BELL POTTER

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Authorisation TS Lim 612 8224 2810

Recommendation Buy (unchanged) **Price** \$6.66 Target (12 months) \$7.50 (previously \$7.00)

Expected Return 12.6% Capital growth Dividend yield 4.4% Total expected return 17.0% **Company Data & Ratios** Enterprise value N/A Market cap \$19,699m Issued capital 2,958m Free float 100% Avg. daily val. (52wk) \$54.7m 12 month price range \$4.455-6.83 GICS sector

Diversified Financials

Price Performance								
· · · · ·	(1m)	(3m)	(12m)					
Price (A\$)	5.30	5.75	4.52					
Absolute (%)	25.66	15.83	47.35					
Rel market (%)	14.31	7.59	37.44					

Absolute Price



SOURCE: IRESS

BELL POTTER SECURITIES LIMITED 25 006 390 772 AFSL 243480

AMP (AMP)

Evervthing is awesome

Leverage finally coming through

AMP has delivered the FY14 result it had to have, with underlying profit up 23% vs pcp (within 1% of our estimate), a 2% increase in underlying ROE, a 2cps higher final dividend bringing it to 13.5cps with higher franking at 80% (vs our 70% estimate). This is a good result as there is broad growth across the business, a continued recovery in the Life Company and with robust net-flows and closing FUM and FUA.

Further, the strong result has come ahead of the recent 10%+ market rally, boding well for the current half. We believe the positive re-rating in AMP will continue, supported by meaningful cost-reduction, organic revenue growth and a recovery in the Life business. Maintain our Buy recommendation with a higher Price Target of \$7.50 per share (previously \$7.00 per share).

Result highlights

- Underlying Profit of \$1,045m, 0.8% below our \$1,053m estimate, up 23% vs pcp
- Reported NPAT of \$884m compares to our \$863m estimate and consensus of \$828m
- A 2cps higher final dividend of 13.5cps (80% franked) vs our 14.0cps estimate (70% franked), and compares to 11.5cps pcp
- The all-important net-flows on AMP Platforms closed the year with \$3.4 billion in flows vs our \$3.5 billion estimate

Earnings revisions

Following the FY14 result we have slightly upgraded our underlying EPS in FY15 and FY16 by 0.2% and 0.9% respectively. Our Buy recommendation remains unchanged and our new price target of \$7.50 per share (previously \$7.00) is higher based on our valuation being rolled forward by a year (given year end).

Year end December 31	2014	2015e	2016e	2017e
NPAT (reported) (A\$m)	884	1011	1174	1259
NPAT (underlying) (A\$m)	1045	1164	1281	1349
EPS (underlying) (cps)	35.0	39.0	43.0	22.4
EPS growth (%)	23%	11%	10%	6%
PER (x)	19.0	17.1	15.5	14.9
P/BV (x)	2.3	2.3	2.2	2.2
Net DPS (cps)	26.0	29.0	32.0	17.0
Yield (%)	3.9%	4.4%	4.8%	5.1%
Franking (%)	75%	80%	80%	80%
Payout ratio (%)	74%	74%	75%	75%
Coverage ratio (x)	2.2	2.2	2.2	2.2
ROE (%)	12.8%	14.1%	15.1%	15.4%
ROA (%)	0.8%	0.8%	0.9%	0.9%

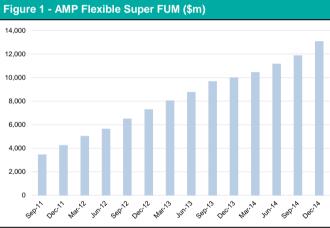
DISCLAIMER AND DISCLOSURES THIS REPORT MUST BE READ WITH THE DISCLAIMER AND DISCLOSURES ON PAGE 8 THAT FORM PART OF IT.

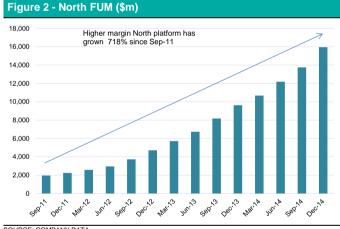
Result Highlights

Broad traction across the business

AMP's FY14 result highlights include:

- Underlying Profit of \$1,045m, 0.8% below our \$1,053m estimate, up 23% vs pcp (within • 1% of our estimate and slightly ahead of consensus);
- Reported NPAT of \$884m compares to our \$863m estimate and consensus of \$828m; •
- Underlying ROE up 2% to 12.7%;
- A 2cps higher final dividend of 13.5cps (80% franked) vs our 14.0cps estimate (70% • franked), and compares to 11.5cps pcp;
- Excess capital at \$2 billion; .
- The all-important net-flows on AMP Platforms closed the year with \$3.4 billion in flows vs our \$3.5 billion estimate;
- Closing FUM for AMP retail platforms of \$70,525m slightly above our estimate; .
- AMP Capital, Wealth Protection and Mature was largely in line with our estimates;
- Australian Wealth Management slightly below; and
- New Zealand and AMP Bank ahead of our estimates.





SOURCE: COMPANY DATA

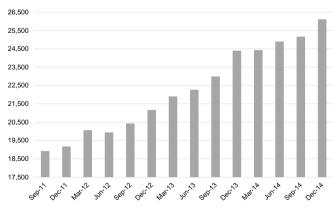
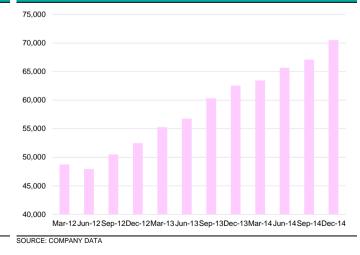




Figure 4 - Total AMP Retail FUM (\$m)



SOURCE: COMPANY DATA

Figure 3 - Total Corporate Super FUM (\$m)

BELL POTTER

Valuation and earnings revisions

Sum-of-parts and DCF valuation

We value AMP using a sum-of-parts and a DCF methodology. We reiterate our Buy recommendation with a new price target of \$7.50 per share (previously \$7.00) based on our valuation below. The increase in Price Target is attributed to rolling our valuation forward by one year, and from a slight earnings upgrade as noted below.

Figure 5 - Valuation			
	Method		(\$m)
AFS Mature	AV		2,168
AFS Wealth Protection	AV		5,342
AFS NZ	AV		1,466
A MP Bank	PE multiple - 15.0x		1,365
AFS Wealth Management	AV		8,235
AMP Capital Investors	PE multiple - 15.0x		1,718
Group Debt			-1,458
Group Other Capital			1,215
Outstanding tax loss benefit			110
Efficiency project		Based on remaining	721
Cost of efficiency project		Based on remaining	-77
Group office		_	-496
			20,309
		Share count (No.):	2,958
		S.O.P. value (\$):	6.87
		DCF value (\$):	8.05
	Simple average	e S.O.P. and DCF (\$):	7.46

SOURCE: BELL POTTER SECURITIES ESTIMATES

Earnings changes accounting for mark-to-markets

Following the FY14 result we have slightly upgraded our underlying EPS in FY15 and FY16 by 0.2% and 0.9% respectively. Higher earnings in

Figure 6 - Earnings rev	isions								
Earnings Revisions	FY14 (actual)	FY14 (previous)	% Change	FY15e (new)	FY15e (previous)	% Change	FY16e (new)	FY16e (previous)	% Change
EPS (underlying) (cps)	35.3	35.3	0.1%	39.0	39.0	0.2%	43.0	42.6	0.9%
Dividend (¢ps)	26.0	26.5	-1.9%	29.0	30.0	-3.3%	32.0	32.0	0.0%

AMP CWM AUM & net-flow assumptions

Figure 7 - AMP Contemporary Wealth Management AUM and net-flow assumptions (\$m)

	FY13	1Q	2Q	3Q	4Q	FY14	1Qe	2Qe	3Qe	4Qe	FY15e	1Qe	2Qe	3Qe	4Qe	FY16e
AMP platform FUM and flows	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Dec-16
AMP Flexible Super																
Opening Balance	7,309	10,007	10,465	11,174	11,883	10,007	13,083	14,316	15,162	15,950	13,083	17,031	17,775	18,765	19,687	17,031
Total net-flows	1,958	387	558	500	737	2,182	464	670	600	884	2,618	534	770	690	1,017	3,011
Other Movements	740	71	151	209	463	894	769	177	187	197	1,330	210	220	232	243	905
Closing Balance	10,007	10,465	11,174	11,883	13,083	13,083	14,316	15,162	15,950	17,031	17,031	17,775	18,765	19,687	20,947	20,947
North																
Opening Balance	4,703	9,627	10,679	12,195	13,749	9,627	15,956	18,093	19,948	21,942	15,956	24,270	25,950	28,146	30,504	24,270
Total net-flow s Other Movements	4,125 799	1,000 52	1,359 157	1,457 97	1,714 493	5,530 799	1,200 937	1,631 223	1,748 246	2,057 271	6,636 1,678	1,380 300	1,875 320	2,011 348	2,365 377	7,631 1,345
Closing Balance	9,627	10,679	12,195	13,749	15,956	15,956	18,093	19,948	240	24,270	24,270	25,950	28,146	30,504	33,246	33,246
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Summit, Generations and iAccess Opening Balance	13,864	14,511	14,266	14.298	13,938	14.511	13,862	14,346	14,174	13.899	13.862	13,625	13,513	13.383	13,165	13.625
Total net-flows	-1,402	-312	-347	-460	-556	-1,675	-330	-350	-450	-445	-1,575	-281	-298	-383	-378	-1,339
Other Movements	2,049	67	379	100	480	1,026	814	177	175	172	1,338	168	167	165	163	663
Closing Balance	14,511	14,266	14,298	13,938	13,862	13,862	14,346	14,174	13,899	13,625	13,625	13,513	13,383	13,165	12,950	12,950
Flexible Lifetime (superannuation and pension	n)															
Opening Balance	23,452	25,109	24,768	24,741	24,439	25,109	24,573	25,665	25,609	25,461	24,573	25,160	25,172	25,165	25,081	25,160
Total net-flows	-1,943	-439	-467	-580	-770	-2,256	-351	-374	-464	-616	-1,805	-299	-318	-394	-524	-1,53
Other Movements	3,600	98	440	278	904	1,720	1,444	317	316	314	2,391	311	311	311	310	1,24
Closing Balance	25,109	24,768	24,741	24,439	24,573	24,573	25,665	25,609	25,461	25,160	25,160	25,172	25,165	25,081	24,868	24,868
Retail Investment (includes Synergy from Jun	e 12)															
Opening Balance	3,161	3,307	3,273	3,245	3,087	3,307	3,051	3,201	3,179	3,101	3,051	3,039	3,052	3,037	2,975	3,039
Total net-flows	-268	-36	-78	-146	-125	-385	-29	-62	-117	-100	-308	-24	-53	-99	-85	-262
Other Movements	414	2	50	-12	89	129	179	40	39	38	296	38	38	38	37	149
Closing Balance	3,307	3,273	3,245	3,087	3,051	3,051	3,201	3,179	3,101	3,039	3,039	3,052	3,037	2,975	2,927	2,927
Total Retail on AMP platforms (ex SMSF)								_	_							
Opening Balance	52,489	62,561	63,451	65,653	67,096	62,561	70,525	75,623	78,071	80,353	70,525	83,126	85,463	88,496	91,413	83,126
Total net-flows Other Movements	2,470	600 290	1,025	771 672	1,000	3,396	954 4 143	1,514 934	1,318 964	1,780 992	5,567	1,311	1,977	1,824	2,396	7,50
Closing Balance	7,602 62,561	290 63,451	1,177 65,653	672 67,096	2,429 70,525	4,568 70,525	4,143 75,623	934 78,071	964 80,353	992 83,126	7,034 83,126	1,027 85,463	1,055 88,496	1,093 91,413	1,129 94,938	4,30- 94,93
	02,001	00,401	00,000	07,000	10,020	10,020	13,023	10,011	00,333	03,120	03,120	00,400	00,450	01,410	34,330	34,530
SMSF (just Multiport pre June 12)	10 542	10 540	17.057	17 000	10 40 4	16 540	10 004	20.420	20.045	21.004	10 004	22.044	22.020	00 504	24.240	22.01
Opening Balance	10,512 16,516	16,516 17,257	17,257 17,900	17,900 18,494	18,494 18,894	16,516 18,894	18,894 20,138	20,138 20.945	20,945 21,604	21,604 22,211	18,894 22,211	22,211 22,639	22,639 23,561	23,561 24,312	24,312 25,004	22,211 25,004
Side and a second s	10,310	11,201	17,500	10,494	10,094	10,094	20,130	20,343	21,004	~~,~11	22,211	22,039	£3,001	24,012	20,004	20,004
Total Retail on AMP platforms (Inc SMSF)																
Opening Balance	63,001	79,077	80,708	83,553	85,590	79,077	89,419	95,761	99,016	101,956	89,419	105,337	108,102	112,056	115,725	105,337
Closing Balance	79,077	80,708	83,553	85,590	89,419	89,419	95,761	99,016	101,956	105,337	105,337	108,102	112,056	115,725	119,941	119,941
Corporate Super, External Platforms and Matu	re				_					_					_	
Total Corporate Super																
Opening Balance	21,162	24,404	24,438	24,899	25,163	24,404	26,111	27,651	28,114	28,480	26,111	28,950	29,314	29,816	30,206	28,950
Total net-flow s	205	5	101	16	98	220	6	121	19	118	264	7	139	22	135	304
Other Movements	3,037	29	360	248	850	1,487	1,534	341	347	352	2,574	358	362	368	373	1,461
Closing Balance	24,404	24,438	24,899	25,163	26,111	26,111	27,651	28,114	28,480	28,950	28,950	29,314	29,816	30,206	30,714	30,714
External Platforms																
Opening Balance	12,008	13,526	13,213	13,239	12,908	13,526	12,871	13,434	13,301	13,217	12,871	13,053	13,049	12,957	12,905	13,053
Total net-flows Other Movements	-509 2.027	-242 -71	-373 399	-311 -20	-409 372	-1,335 680	-194 756	-298 166	-249 164	-327 163	-1,068 1,250	-165 161	-254 161	-211 160	-278 159	-908 642
Closing Balance	13,526	13,213	13,239	12,908	12.871	12,871	13,434	13,301	13,217	13,053	13.053	13.049	12,957	12,905	12,787	12,787
-	10,020	10,210	10,200	12,000	.2,071	.2,071	10,101	10,001		10,000	10,000	10,040	12,001	.2,000	.2,.0.	.2,.01
Australian mature Opening Balance	23,029	22,547	22,501	22,468	22,239	22,547	22,264	22,619	22,410	22,184	22,264	21,949	21,830	21,669	21,493	21,949
Total net-flows	-1,771	-374	-435	-456	-465	-1,730	-299	-348	-365	-372	-1,384	-254	-296	-310	-316	-1.176
Other Movements	1,289	328	402	227	137	1,447	654	140	138	137	1,069	136	135	134	133	537
Closing Balance	22,547	22,501	22,468	22,239	22,264	22,264	22,619	22,410	22,184	21,949	21,949	21,830	21,669	21,493	21,310	21,310
New Zealand					_					_					_	
KiwiSaver																
Opening Balance	1,908	2,633	2,789	2,879	2,941	2,633	3,285	3,573	3,697	3,892	3,285	4,027	4,186	4,330	4,555	4,027
Total net-flows	243	79	67	124	73	343	95	80	149	88	412	109	92	171	101	473
Other Movements	482	77	23	-62	271	309	193	44	46	48	331	50	52	53	56	211
Closing Balance	2,633	2,789	2,879	2,941	3,285	3,285	3,573	3,697	3,892	4,027	4,027	4,186	4,330	4,555	4,712	4,712
Other NZ																
Opening Balance					9,486	9,568	10,309	10,899	11,083	11,205	10,309	11,266	11,392			
	8,397	9,568	9,839	9,674										11,574	11,705	
Total net-flows	-163	-20	62	-19	-96	-73	-16	50	-15	-77	-58	-14	42	-13	-65	-50
Total net-flow s Other Movements	-163 1,334	-20 291	62 -227	-19 -169	-96 919	-73 814	-16 606	50 135	-15 137	138	1,016	139	42 141	-13 143	-65 145	-50 567
Total net-flow s Other Movements Closing Balance	-163	-20	62	-19	-96	-73	-16	50	-15				42	-13	-65	11,266 -50 567 11,78 4
Total net-flow s Other Movements Closing Balance New Zealand	-163 1,334 9,568	-20 291 9,839	62 -227 9,674	-19 -169 9,486	-96 919 10,309	-73 814 10,309	-16 606 10,899	50 135 11,083	-15 137 11,205	138 11,266	1,016 11,266	139 11,392	42 141 11,574	-13 143 11,705	-65 145 11,784	-50 567 11,784
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance	-163 1,334 9,568 10,305	-20 291 9,839 12,201	62 -227 9,674 12,628	-19 -169 9,486 12,553	-96 919 10,309 12,427	-73 814 10,309 12,201	-16 606 10,899 13,594	50 135 11,083 14,471	-15 137 11,205 14,780	138 11,266 15,096	1,016 11,266 13,594	139 11,392 15,294	42 141 11,574 15,578	-13 143 11,705 15,905	-65 145 11,784 16,259	-50 567 11,784 15,294
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance Total net-flow s	-163 1,334 9,568	-20 291 9,839	62 -227 9,674	-19 -169 9,486	-96 919 10,309 12,427 -23	-73 814 10,309 12,201 270	-16 606 10,899	50 135 11,083	-15 137 11,205	138 11,266	1,016 11,266	139 11,392	42 141 11,574	-13 143 11,705	-65 145 11,784	-50 567 11,784
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance	-163 1,334 9,568 10,305 80	-20 291 9,839 12,201 59	62 -227 9,674 12,628 129	-19 -169 9,486 12,553 105	-96 919 10,309 12,427	-73 814 10,309 12,201	-16 606 10,899 13,594 79	50 135 11,083 14,471 130	-15 137 11,205 14,780 134	138 11,266 15,096 11	1,016 11,266 13,594 353	139 11,392 15,294 95	42 141 11,574 15,578 135	-13 143 11,705 15,905 158	-65 145 11,784 16,259 35	-50 567 11,784 15,294 424
Total net-flows Other Movements Closing Balance New Zealand Opening Balance Total net-flows Other Movements Closing Balance	-163 1,334 9,568 10,305 80 1,816	-20 291 9,839 12,201 59 368	62 -227 9,674 12,628 129 -204	-19 -169 9,486 12,553 105 -231	-96 919 10,309 12,427 -23 1,190	-73 814 10,309 12,201 270 1,123	-16 606 10,899 13,594 79 799	50 135 11,083 14,471 130 179	-15 137 11,205 14,780 134 183	138 11,266 15,096 11 186	1,016 11,266 13,594 353 1,346	139 11,392 15,294 95 189	42 141 11,574 15,578 135 192	-13 143 11,705 15,905 158 196	-65 145 11,784 16,259 35 201	-50 567 11,784 15,294 424 778
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank	-163 1,334 9,568 10,305 80 1,816	-20 291 9,839 12,201 59 368	62 -227 9,674 12,628 129 -204	-19 -169 9,486 12,553 105 -231	-96 919 10,309 12,427 -23 1,190	-73 814 10,309 12,201 270 1,123	-16 606 10,899 13,594 79 799	50 135 11,083 14,471 130 179	-15 137 11,205 14,780 134 183	138 11,266 15,096 11 186	1,016 11,266 13,594 353 1,346	139 11,392 15,294 95 189	42 141 11,574 15,578 135 192	-13 143 11,705 15,905 158 196	-65 145 11,784 16,259 35 201	-50 567 11,784 15,294 424 778
Total net-flows Other Movements Closing Balance New Zealand Opening Balance Total net-flows Other Movements Closing Balance	-163 1,334 9,568 10,305 80 1,816	-20 291 9,839 12,201 59 368	62 -227 9,674 12,628 129 -204	-19 -169 9,486 12,553 105 -231	-96 919 10,309 12,427 -23 1,190	-73 814 10,309 12,201 270 1,123	-16 606 10,899 13,594 79 799	50 135 11,083 14,471 130 179	-15 137 11,205 14,780 134 183	138 11,266 15,096 11 186	1,016 11,266 13,594 353 1,346	139 11,392 15,294 95 189	42 141 11,574 15,578 135 192	-13 143 11,705 15,905 158 196	-65 145 11,784 16,259 35 201	-50 567 11,784 15,294 424 778
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD)	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34	-20 291 9,839 12,201 59 368 12,628 4,450 -123	62 -227 9,674 12,628 129 -204 12,553 4,327 -131	-19 -169 9,486 12,553 105 -231 12,427 4,196 83	-96 919 10,309 12,427 -23 1,190 13,594	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134	-16 606 10,899 13,594 79 799 14,471 4,316 -123	50 135 11,083 14,471 130 179 14,780 4,193 -131	-15 137 11,205 14,780 134 183 15,096 4,062 83	138 11,266 15,096 11 186 15,294 4,145 37	1,016 11,266 13,594 353 1,346 15,294 4,316 -134	139 11,392 15,294 95 189 15,578 4,182 -123	42 141 11,574 15,578 135 192 15,905 4,059 -131	-13 143 11,705 15,905 158 196 16,259 3,928 83	-65 145 11,784 16,259 35 201 16,496 4,011 37	-50 567 11,784 15,294 424 778 16,496 4,182 -134
Total net-flow s Other Movements Closing Balance Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open	-163 1,334 9,568 10,305 80 1,816 12,201 4,416	-20 291 9,839 12,201 59 368 12,628 4,450	62 -227 9,674 12,628 129 -204 12,553 4,327	-19 -169 9,486 12,553 105 -231 12,427 4,196	-96 919 10,309 12,427 -23 1,190 13,594	-73 814 10,309 12,201 270 1,123 13,594	-16 606 10,899 13,594 79 799 14,471 4,316	50 135 11,083 14,471 130 179 14,780 4,193	-15 137 11,205 14,780 134 183 15,096 4,062	138 11,266 15,096 11 186 15,294 4,145	1,016 11,266 13,594 353 1,346 15,294 4,316	139 11,392 15,294 95 189 15,578 4,182	42 141 11,574 15,578 135 192 15,905 4,059	-13 143 11,705 15,905 158 196 16,259 3,928	-65 145 11,784 16,259 35 201 16,496 4,011	-50 567 11,784 15,294 424 778 16,496 4,182 -134
Total net-flows Other Movements Closing Balance New Zealand Opening Balance Total net-flows Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flows	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34	-20 291 9,839 12,201 59 368 12,628 4,450 -123	62 -227 9,674 12,628 129 -204 12,553 4,327 -131	-19 -169 9,486 12,553 105 -231 12,427 4,196 83	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134	-16 606 10,899 13,594 79 799 14,471 4,316 -123	50 135 11,083 14,471 130 179 14,780 4,193 -131	-15 137 11,205 14,780 134 183 15,096 4,062 83	138 11,266 15,096 11 186 15,294 4,145 37	1,016 11,266 13,594 353 1,346 15,294 4,316 -134	139 11,392 15,294 95 189 15,578 4,182 -123	42 141 11,574 15,578 135 192 15,905 4,059 -131	-13 143 11,705 15,905 158 196 16,259 3,928 83	-65 145 11,784 16,259 35 201 16,496 4,011 37	-5(567 11,784 15,294 424 778 16,496 4,182 -134
Total net-flow s Other Movements Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flow s Close Deposit (retail) Open	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34	-20 291 9,839 12,201 59 368 12,628 4,450 -123	62 -227 9,674 12,628 129 -204 12,553 4,327 -131	-19 -169 9,486 12,553 105 -231 12,427 4,196 83	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134	-16 606 10,899 13,594 79 799 14,471 4,316 -123	50 135 11,083 14,471 130 179 14,780 4,193 -131	-15 137 11,205 14,780 134 183 15,096 4,062 83	138 11,266 15,096 11 186 15,294 4,145 37	1,016 11,266 13,594 353 1,346 15,294 4,316 -134	139 11,392 15,294 95 189 15,578 4,182 -123	42 141 11,574 15,578 135 192 15,905 4,059 -131	-13 143 11,705 15,905 158 196 16,259 3,928 83	-65 145 11,784 16,259 35 201 16,496 4,011 37	-50 567 11,784 15,294 424 778 16,496 4,182 -134 4,048
Total net-flows Other Movements Closing Balance Opening Balance Total net-flows Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flows Close Deposit (retail) Open Net-flows	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34 4,450 3,886 405	-20 291 9,839 12,201 59 368 12,628 4,450 -123 4,327 4,291 525	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 4,816 -123	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291 637	-16 606 10,899 13,594 79 799 14,471 4,316 -123 4,193 4,928 130	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198 140	138 11,266 15,096 11 186 15,294 4,145 37 4,182 5,338 140	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928 550	139 11,392 15,294 95 189 15,578 4,182 -123 4,059 5,478 140	42 141 11,574 15,578 135 192 15,905 4,059 -131 3,928 5,618 140	-13 143 11,705 15,905 158 196 16,259 3,928 83 4,011 5,758 140	-65 145 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898 140	-50 567 11,784 15,299 422 778 16,496 4,182 -134 4,048 5,478 5,60
Total net-flow s Other Movements Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flow s Close Deposit (retail) Open	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34 4,450 3,886	-20 291 9,839 12,201 59 368 12,628 4,450 -123 4,327 4,291	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 4,816	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291	-16 606 10,899 13,594 79 799 14,471 4,471 4,316 -123 4,193 4,928	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198	138 11,266 15,096 11 186 15,294 4,145 37 4,182 5,338	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928	139 11,392 15,294 95 189 15,578 4,182 -123 4,059 5,478	42 141 11,574 15,578 135 192 15,905 4,059 -131 3,928 5,618	-13 143 11,705 15,905 158 196 16,259 3,928 83 4,011 5,758	-65 145 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898	-50 567 11,784 15,299 422 778 16,496 4,182 -134 4,048 5,478 5,60
Total net-flows Other Movements Closing Balance Opening Balance Total net-flows Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flows Close Deposit (retail) Open Net-flows	-163 1,334 9,568 10,305 80 18,16 12,201 4,416 34 4,450 3,886 4,291	-20 291 9,839 12,201 59 368 12,628 12,628 4,450 -123 4,327 4,291 525 4,816	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 -123 4,693	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122 4,928	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291 637 4,928	-16 606 10,899 13,594 79 799 14,471 4,316 -123 4,193 4,928 130 5,058	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140 5,198	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198 140 5,338	138 11,266 11,096 11 186 15,294 4,145 37 4,182 5,338 140 5,478	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928 550 5,478	139 11,392 15,294 95 189 15,578 4,182 -123 4,059 5,478 140 5,618	42 141 11,574 15,578 135 15,905 15,905 4,059 -131 3,928 5,618 140 5,758	-13 143 11,705 15,905 16,259 3,928 83 4,011 5,758 140 5,898	-65 145 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898 140 6,038	-56 567 11,78- 15,29- 42- 777 16,494 4,182 -133 4,044 5,477 566 6,034
Total net-flows Other Movements Closing Balance Opening Balance Total net-flows Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flows Close Deposit (retail) Open Net-flows Close Total deposits Open	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34 4,450 3,886 405 4,291 8,302	-20 291 9,839 12,201 59 388 12,628 4,450 -123 4,327 4,291 525 4,816 8,741	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 4,816 -123 4,693 9,143	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806 8,889	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122 4,928 9,085	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291 637 4,928 8,741	-16 606 10,899 13,594 79 799 14,471 4,316 -123 4,193 4,928 130	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140 5,198 9,251	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198 140 5,338 9,260	138 11,266 15,096 11 186 15,294 4,145 37 4,182 5,338 140 5,478 9,483	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928 550 5,478 9,244	139 11,392 15,294 95 189 15,578 4,182 -123 4,059 5,478 140 5,618 9,660	42 141 11,574 15,578 135 15,905 4,059 -131 3,928 5,618 140 5,758 9,677	-13 143 11,705 15,905 158 196 16,259 3,928 83 4,011 5,758 140 5,898 9,686	-65 145 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898 140 6,038 9,909	-56 56 11,78 15,29 42 777 16,49 4,18 -13 4,044 5,474 5,60 6,034 9,660
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flow s Close Close Total deposits Open Net-flow s Close	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34 4,450 3,886 405 4,291 8,302 439	-20 291 9,839 12,201 59 368 12,628 4,450 -123 4,327 4,291 525 4,816 8,741 402	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 4,816 -123 4,693 9,143 -254	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806 8,889 196	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122 4,928 9,085 159	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291 637 4,928 8,741 503	-16 606 10,899 13,594 79 799 14,471 4,316 -123 4,193 4,928 130 5,058 9,244 7	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140 5,198 9,251 9	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198 140 5,338 9,260 223	138 11,266 11,266 11 186 15,294 4,145 37 4,182 5,338 140 5,478 9,483 177	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928 550 5,478 9,244 416	139 11,392 15,294 95 189 15,578 4,182 -123 4,059 5,478 140 5,618 9,660 17	42 141 11,574 15,578 135 192 15,905 4,059 -131 3,928 5,618 140 5,758 9,677 9	-13 143 11,705 15,905 158 196 16,259 3,928 83 4,011 5,758 140 5,898 9,686 223	-65 145 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898 140 6,038 9,909 177	-55 56 11,78 15,29 42 77 16,49 4,18 -13 4,04 5,47 56 6,03 9,66 42
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flow s Close Close Total deposits Open Net-flow s Close	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34 4,450 3,886 405 4,291 8,302	-20 291 9,839 12,201 59 388 12,628 4,450 -123 4,327 4,291 525 4,816 8,741	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 4,816 -123 4,693 9,143	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806 8,889	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122 4,928 9,085	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291 637 4,928 8,741	-16 606 10,899 13,594 79 799 14,471 4,471 4,471 4,316 -123 4,193 4,928 130 5,058 9,244	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140 5,198 9,251	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198 140 5,338 9,260	138 11,266 15,096 11 186 15,294 4,145 37 4,182 5,338 140 5,478 9,483	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928 550 5,478 9,244	139 11,392 15,294 95 189 15,578 4,182 -123 4,059 5,478 140 5,618 9,660	42 141 11,574 15,578 135 15,905 4,059 -131 3,928 5,618 140 5,758 9,677	-13 143 11,705 15,905 158 196 16,259 3,928 83 4,011 5,758 140 5,898 9,686	-65 145 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898 140 6,038 9,909	-55 56 11,78 15,29 42 77 16,49 4,18 -13 4,04 5,47 56 6,03 9,66 42
Total net-flows Other Movements Closing Balance New Zealand Opening Balance Total net-flows Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flows Close Deposit (retail) Open Net-flows Close Total deposits Open Net-flows Close	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34 4,450 3,886 405 4,291 8,302 439 8,741	-20 291 9,839 12,201 59 388 12,628 4,450 -123 4,327 4,291 525 4,816 8,741 402 9,143	62 -227 9,674 12,628 129,629 -204 12,553 4,327 -131 4,196 4,816 -123 4,693 9,143 -254 8,889	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806 8,889 196 9,085	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122 4,928 9,085 159 9,244	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291 637 4,928 8,741 503	-16 606 10,899 13,594 799 14,471 4,316 -123 4,193 4,928 130 5,058 9,244 7 9,251	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140 5,198 9,251 9 9,260	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198 140 5,338 9,260 223 9,483	138 11,266 11,266 11 186 15,294 4,145 37 4,182 5,338 140 5,478 9,483 177	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928 550 5,478 9,244 416	139 11,392 15,294 95 95 15,578 4,182 -123 4,059 5,478 140 5,618 9,660 17 9,677	42 141 11,574 15,578 135 192 15,905 4,059 -131 3,928 5,618 140 5,758 9,677 9,9686	-13 143 11,705 15,905 16,259 3,928 83 4,011 5,758 140 5,898 9,686 223 9,909	-65 145 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898 140 6,038 9,909 177 10,086	-56 56 11,78 15,29 42 777 16,49 4,18 -13 4,04 4,18 -13 4,04 5,477 56 6,03 9,66 42 10,08
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flow s Close Deposit (retail) Opens Net-flow s Close Total deposits Open Net-flow s Close Mortgages Open Net-flow s Close Mortgages Open	-163 1,334 9,568 10,355 800 1,816 12,201 4,416 34 4,450 3,886 405 4,291 8,302 439 8,741 12,384	-20 291 9,839 12,201 59 368 12,628 4,450 -123 4,327 4,291 525 4,816 8,741 402 9,143 13,322	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 -123 4,693 9,143 -254 8,889 13,746	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806 8,889 9,085 13,966	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122 4,928 9,085 159 9,244 14,165	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 637 4,928 8,741 503 9,244 13,322	-16 606 10,899 79 799 14,471 4,316 -123 4,193 4,928 130 5,058 9,244 7 9,251 14,491	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140 5,198 9,251 9 9,260 14,761	-15 137 11,205 14,780 134 183 15,096 4,062 4,062 4,062 4,4145 5,198 140 5,338 9,260 223 9,483 15,061	138 11,266 15,096 11 15,294 4,145 37 4,182 5,338 140 5,478 9,483 177 9,660 15,311	1,016 11,266 13,594 353 1,346 13,46 13,46 1,346 1,346 1,346 4,316 -134 4,182 4,928 550 5,478 9,244 416 9,660 14,491	139 11,392 15,294 95 18,98 15,578 4,182 -123 4,059 5,478 140 5,618 9,660 17 9,677 15,661	42 141 11,574 15,575 192 15,905 4,059 -131 3,928 5,618 140 5,758 9,677 9 9,686 15,931	-13 143 11,705 15,905 16,81 196 16,259 3,928 3,928 3,928 4,011 5,758 140 5,898 9,686 223 9,909 16,231	-65 145 11,784 16,259 35 201 16,496 4,011 4,048 37 4,048 140 6,038 9,909 177 10,086 16,481	-56 56 11,78 15,29 42 77 16,49 4,04 4,18 -13 4,04 5,47 5,66 6,03 9,664 42 10,086
Total net-flows Other Movements Closing Balance Opening Balance Total net-flows Other Movements Closing Balance Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flows Close Deposit (retail) Open Net-flows Close Total deposits Open Net-flows Close Close Mortgages Open	-163 1,334 9,568 10,305 80 1,816 12,201 4,416 34 4,450 3,886 405 4,291 8,302 439 8,741 12,384 938	-20 291 12,201 59 368 12,628 4,450 -123 4,327 4,291 525 4,816 8,741 4002 9,143 13,322 424	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 4,816 -123 4,693 9,143 -254 8,889 13,746 220	-19 -169 9,469 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806 8,889 1965 13,966 199	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 4,806 4,806 4,806 4,806 19,28 4,928 9,085 159 9,244 14,165 326	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 4,291 637 4,928 8,741 503 9,244 13,322 1,169	-16 606 10,899 79 799 14,471 4,316 -123 4,193 4,928 130 5,058 9,244 9,251 14,491 270	50 135 11,083 14,471 135 14,780 179 14,780 4,193 -131 4,062 5,058 140 5,198 9,251 9 9,250 14,761 300	-15 137 11,205 14,780 134 183 15,096 4,062 83 4,145 5,198 140 5,338 9,260 223 9,483 15,061 250	138 11,266 15,096 11 1866 15,294 4,145 37 4,182 5,338 140 5,478 9,483 9,483 177 9,660	1,016 11,266 13,594 353 1,346 15,294 4,316 -134 4,182 4,928 5,478 9,244 4,165 9,660 14,491 1,170	139 11,392 15,294 95 189 15,578 4,182 -123 4,059 5,478 140 5,618 9,660 17 9,677 15,661 270	42 42 11,574 15,578 135 192 15,905 4,059 -131 3,928 5,618 140 5,758 9,677 9 9,686 15,931 300	-13 143 11,705 15,905 158 196 16,259 3,928 83 4,011 5,758 140 5,898 9,686 223 9,909 16,231 250	-65 11,784 16,259 35 201 16,496 4,011 37 4,048 5,898 140 6,038 9,909 177 10,086 16,481 350	-50 567 11,784 15,294 424 777 16,496 4,182 -134 4,046 5,476 5,676 6,036 9,660 420 10,086 15,661 1,170
Total net-flow s Other Movements Closing Balance New Zealand Opening Balance Total net-flow s Other Movements Closing Balance AMP Bank Deposit (Supercash & TD) Open Net-flow s Close Total deposits Open Net-flow s Close Mortgages Open Net-flow s Close	-163 1,334 9,568 10,355 800 1,816 12,201 4,416 34 4,450 3,886 405 4,291 8,302 439 8,741 12,384	-20 291 9,839 12,201 59 368 12,628 4,450 -123 4,327 4,291 525 4,816 8,741 402 9,143 13,322	62 -227 9,674 12,628 129 -204 12,553 4,327 -131 4,196 -123 4,693 9,143 -254 8,889 13,746	-19 -169 9,486 12,553 105 -231 12,427 4,196 83 4,279 4,693 113 4,806 8,889 9,085 13,966	-96 919 10,309 12,427 -23 1,190 13,594 4,279 37 4,316 4,806 122 4,928 9,085 159 9,244 14,165	-73 814 10,309 12,201 270 1,123 13,594 4,450 -134 4,316 637 4,928 8,741 503 9,244 13,322	-16 606 10,899 79 799 14,471 4,316 -123 4,193 4,928 130 5,058 9,244 7 9,251 14,491	50 135 11,083 14,471 130 179 14,780 4,193 -131 4,062 5,058 140 5,198 9,251 9 9,260 14,761	-15 137 11,205 14,780 134 183 15,096 4,062 4,062 4,062 4,4145 5,198 140 5,338 9,260 223 9,483 15,061	138 11,266 15,096 11 15,294 4,145 37 4,182 5,338 140 5,478 9,483 177 9,660 15,311	1,016 11,266 13,594 353 1,346 13,46 13,46 1,346 1,346 1,346 4,316 -134 4,182 4,928 550 5,478 9,244 416 9,660 14,491	139 11,392 15,294 95 18,98 15,578 4,182 -123 4,059 5,478 140 5,618 9,660 17 9,677 15,661	42 141 11,574 15,575 192 15,905 4,059 -131 3,928 5,618 140 5,758 9,677 9 9,686 15,931	-13 143 11,705 15,905 16,81 196 16,259 3,928 3,928 3,928 4,011 5,758 140 5,898 9,686 223 9,909 16,231	-65 145 11,784 16,259 35 201 16,496 4,011 4,048 37 4,048 140 6,038 9,909 177 10,086 16,481	-50 567 11,784 15,294 422 778 16,496 4,182 -134 4,048 5,478 5,60 6,038 9,660 420 10,086

Other assumptions and interim numbers

	2013a	1H14a	2H14a	2014a	1H15e	2H15e	2015e	1H16f	2H16f	2016f
	Dec-13	Jun-14	Dec-14	Dec-14	Jun-15	Dec-15	Dec-15	Jun-16	Dec-16	Dec-16
AMP Capital Investors Key Assumptions										
Closing AUM (\$Ab)	140.2	144.4	151.5	151.5	158.9	162.6	162.6	166.5	170.4	170.4
Average AUM - Internal (A\$b)	95.5	100.7	102.4	101.6	107.1	110.7	108.9	112.8	114.9	113.8
Average AUM - External (A\$b)	38.3	41.7	44.5	43.1	48.1	50.1	49.1	51.8	53.5	52.7
AUM based management fees to AUM - internal (bps)	21.0	21.3	22.2	21.8	21.5	22.2	21.9	21.5	22.2	21.9
AUM based management fees to AUM - external (bps)	48.0	45.5	45.0	45.2	45.5	45.0	45.2	45.5	45.0	45.2
Total external (\$m)										
Opening balance	38,071	40,348	43,635	40,348	46,884	49,253	46,884	50,932	52,644	50,932
Net-flow s	-1,039	1,642	2,081	3,723	872	872	1,744	872	872	1,744
Market performance/other	3,316	1,645	1,168	2,813	1,497	807	2,304	841	876	1,716
Closing balance	40,348	43,635	46,884	46,884	49,253	50,932	50,932	52,644	54,392	54,392
Total Internal (\$m)										
Opening balance	90,516	99,870	100,799	99,870	104,588	109,658	104,588	111,689	113,822	111,689
Net-flow s	-3,136	-1,598	-2,261	-3,859	-410	-429	-839	-410	-429	-839
Market performance/other	12,490	2,527	6,050	8,577	5,480	2,459	7,940	2,544	2,632	5,176
Closing balance	99,870	100,799	104,588	104,588	109,658	111,689	111,689	113,822	116,026	116,026
Total AMPCI (\$m)										
Opening balance	128,587	140,218	144,434	140,218	151,472	158,911	151,472	162,620	166,467	162,620
Net-flow s	-4,175	44	-180	-136	462	443	905	462	443	905
Market performance/other	15,806	4,172	7,218	11,390	6,977	3,266	10,243	3,384	3,508	6,892
Closing balance	140,218	144,434	151,472	151,472	158,911	162,620	162,620	166,467	170,418	170,418

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

	2013a	1H14a	2H14a	2014a	1H15e	2H15e	2015e	1H16f	2H16f	2016f
	Dec-13	Jun-14	Dec-14	Dec-14	Jun-15	Dec-15	Dec-15	Jun-16	Dec-16	Dec-16
Contemporary Wealth Protection										
Australia										
Individual risk API (A\$m)	1,448	1,453	1,498	1,498	1,520	1,596	1,596	1,620	1,701	1,701
Group risk API (A\$m)	366	368	438	438	445	498	498	505	526	526
New Zealand										
Individual risk API (A\$m)	277	279	285	285	284	287	287	279	293	293
Individual risk API (NZ\$m)	301	301	298	298	301	310	310	301	322	322

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

INTERIM EARNINGS													
Y/e December 31 (\$m)	2013	1H14	2H14	2014	1H15e	2H15e	2015e	1H16e	2H16e	2016e	1H17e	2H17e	2017
AMP AFS													
- Wealth Management	330	183	191	374	186	190	376	190	192	382	191	195	38
- AMP Bank	83	42	49	91	52	54	106	58	60	118	64	66	13
- Wealth Protection	64	91	97	188	104	113	217	119	125	244	126	132	25
- Mature	178	87	87	174	80	78	158	78	77	155	76	75	15
- New Zealand	97	55	55	110	60	53	105	53	55	108	51	56	10
AMP Financial Services	752	458	479	937	482	489	962	498	509	1,008	509	524	1,03
AMP Capital Investors	99	57	58	115	64	71	135	68	76	143	72	80	152
Total AMP BU earnings	851	515	537	1,052	546	560	1,097	566	585	1,151	580	604	1,184
AMP Group Office Cost	62	32	30	62	31	30	61	32	30	62	32	30	62
Total Group Office Cost	62	32	30	62	31	30	61	32	30	62	32	30	62
Remaining efficiency proj.**			0	0	23	23	46	49	49	98	65	49	114
Total Operating Earnings	789	483	507	990	538	553	1,091	583	604	1,187	613	623	1,23
Total Investment Earnings	135	69	63	132	67	72	139	77	82	159	87	92	179
AMP Interest expense	75	42	35	77	33	33	66	33	33	66	33	33	66
AMP tax loss recognition	0	0	0	0	0	0	0	0	0	0	0	0	(
Underlying profit	849	510	535	1,045	572	592	1,164	628	653	1,281	667	682	1,349
Total adj extiming diff	10	-24	72	48	0	0	0	0	0	0	0	0	(
Integration costs	-96	-60	-60	-120	-35	-28	-63	-11	-7	-18	0	0	(
Acqusition amortisation	-91	-44	-45	-89	-45	-45	-90	-45	-45	-90	-45	-45	-90
Total timing diff adj	0	0	0	0	0	0	0	0	0	0	0	0	(
Reported profit	672	382	502	884	492	519	1,011	573	601	1,174	622	637	1,259
DPS (cps)	23.0	12.5	13.5	26.0	14.0	15.0	29.0	16.0	16.0	32.0	17.0	17.0	34.0
Franking	70%	70%	80%	75%	80%	80%	80%	80%	80%	80%	80%	80%	80%

AMP overview

Company description

AMP is a leading wealth management company in Australia and New Zealand. The company specialises in superannuation, investments, financial planning, life insurance as well as banking. The group was demutualised and listed on the ASX and NZX in 1998, and the demerger of what is now known as the Henderson Group followed in 2003. The last major transaction includes the acquisition of AXA Asia Pacific's Australia and New Zealand Operations at the end of March 2011.

AMP has three core businesses, AMP Contemporary Wealth Management (CWM), AMP Capital Investors (the investment management arm) and AMP SMSF.

Investment Strategy

We believe in the wealth management theme as revenue drivers turn positive, specifically higher levels of FUM through higher market levels, improving asset mix and a return of net flows. In addition, we believe there are significant synergies on offer following the AXA transaction.

Risks

We see the main risks for AMP as:

- **Regulatory risk** There have been three recent reviews in Australia tackling the superannuation landscape with a focus on financial planners' remuneration structures.
- **Key people risk** Similar to other wealth management business, the loss of any key investment personnel may result in the loss of investment mandates;
- **Performance risk** Investors are wary of investment managers that charge active management fees and that have underperformed the index over a prolonged period of time. It is important for AMP to maintain reputable performance metrics across its product offering; and
- Financial Advice risk On the back of Storm Financial, Managed Investment Schemes and other well-known collapses in the industry, there is an added focus on any unsavoury practices and AMP will do well to steer clear of any negative headlines.

BÉLL POTTER

AMP as at 19 February 2015

Recommendation	Buy
Price	\$6.66
Target (12 months)	\$7.50

Table 1 - Financial summary

AMP*

INCOME STATEMENT					
INCOME STATEMENT	2013	2014	2015e	2016e	2017e
Y/e December 31 (\$m) AMP AFS	2013	2014	20156	20100	20176
- Wealth Management	330	374	376	382	386
- AMP Bank	83	91	106	118	130
- Wealth Protection	64	188	217	244	259
- Mature	178	174	158	155	151
- New Zealand	97	110	105	108	107
AMP Financial Services	752	937	962	1,008	1,032
AMP Capital Investors	99	115	135	143	152
Total AMP BU earnings	851	1,052	1,097	1,151	1,184
Total Group Office Cost	62	62	61	62	62
Remaining efficiency project **		0	46	98	114
Total Operating Earnings	789	990	1,091	1,187	1,236
Total Investment Earnings AMP Interest expense	135 75	132 77	139 66	159 66	179 66
AMP tax loss recognition	0	0	00	00	00
Underlying profit	849	1,045	1,164	1,281	1,349
Total mkt adj, mismatch, other	10	48	0	0	1,040
Integration costs	-96	-120	-63	-18	0
Acquisition amortisation	-91	-89	-90	-90	-90
M&A transaction costs	0	0	0	0	0
Reported profit	672	884	1,011	1,174	1,259
BALANCE SHEET Y/e December 31 (\$m)	2013	2014	2015e	2016e	2017e
Ne December 51 (\$111)	2013	2014	20156	20100	20176
Cash & cash equivalents	2,938	3,581	3,360	3,304	3,288
Investment assets	121,781	123,292	130,336	136,182	142,255
Intangibles	4,136	4,042	4,042	4,042	4,042
Other	4,369	3,940	3,940	3,940	3,940
Total assets	133,224	134,855	141,679	147,468	153,525
Borrowings	16,243	16,502	16,502	16,502	16,502
Policy liabilities	101,780	102,908	109,534	115,066	120,840
Other	7,001	7,060	7,060	7,060	7,060
Total liabilities	125,024	126,470	133,096	138,628	144,402
Shareholders equity	8,090	8,186	8,384	8,641	8,924
Minority interests	110	199	199	199	199
Total Equity	8,200	8,385	8,583	8,840	9,123
CAPITAL CALCULATIONS					
Y/e December 31 (\$m)	2013	2014	2015e	2016e	2017e
Shareholders equity	8,090	8,186	8,384	8,641	8,924
Accounting mismatch	110	160	160	160	160
Total AMP shareholders eq.	8,200	8,346	8,544	8,801	9,084
Corporate debt	1,928	1,458	1,458	1,458	1,458
Total Capital resources	10,128	9,804	10,002	10,259	10,542
Intangibles deducted	3,857	3,844	3,844	3,844	3,844
Tangible capital resource	6,271	5,960	6,158	6,415	6,698
Senior debt and other					
deductions	-2,573	-2,310	-2,310	-2,310	-2,310
Regulatory capital	3,698	3,650	3,848	4,105	4,388
Min. Regulatory Capital (MRR)	1,618	1,663	1,782	1,882	1,987
Excess capital above MRR	2,080	1,987	2,066	2,223	2,400
Coverage ratio (x)	2.3	2.2	2.2	2.2	2.2
Closing shares (m)	2,958	2,958	2,958	2,958	2,958
Fully dilluted weighted average	2,973	2,983	2,983	2,983	2,983
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Price Target (A\$)	7.50		hare Price		6.66
Recommendation:	Buy	IV	larket Cap (A\$W)	19,517
VALUATION DATA					
Y/e December 31 (\$m)	2013	2014	2015e	2016e	2017e
Underlying NPAT (\$m)	849	1,045	1,164	1,281	1,349
EPS - underlying (cps)	28.6	35.0	39.0	43.0	22.4
- Growth (%)	-13%	23%	11%	10%	6%
P/E ratio (times)	23.3	19.0	17.1	15.5	14.9
Reported profit after tax (\$m)	672	884	1011	1174	1259
EPS - reported (cps)	22.6	29.6	33.9	39.3	20.8
- Growth (%) P/Book ratio (times)	-6% 2.4	31%	14% 2.3	16% 2.2	9% 2.2
Net DPS (cps)	2.4	2.3 26.0	2.3 29.0	32.0	17.0
Yield (%)	3.5%	3.9%	4.4%	4.8%	5.1%
Franking (%)	70%	75%	80%	80%	80%
Payout (%)	81%	74%	74%	75%	75%
PROFITABILITY RATIOS					
Y/e December 31 (\$m)	2013	2014	2015e	2016e	2017e
Return on assets (%)	0.7%	0.8%	0.8%	0.9%	0.9%
Return on equity (%)	10.9%	12.8%	14.1%	15.1%	15.4%
DIVISIONAL					
Y/e December 31 (\$m)	2013	2014	2015e	2016e	2017e
AMP AFS - Wealth Management (including AMP	Bank)				
Investment related	1,127	1,212	1,328	1,421	1.515
Bank related	219	246	269	287	305
Other (product & platform fees)	106	102	114	129	137
Total revenue	1,452	1,560	1,711	1,837	1,957
Total variable costs	303	330	371	407	444
Controllable costs	560	568	654	718	778
Operating earnings	413	465	482	500	516
Underlying Investment Income	21	19	20	25	29
- Wealth Protection					
Profit margins	199	187	215	238	255
Experience profits/(losses)	-87	-1	2	6	4
Operating earnings	64	188	217	244	259
Underlying investment income	47	50	58	66	76
- Mature					
Profit margins (\$m)	177	168	158	153	149
Experience profits/(losses)	1	6	0	2	2
Operating earnings \$m	178	174	158	155	151
Underlying investment income	20	18	18	18	18
- New Zealand					
Profit margins (A\$m)	79	88	103	106	106
Experience profits/(losses) A\$m	-1	3	2	2	1
Operating earnings A\$m	97 14	110 19	105 20	108 21	107 22
Underlying investment income	14	19	20	21	22
AMP Capital Investors					
Internal AUM based fees	200	221	238	249	259
External AUM based fees	184	195	222	238	254
Non-AUM based fees	56	60	65	68	71
Performance and transaction fees	33	36	56	59	62
Total fee income	473	512	581	614	646
Operating earnings	99	115 4	135	143	152
Underlying investment income	5	4	5	5	6
ASSUMPTIONS	0040	2044	2045-	2040-	2047
Y/e December 31 (\$m)	2013	2014	2015e	2016e	2017e
AUD/NZD	1.16	1.08	1.07	1.09	1.14
Closing AFS AUM (\$b)	101.9	110.9	126.5	139.8	155.0
Closing ACI AUM (\$b)	140.2	151.5	162.6	170.4	178.7
s					
J					

** Synergy expectations are for the forecast period only, actual achieved synergies are captured in relevant business unit, as is the case for the efficiency project and AXA synergies

SOURCE: BELL POTTER SECURITIES ESTIMATES

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Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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