

2011 half year results

Craig Dunn
Chief Executive Officer

18 August 2011



Executive summary

- Business resilience evident in momentum across banking, key wealth management products and risk insurance
- AXA integration progressing well, cementing new competitive force in wealth management
- Strong capital position, with A\$2.2b above MRR at 30 June 2011 – remains strong post 30 June
- Well equipped to capitalise on changing regulatory environment and consumer expectations, and eventual market recovery

Outline

- Group overview
- New AMP and growth strategy
- Integration update
- Business line review
- Outlook and summary

Key performance measures and dividend

- Underlying profit A\$455m (A\$383m in 1H 10), including contribution of A\$61m¹ from AXA (31 March to 30 June 2011)
- Growth measures:
 - Net cashflows in AMP Financial Services A\$457m, from A\$584m in 1H 10; AXA net cash outflows of A\$964m, from net cash outflows of A\$498m in 1H 10; AMP Capital Investors external net cashflows A\$247m, from A\$1.9b in 1H 10
 - AFS value of risk new business up A\$7m to A\$52m; AXA value of risk new business A\$37m²
- 69% of AMPCI's AUM met or exceeded benchmark over 12 months to 30 June 2011
- Underlying return on equity 18.1%, reflecting merger with AXA and a prudent approach to capital management
- Interim dividend of 15cps (15 cps in 1H 10), 30% franked, represents payout of 81% of 1H 11 underlying profit

1. Operating earnings, underlying investment income and group costs for the period 31 March to 30 June 2011, and interest expense on A\$600m AXA subordinated debt

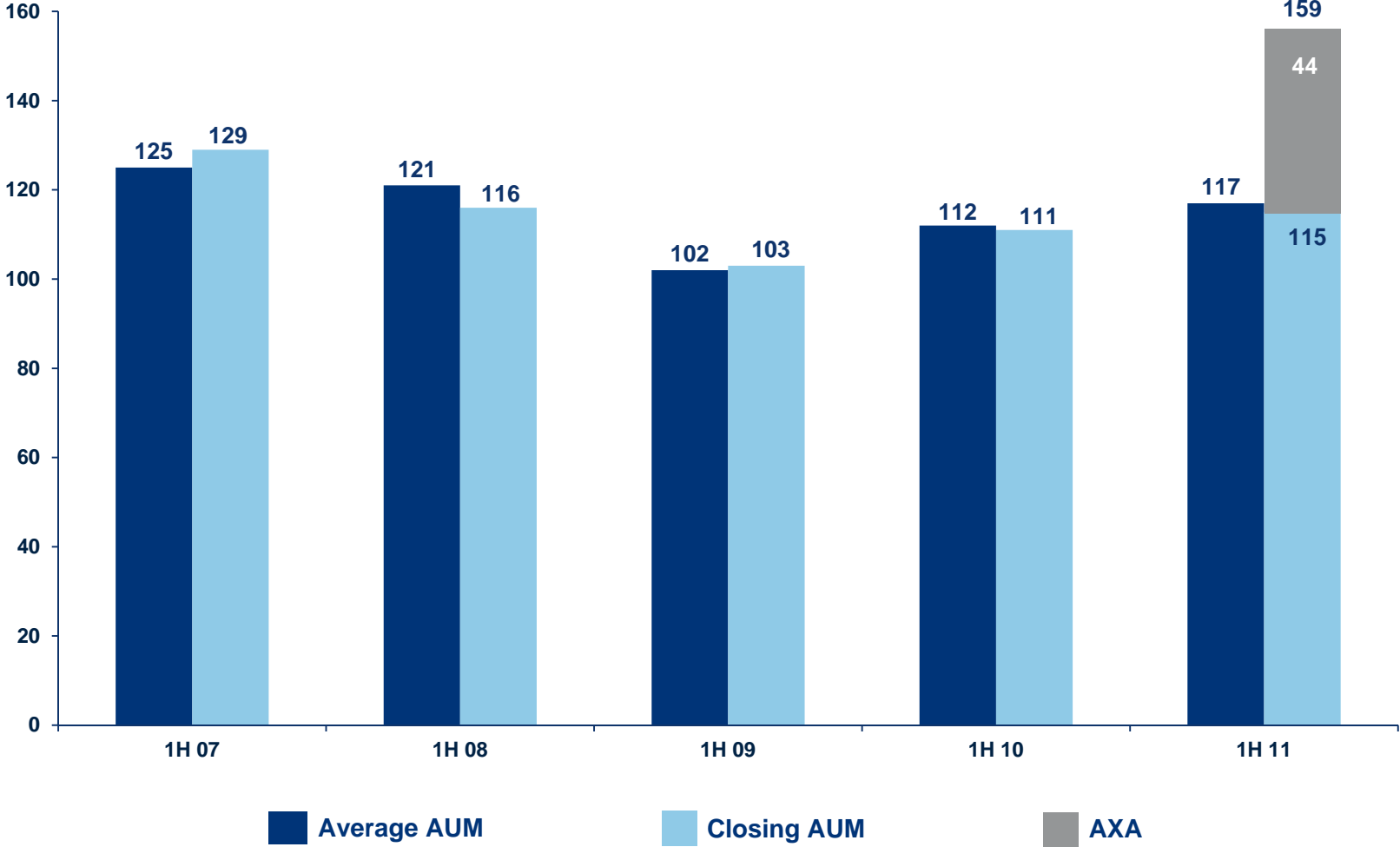
2. Represents value of new business (VNB) for AFS and AXA's Australian and New Zealand risk insurance business

Overview – 1H 11 profit summary

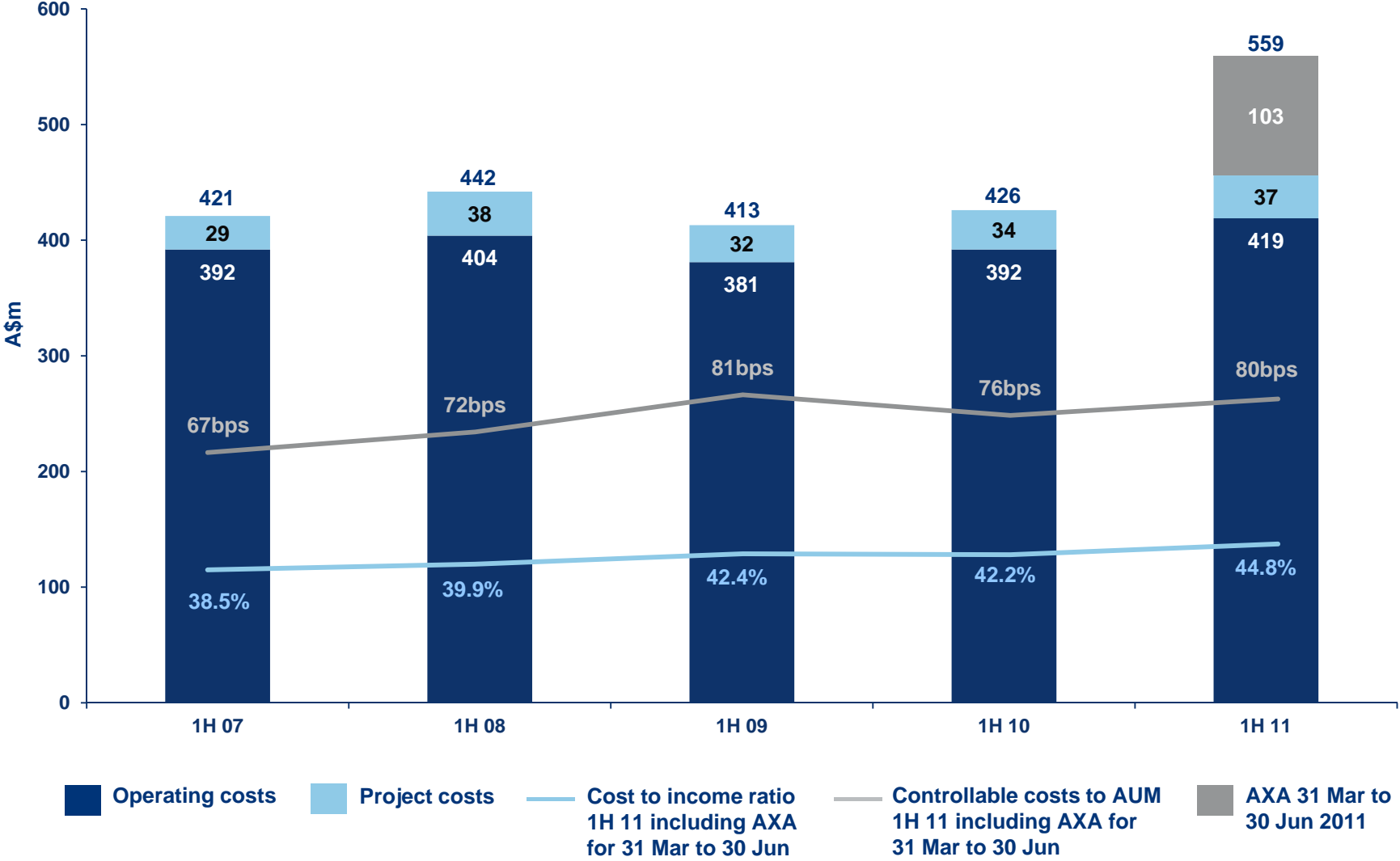
A\$m	1H 11	1H 10	% change
AFS Contemporary Wealth Management	157	150	+5%
AFS Contemporary Wealth Protection	84	73	+15%
AFS Mature	67	68	-2%
New Zealand	21	32	-34%
AXA ¹	59	-	
AMP Capital Investors	41	44	-7%
BU operating earnings	429	367	
Group office costs ²	(26)	(20)	
Total operating earnings	403	347	
Underlying investment income ²	83	64	
Interest expense on corporate debt ²	(39)	(36)	
AMP Limited tax loss recognition	8	8	
Underlying profit	455	383	
Market adjustment – investment income ² , annuity fair value, risk products ²	12	7	
Loan hedge revaluations	-	8	
Other items ³	(17)	4	
Profit after income tax before AXA merger related adjustments and accounting mismatches	450	402	
M&A transaction costs ⁴	(34)	(7)	
AXA integration costs	(36)	-	
Amortisation of AXA acquired intangible assets	(22)	-	
Accounting mismatches	(9)	30	
Net profit attributable to shareholders of AMP Limited	349	425	

1. Operating earnings for the AXA Australian and New Zealand business units for the period 31 March to 30 June 2011. Refer p26 of the 1H 11 Investor Report for more detail.
2. All line items impacted by the merger with AXA Australian and New Zealand businesses.
3. Principally comprise one-off and non-recurring costs.
4. M&A related transaction costs primarily relate to the merger with AXA Asia Pacific Holdings. Refer p49 of 1H 11 Investor Report for more detail.

Overview – assets under management



Overview – continued tight cost control while investing for growth



The new AMP



Powerful competitive position

- New combined AMP-AXA group has powerful competitive position with its:
 - scale and efficiency
 - customer base
 - brand
 - distribution footprint
 - and broader set of quality, contemporary products
- Now the **leading independent wealth management company** in Australia and New Zealand, with No 1 ranking in key market segments¹
- **Over 4 million customers**, with above-average share of 35-64 year olds and relatively high proportion of small business owners and high net worth² compared to industry averages

1. Based on funds under management and annual premium income. Plan for Life retail managed funds report, March 2011; Plan for Life risk statistics, March 2011.

2. AMP-commissioned Roy Morgan research 2009.

Powerful competitive position

- **Largest adviser and planner network in Australia and New Zealand**
 - Award-winning networks, with multiple advice brands and value propositions offering choice to both advisers and customers
 - 4,000+ aligned and employed advisers and planners, with strong retention evident post transaction
 - Extensive relationships with IFA market

- **Market leading products and platforms**
 - AMP's master trust platform, low-cost and highly scalable, provides attractive solutions to mass market
 - Cannex 5-star rated AMP Flexible Super and Pensions
 - AXA North platform has evolved into highly rated wrap platform, servicing mass affluent and HNW
 - CoreData's Platform of the Year 2011
 - Strongly growing banking business complementing wealth management offering
 - Award winning risk products: AMP Flexible Protection and AXA Elevate¹
 - Well performing investment funds, including 7 AMP Capital Investors flagship funds 'buy'-rated by independent researchers and consultants, and strongly performing ipac multi-manager portfolios recommended by Lonsec²
 - Combined SMSF assets – Multiport, Personalised Portfolio, Super IQ – offering broad, growing services to self-managed superannuation clients

1. AMP Flexible Protection - Winner 2010 Trauma Product of the Year in the AFR Smart Investor Blue Ribbon Awards, and runner up in 2011; AXA Elevate Total & Permanent Disability Insurance product – Money Management's Best of the Best awards, 5 star value, 2009, 2010 & 2011.

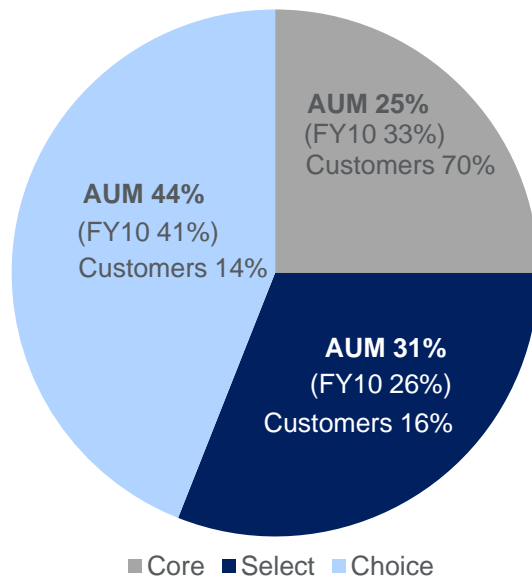
2. ipac's Income Generator portfolio – 2011 winner of Best Innovative Product award by Money Magazine.

AMP Flexible Super – performing as designed

- AUM of A\$2.8b (doubled in 1H 11) and 70,000 customer accounts
- 1H 11 net cash flows A\$1.5b
- Attracting new, younger customer base – half of superannuation customers are 35 years or younger
- Meets customer demand and regulatory drive for simpler, low-cost product while generating attractive margins
- Modular design suits customer life stages and enables more sophisticated solutions for retirement needs
- Minimal cannibalisation from closed products to Core option

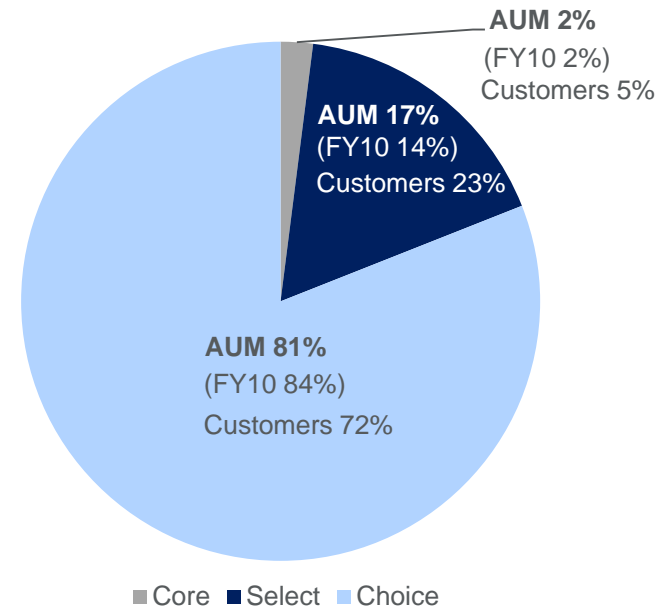
AMP Flexible Super superannuation account

AUM \$1.1b, customers 62,000¹, avg balance A\$18,000



AMP Flexible Super retirement account

AUM \$1.7b, customers 8,500¹, avg balance A\$200,000



1. This compares with 17,000 superannuation customers and 4,000 retirement customers at December 2010. In 1H 11, 27,500 (A\$15m AUM) SuperLeader superannuation customers transferred to AMP Flexible Super.

AXA North – now a market-leading wrap platform

- North now has A\$1.8b in AUM
 - Proportion in non-guarantee increasing with platform’s evolution into full wrap capability (31% of AUM); 55% of net cashflows in June 2011 into non-guarantee
- 35% of 1H 11 AUM placed by IFAs
- 56% of North AUM managed internally, principally through ipac multi-manager

From a product to a wrap platform – continuous enhancement program added richer functionality and options attracting stronger flows



Highly awarded products and platform:

- 2011 CoreData’s Platform of the Year
- 2010 S&P Structured Product of the Year
- 2009 Rainmaker Best New Product of the Year
- 2009 Rainmaker Best Innovation of the Year
- 2009 SuperRatings Best New Product
- 2008 Rainmaker Best New Superannuation Product of the Year

Quality, market-leading advice networks

- Quality of advice networks recognised by industry
 - AMP Financial Planning (AMPFP) 2011 *Money Management's* Institutional Dealer Group of the Year
 - Licensees in AXA Financial Advice Network voted 1st, 2nd and 3rd as most attractive licensees to work with in CoreData's 2011 annual licensee survey
- AMPFP continues to grow strongly, driven by BAU recruitment and Horizons Academy graduates (347 to date)
- Leading market with 'scaled' advice – launched My Money Choices, a scaled advice model with entry level pricing of \$150; currently offered by 500 AMPFP and Hillross planners
- AMP and AXA networks operating successfully on a fee-for-advice basis for past 12 months for new superannuation, pension and investment business
- Multi-branded advice offerings mean combined organisation has broad range of value propositions for all Australian and New Zealand advisers

Continuing to grow our advice networks

	Dec 2010	June 2011	Change Dec to June	Change March to June 2011	July 2011
AMP Financial Planning	1,526	1,566	+40	+23	1,585
Hillross	282	277	-5	-5	312 ¹
AMP Financial Planners	1,808	1,843	+35	+18	1,897
AXA Financial Planning	361	342	-19	-4	338
Charter Financial Planning	488	478	-10	+6	475
Genesys Wealth Advisers	285	282	-3	+7	266
ipac	128	127	-1	-9	128
Tynan Mackenzie	41	42	+1	+1	42
Jigsaw Support Services	262	233	-29	-9	235
AXA Financial Planners	1,565	1,504	-61	-8	1,484
Total Australia	3,373	3,347	-26	+10	3,381
AMP New Zealand	322	308	-14	-8	305
AXA New Zealand	359	360	+1	+3	362
Total financial advisers	4,054	4,015	-39	+5	4,048

- AXA adviser numbers impacted by lower recruitment activity in Q1 11 due to merger uncertainty
- As of today, around 97% of the value of the network in AXA and Charter Financial Planning has been retained
- Net increase of 18 practices joining AMP and AXA networks from competitors in 1H 11

1. Includes Hillross' acquisition of IRIS Financial Group's announced 13 July 2011.

Growth strategy

- A key goal of AMP's is to deliver outstanding business value by:
 1. delivering quality services and products that respond to the needs of fast-growing customer segments
 2. building a professional planner force, with above market growth and productivity
 3. capitalising on a broader, more productive domestic distribution footprint
 4. expanding into select Asian investment management markets

- AXA integration is now accelerating delivery of growth strategy, with more customers, increased scale and efficiency, broader distribution footprint, and more competitive set of quality contemporary products

Integration update



AXA integration accelerating delivery of AMP's growth strategy

- Integration objectives:
 - Maintain business momentum while bringing the two companies together
 - Sharpen competitive edge by delivering synergies and drawing on competitive strengths of both organisations
 - Build stronger growth platform than either company had previously

Integration accelerating strategy delivery

Integration progress 30 March – 18 August 2011

Date	Action
30 March	<ul style="list-style-type: none">Stable operations maintained across combined organisation as transaction completed, with interim governance structures in place
4 April	<ul style="list-style-type: none">Began joint planning with AMP and AXA business leaders
13 April	<ul style="list-style-type: none">Launched welcome packages for AXA advisers and merger benefit payments for AMP planners
17 May	<ul style="list-style-type: none">Confirmed AMP management teamConfirmed advice businesses, key products/platforms and technology for merged organisation
22 May	<ul style="list-style-type: none">Launched new AMP logo
June	<ul style="list-style-type: none">Aligned risk appetite on shareholders funds and risk insurance books
21 July	<ul style="list-style-type: none">Announced high level organisational structures for AFS and AMP Capital InvestorsAnnounced senior leadership teams (direct reports to MDs) for AFS and AMP Capital Investors
17 August	<ul style="list-style-type: none">Finalised integration investment profile and prioritiesBegan work on more than half the projects required to integrate the business over the next three years

Synergy target upgraded

- Synergy target increased 17% to A\$140m post tax from A\$120m, due to a range of factors including the removal of additional IT infrastructure duplication and contract renegotiations with external suppliers
- Project spend increased by 9% to A\$310m post tax to capture additional synergies, delivering an improved return on investment
- Majority of synergies based on cost efficiencies
- Expected timing of net synergies driven by programming of planned integration initiatives
- Integration will benefit all businesses, in the process transforming AMP into a more efficient and competitive business

Expected mix of net synergies (Ongoing)	A\$m post tax (estimated)	Key sources of synergy include:	
Cost synergies (both for AMP and AXA businesses)	144	<ul style="list-style-type: none"> ▪ product and platform rationalisation ▪ IT infrastructure consolidation ▪ business model and organisation design ▪ benchmarking and best practice program ▪ asset management consolidation ▪ premises consolidation ▪ supply chain management 	
Revenue benefits (eg, in-house asset management)	10		
Revenue attrition (eg, planner attrition)	(14)		
Total	140		
Expected timing of net synergies	A\$m annual run rate ¹ (cumulative) post tax (estimated) ³	Realised in P&L ¹ 1H 11 A\$m	Expected timing of integration spend ³ (One-off)
30 June 11 - Actual	18	1H 11 ³	
31 December 2011	30	FY 11 18	FY 11 - 37%
31 December 2012	79		FY 12 - 51%
31 December 2013	133		FY 13 - 9%
31 December 2014	140		FY 14 - 3%

1. Realised in P&L will lag annual run rate.

2. Of the A\$3m synergy benefit realised in 1H 11, A\$2m has been attributed to the AXA BU operating earnings and A\$1m to Group Office costs.

3. Based on current integration planning. Could vary in future to enable business flexibility to respond to changing business priorities and external markets.

Integration accelerating strategy delivery

- Over the next six months, we will:
 - Complete most of the organisational design work and integration of the AXA and AMP business teams
 - Largely complete separation from AXA SA
 - Finalise implementation of new enterprise-wide governance structures and frameworks
 - Substantially complete merger of group functions
 - Facilitate reporting of FY 11 financial results according to AMP structure (eg, AFS – CWM, CWP, Mature and NZ; AMP Capital)
 - Have more than 75% of the integration projects in flight

Business line review



AMP Financial Services – 1H 11 highlights

- Delivered resilient operating earnings of A\$329m in 1H 11 (A\$323m in 1H 10)
- Strong performances in banking, Contemporary Wealth Protection and AMP Flexible Super offset impacts of market and natural disasters in New Zealand
- Ongoing cost discipline underpinned a 33.9% cost to income ratio, while supporting continued investment in the business
- Investment program has delivered:
 - contemporary, reinvigorated product set
 - quality, highly productive, growing planner force with fee-for-advice capability, well prepared for regulatory change

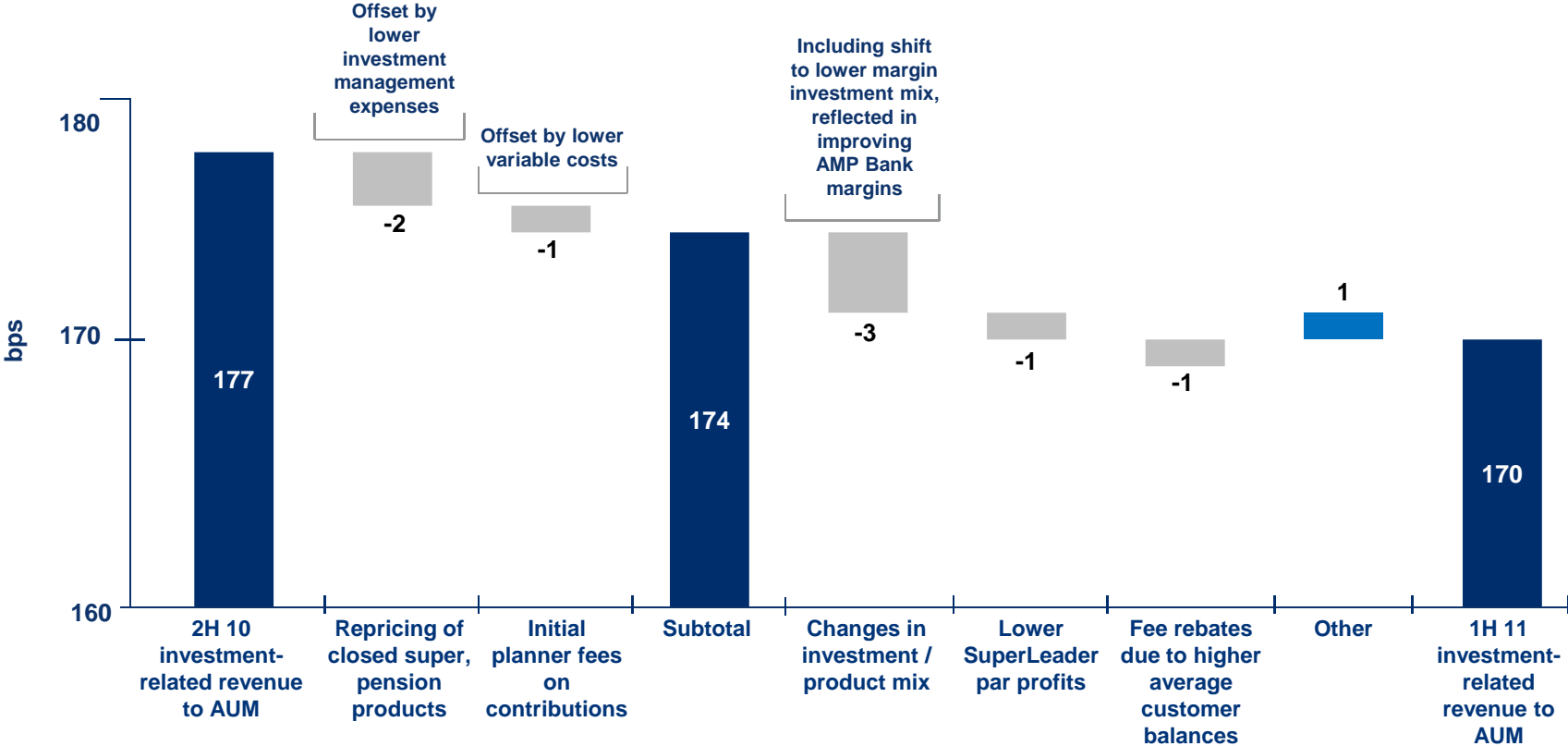
AFS overview – 1H 11 cashflows

- Strong net cashflows in core products and channels driven by success of AMP Flexible Super, though overall cashflows impacted by subdued investor sentiment
- 1H 11 total net cashflows of A\$457m, down from A\$584m in 1H 10, reflected:
 - higher overall outflows resulting from higher AUM balances
 - net outflows in retail investment and external platforms
- Total retail superannuation and pension net cashflows up 41% in 1H 11 to A\$482m
- AMPFP net cashflows up 12% on the half and 47% in Q2 11 on Q2 10
- CWM net cashflows of A\$721m (A\$855m in 1H 10)
- Persistency remained strong at 90.2% in 1H 11 (90.7% in 1H 10)

AFS overview – AMP Banking

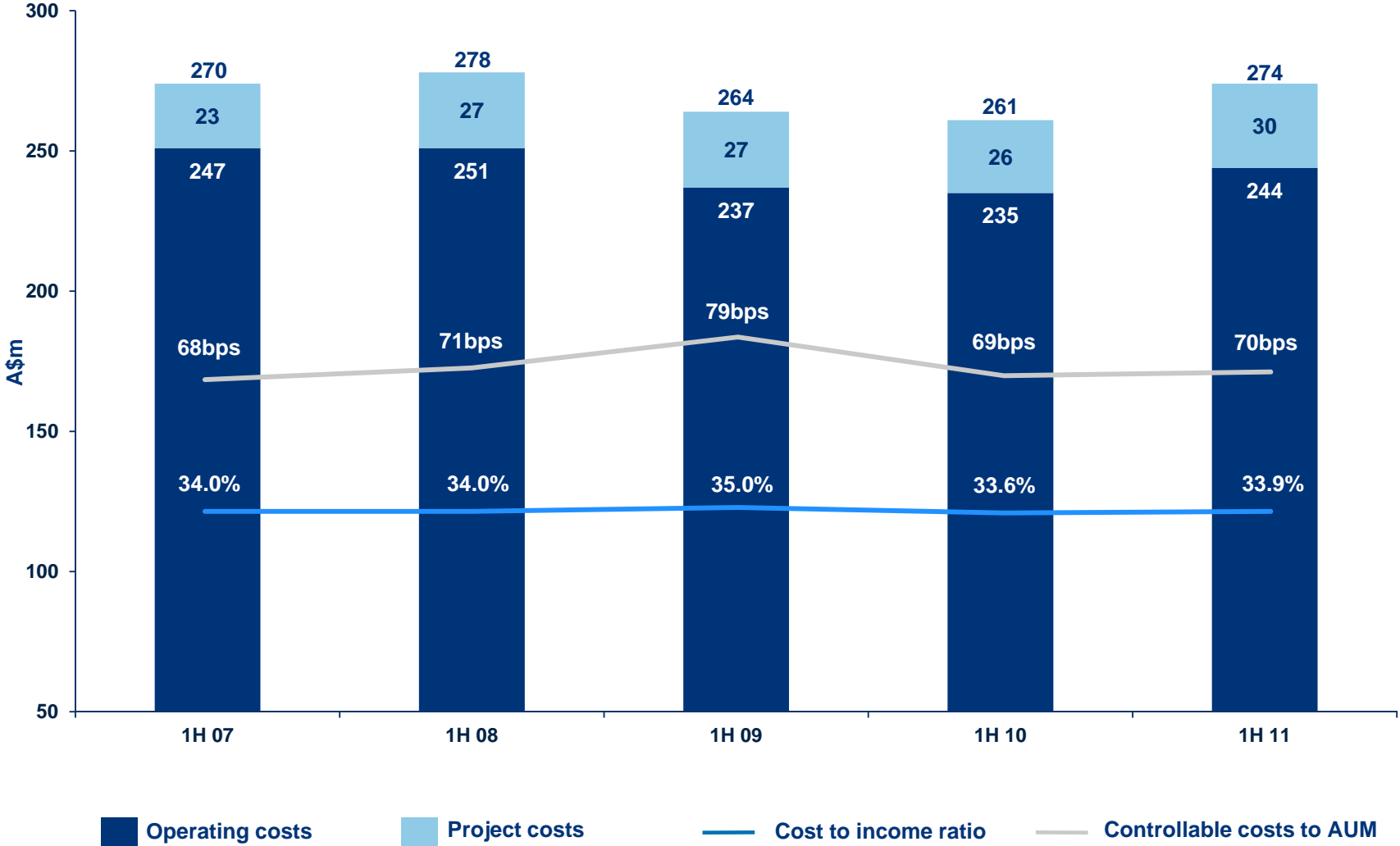
- Major contributor to CWM earnings, with 1H 11 operating earnings of A\$31m (A\$21m in 1H 10) driven by higher net interest margin (up 25 bps on 1H 10)
- Return on capital of 18.0% in 1H 11, up from 14.3% in 1H 10
- Residential mortgage book up 12% on 1H 10
- Deposit book up 30% on 1H 10
- Cost to income ratio 32.0% in 1H 11 (40.1% in 1H 10)
- Well positioned with capital adequacy ratio of 11.6% (12.2% in 1H 10) – Tier 1 8.4%
- Funding comprises 67% on balance sheet funding and 33% off balance sheet
 - On balance sheet funding mainly retail and superannuation deposits
- Successful completed a A\$940m RMBS issue with strong investor demand
 - Growth will continue to be managed in line with funding capacity
- Well managed book, with 90+ day arrears of 0.51% in 1H 11, with LVR > 80% mortgage insured; weighted average LVR of portfolio is 57%

AFS overview – changes in investment-related revenue



- Investment-related revenue to AUM in CWM (as it currently stands) is expected to decrease by around 3% pa across the cycle in normal markets, subject to potential MySuper changes

AFS overview – disciplined cost control



AFS Australian contemporary wealth management

CWM			
	1H 11	1H 10	Change
Operating earnings	A\$157m	A\$150m	+5%
Controllable costs	A\$173m	A\$163m	+6%
Cost to income ratio	42.1%	41.7%	+0.4 percentage points
Net cashflows	A\$721m	A\$855m	-16%
Operating earning to AUM^{1,2}	46bps	51bps	-5bps
Persistency	89.9%	90.7%	-0.8 percentage points
Average AUM (including capital)¹	A\$54.8b	A\$51.5b	+6%
Return on equity	39.9%	40.8%	-0.9 percentage points

1. Based on monthly average AUM including capital.

2. Operating earnings in this ratio exclude AMP Banking.

AFS Australian contemporary wealth protection

CWP			
	1H 11	1H 10	Change
Profit margins	A\$79m	A\$76m	+4%
Experience profits	A\$5m	(A\$3m)	+A\$8m
Operating earnings	A\$84m	A\$73m	+15%
Profit margins / API¹	19.5%	19.6%	-0.1 percentage points
Operating earnings / API¹	20.7%	18.9%	+1.8 percentage points
Controllable costs	A\$49m	A\$46m	+7%
Individual risk API¹	A\$670m	A\$616m	+9%
Individual risk lapse rate	11.4%	10.4%	+1 percentage point
RoEV pre transfers @ 3% discount margin	7.5%	9.5%	-2 percentage points
VNB @ 3% discount margin	A\$52m	A\$42m	+24%
Return on equity	25.9%	24.7%	+1.2 percentage points

1. API is annual premium in force.

AFS Australian mature

Mature			
	1H 11	1H 10	Change
Operating earnings	A\$67m	A\$68m	-2%
Controllable costs	A\$26m	A\$28m	-7%
Controllable costs/AUM¹	29bps	31bps	-2bps
Net cashflows	(A\$617m)	(A\$588m)	-5%
Persistency	89.6%	89.4%	+0.2 percentage points
AUM (pre-capital)	A\$17.1b	A\$17.6b	-3%
RoEV pre transfers @ 3% discount margin	1.7%	(1.7%)	+3.4 percentage points
VNB @ 3% discount margin	A\$6m	A\$10m	-A\$4m
Average capital	A\$416m	A\$437m	-5%
Return on equity	37.2%	35.5%	+1.7 percentage points

1. Based on monthly average AUM including capital.

AFS New Zealand

New Zealand			
	1H 11	1H 10	Change
Profit margins	A\$22m	A\$28m	-21%
Experience profits / losses	(A\$1m)	A\$4m	-A\$5m
Operating earnings	A\$21m	A\$32m	-A\$11m
Controllable costs	A\$26m	A\$24m	+8%
Cost to income ratio	41.9%	31.8%	+10.1 percentage points
Return on equity	17.3%	25.1%	-7.8 percentage points
Individual risk API	NZ\$160m	NZ\$148m	+8% (NZ)
Lapse rates	9.3%	10.1%	-0.8 percentage points
Net cashflows	NZ\$113m	NZ\$108m	+5% (NZ)
AUM (pre capital)	NZ\$6.4b	NZ\$5.8b	+10% (NZ)
RoEV pre transfers @ 3% discount margin¹	NZ1.9%	NZ4.2%	-2.3 percentage points
VNB @ 3% discount margin²	NZ\$1m	NZ\$10m	-NZ\$9m

1. EV has been impacted by lower VNB and lower bond yields, which impact capital guaranteed products EV.

AXA overview – 31 March to 30 June highlights

- Momentum maintained across the business through transaction completion
- Business unit operating earnings for the period of A\$59m
- Continued strong sales through the North platform and ongoing sales uplift for the AXA Elevate range of financial protection products, following its launch through AXA platforms in mid-2010
- North net cashflows A\$67m in Q1 11 and A\$143m in Q2 11 (A\$210m in 1H 11)
- Total net AXA cashflows for 1H 11 of (A\$964m) – IFA outflows of (A\$650m)¹ including from lower margin external advice platforms and Alliance Bernstein related unit trusts; NZ wholesale net cashflows down by A\$140m
- Positive response from AXA aligned and employed advisers post transaction
- Since completion of merger, two key group risk insurance clients retained in competitive tender processes

1. See chart 46 for more detail.

AXA overview – key financial results

AXA Australia and New Zealand	
Operating earnings ¹	A\$59m
• Australian Wealth Management	A\$14m
• Australian Financial Protection	A\$20m
• Australian Mature	A\$13m
• New Zealand	A\$12m
Controllable costs ¹	A\$103m
Cost to income ratio ¹	49.3%
Net cashflows ²	(A\$964m)
AUM ³	A\$44b
Australian individual risk API ³	A\$556m
Australian group risk API ³	A\$184m
New Zealand risk API ³	NZ\$191m
Return on equity ¹	23%

1. Relates to the period 31 March to 30 June 2011 only.

2. For 1H 11.

3. As at 30 June 2011.

AMP Capital Investors – 1H 11 highlights

- Operating earnings of A\$41m (A\$44m in 1H 10) reflecting market conditions
- Improvements in fee income offset by higher costs
- 1H 11 controllable costs steady on 2H 10, but up 6% on 1H 10, largely as a result of higher employment costs
 - Attributable to international expansion and an increase in staff to complete rollout of new operating platform
- External net cashflows of A\$247m, from A\$1,855m in 1H 11, reflected impact of natural disasters on Japanese investor base and volatile markets
- 69% of AUM met or exceeded benchmark over 12 months to June 30 2011

AMPCI overview – 1H 11 key financial results

AMPCI			
	1H 11	1H 10	Change
Operating earnings	A\$41m	A\$44m	-7%
Management fees – AUM based	A\$153m	A\$149m	+3%
Management fees – non-AUM based	A\$25m	A\$27m	-7%
Total performance & transaction fees	A\$20m	A\$19m	+5%
Controllable costs	A\$144m	A\$136m	+6%
Cost to income ratio	71.3%	67.7%	+3.6 percentage points
External net cashflows	A\$247m	A\$1,855m	-A\$1,608m
Return on equity¹	36.5%	50.4%	-13.9 percentage points

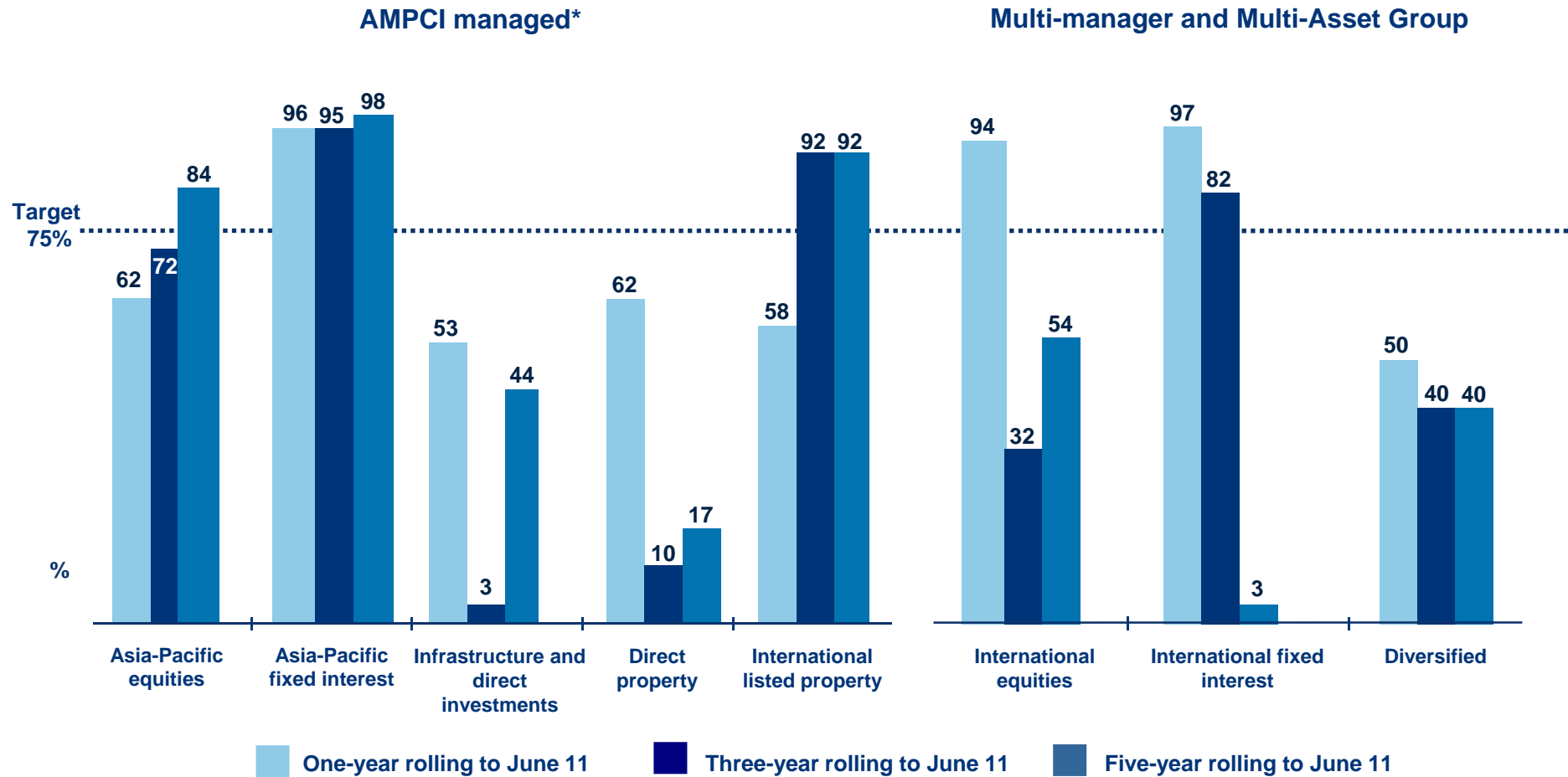
1. Return on equity reflects an increase in AMPCI shareholder capital in June 2010 to fund seed pool assets. 2H 10 RoE 41.8%.

AMPCI – drivers of cashflows

AUM as at 31 December 2010	A\$98.0b
Australian market flows	(0.5)
Asian distribution channels	0.5
NZ market flows	0.2
Rest of world	0.0
Australian contemporary	(0.5)
AMP Group	0.0
Australian run-off business	(0.6)
NZ market flows	0.0
Investment returns and other	0.6
AUM as at 30 June 2011	A\$97.7b

AMPCI – performance against benchmarks

69% of AUM met or exceeded benchmark over one year
 48% over three years
 56% over five years



% indicates assets under management meeting or exceeding benchmarks over rolling one-, three- and five-year periods to June 11.
 * Excludes Future Directions Funds.

Outlook and summary



Outlook

- In **short term**, European debt crisis and uncertainty over US recovery likely to remain a threat and source of volatility for some time to come, reinforcing investor caution
- Over **medium term**, dynamics underpinning wealth management in Australia and investment management in Asia remain highly attractive, bolstered by proposed move to 12% SG in Australia over next decade
- AMP has used its balance sheet strength, business resilience and merger with AXA to strengthen its competitive position
- With this stronger competitive position, the combined AMP group is well equipped to succeed in changing wealth management world

Short-term outlook – cost outcomes

- Continued investment in the business will be reflected in controllable costs for FY 11
 - Combined AFS (including AXA) cost base expected to grow 4-5% on FY 10 (excluding synergies)
 - Cost growth in AMP Capital Investors will slow given completion of re-platforming
- Net annual synergy target upgraded to A\$140m post tax from AXA merger
 - Annual run-rate synergy benefits are expected to be A\$30m post tax as at 31 December 2011 (estimated P&L impact for FY 11 A\$18m post tax)
- Integration costs of A\$310m post tax for AXA merger
 - Integration costs for FY 11 are expected to be A\$115m post tax

Regulatory outlook

- Taken action to move ahead of regulatory curve in both Australia and New Zealand
- Actively engaged in debate and consultation to understand Government objectives and provide input into final legislation to achieve desired outcomes
- AMP remains supportive of regulatory changes that lead to better outcomes for consumers and increased confidence in industry
- Strongly support moves to lift 9% SGC to 12% over next decade
- Draft Future of Financial Advice (FOFA) legislation expected next month, with final legislation expected to follow later in 2H 11; some changes could take effect from 1 July 2012
- Government response to peak consultative group report on Stronger Super expected in 2H 11

Summary

- Resilient business coping well with tough market
- Investment in targeted growth initiatives driving business momentum
- Strong capital base underpinning business strength and flexibility
- Well-managed integration leading to more competitive business with stronger platform for growth
- Strongly equipped to withstand market volatility and changing regulatory environment

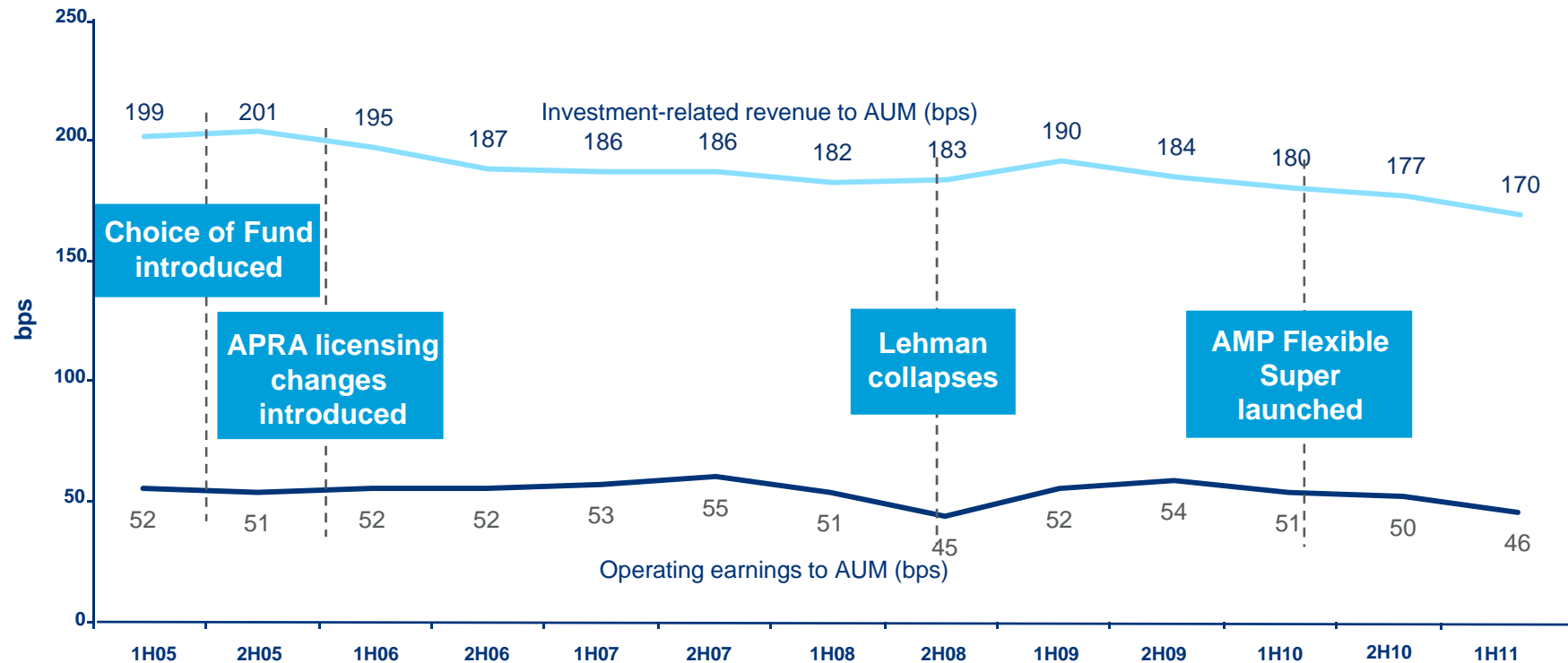
Appendices



Further information

Topic	Chart
▪ AFS's strong track record of managing margins	44
▪ AXA Australia – AUM by platform, channel and investment manager	45
▪ AXA Australia – net cashflows by platform and channel	46
▪ Financial overview	47 - 55
▪ Growth strategy gaining traction	56 - 57
▪ Regulatory outlook – FOFA and Stronger Super	58 - 59

AFS's strong track record of managing margins



- Five year change in investment-related revenue to AUM consistent with AMP's past guidance
- AMP's investment related revenue to AUM guidance remains unchanged at around 3% pa decrease across the cycle (in normal markets) for CWM as it currently stands, subject to potential MySuper changes
- Operating earnings to AUM reflects cost discipline and business model flexibility

AXA Australia wealth management – AUM by platform, channel and investment manager

	AUM A\$b	Platforms			Advice		Investment		Mature ⁴
		Summit & Generations ¹	North	Multiport	Owned advice platforms ²	External advice platforms ³	Retail and wholesale unit trusts	ipac wholesale	
AXA Financial Planning	5.6	2.5	0.4	0.1			0.1		2.6
Charter Financial Planning	8.2	4.8	0.6	0.2	0.0		0.1		2.5
Jigsaw advisers	0.9	0.5	0.1	0.0		0.1	0.0		0.2
ipac group advisers and Tynan Mackenzie	7.2	0.1	0.0	0.0	4.7	2.3	0.0	0.0	0.0
Genesys group advisers	4.8	0.1	0.0	0.0	1.0	3.7			
Direct distribution	1.8							0.5	1.3
IFA	11.3	1.8	0.6	1.0	0.5	0.2	2.8		4.3
Total	39.9	9.8	1.8	1.2	6.3	6.3	3.0	0.5	11.0
Investment manager									
ipac	12.8	3.5	1.0		3.7	1.5		0.5	2.5
National Mutual Funds Management	3.2	0.3	0.0		0.0	0.0	1.6		1.2
Alliance Bernstein	9.9	0.9	0.0		0.4	0.0	1.4 ⁵		7.2
Other	14.0	5.0	0.8	1.2	2.1	4.8			
Total⁶	39.9	9.8	1.8	1.2	6.3	6.3	3.0	0.5	11.0

1. Summit and Generations are AXA owned and developed platforms, and include Assure, a badged version of Summit. North is also AXA owned and developed and is a fully functioning wrap platform. Multiport is AXA owned and developed, used for SMSF and IMA business.
2. Owned advice platforms include iaccess and Synergy. iAccess is the ipac badge on the Summit technology. Synergy is the in-house platform used by Genesys.
3. External advice platforms include BT Wrap, Solar, iSelect and other margin earning platforms. Solar is Genesys's badged BT Wrap, iSelect is the ipac badge on BT Wrap, and other margin earning platforms is principally margin earned by Genesys from a range platform providers.
4. Includes personal and employer superannuation, insurance bonds, guaranteed savings accounts and traditional participating products sold by the life company. Some products in Australian Mature are closed to new business.
5. The A\$1.4b represents AXA branded and marketed unit trusts predominantly sold via external platforms or directly, with Alliance Bernstein responsible for investment management of the funds.
6. Numbers may not add due to rounding.

AXA Australia wealth management – net cashflows by platform and channel

YTD 30 June 2011	Netflows A\$m	Platforms			Advice		Investment	Mature ⁴
		Summit & Generations ¹	North	Multiport	Owned advice platforms ²	External advice platforms ³	Retail and wholesale unit trusts	ipac wholesale
AXA Financial Planning	9	26	61	6			-15	-70
Charter Financial Planning	44	35	75	18			-16	-68
Jigsaw advisers	-5	-15	13			2	-1	-5
ipac Group advisers and Tynan Mackenzie	-221	-13	5	11	-68	-157		
Genesys group advisers	21		9	1	-43	54		
Direct distribution	-14							30
IFA	-828	-113	46	46	-40	-203	-447	-117
Total⁵	-994	-80	210	82	-151	-303	-479	30

- Summit and Generations are AXA owned and developed platforms, and include Assure, a badged version of Summit. North is also AXA owned and developed and is a fully functioning wrap platform. Multiport is AXA owned and developed, used for SMSF and IMA business.
- Owned advice platforms include iaccess and Synergy. iAccess is the ipac badge on the Summit technology. Synergy is the in-house platform used by Genesys.
- External advice platforms include BT Wrap, Solar, iSelect and other margin earning platforms. Solar is Genesys's badged BT Wrap, iSelect is the ipac badge on BT Wrap, and other margin earning platforms is principally margin earned by Genesys from a range platform providers.
- Includes personal and employer superannuation, insurance bonds, guaranteed savings accounts and traditional participating products sold by the life company. Some products in Australian Mature are closed to new business.
- Numbers may not add due to rounding.

Financial overview – key points on P&L

	1H 11	1H 10
Underlying profit	455	383
Market adjustment – investment income	(3)	(8)
Market adjustment – annuity fair value	16	5
Market adjustment – risk products	(1)	10
Loan hedge revaluations	-	8
Other items	(17)	4
Profit after income tax before AXA merger related adjustments and accounting mismatches	450	402
M&A transaction costs	(34)	(7)
AXA integration costs	(36)	-
Amortisation of AXA acquired intangible assets	(22)	-
Accounting mismatches	(9)	30
Net profit attributable to shareholders of AMP Limited	349	425

- AXA intangible assets required by accounting standards to be amortised total A\$1.2b¹
 - FY 11 amortisation expected to be A\$67m (post tax)
 - On a full-year basis, amortisation expected to be A\$90m per year

1. All figures are draft as Accounting Standards (AASB 3) allow 12 months to complete the acquisition balance sheet.

Financial overview – balance sheet strength

		1H 11	
		A\$m	
		Maturities	
Tier 1			
Shareholder equity		6,991	Substantial excess above MRR of A\$2,174m at Group level as at 30 June 2011
Tier 2			
2022 subordinated bonds	10+ years	83	As at 15 August 2011, excess above MRR was around A\$2.0b
AMP Notes	2 - 5 years	296	
Subordinated loan to AMP Bank	2 - 5 years	(100)	
Callable 2016 subordinated bonds	2 - 5 years	600	
		<u>879</u>	
Senior debt			
Commercial paper	0 - 1 year	59	
Euro MTN	0 - 1 year	398	
Domestic MTN	2 - 5 years	200	
		<u>657</u>	
TOTAL RESOURCES		<u>8,527</u>	
			1H 11
			Gearing 11%
			Interest cover (underlying) 12.1 times
			Group cash A\$693m
			Undrawn bank facilities A\$500m

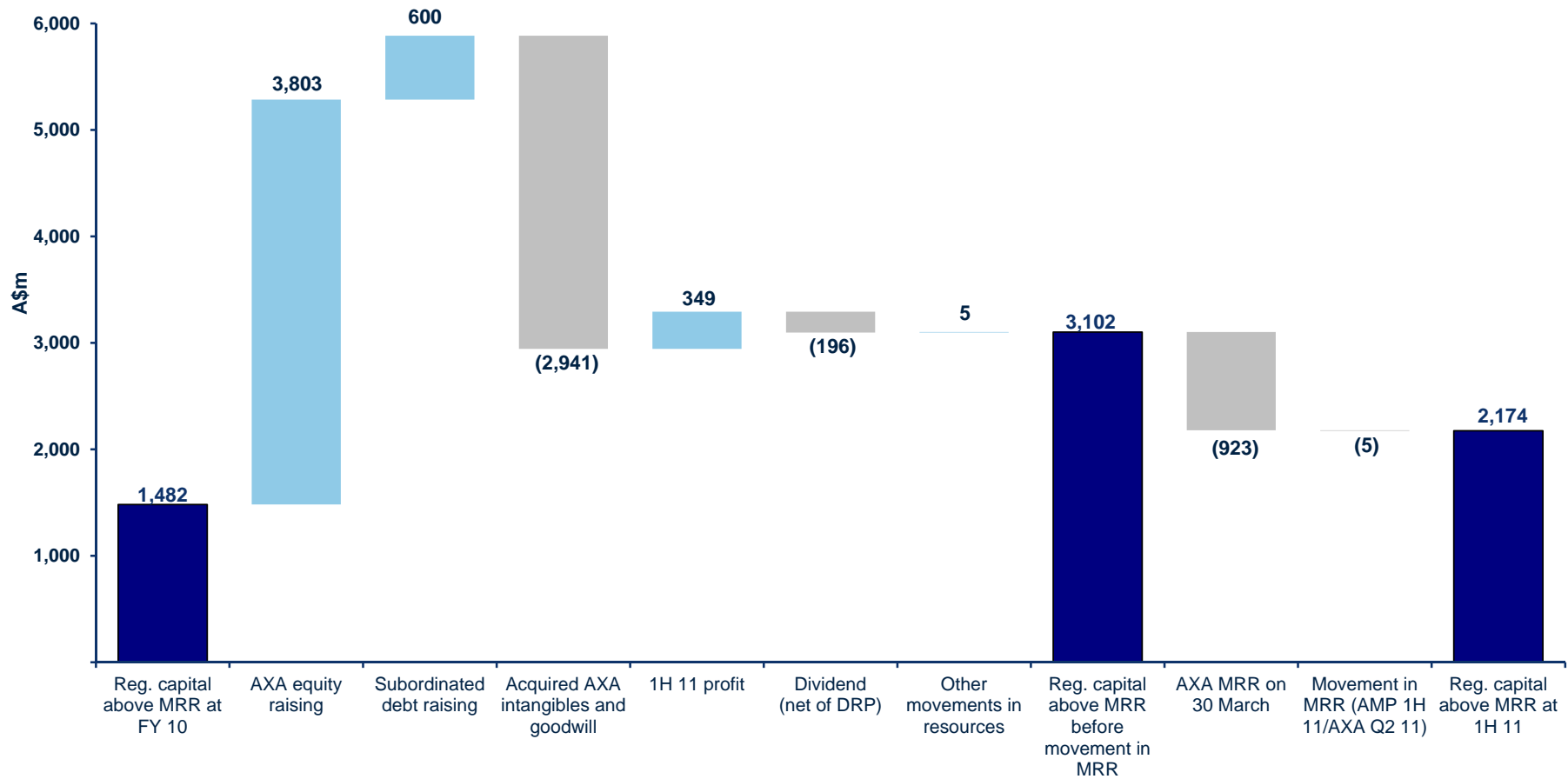
Financial overview – prudent approach to capital management

- AMP continues to take a prudent approach to capital management
- Consistent with this approach, a number of capital initiatives were undertaken during 1H 11
 - sale of approximately A\$400m of equities backing AXA's shareholder capital and financial protection policy liabilities
 - purchase of approximately A\$570m of put options over the ASX 200 and S&P 500
 - purchase of approximately A\$2.9b of Australian government bond options providing protection against falls in bond yields
- Subsequent to 30 June, AMP purchased approximately A\$1.1b additional put options over the S&P 500
- In addition to these tactical protection strategies, there are a number of long-term protection strategies in place within both AMP Life and AXA which reduce sensitivities to equity markets and interest rates. These include strategies involving:
 - equity options and futures
 - interest rate options, futures and swaps

Financial overview – capital position at 30 June

30 June 2011	Total AMP	AMP Life SFs	AMP Life Other	AMP Banking	Total AFS	AXA A&NZ	AMPCI	Group Office
Total capital resources	8,527	1,932	555	373	2,860	4,253	371	1,043
Intangibles	(3,655)	-	(457)	(33)	(490)	(2,928)	(145)	(92)
Tangible capital resources	4,872	1,932	98	340	2,370	1,325	226	951
Senior debt	(657)							(657)
Other deductions	(24)			(24)	(24)			
Regulatory capital resources	4,191	1,932	98	316	2,346	1,325	226	294
Minimum regulatory requirements (MRR)	2,017	816	24	256	1,096	879	42	-
Regulatory capital resources above MRR	2,174	1,116	74	60	1,250	446	184	294
- Attributable to shareholders	1,491	433	74	60	567	446	184	294
- Attributable to policyholders	683	683			683			

Financial overview – capital movements



Financial overview – capital sensitivity

- These sensitivities are a point in time view of the impact of movements in equity markets, bond yields and property values on the 30 June 2011 capital position
- The change in sensitivities from FY 10 reflect the larger capital base of the combined company
- AMP's dynamic capital management framework includes market-related trigger points at which management will take action to reduce the impact of market movements on its capital position
- These sensitivities include impact of actions taken before 30 June 2011, but do not make any allowance for management actions taken subsequent to 30 June 2011, which have continued to reduce the capital base's sensitivity to markets

30 June 2011 capital sensitivities – regulatory capital resources above MRR (A\$m)		AMP Life Statutory Funds	AXA	AMP Group
Actual 30 June 2011 (ASX 200 @ 4,608; Australian bond yields @ 5.3%)		1,116	446	2,174
Equity sensitivity	– 20% increase (ASX 200 of 5,530)	+340	+100	+460
	– 10% increase (ASX 200 of 5,069)	+180	+50	+240
	– 10% decrease (ASX 200 of 4,147)	-170	-60	-240
	– 20% decrease (ASX 200 of 3,686)	-330	-120	-470
Bond yield sensitivity	– 1.0% increase (Australian bond yields 6.3%)	0	+20	+40
	– 0.5% increase (Australian bond yields 5.8%)	+10	+20	+40
	– 0.5% decrease (Australian bond yields 4.8%)	-40	-50	-100
	– 1.0% decrease (Australian bond yields 4.3%)	-70	-110	-200
Property sensitivity	– 10% increase in unlisted property values	+100	+10	+130
	– 10% decrease in unlisted property values	-110	-10	-140

Financial overview – regulatory capital outlook

- APRA review of life and general insurance capital standards
 - APRA recently completed a second quantitative impact study (QIS2)
 - APRA has indicated it expects to make further changes to its proposals when it issues a response paper and draft prudential standards in late 2011

- Other reviews underway include
 - APRA development of supervision framework for conglomerate groups
 - ASIC review of financial requirements imposed on responsible entities of registered managed investment schemes under the AFSL regime
 - Reserve Bank of New Zealand review of solvency standards for NZ insurance companies; AMP intends to apply for an exemption to the NZ solvency standards
 - Basel Committee on Banking Supervision review of global banking supervision (Basel III); APRA to revise Australian banking standards

- Maintaining strengthened capital position ahead of outcomes of regulatory capital reviews

- Taking a prudent approach until regulatory position becomes clearer

Financial overview – capital and dividends

	Policy	1H 11
Dividend payout ratio	75% to 85% of underlying profit	Interim 15 cps dividend represents 81% of 1H 11 underlying profit
Franking	Maximum possible	Dividend 30% franked
DRP	Preference for DRP at par, with shares bought on market	DRP offered at a discount of 1.5% and effected by issuing new shares, as part of prudent capital approach

Financial overview – acquisition accounting

Purchase consideration (Cash A\$0.5b and scrip A\$3.8b)

A\$4.3b

Less: AXA net tangible assets on acquisition A\$1.3b

Less: Identified intangible assets A\$1.2b
(e.g. value of in-force, distribution assets and software)

Equals: Goodwill A\$1.8b

Note: All figures are draft as Accounting Standards (AASB 3) allow 12 months to complete the acquisition balance sheet.

- Under accounting standards, AXA assets and liabilities acquired (including off-balance sheet items) are required to be recognised at fair value, which results in the recognition of AXA intangible assets
- The difference between the purchase consideration for AXA and its net tangible assets represent intangible assets (net of associated deferred tax liability) and goodwill
- AXA intangible assets are required to be amortised over their expected useful life; goodwill is not required to amortised
 - FY 11 amortisation expected to be A\$67m (post tax)
 - On a full-year basis, amortisation expected to be A\$90m per year (post tax)
- Accounting policies and, where appropriate, actuarial assumptions have been aligned between AMP and AXA

Growth strategy gaining traction

Goal	Action	Outcome
<p>Delivering quality services and products that respond to the needs of fast-growing customer segments</p>	<ul style="list-style-type: none"> • Confirmed AXA North as AMP's wrap platform in May 2011 <ul style="list-style-type: none"> ➢ Platform upgraded Q2 11 to full investment, full-service wrap platform • Continued to focus on AMP Flexible Super and Retirement accounts as core products • AMP's SignatureSuper will be medium and large corporate superannuation product • AMP Flexible Super will target small to medium businesses • Continuing to invest in two distinct risk products – AMP Flexible Lifetime Protection and AXA Elevate • Announced plans to build new retail insurance product range within next two years • Will continue to support both AMP and AXA group risk products • Confirmed will use collection of SMSF assets – Multiport, Personalised Portfolio, Super IQ – to increase share of SMSF market 	<ul style="list-style-type: none"> • AXA North has attracted more than A\$1.8b in AUM and awarded CoreData's 2011 Platform of the Year • AMP Flexible Super now has more than A\$2.8b in AUM and more than 70,000 customer accounts, up from 21,000 in FY 10, many of them new to AMP, and half of the superannuation customers are under 35 • AMP Flexible Super's insurance and investment offerings classified by Heron as Top Ten Personal Product; AMP Flexible Super – Employer's insurance and investment offerings Top Ten Corporate Product • AMP Flexible Super Retirement account awarded 5 stars from Canstar Cannex • AMP SignatureSuper Pension judged Top Rated Pension Product and awarded 6 Heron Quality Stars • AMP Flexible Protection - Winner 2010 Trauma Product of the Year in the AFR Smart Investor Blue Ribbon Awards, and runner up in 2011 • AXA Elevate Total & Permanent Disability Insurance product – Money Management's Best of the Best awards, 5 star value, 2009, 2010 & 2011 • ipac's Income Generator portfolio – 2011 winner of Best Innovative Product award by Money Magazine • AMPCI named Money Management/Lonsec Fund Manager of the Year for AMP Capital Property Securities Fund • AMP Bank awarded Your Mortgage Gold and Silver 'Mortgage of the Year Award' for second year running for Intro Variable Pro Pack and Basic Variable Rate Loan

Growth strategy gaining traction

Goal	Action	Outcome
Building professional aligned planner force with above market growth and productivity	<ul style="list-style-type: none"> Continuing multi-brand approach to financial advice AMP and AXA advice networks continuing to operate successfully in fee-for-advice environment Continued to invest in paraplanning services Launched My Money Choices, a scaled advice model Financial Planning Centre rollout program continuing 	<ul style="list-style-type: none"> AMP's aligned and employed planner network now Australia and New Zealand's largest, with 4,048 advisers at July 2011 Hillross acquired IRIS Financial Group, consisting of 12 practices and 37 advisers in August 2011 49 Horizons graduates in 1H 11; 347 advisers graduated to date Strong retention of AXA advisers post-completion with 97% of network's value retained Net increase of 17 practices AMP/AXA networks from competitors 500 planners now offering scaled advice Paraplanning volumes up 52% on 1H 11; 12% more planners using service Sydney Financial Planning Centre open; centre to open in Melbourne in September; more to open in 2012
Capitalising on a growing, more productive, domestic distribution footprint	<ul style="list-style-type: none"> AMP Capital created four new roles in 1H 11 to capitalise on retail investment market opportunities created by group's broader distribution footprint Broadening relationships with IFA segment Targeting corporate superannuation opportunities 	<ul style="list-style-type: none"> Combined group now has commercial relationships with 6,000 IFAs 53% of AXA Elevate sales through IFAs in 1H 11 Sales of AMP risk products through IFAs in 1H 11 up 72% on 1H 10 35% of 1H 11 AUM on North platform through IFAs – 13% of AFS's individual risk API now sourced through IFAs New client mandates won by SignatureSuper; net cashflows up 7% AMP Flexible Super now has 1,400 employer plans and 8,000 customers
Expanding into select Asian investment management markets	<ul style="list-style-type: none"> Expanded Japanese distribution capability Increased product offerings in Japanese market with global listed infrastructure product Established Bahrain office 	<ul style="list-style-type: none"> 9% of AUM now sourced from Asia A\$8b in AUM managed for Japanese clients A\$0.5b net cashflows from Asian clients in 1H 11, mostly from Japanese retail investors Appointed as subadvisor for global listed infrastructure fund with Shinko Asset Management in March Infrastructure Debt Fund has raised total of €241m; third closing scheduled and number of first-time institutional clients secured in Japan

Regulatory outlook – Future of Financial Advice

- AMP supportive of changes leading to better outcomes for consumers and an increase in confidence in the industry
- Also supportive of moves to lift 9% SGC to 12% over next decade
- Government response announced in April 2011 with exposure draft legislation expected in September, with the legislation to be introduced into the House of Representatives in November; some changes could take effect from 1 July 2012

Proposed change	AMP position	Action taken
<ul style="list-style-type: none"> • Prospective ban on super, pension and insurance product commissions 	<ul style="list-style-type: none"> • Support proposed change 	<ul style="list-style-type: none"> • Both AMP and AXA removed in-built commissions on super, pension and investment new business from 1 July 2010 • Moved to fee-for-advice business models across aligned network in July 2010
<ul style="list-style-type: none"> • Introduction of a statutory fiduciary duty so financial advisors must act in the best interests of their clients 	<ul style="list-style-type: none"> • Support proposed change; will further enhance professionalism and consumer confidence in the advice industry 	<ul style="list-style-type: none"> • Continuing to participate in consultation process – legislative drafting critical to achieving desired outcome
<ul style="list-style-type: none"> • Proposal to remove up-front and trailing commissions on insurance within superannuation • Minister has indicated he is reconsidering options on proposal 	<ul style="list-style-type: none"> • Australia’s underinsurance levels likely to increase as a result of this policy • Will complicate insurance issue for consumers 	<ul style="list-style-type: none"> • Working with Government to address concerns
<ul style="list-style-type: none"> • Prospective requirement for advisers to ensure clients opt-in every two years 	<ul style="list-style-type: none"> • Unnecessary change, given planners’ proposed best interest duty 	<ul style="list-style-type: none"> • Continuing to participate in consultation process
<ul style="list-style-type: none"> • Prospective ban on payments relating to volume or sales targets from any financial services business to dealer groups 	<ul style="list-style-type: none"> • Volume-based payments are appropriate in parts of the industry, to the extent they don’t have potential to distort advice 	<ul style="list-style-type: none"> • Continuing to participate in consultation process

Regulatory outlook – Stronger Super

- Stronger Super package includes introduction of new, low-cost and simple default superannuation product, MySuper
- Government-appointed peak consultative group consulting on four reform streams: MySuper, Governance, SuperStream and SMSF
- Government response to peak consultative group report expected 2H 11

Proposed change	AMP position	Action taken
<ul style="list-style-type: none"> • Providers will only be able to offer one MySuper product to the market 	<ul style="list-style-type: none"> • Support simpler, more transparent superannuation product offerings and pricing regimes for consumers who would benefit from a simpler solution • Providers should be able to tailor features and pricing to different employer groups to suit demographics, employee propositions and scale 	<ul style="list-style-type: none"> • Developed and launched simple, low cost superannuation option in 2010 – AMP Flexible Super (Core) • Features include the ability to tailor the product to suit individual needs • Developed flexible, asset-based administration pricing for North which (if final regulations allow) will enable platform to offer MySuper option within framework of a standard super product
<ul style="list-style-type: none"> • Appropriate transition period before MySuper products replace existing default funds 	<ul style="list-style-type: none"> • Contractual obligations regarding existing superannuation arrangements must be recognised and dealt with appropriately 	<ul style="list-style-type: none"> • Continuing consultation with Government
<ul style="list-style-type: none"> • Auto-consolidation of superannuation accounts 	<ul style="list-style-type: none"> • We support consolidation of accounts but only as a result of active decision by consumer; we recognise there can be legitimate reasons for maintaining more than one account 	<ul style="list-style-type: none"> • Introduced new, one-stop easy consolidation service for consumers in May, supported by major advertising program • Encouraging results to date