

ASX RELEASE | 26 November 2021

AMP announces expected FY 21 impairments

AMP today announces that ahead of the planned demerger and following a review of its balance sheet it expects to recognise additional impairment charges of approximately A\$325 million (post-tax) in its FY 21 financial results.

The charges, which are mainly non-cash, reflect a comprehensive review of the balance sheet which included the partial impairment of deferred tax assets, a write-down of intangibles, onerous lease contracts arising from lower future accommodation requirements and other impairments and adjustments, including a review of advice assets. The impairments bring forward a range of expenses as required by accounting standards.

The impairments are expected to have an impact on capital of approximately A\$220 million and will be recognised as a significant item against statutory profit in AMP's FY 21 financial results. The impairments will not impact FY 21 Underlying Net Profit After Tax (NPAT).

The charges include:

	Pre-tax (A\$m)	Post-tax (A\$m)
Partial impairment of deferred tax assets	100	100
Write-down of intangibles	135	95
Onerous lease contracts	110	75
Other impairments and adjustments	80	55
Total	425	325

AMP has previously also announced FY 21 provisions for post-completion adjustments from the sale of its life insurance and mature business (A\$65 million) and remediation of superannuation matters (approx. A\$45 million).

AMP continues to have a sound capital position with a proforma 30 June 2021 surplus of approx. A\$440m, reflecting the actual 30 June 2021 position adjusted for the Resolution Life divestment proceeds, real estate alignment capital, superannuation remediation, impairments being announced today and the improved utilisation of hybrid capital instruments.

AMP will update investors on strategy and financials at its Investor Day on 30 November 2021.

Alexis George, AMP Chief Executive Officer commented:

"As we have developed our strategies for the post-demerger businesses of AMP and Private Markets we have reviewed our balance sheet to ensure that assets recorded are in line with the future strategic direction. The charges are mainly non-cash and related to legacy issues, and our action will ensure that both businesses are in a stronger position to take advantage of opportunities in the future."

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