

CEO update

The journey to a simpler AMP

Q&A with Alexis George



Q: When you look back on 2022, what are you most proud of?

A: I am proud of what we have been able to achieve in 2022. Top of the list has been the renewed energy in the organisation, supported by AMP's new purpose – helping people create their tomorrow. It reinforces how we put the customer at the centre of everything we do, and has galvanised our people around our purpose-led, customer-focused strategy.

During the year, we strengthened the management and executive team with several new appointments. The team is well positioned to deliver on our transformative strategy and continue fostering a strong, accountable and inclusive culture.

The energy and focus across the organisation have helped us achieve key milestones in our three-year strategy to simplify AMP's portfolio, reposition our core businesses in retail banking and wealth management to better compete, and begin exploring opportunities for long-term sustainable growth.

Q: How did AMP's businesses perform?

A: We remain a profitable business with a strong balance sheet, delivering an underlying net profit after tax of A\$184 million for the year. Our profit reflects the challenging economic environment we are facing, as well as strategic repricing in the wealth management businesses. While the Bank experienced good growth during the year, profits were impacted by the competitive environment from a funding and lending perspective.

Our key growth businesses – AMP Bank and Platforms – continue to perform and reflect the investments we're making in our offerings. AMP Bank grew its loan book at 1.8x system, through organic and inorganic growth, and our North platform is increasing the percentage of flows from the independent financial adviser market. We've made good progress in our financial advice business, with losses halved to A\$68 million as we continue to reposition the business.

In our Master Trust superannuation offering, we have simplified our product set, reduced fees and significantly improved investment performance, however this sector continues to experience challenging operating conditions. Our New Zealand business continues to deliver a stable performance.

It has been a challenging period for AMP Capital as the business prepared for the separation and transition to new owners. However, I'm proud of the way the teams have continued to deliver for our clients during this time. The imminent completion of the transactions will provide stability and certainty for all stakeholders.

Q: How is AMP growing its relationships with customers?

A: AMP's customer-focused strategy seeks to meet our customers' needs around some of the key aspects of their financial wellbeing, particularly the important areas of home ownership and retirement savings.

During the year AMP Bank helped 9,290 customers to buy their own home, and we have invested in new digital capabilities to make the home loan approval process easier and quicker for customers and mortgage brokers.

In Australian Wealth Management, we launched an innovative retirement solution on the North platform that provides the highest levels of lifetime income in the market. This gives retirees peace of mind around the 'fear of running out' in retirement, and is another important way we support our customers in these critical areas of their financial wellbeing.

Q: How is AMP adapting to industry disruption?

A: Change is constant, so we must continually innovate to meet the changing needs of customers. This innovation mindset has enabled us to bring to market some exciting solutions that will support

our customers around the two biggest assets most Australians will ever own – their home and their retirement savings. In 2022, as promised, we launched our digital mortgage, as well as a unique retirement income solution, demonstrating that we can be truly innovative.

Financial advice continues to be a highly regulated and challenged industry. However with the recent Quality of Advice Review, I'm confident we're heading in the right direction to make financial advice affordable and accessible for more Australians. We will continue to focus on ensuring that our model for advice is competitive and sustainable, as we know that people who receive quality advice have better financial outcomes.

Q: How is the simplification of the business progressing?

A: In November 2021 we set out a clear plan to simplify AMP's business and I'm pleased to say that we are making good progress on delivering on that plan.

Over the past 18 months, we agreed and completed a number of asset sales, including the AMP Capital business and the remaining stake in Resolution Life Australia, to simplify our portfolio. We completed the sale of the international infrastructure equity business to DigitalBridge in February 2023, and we have one outstanding regulatory approval required in China to complete the sale of the real estate and domestic infrastructure equity business to Dexus.

In August 2022 we announced a capital return of \$1.1 billion to shareholders, and as part of that we have announced a FY 22 final dividend of 2.5 cents per share. Returning capital to shareholders remains one of our key strategic priorities for 2023.

As we continue to execute on our strategic plan, I am pleased that our progress during 2022 has been reflected in more stability and growth in AMP's share price.

Q: What's your vision for AMP?

A: My vision is for AMP to be a purpose-driven and leading retail banking and wealth management business. Guided by our purpose, we see considerable opportunity to support customers in new and innovative ways around retirement. Our brand remains iconic and is intertwined with Australian history and I see this as being a strong differentiator for AMP. We have launched first-to-market retirement solutions, including our new lifetime income account, which gives us a strong foundation for future growth and the opportunity to be a leader in this space.

Q: What are your priorities for the coming year?

A: The management team is committed to building on the foundations we've put in place during 2022, to build pride in AMP for our shareholders, employees, customers and the community.

We are delivering on our strategy on the path to a new AMP, and have defined our priorities for the year ahead. We 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, growing AMP Bank, and continuing to strengthen our culture and brand. These critical parts of our strategy will deliver a business that is robust, growing and delivers long-term value to shareholders.

We are committed to delivering on AMP's transformation, and I thank shareholders for their continued support as we execute on our strategy. I'm excited by what we will achieve in 2023.

Alexis George
AMP Chief Executive Officer