

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

AMP

AMP15QON:

Dr MULINO: This would be something for on notice, and I've asked this of some other organisations: I'd be interested in a before royal commission and after royal commission map, if you will, of the organisation and its key relationships to get a sense of which of the fundamental relationships have been changed and, ideally, simplified so that we can get a better sense of which conflicts have been clearly removed.

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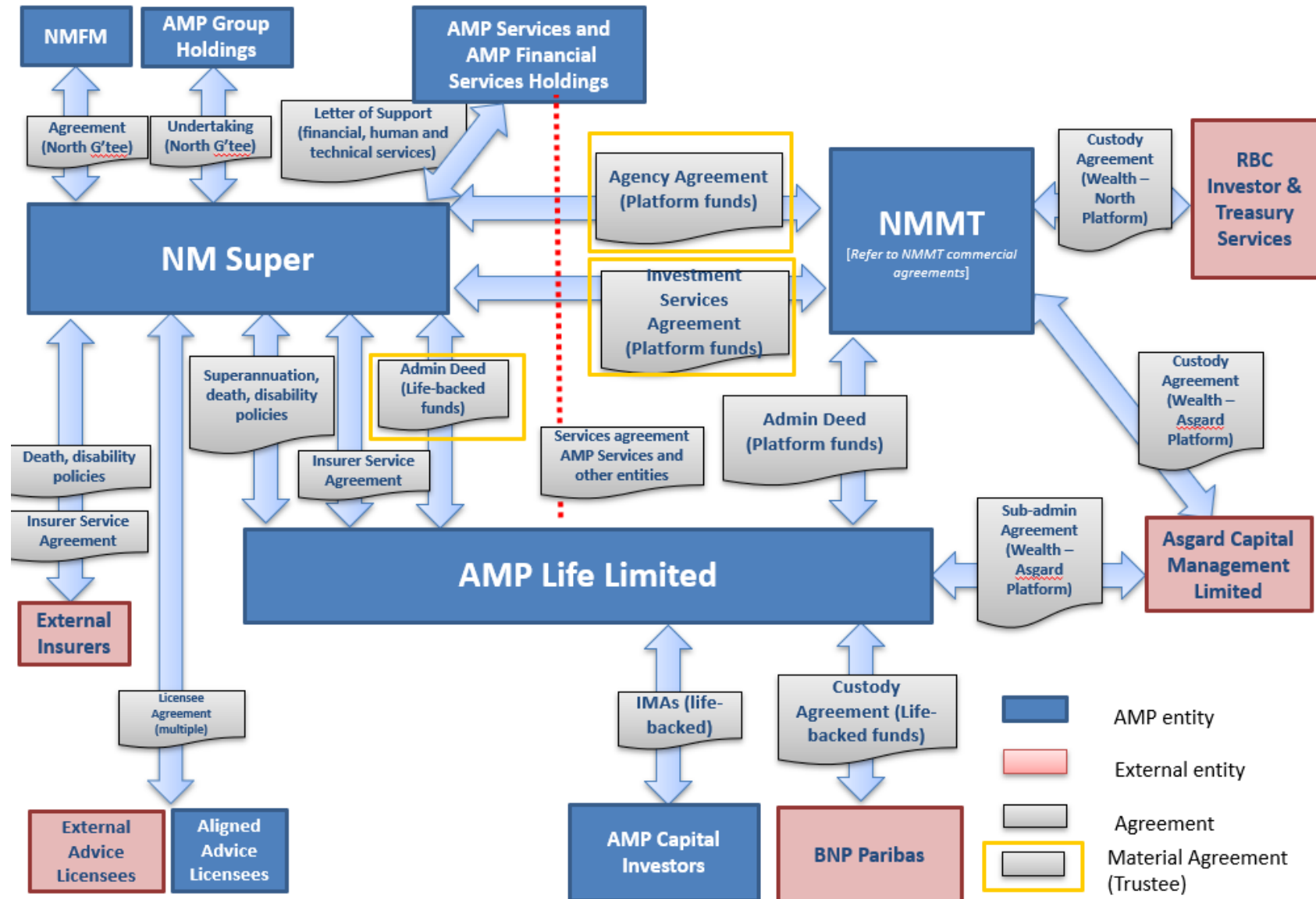
Ms McCann: What we could also provide you with, because we are still partway through our simplification program, is what the simplified end state will look like.

ANSWER:

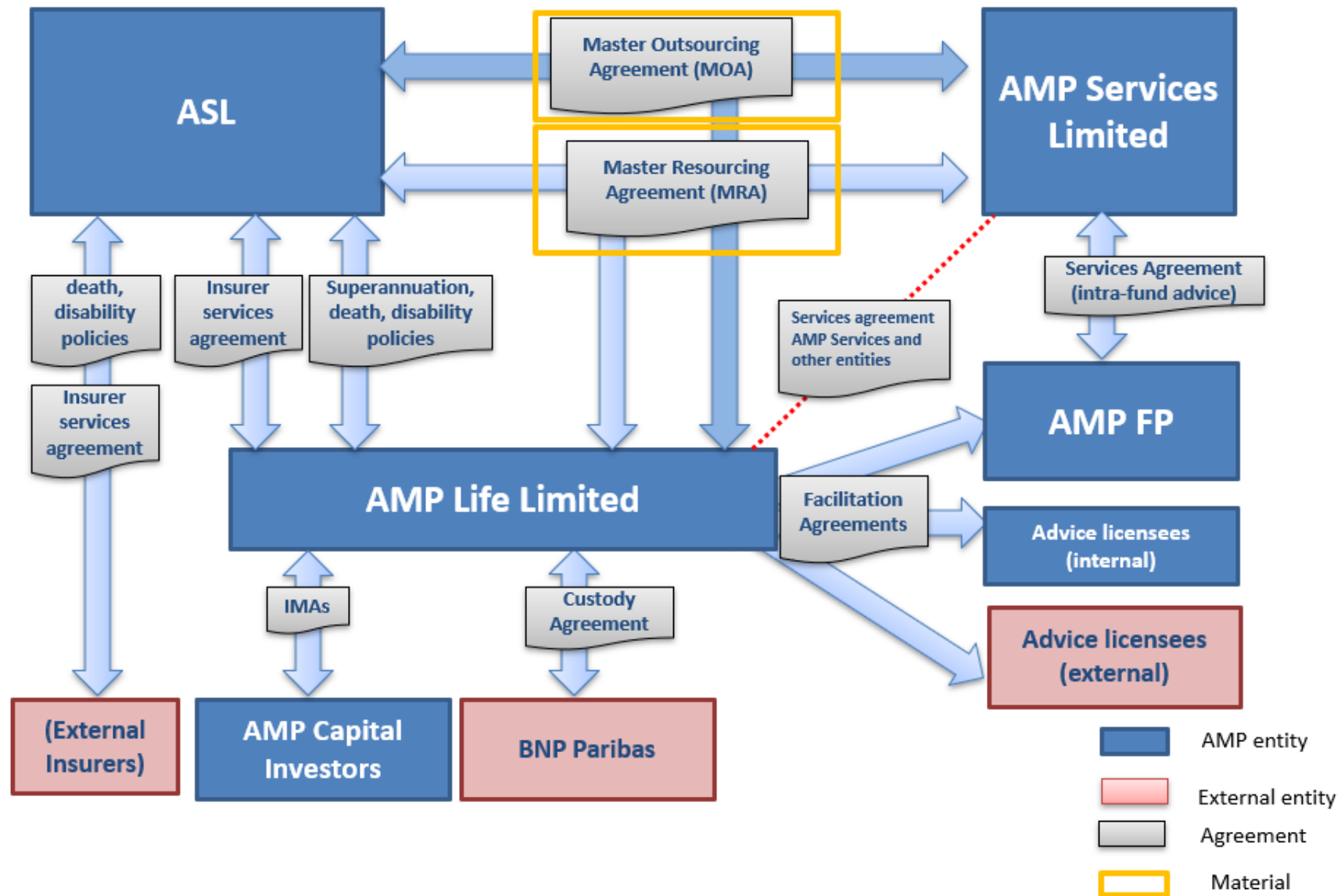
The first three diagrams below reflect the current (and pre-Royal Commission) structure of AMP's wealth business, whereby the two superannuation trustees of AMP's seven superannuation funds invest in life-backed insurance policies issued by AMP Life and also outsource administration, product development and product development functions to AMP Life. They also show the current outsourcing arrangements in place for AMP's wrap business (which covers both superannuation and non-superannuation money) and the various related parties and third parties who provide services to NM Super (one of AMP's two superannuation trustees).

The fourth diagram shows the proposed future state for AMP's wealth business, following simplification (currently anticipated to be in place by end Q2 2020). This will involve AMP simplifying by moving to one superannuation Trustee (NM Super), and two funds (one master trust - Super Directions Fund, or SDF - and the Wealth Fund, or Wealth). NM Super will play a more active role under this operating model, investing directly in superannuation assets (instead of via life-backed investment policies issued by AMP Life), directly engaging its investment manager and custodian and will engage a new related party service provider, AWM Services, to provide it with administration, product development and product development services.

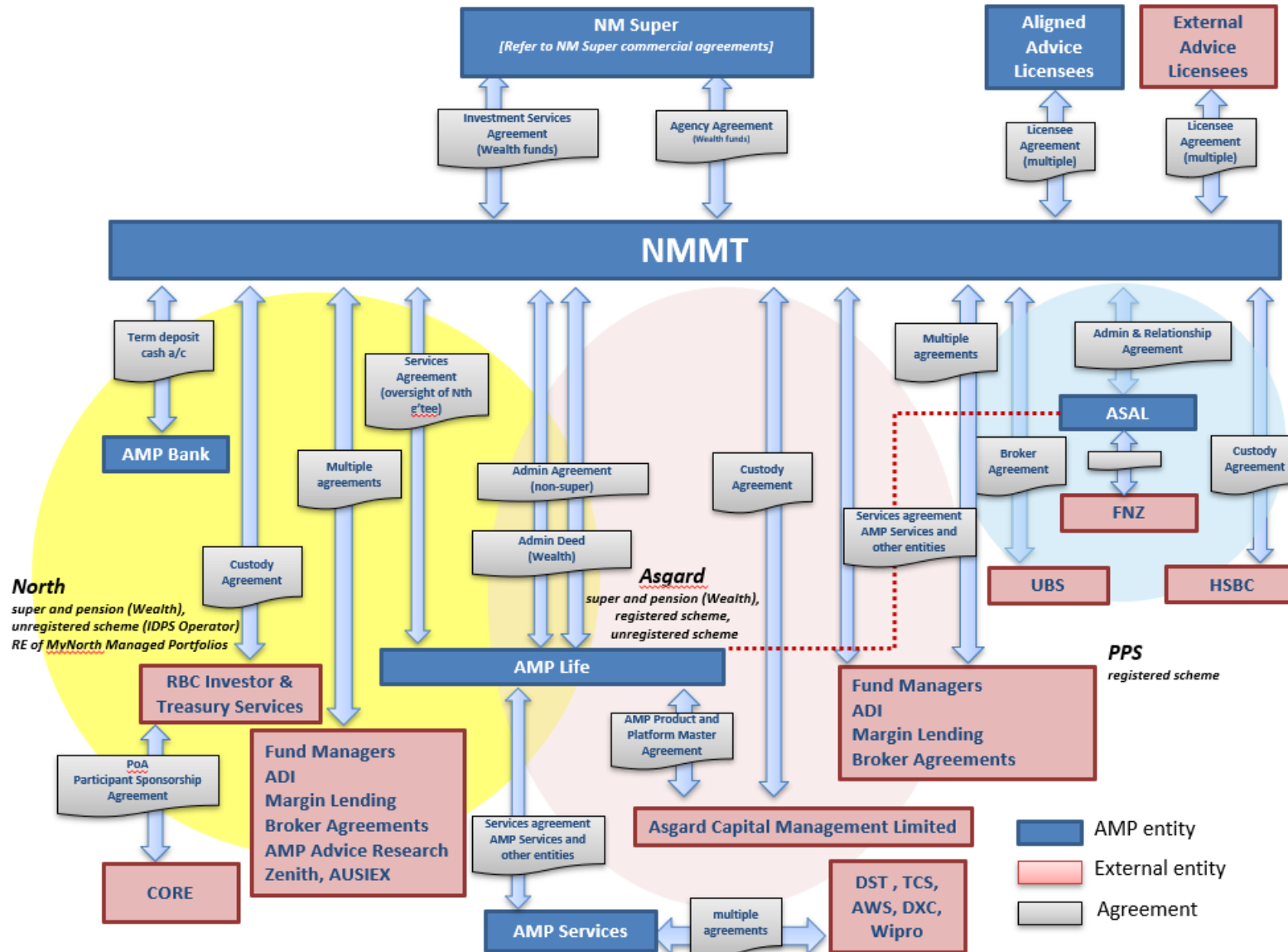
1. NM Super – Commercial Agreements



2. ASL – Commercial Agreements



3. NMMT – Commercial Agreements



4. AMP Wealth Business Model – Proposed Future State (post simplification)

