantly strengthened the member proposition in Superannuation & Investments with strong investment returns, competitive fees and a compelling insurance offering, and we are seeing reduced outflows and improved retention in this business.*

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1. Net profit after tax (underlying) represents shareholder attributable net profit or loss after tax excluding non-recurring revenue and expenses. NPAT (underlying) is AMP's preferred measure of profitability as it best reflects the underlying performance of AMP's business units.

*“Controllable costs reduced 6.4% and we have good momentum that gives us confidence in our FY 24 controllable costs guidance.*

*“Our capital management program remains a focus and the board is pleased to declare an FY 24 interim dividend of 2.0cps, 20% franked. The tranche 3 buyback continues as we deliver on our commitment to return \$1.1 billion to shareholders.*

*“Our announcement today of a strategic partnership for Advice continues the transformation of AMP. The partnership delivers a sustainable business model for Advice by leveraging Entireti's proven and profitable services model and delivering this at scale. We have chosen partners who have a strong track record, deep experience and share AMP's commitment to delivering quality advice to more Australians.”*

## **Business unit results**

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### **AMP Bank**

Underlying NPAT of \$35 million (1H 23: \$57 million) reflects previously flagged margin compression and a move to lower volumes, partially offset by lower costs. Net Interest Margin (NIM) was steady from 2H 23 at 1.14% (2H 23: 1.15%), reflecting the ongoing competitive residential mortgage and deposit environment, given the Term Funding Facility roll off. The tactical reduction in new loans written resulted in a residential mortgage book of \$22.7 billion (1H 23: \$24.3 billion). The portfolio continues to have strong credit quality, with 90+ days arrears remaining low at 0.88%.

Controllable costs reduced 14.9% through additional cost out initiatives and reduced project spend.

The small business and consumer digital bank is on track to launch in Q1 25, to help diversify revenue and funding mix.

### **Platforms**

Underlying NPAT increased 22.7% to \$54 million (1H 23: \$44 million), driven by stronger market conditions and disciplined cost control. Controllable costs increased 1.2% as cost discipline largely offset ongoing investment in North technology and distribution capability. Margins were broadly stable at 46bps (1H 23: 47bps).

Net cashflows (excluding pension payments) were \$1.2 billion for the first half, up 56.5% (1H 23: \$0.7 billion). North's managed portfolios offer continues to grow, reaching \$15.9 billion, and flows into AMP's platform North from IFAs increased to 35% of total inflows. AMP's innovative retirement solution, MyNorth Lifetime, is attracting increasing interest from aligned advisers and IFAs.

### **Superannuation & Investments (formerly Master Trust)**

Underlying NPAT increased 21.4% to \$34 million (1H 23: \$28 million), with revenue margin steady at 64bps (1H 23: 63bps).

Disciplined cost management remained a focus, with controllable costs of \$83 million (1H 23: \$84 million).

Net cashflows (excluding pension payments) improved 52.7% for 1H 24, reflecting resilient inflows and improved outflows, as a result of a renewed focus on the member proposition. With strong investment returns (11.14% for AMP's largest fund, the AMP MySuper 1970s super fund), competitive fees and a more attractive insurance proposition for members (updated in January 2024), the business is positioned to retain and acquire new members.

### **Advice**

Underlying NPAT loss improved by 40% to \$15 million, with a focus on controllable costs which reduced by 13.3% to \$52 million.

Despite a net loss of advisers over the period, adviser exits have largely stabilised and there is renewed focus on retention and acquisition of practices. Sentiment among the adviser network remains strong, with adviser satisfaction scores at 80% as a result of improved support service levels, a sense of community and connection across the network, and improved communication and transparency from AMP. The quality of the AMP Advice network remains strong, with revenue per practice increasing by 11.6% over 1H 23.

AMP also announced today a new strategic partnership and ownership structure with Entireti Limited (Entireti) and AZ Next Generation Advisory Limited (AZ NGA) for its AMP Advice business. Entireti will acquire AMP's financial advice licensees: Charter, Hillross and AMP Financial Planning, as well as its self-licensed offer Jigsaw, for a total consideration of \$10.2 million: 70% in cash and 30% being AMP's equity stake in a new joint venture entity to hold the four businesses. Additionally, AMP's equity holdings in 16 financial advice practices will be acquired by AZ NGA for a consideration of \$82.2 million. The transaction is due to complete by the end of the calendar year 2024.

### **New Zealand Wealth Management**

Underlying NPAT was stable at \$17 million. AUM based revenue was steady at \$44 million. Disciplined cost control kept controllable costs stable at \$17 million, despite increased inflationary pressures.

The economic environment in New Zealand remains challenging. KiwiSaver, New Zealand's voluntary work-based retirement savings scheme, delivered positive net cashflow, though this was impacted by member outflows and slower new member growth. Net cash outflows of \$27 million (1H 23: \$2 million net cash inflows) were impacted by legacy products in run off and weakness in the local platform business.

### **Group**

Group earnings improved with NPAT (underlying) losses of \$7 million in 1H 24 reduced from \$9 million in 1H 23. This was predominantly driven by an improvement in Other Partnership earnings, which contributed positively at \$17 million (1H 23: \$10 million) as US real estate valuations within PCCP improved following a challenging FY 23. The China partnerships' contribution of \$20 million (1H 23: \$25 million) reflects CLPC earnings normalising following regulator changes impacting the 2H 23 result.

Cost out initiatives reduced Group controllable costs by 10%, despite inflationary pressures and previously announced stranded costs. Interest expense on corporate debt improved 15.6%, reflecting the paydown of debt partially offset by increased funding costs. The reduction in investment income (down 16.7%) reflects lower capital levels given the capital returned to shareholders as part of Tranche 3 of the capital management program.

### **Capital and liquidity**

The capital management program has resulted in \$963 million returned to shareholders since August 2022.

The FY 24 interim dividend of 2.0 cents per share, 20% franked, declared today, will represent \$52 million from Tranche 3. The ongoing on-market share buyback will continue to deliver the remaining \$85 million, completing the \$1.1 billion that was committed to in August 2022.

The continued deleveraging of the balance sheet has resulted in a \$191 million reduction in senior debt during 1H 24.

## Briefing

More detailed information on the 1H 24 result is available in the 1H 24 Presentation and AMP Data Pack, available at [AMP's shareholder centre](#). An analyst briefing, starting at 11.00am, can be viewed (listen only) via webcast at [AMP 1H 24 2024 Results webcast](#).

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All amounts are in Australian dollars (A\$) unless otherwise stated.  
Growth is the percentage increase on prior corresponding period.  
Authorised for release by the AMP Limited Board.

## Q2 24 cashflows

### Platforms

\$m	Q2 23 <sup>1</sup>	Q3 23	Q4 23	Q1 24	Q2 24	% Q2 24/ Q2 23
<b>Closing AUM</b>						
North <sup>2</sup>	66,376	66,516	69,274	72,486	72,986	10.0%
External platforms <sup>3</sup>	1,946	1,816	1,786	1,795	1,683	(13.5%)
<b>Total Platforms</b>	<b>68,322</b>	<b>68,332</b>	<b>71,060</b>	<b>74,281</b>	<b>74,669</b>	<b>9.3%</b>
of which North Managed Portfolios <sup>4</sup>	10,487	11,573	13,282	14,891	15,912	51.7%
<b>Average AUM</b>	<b>67,880</b>	<b>69,472</b>	<b>68,180</b>	<b>72,506</b>	<b>73,693</b>	<b>8.6%</b>
<b>Cashflows</b>						
North inflows <sup>5</sup>	6,867	6,064	4,335	3,867	5,385	(21.6%)
North outflows <sup>5,6</sup>	(6,162)	(5,532)	(4,001)	(3,578)	(4,330)	29.7%
North net cashflows <sup>6</sup>	705	532	334	289	1,055	49.6%
External platforms inflows <sup>5</sup>	35	26	27	27	42	20.0%
External platforms outflows <sup>5,6</sup>	(151)	(132)	(127)	(115)	(138)	8.6%
External platforms net cashflows <sup>6</sup>	(116)	(106)	(100)	(88)	(96)	17.2%
<b>Platforms net cashflows<sup>6</sup></b>	<b>589</b>	<b>426</b>	<b>234</b>	<b>201</b>	<b>959</b>	<b>62.8%</b>
<b>Pension payments</b>						
North	(456)	(488)	(478)	(490)	(662)	(45.2%)
External platforms	(9)	(11)	(10)	(10)	(15)	(66.7%)
<b>Total Pension payments</b>	<b>(465)</b>	<b>(499)</b>	<b>(488)</b>	<b>(500)</b>	<b>(677)</b>	<b>(45.6%)</b>
<b>Market/Other movements<sup>7</sup></b>						
North	1,381	96	2,902	3,413	107	(92.3%)
External platforms	54	(13)	80	107	(1)	n/a
<b>Total Market/Other movements</b>	<b>1,435</b>	<b>83</b>	<b>2,982</b>	<b>3,520</b>	<b>106</b>	<b>(92.6%)</b>

1 Q2 23 includes the closure of iAccess with existing customers moved to MyNorth.

2 North is a fully functioning wrap platform which includes guaranteed and non-guaranteed options. Includes North and MyNorth platforms.

3 External platforms comprise Asgard platform products issued by AMP.

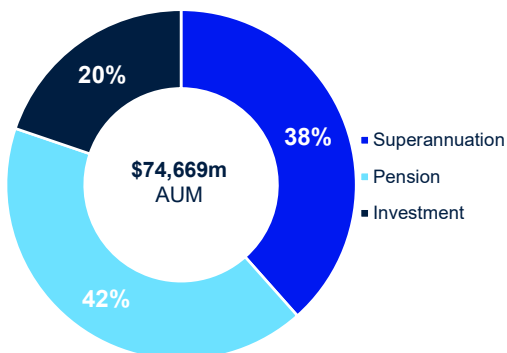
4 Represents Managed Portfolios within Platforms AUM.

5 Inflows and outflows include those from internal and external sources. Internal includes transfers across and within products. Q2 23 cash inflows and outflows include \$1.8b related to the migration of iAccess which was closed in Q2 23 with existing customers moved to MyNorth.

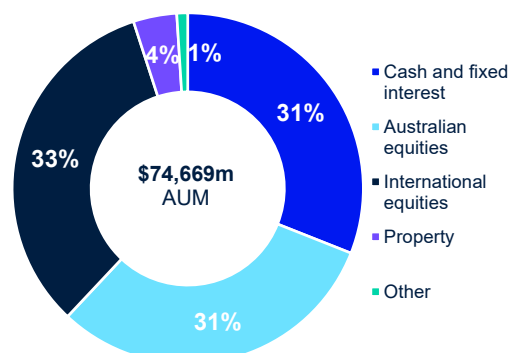
6 Cash outflows and net cashflows excludes regular pension payments to members.

7 Other movements includes fees, investment returns, distributions, taxes and foreign exchange movements.

AUM by product



AUM by asset class



## Superannuation & Investments

\$m	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	% Q2 24/ Q2 23
<b>Closing AUM</b>						
Retail superannuation <sup>1</sup>	29,157	28,562	29,562	30,915	30,824	5.7%
Corporate superannuation <sup>2</sup>	26,270	21,695	22,303	23,168	23,174	(11.8%)
<b>Total Superannuation &amp; Investments</b>	<b>55,427</b>	<b>50,257</b>	<b>51,865</b>	<b>54,083</b>	<b>53,998</b>	<b>(2.6%)</b>
<b>Average AUM</b>						
	<b>55,126</b>	<b>53,573</b>	<b>50,224</b>	<b>52,841</b>	<b>53,508</b>	<b>(2.9%)</b>
<b>Cashflows</b>						
Retail superannuation inflows <sup>3</sup>	775	631	625	660	833	7.5%
Retail superannuation outflows <sup>3,4</sup>	(1,028)	(1,051)	(931)	(847)	(923)	10.2%
Retail superannuation net cashflows <sup>4</sup>	(253)	(420)	(306)	(187)	(90)	64.4%
Corporate superannuation inflows <sup>3</sup>	839	791	604	594	702	(16.3%)
Corporate superannuation outflows <sup>3,4</sup>	(969)	(5,283)	(817)	(778)	(711)	26.6%
Corporate superannuation net cashflows <sup>4</sup>	(130)	(4,492)	(213)	(184)	(9)	93.1%
<b>Superannuation &amp; Investments net cashflows<sup>4</sup></b>	<b>(383)</b>	<b>(4,912)</b>	<b>(519)</b>	<b>(371)</b>	<b>(99)</b>	<b>74.2%</b>
<b>Pension payments</b>						
Retail superannuation	(80)	(90)	(77)	(75)	(103)	(28.8%)
Corporate superannuation	(25)	(16)	(13)	(14)	(13)	48.0%
<b>Total Pension payments</b>	<b>(105)</b>	<b>(106)</b>	<b>(90)</b>	<b>(89)</b>	<b>(116)</b>	<b>(10.5%)</b>
<b>Market/Other movements<sup>5</sup></b>						
Retail superannuation	788	(85)	1,383	1,615	102	(87.1%)
Corporate superannuation	559	(67)	834	1,063	28	(95.0%)
<b>Total Market/Other movements</b>	<b>1,347</b>	<b>(152)</b>	<b>2,217</b>	<b>2,678</b>	<b>130</b>	<b>(90.3%)</b>

1 Retail superannuation includes A\$8.3b in MySuper (Q1 24 A\$8.2b).

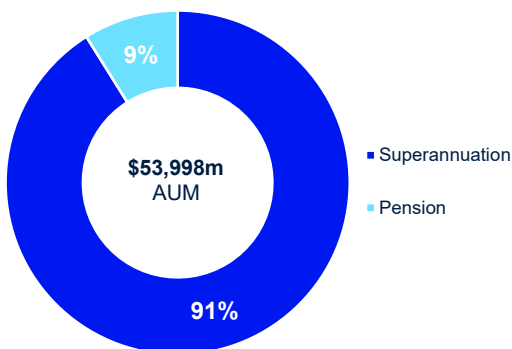
2 Corporate superannuation includes A\$13.2b in MySuper (Q1 24 A\$13.1b).

3 Inflows and outflows include those from internal and external sources. Internal includes transfers across and within products.

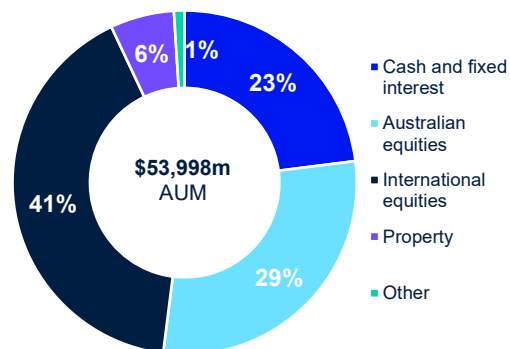
4 Cash outflows and net cashflows excludes regular pension payments to members.

5 Other movements includes fees, investment returns, distributions, taxes and foreign exchange movements.

AUM by product



AUM by asset class



## New Zealand Wealth Management

\$m	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	% Q2 24/ Q2 23
<b>Closing AUM</b>						
KiwiSaver	5,536	5,542	5,845	6,103	6,110	10.4%
Other <sup>1</sup>	5,253	4,841	5,008	5,138	5,041	(4.0%)
<b>Total New Zealand Wealth Management</b>	<b>10,789</b>	<b>10,383</b>	<b>10,853</b>	<b>11,241</b>	<b>11,151</b>	<b>3.4%</b>
<b>Cashflows</b>						
KiwiSaver inflows	156	198	150	143	161	3.2%
KiwiSaver outflows <sup>2</sup>	(104)	(117)	(114)	(99)	(125)	(20.2%)
KiwiSaver net cashflows <sup>2</sup>	52	81	36	44	36	(30.8%)
Other inflows <sup>1</sup>	173	148	125	116	121	(30.1%)
Other outflows <sup>1,2</sup>	(237)	(223)	(127)	(165)	(179)	24.5%
Other net cashflows <sup>1,2</sup>	(64)	(75)	(2)	(49)	(58)	9.4%
<b>New Zealand Wealth Management net cashflows<sup>2</sup></b>	<b>(12)</b>	<b>6</b>	<b>34</b>	<b>(5)</b>	<b>(22)</b>	<b>(83.3%)</b>
<b>Pension payments</b>						
KiwiSaver	(22)	(22)	(25)	(20)	(23)	(4.5%)
Other <sup>1</sup>	(14)	(20)	(66)	(14)	(19)	(35.7%)
<b>Total Pension payments</b>	<b>(36)</b>	<b>(42)</b>	<b>(91)</b>	<b>(34)</b>	<b>(42)</b>	<b>(16.7%)</b>
<b>Market/Other movements<sup>3</sup></b>						
KiwiSaver	90	(53)	292	234	(6)	n/a
Other <sup>1</sup>	75	(317)	235	193	(20)	n/a
<b>Total Market/Other movements</b>	<b>165</b>	<b>(370)</b>	<b>527</b>	<b>427</b>	<b>(26)</b>	<b>n/a</b>

1 Other includes superannuation, retail investment platform and legacy products.

2 Cash outflows and net cashflows excludes pension payments to members. Equivalent retirement withdrawals have been classified as pension payments to align to Platforms and Superannuation & Investments definitions. Prior periods have been restated to reflect this.

3 Other movements include fees, investment returns, distributions, taxes, as well as foreign currency movements on New Zealand AUM.