



ASX Announcement

21 June 2007

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UBS Presentation & Enforceable Undertaking Update

- Part One:** Update on AMP Financial Planning Enforceable Undertaking with ASIC
- Part Two:** Presentation to UBS Financial Services Conference by AMP Financial Services Managing Director Craig Dunn

21 June 2007

Information Only

Update on AMP Financial Planning Enforceable Undertaking with ASIC

AMP Financial Planning (AMPFP) is today providing an update on progress on the Enforceable Undertaking agreed with ASIC in July 2006, which primarily relates to the provision of superannuation switching advice between November 2004 and July 2006.

AMP Financial Services Managing Director Craig Dunn has advised that around 1,500 customers who had requested a review have been offered rectification because the documents provided to them at the time they received their advice did not meet the new standards that AMPFP has agreed with ASIC.

These customers can opt to move back to their former superannuation fund or funds, and have any fees or charges associated both with their original move and the switch back refunded to their superannuation accounts.

AMPFP originally contacted around 35,000 customers who may have had advice to move their superannuation accounts in the relevant time period and offered them a free review of that advice.

About 5 per cent, or around 1,700, of these customers have requested a review to date, although some of these customers had not received superannuation switching advice or had received advice but did not proceed to a transaction.

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AMP's distribution – driving sustainable growth

Craig Dunn
Managing Director, AMP Financial Services

21 June 2007



Today, I want to:

- remind you of AFS's organic growth strategy, the rationale underpinning that strategy, and the positive outcomes it has delivered
- and also to share some new information with you, that demonstrates how we are actively evolving this strategy - and why this provides an effective platform to drive sustainable growth for AMP.

AMP Financial Services (AFS) is pursuing a simple and disciplined strategy

Financial Planning, Advice and Services (FPAS)

to be the partner of choice for financial planners and lead the market for quality advice

Product Manufacturing

to deliver market competitive products at the lowest unit cost

Strategy leverages comparative advantages of:

- Scale
- Brand
- Distribution footprint
- Low cost manufacturing platform

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We continue to pursue a simple and disciplined strategy, which very deliberately plays to our core strengths of:

- scale
- brand
- distribution footprint
- and, a low cost manufacturing platform.

Choosing where and how to compete is fundamental

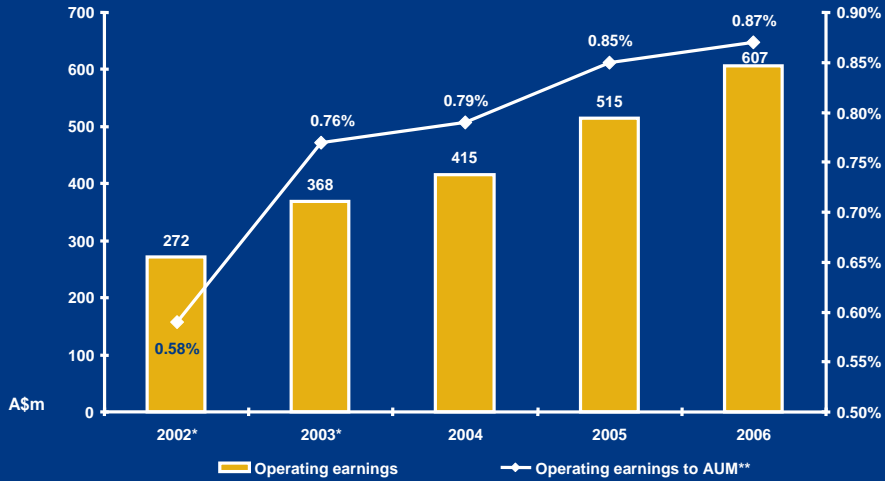
- AFS growth focus on core markets:
 - financial planning
 - superannuation / pensions
 - risk insurance
- Key to AFS's sustained growth over the long term:
 - targeting profitable market segments where we hold comparative advantages and capabilities
 - flexible, low cost, scalable model that delivers quality products and services
 - agility to capitalise on market opportunities

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We're also very clear about where we will and won't compete.

Our key focus is on targeting profitable and growing market segments, where we hold comparative advantages.

Current strategy has delivered strong growth in operating earnings

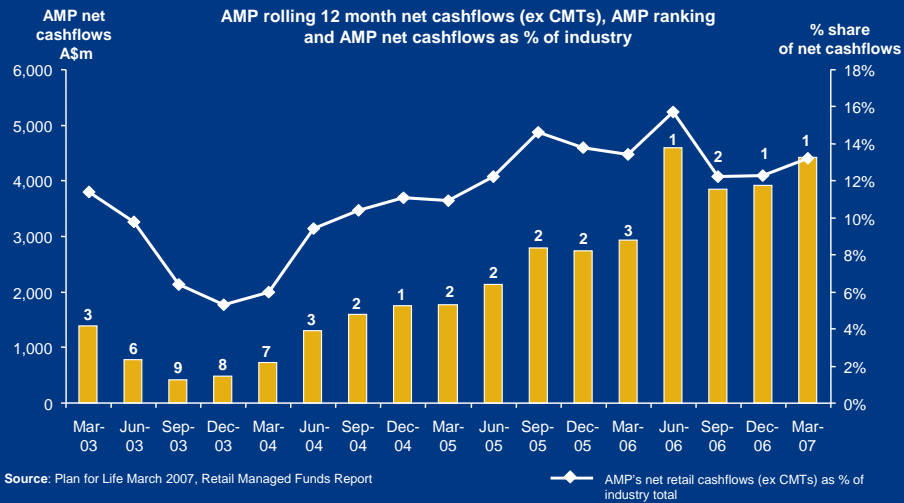


*FY 02 and FY 03 adjusted for TTR but not AIFRS
** AUM based on average AUM pre share capital

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This strategy has delivered positive outcomes for shareholders – with strong growth in operating earnings over the past four years – more than doubling since 2002.

Market leadership in retail managed funds net cashflows



Note: Numbers above boxes represent AMP's relative industry ranking in the 12 months ended at each period and rankings exclude badged product categories.

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It has also delivered good outcomes on cashflows, with both retail and corporate superannuation contributing to our market-leading position, and importantly without either channel cannibalising the other.

Growth strategy is based on deepening existing channels and selectively developing new channels

Key channel	Approach to channel by AMP	Opportunities for AMP
Employers	AFS Product Manufacturing	Corporate super, group risk insurance, corporate pensions
	AMP Capital Investors	Institutional mandates
Financial planners		
Aligned planners	AMP Financial Planning (AMPFP) and Hillross	Advice and product in retail and corporate super, pensions and investment platforms, risk insurance, residential mortgages
	IFAs	Risk insurance, corporate super, residential mortgages AMP Capital Investors retail product (Global REITs, core property, enhanced yield)
Bank planners	-	-
Accountants	Referrals to AMPFP and Hillross planners	Advice and product in retail super, pensions and investment platforms, risk insurance
Self directed	AMP Capital Investors AMP Banking	AMP Capital Investors retail product Retail banking deposits
Mortgage brokers	AMP Banking	Residential mortgages
Stockbrokers	Alliances with AMPFP and Hillross	-

■ Established and strong contribution today
 ■ Emerging growth opportunities

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As you know, access to distribution is key to success in the Australian wealth management industry.

This chart looks at AMP's approach to each of the key channels in the industry.

It's a busy chart, but the main takeouts are these:

- Firstly, our current focus is on the employer and financial planner channels – channels which represent the biggest and most profitable growth opportunities for us.
- And secondly, we selectively look at opportunities to enter new channels where it makes sense to do so.

Clear criteria in place to optimise channel selection

- Key is ensuring AMP has sustainable competitive position in the channel and that we can profitably exploit this
- Potential channels assessed for:
 - Industry profit pool accruing to the channel and future growth profile
 - Relevance of our basis of competition
 - will it reinforce, or be necessary to maintain, existing competitive advantage (eg, brand, scale, low cost platform)?
 - is there an opportunity to create new advantage or to be a first mover (eg, through new technology)?
 - Complementary to existing channels (or likely to cannibalise)
 - Other market change (eg, regulatory) that may enhance channel appeal or success of entry strategy

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When we look at new channels, we use a very disciplined process to assess a range of different criteria to determine the potential attractiveness of the channel to us, and our entry strategy, if relevant.

If you think about SignatureSuper, it had ticks against almost every criterion.

Business benefits of strong employer super position

- Significant exposure to key channel in superannuation, including how most people begin their exposure to superannuation
- Sticky contracts with good revenue growth – member growth, wage inflation growth, growth in non-SG member contributions / consolidations, plus retained investment earnings
- Lowers unit costs in other parts of business with use of common systems and supply chain (ie, absorbing non-utilised production capacity)
- Downstream benefits for retail product – super, pensions and insurance
- Group insurance profits
- Profits on investment management, including AMP Capital multi-manager

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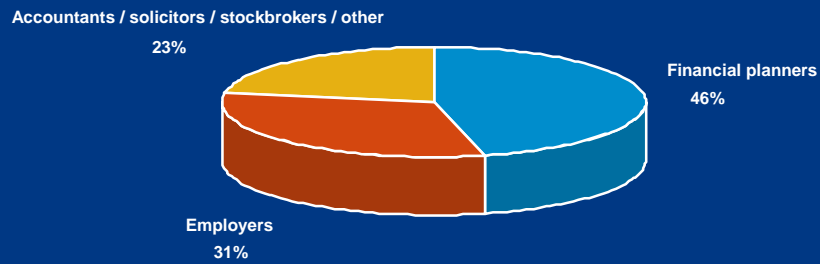
For example, it gives us significant exposure to a key channel in superannuation - a channel where many people are exposed to super for the first time.

It also lowers unit costs in other parts of the business, so rather than competing with our other channels, it very much complements them.

It also provides downstream benefits for other retail products.

Three key channels to superannuation: employers, planners and accountants

Superannuation market by channel



Source: AMP analysis and estimates based on Plan for Life Retail Funds Distribution, Dec 2006; APRA Quarterly Superannuation Performance, Dec 2006; Investment Trends SMSF Investor Report, Dec 2005. Includes all industry sectors (ie. retail funds, industry funds, corporate funds, SMSFs), other than public sector funds.

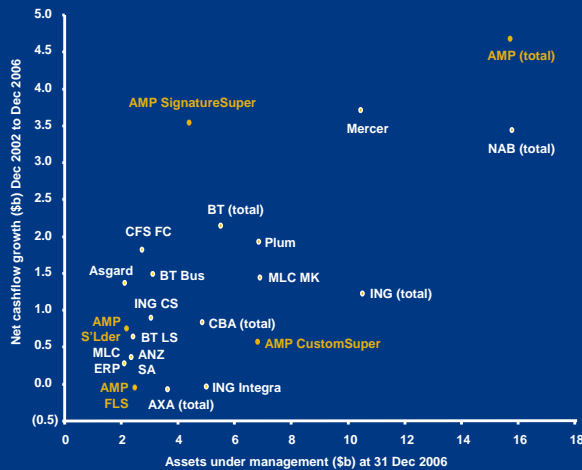
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This chart reinforces the point of how important employers are as a channel into superannuation, along with financial planners (retail super) and accountants (SMSF).

AMP has a very strong position in 2 of these core channels.

AMP has built a strong position in employer channel – highest growth, market leadership

AMP fastest growing employer super provider
Employer sponsored products by assets under management



Source: Dexx&R Market Share Report, Dec 2006 and Dec 2005

Comparative advantage of AMP employer super – client perspective

- Leading market position and strong brand
- Scale position of more than \$40b* across one super platform for corporate and retail super
 - allowing investment in product development and platforms
 - providing access to leading fund managers at competitive prices
- Access to Australia's largest group of financial planners
- Choice and ease of transitioning to retail products (eg, corporate super to personal super) when appropriate

* 31 Dec 2006

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AMP's entry strategy into the larger end of the corporate super market has been successful, building on our existing position in the SME market.

It's been successful because the value proposition to clients is attractive and is underpinned by our underlying comparative advantages – brand, scale, low cost platform and distribution footprint.

Power of AMP's aligned planner model

- Model of self-employed planners operating under AFS license creates alignment of interests – for consumers, planners and AMP
 - For consumers, large institutional backing for planners in local communities provides necessary security and peace of mind about their money
 - For planners, partnership with AMP delivers broad, integrated offering – lowering cost to serve and enhancing opportunities to grow
 - For AMP, aligned planner network provides superior market access
- Outcome is strong planner, client and licensee relationships
 - 92%* of clients rate planner service as excellent; research shows that our clients value institutional support
 - Planner feedback on licensee and field support trending upwards post Enforceable Undertaking (EU) impacts

*AMP Financial Planning Client Charter, average Jan – May 2007

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Our other key focus is on the aligned planner model – powerful, mainly as it meets the fundamental needs of many consumers regarding advice.

IFSA industry research consistently shows the number one issue for most consumers is quite naturally the security of their money

Fear of loss is very strong for investors often outweighing the prospect of potential gain.

Consumers look to large companies like AMP as they provide security, we stand behind our planners advice.

Ultimately, it is the consumer who will determine the sustainability of the model.

Two distinct planner groups create powerful presence in market

AMP Financial Planning (AMPFP)

- 1,233 self-employed planners; 790 practices¹
- 476 Certified Financial Planners¹
- Average planner age 43¹
- 49% in industry 10+ years, compared to industry median of 31%²
- 49% with dealer group 10+ years, compared to median of 17%²
- AUM per practice \$50.4m¹
- Focus on mass and mass affluent customers
- Network institutionally branded and owned – AMP owns client register
- 55% of AFS contemporary wealth management net cashflows (ex SignatureSuper)¹

Hillross (including Arrive and Magnify)

- 289 self-employed planners; 108 practices¹
- 150 Certified Financial Planners¹
- Average planner age 46¹
- 35% in industry 10+ years, compared to industry median of 31%²
- 21% with dealer group 10+ years, compared to median of 17%²
- AUM per practice \$84.1m¹
- Focus on mass affluent and high net worth customers
- Non-institutionally branded and client owns client
- 24% of AFS contemporary wealth management net cashflows (ex SignatureSuper)¹

¹ 31 Dec 2006

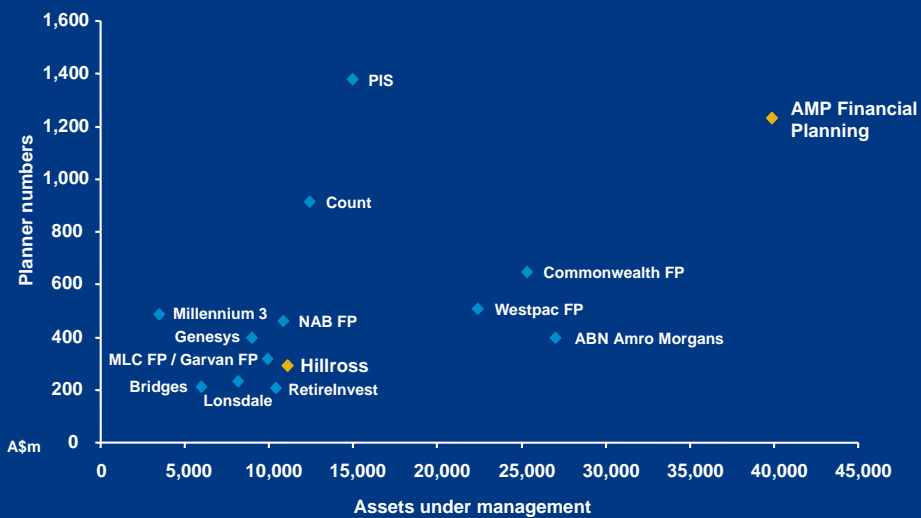
² Brennan Partners report, November 2005. This survey included 18 dealer groups representing approximately 45% of all planners in the Money Management Top 100 Dealer Groups (June 2005).

One of the advantages of our business model is that it gives us a strong presence in the mass and mass affluent segments, and in the high net worth segment of the market.

AMP Financial Planning is our largest and strongest planner group. It's strongly aligned to AMP and has a clear market focus on mainstream Australia.

Hillross, on the other hand, is a more specialised play; an 'in house IFA'. It's smaller in numbers, but deals with a more affluent customer base.

AMP's aligned model has scale and is highly productive



IFA Dealer Group Survey – Top 100, Dec 2006

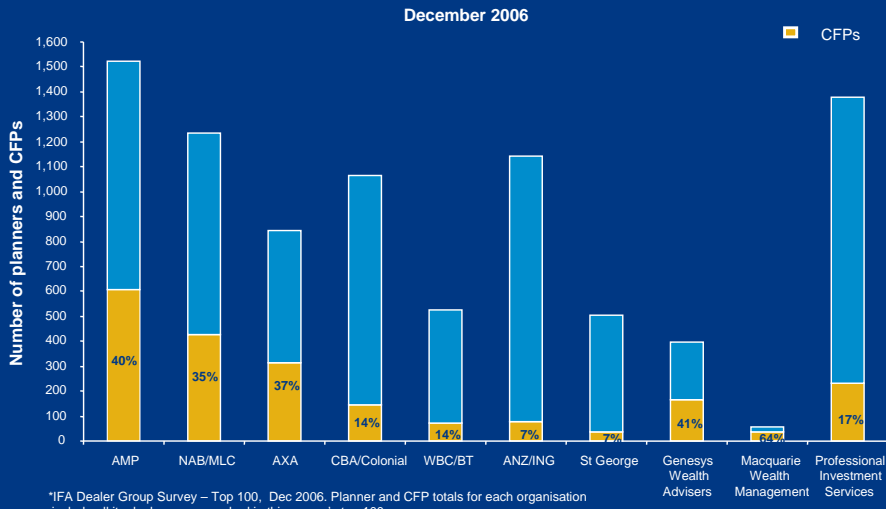
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I have included the next few charts to demonstrate how our aligned planner model is positioned in terms of:

- productive capacity

AMP planner network is increasingly well qualified

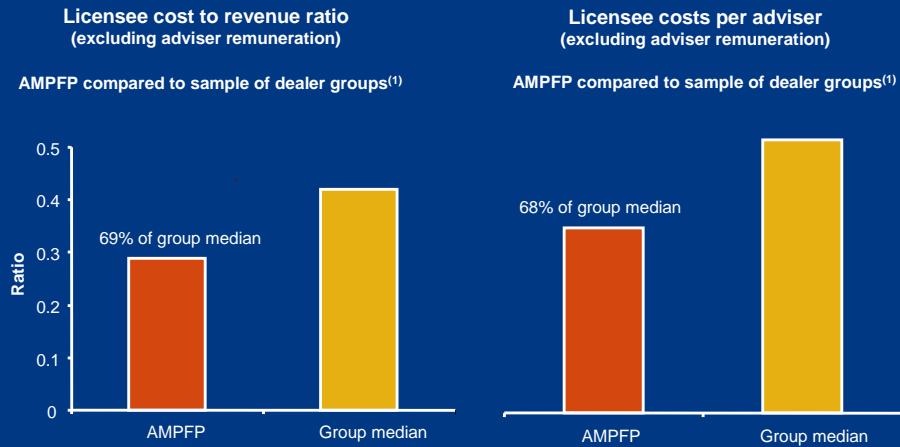
Planner and Certified Financial Planner (CFP) numbers* for main competitors



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- planner qualification

Planner scale delivers cost advantages to AMP as well



⁽¹⁾ Brennan Partners report, November 2005. This survey included 18 dealer groups representing approximately 45% of all planners in the Money Management Top 100 Dealer Groups (June 2005).

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- and the benefits of scale.

All of which provides us with a very solid base on which to build and to exploit further, in what we regard as an increasingly attractive part of the market.

Real growth advantage for those who get planner opportunities right

- Advice model has continuously evolved from its origins
 - Life insurance agents to advisers to financial planners
- Driving change to meet regulatory requirements
 - FSR lifted professionalism of industry, but impacted planner productivity by increasing compliance burden and increasing barriers to entry
 - Regulatory change also creates major new opportunities – eg, in corporate super from APRA licensing, Simpler Super reforms
- Financial planning is now a supply-constrained industry
 - Lack of financial planners, cannot meet high demand for people seeking advice
- Potential growth advantage for those licensees who can best meet challenges of growth in planner quality, productivity and number of planners

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The financial advice industry in Australia is constantly evolving and improving.

The demand for advice has never been stronger. The market is supply constrained.

There are real growth opportunities for those that get the planner opportunity right, which is what we intend to do.

Sustainable growth in advice business being driven in four key areas

AFS strategy



FPAS 2007-2011 strategic objectives
to be the partner of choice for financial planners
and lead the market for quality advice



Key drivers of growth

Value
proposition

Advice
standards

Planner
productivity

Planner
growth

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And to get this right, in our view there are 4 levers of growth that are key to success:

- the value proposition – to both planners and clients
- advice standards
- planner productivity
- planner growth.

Strengthening our value proposition

AMP Financial Planning

Value to planners

- **Lower cost to serve** – pre-eminent brand, lowers marketing costs; integrated advice and product lodgement processes; access to low cost and tailored business services that are key to enhancing productivity (eg, paraplanning and 'low touch')
- **Convenience of customised, integrated offering** – broad technical and professional planner support services, customised to practice need (eg, award-winning technical services, systems & process specialists, transition to retirement capability)
- **Enhanced growth opportunities** – improved growth profile given brand strength and broad range of initiatives (eg, planner recruitment, business coaching and capability development programs)

Value to clients

- **Security of trusted** and well-capitalised financial institution, with pre-eminent brand backing planners' advice
- **Accessible** financial planning expertise
- Access to **well researched product** list, including but not limited to **AMP product**
- Experience in **relevant advice strategies**
- Planners part of **local community**

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It goes without saying that to be successful, a compelling value proposition for both planners and clients is critical.

The financial planner market is currently going through significant change and our value propositions must reflect that change.

If you are a financial planner, the reason to join and/or stay with AMP Financial Planning is because we will offer you:

- a lower cost to serve
- a customised, convenient and integrated support service
- and, enhanced opportunities to grow your business.

This planner proposition then reinforces the promises we make to our clients.

Both are compelling, but even more so because they are derived and sustained from our underlying comparative advantages:

- our brand
- the strong distribution footprint on which we are building
- And, the scale we have in planner distribution.

Improving advice standards

<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">New advice standards</div>	<ul style="list-style-type: none"> ➤ Revised Professional Standards Manual with further changes due end 2007 ➤ New standards to enhance advice to customers ➤ Automated and improved SoA, Fact Find, Product Comparison Checklist
<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Improved risk management</div>	<ul style="list-style-type: none"> ➤ Enhanced quality assurance on super switches ➤ New compliance standards and scoring regime, including workshops to embed new standards ➤ More comprehensive supervisory program based on risk-based profiling
<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Enhanced tools and training</div>	<ul style="list-style-type: none"> ➤ Additional and more effective training conducted for all planners and practice staff ➤ Annual Practising Accreditation includes focus on advice capabilities
<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center; font-weight: bold;">Dedicated field support</div>	<ul style="list-style-type: none"> ➤ Expansion of advice coaching roles in field ➤ In-field advice specialists coach and support planners

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The next few charts highlight initiatives that are underway to underpin the other 3 growth levers:

- advice standards
- planner productivity
- and, planner growth.

Very importantly, all these initiatives serve to reinforce our planner value proposition, and enhance our partnership with our planners.

Many of the initiatives being undertaken are not easily replicated by licensees that don't operate from a scaleable, integrated and well branded model.

Given the following charts are busy, and our limited time, I thought I'd focus on what we are doing to drive up planner productivity.

Increasing planner productivity

Investing to improve technology

- Rationalised online client applications to single front end (MyBusiness Portal)
- Increase in planner technology investment to enhance planner and licensee productivity, while improving risk management processes
- Continued integration of planner and product systems to streamline business lodgement: EasyWrite (automated underwriting tools), EasyLodge (new business lodgement system), IForms (improved form processing capability)

Enhancing parapanning function

- Increasing parapanners; expanding function to Brisbane and Melbourne; developing dedicated parapanner recruitment and development program
- Financial planners significantly more efficient with parapanning support
- Parapanning also reduces risk through centralised advice modelling and supports development of financial planners

Expanding low touch program

- Centralised service for planners who want to 'outsource' retention, marketing and communication services, targeting clients with basic advice needs – first piloted in 2005
- 40 practices with 75,000 clients use service; plans to expand service
- Pilot program shows improved customer retention and engagement levels, and increased practice profitability

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Continuing to improve planner productivity is the fastest and most effective growth lever we can pull in planner distribution.

If you step back from these detailed initiatives, effectively we're seeking to do three things:

- 1: Improve the efficiency of planners' processes, primarily through the better use of technology, which can substantially lift their productivity (e.g automation for form completion).
- 2: Remove some time consuming processes from planners and undertake them centrally because we can do it more efficiently, e.g. parapanning services.

Increasing planner productivity

Improving planners' business acumen

- Dedicated programs delivered to planners to improve their business strategy and processes, eg client management and marketing
- Specific in-field management support dedicated to enhanced business performance – eg, business coaches, sales & marketing, succession & recruitment, and systems & processes specialists

Improving planners' technical and advice capabilities

- Award-winning technical support team – consistently ranked by Assirt among Australia's best
- Recent focus on up-skilling planners in retirement incomes; 800 planners attended optional retirement seminars (2006); retirement incomes* net cashflows grown from \$52m (2004) to \$621m (2006)

Tailoring service and support offering

- Segmented service and support offerings to planners to ensure AMP support matches planner need and growth focus
- Potentially significant opportunity to grow productivity and growth profile of single planner practices with new servicing model
- Can enhance success of planners new to the industry, and improves attraction for existing industry planners to switch to AMP

*Retirement incomes described as allocated pensions / annuities in FY 06 Investor Report

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- 3: And thirdly, assist planners, who are essentially small business owners, to improve their business and technical skills, so they run more efficient businesses, targeted at the most attractive market segments – and the success we've had in retirement incomes is a good example here (additional training and field support).

Growing planner numbers

Enhanced focus on 'BAU' initiatives

- Increased specialised resources to recruit new planners
- Improved marketing and recruitment material
- Aligned processes to better match supply and demand
- Enhanced coaching and mentoring
- Improved support for practices transitioning from other licensees

Planner pathway program

- Piloting new planner induction program leveraging existing organisational capabilities to develop (within AMP) better skilled planners, before placement into existing planner practices
- Organisational capabilities include paraplanning and 'low touch' programs

Sustainable planner growth program

- New recruitment, assessment, screening and candidate profiling tools
- Piloting new planner academy
- Piloting value props for identified pools of attractive candidates
- Improved monitoring of new planners to improve long term retention

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One of the most significant challenges the advice industry is grappling with today is how to increase planner numbers.

We've seen the number of planners in the industry level out during the past few years, as increasing regulation has lifted the barriers to entry.

This chart sets out how we are addressing this challenge – a combination of improved “business as usual” initiatives, along with a couple of pilot programs we are currently trialling.

These initiatives are very important, but they are a longer-term play.

To build a productive, quality planner force, takes time - anywhere from 3 to 5 years for new planners to become productive.

This is where planner groups with scale have an advantage. They are the only groups prepared or able to make this investment.

This is also why lifting planner productivity has a more significant impact on our growth plans in the short term.

Summary

- Growth opportunities driven by key advantages: scale, brand, distribution footprint, and low cost manufacturing platform
- Distribution or market access key to success in wealth management
- Disciplined focus on segments that offer most opportunity for profitable growth
 - emerging growth opportunities in other distribution channels but selective in approach
- Investing in significant opportunities to grow AFS planner network
 - EU has stimulated pace of change and investment in network, importantly enhancing advice capabilities of network
- Opportunity for optimising growth by growing planner quality, productivity and numbers

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In summary, I've focused on:

- reinforcing the appropriateness of the growth strategy we are adopting
- giving you a better sense of the logic and rationale underpinning our strategy
- and, providing you with some new insights into how we are working to grow and further exploit our strong position in planner distribution.

We have a powerful business model, built on sustainable comparative advantage, that is extremely difficult to replicate.

Appendix



AMPFP Enforceable Undertaking (EU) update

- Around 5% of the 35,000 customers offered a review of their advice under the EU terms have taken up the offer to date
- Those reviews have been conducted and around 1,500 customers have now been offered rectification if they want it
- Review checked files against current standards, not previous standards
 - New standards require much more detail on “from” fund than previous standards so all eligible customers offered rectification
- Rectification offer is to move customer back to previous fund or funds, and re-credit any fees and charges to their super fund

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The appendices outline some of the background to and progress to date regarding the AMP Financial Planning enforceable undertaking (EU) announced in July 2006.

These slides did not form part of the verbal presentation and are intended as a reference point.

AMP issued a media release updating progress around the EU on 21 June 2007, it can be accessed via the AMP website www.amp.com.au.

EU background

- On 27 July 2006, AMPFP offered an EU to ASIC containing four undertakings in relation to superannuation switching:
 - Amendment of procedures and disclosures relating to super switching advice
 - Offer of rectification for customers who switched superannuation products if no reasonable basis for advice provided
 - Training in revised practices, processes and procedures
 - Compliance review by external expert
- Since July 2006, AMPFP has:
 - Put in place a new management structure in AMPFP to enhance focus on both field management and operational support
 - Developed and implemented new advice standards and new disclosure documents reflecting those standards
 - Implemented new training, auditing and compliance procedures for planners
 - Contacted all impacted customers and conducted reviews of advice documentation on request
 - Worked closely with external expert Deloitte on implementation of EU requirements and reporting

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