

**AMP Group Holdings Limited**  
ABN 88 079 804 676

**Directors' report and financial report  
for the half year ended  
30 June 2015**

## **DIRECTORS' REPORT**

for the half year ended 30 June 2015

Your directors present their report on the consolidated entity consisting of AMP Group Holdings Limited and the entities it controlled at the end of or during the half year ended 30 June 2015.

### ***Directors' details***

The directors of AMP Group Holdings Limited during the half year ended 30 June 2015 and up to the date of this report are shown below. Directors were in office for this entire period.

- Gordon Lefevre - Chairman
- David Rowe
- James Georgeson

### ***Operating and financial review***

AMP Group Holdings Limited (AMPGH group) is a wholly owned controlled entity of AMP Limited and is the holding company of the majority of the controlled entities of the AMP Limited group (AMP group). AMP Bank is wholly owned by AMP Limited and is not part of the AMPGH group. However, AMP Group Holdings Limited provides an unconditional and irrevocable guarantee in favour of certain creditors of AMP Bank Limited.

#### **Principal activities of AMP**

AMP is Australia and New Zealand's leading independent wealth management company, with an expanding international investment management business and a growing retail banking business in Australia.

The company serves customers in Australia and New Zealand and clients in Asia, Europe, the Middle East and North America. AMP has over 5,300 employees, around 810,000 shareholders and \$222 billion of assets under management (AUM).

AMP provides customers in Australia and New Zealand with financial advice, superannuation, retirement income and other investment products for individuals. It also provides superannuation services for businesses, administration, banking and investment services for self-managed super funds (SMSF), income protection, disability and life insurance, and selected banking products.

AMP's business consists of Australian wealth management, AMP Capital, Australian wealth protection, AMP Bank, New Zealand financial services and Australian mature.

The *Australian wealth management* business provides customers with superannuation, retirement income, investment, SMSF administration and financial advice services (through aligned and owned advice businesses).

*AMP Capital* is a diversified investment manager, managing investments across major asset classes including equities, fixed interest, infrastructure, property, diversified funds, multi-manager and multi-asset funds. Mitsubishi UFJ Trust and Banking Corporation (MUTB) holds a 15% ownership interest in AMP Capital. AMP Capital holds a 15% stake in the China Life AMP Asset Management Company Limited, a funds management company which offers retail and institutional investors in China access to leading investment solutions.

*Australian wealth protection* comprises individual and group term, disability and income protection insurance products. Products can be bundled with a superannuation product or held independently.

*New Zealand financial services* provides tailored financial products and solutions to New Zealanders through a network of financial advisers. New Zealand financial services has a leading market position in both wealth protection and wealth management, in addition to being the market leader in advice and in providing support to advisers.

*Australian mature* products include whole of life, endowment, investment linked, investment account, retirement savings account, eligible rollover fund, annuities, insurance bonds, personal superannuation and guaranteed savings accounts.

AMP Group Holdings Limited

## **DIRECTORS' REPORT**

for the half year ended 30 June 2015

### **Review of operations and results**

AMPGH group's profit attributable to shareholders of AMP Group Holdings Limited for the half year ended 30 June 2015 was \$473 million (1H 14: \$373 million).

### **Capital management**

Equity and reserves of the AMPGH group attributable to shareholders of AMP Group Holdings Limited increased to \$6,093m at 30 June 2015 from \$6,019m at 31 December 2014.

### ***Rounding***

In accordance with the Australian Securities and Investments Commission Class Order 98/0100, amounts in this directors' report and the accompanying financial report have been rounded off to the nearest million Australian dollars, unless stated otherwise.

### ***Auditor's independence declaration to the directors of AMP Group Holdings Limited***

The directors have obtained an independence declaration from the company's auditor, EY, for the half year ended 30 June 2015.

## Auditor's Independence Declaration to the Directors of AMP Group Holdings Limited

In relation to our review of the financial report of AMP Group Holdings Limited for the half-year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



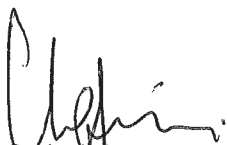
Tony Johnson  
Partner  
26 August 2015

AMP Group Holdings Limited

## **DIRECTORS' REPORT**

for the half year ended 30 June 2015

Signed in accordance with a resolution of the directors.



Gordon Lefevre  
**Chairman**

Sydney, 26 August 2015

**AMP GROUP HOLDINGS LIMITED**  
**ABN 88 079 804 676**  
**HALF YEAR FINANCIAL REPORT**  
**30 JUNE 2015**

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Registered Office:  
33 Alfred Street  
Sydney NSW 2000 Australia

AMP Group Holdings Limited, a company limited by shares, is incorporated and domiciled in Australia.

**Income statement**

for the half year ended 30 June 2015

	Note	Consolidated	
		30 Jun	30 Jun
		2015	2014
		\$m	\$m
<b>Income and expenses of shareholders, policyholders, external unitholders and non-controlling interests<sup>1</sup></b>			
Life insurance premium and related revenue	2	1,208	1,173
Fee revenue	2	1,564	1,349
Other revenue	2	63	60
Investment gains and (losses)	3	5,478	4,364
Share of profit or (loss) of associates accounted for using the equity method		10	7
Life insurance claims and related expenses	4	(1,063)	(1,053)
Operating expenses	4	(1,931)	(1,862)
Finance costs	4	(105)	(132)
Movement in external unitholder liabilities		(610)	(383)
Change in policyholder liabilities			
- life insurance contracts		(176)	(560)
- investment contracts		(3,282)	(2,244)
Income tax (expense) credit	5	(299)	(321)
<b>Profit for the period</b>		<b>857</b>	<b>398</b>
<b>Profit attributable to shareholders of AMP Group Holdings Limited</b>		<b>473</b>	<b>373</b>
Profit attributable to non-controlling interests		384	25
<b>Profit for the period</b>		<b>857</b>	<b>398</b>

1 Income and expenses include amounts attributable to shareholders' interests, policyholders' interests in the AMP life insurance entities' statutory funds, external unitholders' interests and non-controlling interests. Amounts included in respect of the AMP life insurance entities' statutory funds have a substantial impact on most of the consolidated Income statement lines, especially Investment gains and losses and Income tax (expense) credit. In general, policyholders' interests in the transactions for the period are attributed to them in the lines Change in policyholder liabilities.

**Statement of comprehensive income**

for the half year ended 30 June 2015

	Consolidated	
	30 Jun 2015 \$m	30 Jun 2014 \$m
<b>Profit for the period</b>	<b>857</b>	<b>398</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Cash flow hedges		
- gains and (losses) in fair value of cash flow hedges	2	(1)
- transferred to profit for the period	-	3
	<b>2</b>	<b>2</b>
Exchange difference on translation of foreign operations and revaluation of hedge of net investments		
- gains (losses)	(71)	8
- income tax (expense) credit	-	(1)
	<b>(71)</b>	<b>7</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Defined benefit plans <sup>1</sup>		
- actuarial gains and (losses)	154	(74)
- income tax (expense) credit	(46)	22
	<b>108</b>	<b>(52)</b>
Owner-occupied property revaluation		
- gains (losses) in valuation of owner-occupied property	17	5
- income tax (expense) credit	(1)	(1)
	<b>16</b>	<b>4</b>
<b>Other comprehensive income for the period</b>	<b>55</b>	<b>(39)</b>
<b>Total comprehensive income for the period</b>	<b>912</b>	<b>359</b>
<b>Total comprehensive income attributable to shareholders of AMP Group Holdings Limited</b>	<b>528</b>	<b>334</b>
Total comprehensive income (loss) attributable to non-controlling interests	<b>384</b>	<b>25</b>
<b>Total comprehensive income for the period</b>	<b>912</b>	<b>359</b>

1 Actuarial gains and (losses) are determined in accordance with AASB 119 *Employee Benefits*. This is not the same as the calculation methods used to determine the funding requirements for the plans.



**Statement of financial position**

as at 30 June 2015

	Note	Consolidated	
		30 Jun 2015 \$m	31 Dec 2014 \$m
<b>Assets</b>			
Cash and cash equivalents		6,045	6,178
Receivables		2,793	2,593
Current tax assets		27	35
Inventories and other assets		168	187
Investments in financial assets	6	110,873	106,093
Investment properties		347	340
Investments in associates accounted for using the equity method		449	116
Property, plant and equipment		412	401
Deferred tax assets	5	568	678
Intangibles	7	3,963	4,042
Assets of disposal groups		-	100
<b>Total assets of shareholders of AMP Group Holdings Limited, policyholders, external unitholders and non-controlling interests</b>		<b>125,645</b>	<b>120,763</b>
<b>Liabilities</b>			
Payables		4,766	3,948
Current tax liabilities		30	55
Provisions		382	431
Other financial liabilities	6	1,945	1,980
Borrowings	8	1,828	1,838
Subordinated debt	9	987	981
Deferred tax liabilities	5	2,156	2,335
External unitholder liabilities		13,452	11,335
Life insurance contract liabilities		23,913	24,403
Investment contract liabilities		69,364	66,980
Defined benefit plan liabilities		33	190
Liabilities of disposal groups		-	69
<b>Total liabilities of shareholders of AMP Group Holdings Limited, policyholders, external unitholders and non-controlling interests</b>		<b>118,856</b>	<b>114,545</b>
<b>Net assets of shareholders of AMP Group Holdings Limited and non-controlling interests</b>		<b>6,789</b>	<b>6,218</b>
<b>Equity<sup>1</sup></b>			
Contributed equity	11	6,926	6,926
Reserves		(1,978)	(1,905)
Retained earnings		1,145	998
<b>Total equity of shareholders of AMP Group Holdings Limited</b>		<b>6,093</b>	<b>6,019</b>
Non-controlling interests		696	199
<b>Total equity of shareholders of AMP Group Holdings Limited and non-controlling interests</b>		<b>6,789</b>	<b>6,218</b>

1 Further information on Equity is provided in the Statement of changes in equity on the following page and note 11.

**Statement of changes in equity**

for the half year ended 30 June 2015

**Consolidated**

	Equity attributable to shareholders of AMP Group Holdings Limited										
	Contributed equity	Share-based payment reserve <sup>1</sup>	Capital profits reserve <sup>2</sup>	Demerger loss reserve <sup>3</sup>	Cash flow hedge reserve <sup>4</sup>	Foreign currency translation and hedge of net investments reserves <sup>5,6</sup>	Owner-occupied property revaluation reserve <sup>7</sup>	Retained earnings	Total shareholder equity	Non-controlling interest	Total equity
<b>30 June 2015</b>											
Balance at the beginning of the period	6,926	74	329	(2,566)	19	137	102	998	6,019	199	6,218
Profit (loss)	-	-	-	-	-	-	-	473	473	384	857
Other comprehensive income	-	-	-	-	2	(71)	16	108	55	-	55
Total comprehensive income	-	-	-	-	2	(71)	16	581	528	384	912
Share-based payment expense	-	14	-	-	-	-	-	-	14	1	15
Share purchases	-	(34)	-	-	-	-	-	-	(34)	(2)	(36)
Dividends paid	-	-	-	-	-	-	-	(434)	(434)	(9)	(443)
Sales and acquisitions of non-controlling interest	-	-	-	-	-	-	-	-	-	123	123
<b>Balance at the end of the period</b>	<b>6,926</b>	<b>54</b>	<b>329</b>	<b>(2,566)</b>	<b>21</b>	<b>66</b>	<b>118</b>	<b>1,145</b>	<b>6,093</b>	<b>696</b>	<b>6,789</b>
<b>30 June 2014</b>											
Balance at the beginning of the period	6,926	70	329	(2,566)	(7)	90	95	855	5,792	110	5,902
Profit (loss)	-	-	-	-	-	-	-	373	373	25	398
Other comprehensive income	-	-	-	-	2	7	4	(52)	(39)	-	(39)
Total comprehensive income	-	-	-	-	2	7	4	321	334	25	359
Share-based payment expense	-	14	-	-	-	-	-	-	14	1	15
Share purchases	-	(12)	-	-	-	-	-	-	(12)	-	(12)
Dividends paid	-	-	-	-	-	-	-	(290)	(290)	(8)	(298)
Sales and acquisitions of non-controlling interest	-	-	-	-	-	-	-	-	-	14	14
<b>Balance at the end of the period</b>	<b>6,926</b>	<b>72</b>	<b>329</b>	<b>(2,566)</b>	<b>(5)</b>	<b>97</b>	<b>99</b>	<b>886</b>	<b>5,838</b>	<b>142</b>	<b>5,980</b>

## Statement of changes in equity (continued)

for the half year ended 30 June 2015

- 1 The Share-based payment reserve represents the cumulative expense recognised in relation to equity settled share-based payments less the cost of shares purchased and transferred to share-based payments recipients upon vesting.
- 2 The Capital profits reserve represents gains attributable to shareholders of AMPGH on the sale of minority interests in controlled entities to entities outside the AMPGH group.
- 3 There has been no movement in the Demerger loss reserve established in 2003 to recognise the transfer from shareholders' retained earnings of the total loss on the demerger of AMP's UK operations in December 2003.
- 4 The Cash flow hedge reserve represents the cumulative impact of changes in the fair value of derivatives designated as cash flow hedges which are effective for hedge accounting. Hedge gains and losses are transferred to the Income statement when they are deemed ineffective or upon realisation of the cash flow.
- 5 Exchange differences arising on translation of foreign controlled entities within the AMPGH group are recognised in Foreign currency translation reserve. Exchange gains and losses are transferred to the Income statement upon realisation of the investment in the foreign controlled entity.
- 6 The Hedge of net investment reserve reflects gains and losses on effective hedges of net investments in foreign operations. Hedge gains and losses are transferred to the Income statement when they are deemed ineffective or upon realisation of the investment in the foreign controlled entity.
- 7 The Owner-occupied property revaluation reserve represents cumulative valuation gains and losses on owner-occupied property required to be recognised in equity.

AMP Group Holdings Limited financial report  
**Statement of cash flows**  
for the half year ended 30 June 2015

	Consolidated	
	30 Jun 2015 \$m	30 Jun 2014 \$m
<b>Cash flows from operating activities<sup>1</sup></b>		
Cash receipts in the course of operations	9,852	9,007
Interest and other items of a similar nature received	857	880
Dividends and distributions received <sup>2</sup>	988	1,136
Cash payments in the course of operations	(10,956)	(10,538)
Finance costs	(102)	(124)
Income tax refunded (paid)	(279)	122
<b>Cash flows from (used in) operating activities</b>	<b>360</b>	<b>483</b>
<b>Cash flows from investing activities<sup>1</sup></b>		
Net proceeds from sale of (payments to acquire):		
- investment property	-	(86)
- investments in financial assets	762	5,276
- operating and intangible assets	(50)	(76)
(Payments to acquire) proceeds from disposal of operating controlled entities and investments in associates accounted for using the equity method	(322)	3
<b>Cash flows from (used in) investing activities</b>	<b>390</b>	<b>5,117</b>
<b>Cash flows from financing activities</b>		
Net movement in deposits from customers	(3)	(4)
Proceeds from borrowings	148	150
Repayment of borrowings	(222)	(140)
Capital contributed to controlled entities by non-controlling interests	175	-
Repayment of subordinated debt	-	(280)
Dividends paid	(434)	(291)
<b>Cash flows from (used in) financing activities</b>	<b>(336)</b>	<b>(565)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>414</b>	<b>5,035</b>
Cash and cash equivalents at the beginning of the year	13,830	10,230
Effect of exchange rate changes on cash and cash equivalents	(15)	2
<b>Cash and cash equivalents at the end of the period<sup>1</sup></b>	<b>14,229</b>	<b>15,267</b>

1 Cash flows and cash and cash equivalents include amounts attributable to shareholders' interests, policyholders' interests in AMP life insurance entities' statutory funds and controlled entities of those statutory funds, external unitholders' interests and non-controlling interests. Amounts included in respect of AMP life insurance entities' statutory funds and controlled entities of those statutory funds have a substantial impact on cash flows from operating activities and investing activities and proceeds from and repayments of borrowings, and cash and cash equivalents balances.

2 Dividends and distributions received are amounts of cash received mainly from investments held by AMP life insurance entities' statutory funds and controlled entities of the statutory funds. Dividends and distributions reinvested have been treated as non-cash items.

## Notes to the financial statements

for the half year ended 30 June 2015

### 1. Basis of preparation

The consolidated economic entity (the AMPGH group) comprises AMP Group Holdings Limited (the parent entity), a company limited by shares, and incorporated and domiciled in Australia, and all entities that it controlled during the period and at the reporting date.

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and AASB134 *Interim Financial Reporting*. AMPGH group is a for-profit entity for the purposes of preparing financial statements.

These half year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the AMPGH group as that given by the annual financial statements. As a result, these statements should be read in conjunction with the 2014 annual financial statements of the AMPGH group.

The principal accounting policies and methods of computation adopted in the preparation of the 2015 half year financial statements are consistent with the accounting policies and methods of computation adopted in the preparation of the 2014 annual financial statements with the exception of the application of new standards and changes in estimates as set out below.

The AMPGH group is predominantly a wealth management business conducting operations through registered life insurance companies (AMP life insurance entities' statutory funds) and other entities. Where permitted under accounting standards, the assets and liabilities associated with life insurance contracts and investment contracts are generally measured on a fair value basis and other assets and liabilities are generally measured on a historical cost basis.

Assets and liabilities have been presented on the face of the Statement of financial position in decreasing order of liquidity and do not distinguish between current and non-current items. The majority of the assets of the AMPGH group are investment assets held to back investment contract and life insurance contract liabilities.

#### *Changes in accounting policy*

A number of new accounting standards and amendments have been adopted effective 1 January 2015, but have not had any material effect on the financial position or performance of the AMPGH group.

The AMPGH group has elected to early adopt the following new accounting standards from 1 January 2015:

- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*.
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*.

There is no material impact to the financial position or performance of the AMPGH group as a result of the early adoption of these amendments.

#### *Australian Accounting Standards issued but not yet effective*

A number of new accounting standards and amendments have been issued but are not yet effective. The AMPGH group has not elected to early adopt any of these new standards or amendments in this financial report. These new standards and amendments, when applied in future periods, are not expected to have a material impact on the financial position or performance of the AMPGH group, other than as set out below.

- AASB 9 *Financial Instruments*. This standard makes significant changes to the way financial assets are classified for the purpose of determining their measurement basis and also to the amounts relating to fair value changes which are to be taken directly to equity. This standard also makes significant changes to hedge accounting requirements and disclosures and introduces a new expected loss model when recognising expected credit losses on financial assets. This standard is mandatory for adoption by the AMPGH group for the year ending 31 December 2018. The financial impact to the AMPGH group of adopting AASB 9 *Financial Instruments* has not yet been quantified.

#### *Changes in estimates*

AASB 119 *Employee Benefits* requires employee benefit provisions and defined benefit plan liabilities to be determined by discounting future cash flows using discount rates determined with reference to market yields at the end of the reporting period on high quality corporate bonds or, in countries where there is no deep market in such bonds, using market yields at the end of the period on government bonds.

In re-estimating Australian employee benefit provisions and defined benefit plan liabilities for financial reporting purposes at 30 June 2015, AMPGH group has changed from using a blend of market yields on Commonwealth government and state government bonds to a blend of high quality corporate bonds. This change is required as a consequence of it being determined that there is a deep market in high quality corporate bonds in Australia. This has resulted in a decrease in the Australian defined benefit plan liabilities of \$69m after tax effect. The impact of changes in discount rates on employee benefit provisions was not material.

**Notes to the financial statements**

for the half year ended 30 June 2015

**2. Income**

	<b>Consolidated</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2015</b>	<b>2014</b>
	<b>\$m</b>	<b>\$m</b>
<b>(a) Life insurance premium and related revenue</b>		
Life insurance contract premium revenue	1,151	1,107
Reinsurance recoveries	57	66
<b>Total life insurance premium and related revenue</b>	<b>1,208</b>	<b>1,173</b>
<b>(b) Fee revenue</b>		
Investment management and origination fees	1,091	984
Financial advisory fees	454	350
Service fees	19	15
<b>Total fee revenue</b>	<b>1,564</b>	<b>1,349</b>
<b>(c) Other revenue</b>		
Investment entities controlled by the AMP life insurance entities' statutory funds <sup>1</sup>	35	31
Other entities	28	29
<b>Total other revenue</b>	<b>63</b>	<b>60</b>

1 Other revenue of investment entities controlled by the AMP life insurance entities' statutory funds which carry out business operations unrelated to the core wealth management operations of the AMPGH group.

**Notes to the financial statements**

for the half year ended 30 June 2015

**3. Investment gains and (losses)**

	Consolidated	
	30 Jun	30 Jun
	2015	2014
	\$m	\$m
<b>Investment gains and (losses)</b>		
Interest <sup>1</sup>		
- related parties	41	52
- other entities	827	831
Dividends and distributions		
- associated entities not equity accounted	207	268
- other entities	1,967	2,086
Rental income	24	306
Net realised and unrealised gains and (losses) <sup>2</sup>	2,412	821
<b>Total investment gains and (losses)<sup>3</sup></b>	<b>5,478</b>	<b>4,364</b>

1 Interest includes interest income from financial assets designated at fair value through profit or loss upon initial recognition.

2 Net realised and unrealised gains and losses for the consolidated group predominantly consist of gains and losses on financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition.

3 Investment gains and losses include amounts attributable to shareholders' interests, policyholders' interests in the AMP life insurance entities' statutory funds, external unitholders' interests and non-controlling interests.

**Notes to the financial statements**

for the half year ended 30 June 2015

**4. Expenses**

	Consolidated	
	30 Jun	30 Jun
	2015	2014
	\$m	\$m
<b>(a) Life insurance claims and related expenses</b>		
Life insurance contract claims and related expenses	(982)	(996)
Outwards reinsurance expense	(81)	(57)
<b>Total life insurance claims and related expenses</b>	<b>(1,063)</b>	<b>(1,053)</b>
<b>(b) Operating expenses<sup>1</sup></b>		
Commission and advisory fee-for-service expense	(620)	(584)
Investment management expenses	(226)	(169)
<b>Fee and commission expenses</b>	<b>(846)</b>	<b>(753)</b>
Wages and salaries	(399)	(430)
Contributions to defined contribution plans	(41)	(41)
Defined benefit fund expense	(1)	(4)
Share-based payments expense	(15)	(15)
Other staff costs	(31)	(35)
<b>Staff and related expenses</b>	<b>(487)</b>	<b>(525)</b>
Occupancy and other property related expenses	(52)	(52)
Direct property expenses <sup>2</sup>	(6)	(82)
Information technology and communication	(120)	(127)
Professional and consulting fees	(44)	(37)
Advertising and marketing	(12)	(13)
Travel and entertainment	(17)	(16)
Impairment of intangibles	(1)	-
Amortisation of intangibles	(133)	(130)
Depreciation of property, plant and equipment	(16)	(9)
Other expenses		
- investment entities controlled by the AMP life insurance entities' statutory funds	(81)	(11)
- other entities	(116)	(107)
<b>Other operating expenses</b>	<b>(598)</b>	<b>(584)</b>
<b>Total operating expenses</b>	<b>(1,931)</b>	<b>(1,862)</b>
<b>(c) Finance costs</b>		
Interest expense on borrowings and subordinated debt	(93)	(119)
Other finance costs	(12)	(13)
<b>Total finance costs</b>	<b>(105)</b>	<b>(132)</b>

1 Operating expenses includes certain trading expenses of investment entities controlled by the AMP life insurance entities' statutory funds which carry out business operations unrelated to the core wealth management operations of the AMPGH group.

2 Direct property expenses relate to investment properties which generate rental income.



**Notes to the financial statements**

for the half year ended 30 June 2015

**5. Income tax**

	Consolidated	
	30 Jun	30 Jun
	2015	2014
	\$m	\$m
<b>(a) Analysis of income tax (expense) credit</b>		
Current tax (expense) credit	(431)	(357)
Increase (decrease) in deferred tax assets	(27)	66
(Increase) decrease in deferred tax liabilities	159	(36)
Over (under) provided in previous years including amounts attributable to policyholders	-	6
<b>Income tax (expense) credit</b>	<b>(299)</b>	<b>(321)</b>

**(b) Relationship between income tax expense and accounting profit**

The following table provides a reconciliation of differences between *prima facie* tax calculated as 30% of the profit before income tax for the year and the actual income tax expense recognised in the Income statement for the year. The income tax expense amount reflects the impact of both income tax attributable to shareholders as well as income tax attributable to policyholders. In respect of income tax expense attributable to shareholders, the tax rate which applies is 30% in Australia and 28% in New Zealand.

Income tax attributable to policyholders is based on investment income allocated to policyholders less expenses deductible against that investment income. The impact of the tax is charged against policyholder liabilities. A number of different tax rate regimes apply to policyholders. In Australia, certain classes of policyholder life insurance income and superannuation earnings are taxed at 15%, and certain classes of income on some annuity business are tax-exempt. The rate applicable to New Zealand life insurance business during the year is 28%.

	Consolidated	
	30 Jun	30 Jun
	2015	2014
	\$m	\$m
Profit before income tax	1,156	719
Policyholder tax (expense) credit recognised as part of the change in policyholder liabilities in determining profit before tax	(119)	(191)
<b>Profit before income tax excluding tax charged to policyholders</b>	<b>1,037</b>	<b>528</b>
Tax at the Australian tax rate of 30% (2014: 30%)	(311)	(158)
Tax effect of differences between amounts of income and expenses recognised for accounting and the amounts assessable/deductible in calculating taxable income:		
- shareholder impact of life insurance tax treatment	(3)	(9)
- tax concessions including research and development and offshore banking unit	6	1
- non-deductible expenses	(4)	(1)
- non-taxable income	11	1
- other items	3	3
- non-controlling interests <sup>1</sup>	113	4
Over (under) provided in previous years after excluding amounts attributable to policyholders	3	21
Utilisation of previously unrecognised tax losses	-	2
Differences in overseas tax rates	2	6
Income tax (expense) credit attributable to shareholders and non-controlling interest	(180)	(130)
Income tax (expense) credit attributable to policyholders	(119)	(191)
<b>Income tax (expense) credit per Income statement</b>	<b>(299)</b>	<b>(321)</b>

<sup>1</sup> \$377m (HY14: \$13m) profit attributable to non-controlling interests in investment entities controlled by the AMP life insurance entities' statutory funds is not subject to tax.

**Notes to the financial statements**

for the half year ended 30 June 2015

**5. Income tax (continued)**

	<b>Consolidated</b>	
	<b>30 Jun</b>	<b>31 Dec</b>
	<b>2015</b>	<b>2014</b>
	<b>\$m</b>	<b>\$m</b>
<b>(c) Analysis of deferred tax assets</b>		
Expenses deductible and income recognisable in future years	305	243
Unrealised movements on borrowings and derivatives	1	-
Unrealised investment losses	42	26
Losses available for offset against future taxable income	191	322
Other	29	87
<b>Total deferred tax assets</b>	<b>568</b>	<b>678</b>
<b>(d) Analysis of deferred tax liabilities</b>		
Unrealised investment gains	1,619	1,759
Unrealised movements on borrowings and derivatives	26	19
Other	511	557
<b>Total deferred tax liabilities</b>	<b>2,156</b>	<b>2,335</b>
<b>(e) Amounts recognised directly in equity</b>		
Deferred income tax (expense) credit related to items taken directly to equity during the current period	(47)	24

**Notes to the financial statements**

for the half year ended 30 June 2015

**6. Investments in financial assets and other financial liabilities**

	Consolidated	
	30 Jun 2015 \$m	31 Dec 2014 \$m
<b>Investments in financial assets</b>		
<b>Financial assets measured at fair value through profit or loss<sup>1</sup></b>		
Equity securities and listed managed investment schemes	49,135	47,076
Debt securities <sup>2</sup>	40,887	38,439
Investments in unlisted managed investment schemes	19,254	18,556
Derivative financial assets	1,570	1,962
Other financial assets	8	41
<b>Total financial assets measured at fair value through profit or loss</b>	<b>110,854</b>	<b>106,074</b>
<b>Financial assets measured at amortised cost</b>		
Loans and advances	18	18
Debt securities - held to maturity	1	1
<b>Total financial assets measured at amortised cost</b>	<b>19</b>	<b>19</b>
<b>Total investments in financial assets</b>	<b>110,873</b>	<b>106,093</b>
<b>Other financial liabilities</b>		
Derivative financial liabilities	793	1,124
Collateral deposits held <sup>3</sup>	1,152	856
<b>Total other financial liabilities</b>	<b>1,945</b>	<b>1,980</b>

1 Investments measured at fair value through profit or loss are mainly assets of the AMP life insurance entities' statutory funds and controlled entities of the AMP life insurance entities' statutory funds.

2 Included within debt securities are assets held to back the liability for collateral deposits held in respect of debt security purchase arrangements entered into by the AMP life insurance entities' statutory funds and the controlled entities of the AMP life insurance entities' statutory funds.

3 Collateral deposits held are mostly in respect of the obligation to repay collateral held in respect of debt security repurchase arrangements entered into by the AMP life insurance entities' statutory funds and the controlled entities of the AMP life insurance entities' statutory funds.

**Notes to the financial statements**

for the half year ended 30 June 2015

**7. Intangibles**

	Goodwill <sup>1</sup> \$m	Capital- ised costs \$m	Value of in-force business \$m	Distrib- ution networks \$m	Other intangibles \$m	Total \$m
<b>30 June 2015 - Consolidated</b>						
<b>Intangibles</b>						
Gross carrying amount	2,829	1,056	1,191	220	95	5,391
Less: accumulated amortisation and/or impairment losses	(108)	(689)	(436)	(101)	(94)	(1,428)
<b>Intangibles at written down value</b>	<b>2,721</b>	<b>367</b>	<b>755</b>	<b>119</b>	<b>1</b>	<b>3,963</b>
<b>Movements in intangibles</b>						
Balance at the beginning of the period	2,717	378	806	136	5	4,042
Additions (reductions) through acquisitions (disposal) of controlled entities	-	-	-	-	-	-
Additions through separate acquisition	-	-	-	-	-	-
Additions through internal development	-	48	-	-	-	48
Transferred from inventories	-	-	-	5	-	5
Transferred to disposal groups	-	-	-	-	-	-
Amortisation expense <sup>2</sup>	-	(58)	(51)	(20)	(4)	(133)
Impairment losses	-	(1)	-	-	-	(1)
Other movements	4	-	-	(2)	-	2
<b>Balance at the end of the period</b>	<b>2,721</b>	<b>367</b>	<b>755</b>	<b>119</b>	<b>1</b>	<b>3,963</b>

**31 December 2014 - Consolidated**

<b>Intangibles</b>						
Gross carrying amount	2,825	1,008	1,191	217	95	5,336
Less: accumulated amortisation and/or impairment losses	(108)	(630)	(385)	(81)	(90)	(1,294)
<b>Intangibles at written down value</b>	<b>2,717</b>	<b>378</b>	<b>806</b>	<b>136</b>	<b>5</b>	<b>4,042</b>
<b>Movements in intangibles</b>						
Balance at the beginning of the period	2,711	355	909	140	21	4,136
Additions (reductions) through acquisitions (disposal) of controlled entities and other businesses	19	-	-	5	-	24
Additions through separate acquisition	-	-	-	34	-	34
Additions through internal development	-	127	-	-	-	127
Disposals	-	-	-	-	-	-
Transferred to disposal groups	(13)	-	-	-	-	(13)
Amortisation expense <sup>2</sup>	-	(104)	(103)	(35)	(16)	(258)
Impairment losses	-	-	-	-	-	-
Other movements	-	-	-	(8)	-	(8)
<b>Balance at the end of the period</b>	<b>2,717</b>	<b>378</b>	<b>806</b>	<b>136</b>	<b>5</b>	<b>4,042</b>

1 Total goodwill comprises amounts attributable to shareholders of \$2,706m (2014: \$2,702m) and amounts attributable to policyholders of \$15m (2014: \$15m).

2 Amortisation expense for the period is included in Operating expenses in the Income statement.

**Notes to the financial statements**

for the half year ended 30 June 2015

**8. Borrowings**

	<b>Consolidated</b>	
	<b>30 Jun</b>	<b>31 Dec</b>
	<b>2015</b>	<b>2014</b>
	<b>\$m</b>	<b>\$m</b>
Deposits	99	102
Borrowings and interest bearing liabilities		
- Corporate borrowings	262	463
- Investment entities controlled by AMP life insurance entities' statutory funds	1,467	1,273
<b>Total borrowings<sup>1</sup></b>	<b>1,828</b>	<b>1,838</b>

1 Total borrowings comprise amounts to fund:

i) Corporate borrowings of AMPGH group \$262m (2014: \$463m).

ii) AMP life insurance entities' statutory funds borrowings and controlled entities of the AMP life insurance entities' statutory funds borrowings \$1,566m (2014: \$1,375m).

**Notes to the financial statements**

for the half year ended 30 June 2015

**9. Subordinated debt**

	<b>Consolidated</b>	
	<b>30 Jun</b>	<b>31 Dec</b>
	<b>2015</b>	<b>2014</b>
	<b>\$m</b>	<b>\$m</b>
Corporate subordinated debt <sup>1</sup>		
- 6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	<b>83</b>	79
- Floating Rate Subordinated Unsecured Notes (first call date 2016, maturity 2021) <sup>2</sup>	<b>604</b>	602
- Subordinated debt from parent entity	<b>300</b>	300
<b>Total subordinated debt</b>	<b>987</b>	981

1 Subordinated debt amounts are to fund corporate activities of AMPGH group.

2 In the event that AMPGH does not call the subordinated debt at the first call date the note holders have the right to exchange the notes for AMP shares at a small discount to volume weighted average price at that time.

**Notes to the financial statements**

for the half year ended 30 June 2015

**10. Dividends**

	Consolidated	
	30 Jun 2015 \$m	30 June 2014 \$m
<b>Dividends paid</b>		
Dividends paid during the period (HY15: 4.18 cents per share, HY14: 2.80 cents per share)	434	290
<b>Total dividends paid</b>	<b>434</b>	<b>290</b>

**Notes to the financial statements**

for the half year ended 30 June 2015

**11. Contributed equity**

	Consolidated	
	30 Jun 2015 \$m	31 Dec 2014 \$m
<b>Movements in issued capital</b>		
Balance at the beginning of the period	6,926	6,926
<b>Balance at the end of the period</b>	<b>6,926</b>	<b>6,926</b>
<b>Total issued capital</b>		
10,373,884,649 (2014: 10,373,884,649) ordinary shares fully paid	6,926	6,926

Holder of ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Fully paid ordinary shares carry the right to one vote per share. Ordinary shares have no par value.



**Notes to the financial statements**

for the half year ended 30 June 2015

**12. Fair value information****(a) Fair values**

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Statement of financial position at fair value. Bid prices are used to estimate the fair value of assets, whereas offer prices are applied for liabilities.

	Carrying amount 30 Jun 2015 \$m	Aggregate fair value 30 Jun 2015 \$m	Carrying amount 31 Dec 2014 \$m	Aggregate fair value 31 Dec 2014 \$m
<b>Financial assets</b>				
Loans and advances	18	18	18	18
Debt securities - held to maturity	1	1	1	1
<b>Total financial assets</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Financial liabilities</b>				
Deposits	99	99	102	102
Borrowings and interest bearing liabilities				
- Corporate and other shareholder activities	262	263	463	465
- Investment entities controlled by AMP life insurance entities' statutory funds	1,467	1,467	1,273	1,273
Subordinated debt	987	1,000	981	1,023
<b>Total financial liabilities</b>	<b>2,815</b>	<b>2,829</b>	<b>2,819</b>	<b>2,863</b>

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

*(i) Debt securities*

The estimated fair value of loans and interest bearing securities represents the discounted amount of estimated future cashflows expected to be received, based on the maturity profile of the loans and interest bearing securities. As the loans are unlisted, the discount rates applied are based on the yield curve appropriate to the remaining term of the loans.

The loans may be measured at an amount in excess of fair value due to fluctuations on fixed rate loans. As the fluctuations in fair value do not represent a permanent diminution and the carrying amounts of the loans are recorded at recoverable amounts after assessing impairment, it is not appropriate to restate their carrying amount.

*(ii) Borrowings*

Borrowings comprise domestic commercial paper, drawn liquidity facilities and various floating-rate and medium-term notes. The fair values of borrowings are predominantly hedged by derivative instruments – mainly cross-currency and interest rate swaps. The estimated fair value of borrowings is determined with reference to quoted market prices. For borrowings where quoted market prices are not available, a discounted cashflow model is used, based on a current yield curve appropriate for the remaining term to maturity.

*(iii) Subordinated debt*

The fair value of subordinated debt is determined with reference to quoted market prices at the reporting date.

**(b) Fair value measures**

The AMPGH group's assets and liabilities measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

Level 1: Valued by reference to quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valued using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), including: quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities, and other inputs that are not quoted prices but are observable for the asset or liability, for example interest rate yield curves observable at commonly quoted intervals, currency rates, option volatilities, credit risks, and default rates.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor based on available market data. Unobservable inputs are determined based on the best information available, which might include the AMPGH group's own data, reflecting the AMPGH group's own estimates about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available, and include estimates about the timing of cashflows, discount rates, earnings multiples and other inputs.

**Notes to the financial statements**

for the half year ended 30 June 2015

**12. Fair value information** (continued)

The following table shows an analysis of the AMPGH group's financial assets and liabilities measured at fair value by each level of the fair value hierarchy.

	Level 1	Level 2	Level 3	Total fair value
	\$m	\$m	\$m	\$m
<b>30 June 2015</b>				
<b>Assets</b>				
<b>Measured at fair value on a recurring basis</b>				
Equity securities and listed managed investment schemes	46,073	10	3,052	49,135
Debt securities	-	39,744	1,143	40,887
Investments in unlisted managed investment schemes	-	17,631	1,623	19,254
Derivative financial assets	142	1,428	-	1,570
Other financial assets	-	-	8	8
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>46,215</b>	<b>58,813</b>	<b>5,826</b>	<b>110,854</b>
<b>Total financial assets measured at fair value</b>	<b>46,215</b>	<b>58,813</b>	<b>5,826</b>	<b>110,854</b>
<b>Liabilities</b>				
<b>Measured at fair value on a recurring basis</b>				
Derivative financial liabilities	20	773	-	793
Collateral deposits held	493	659	-	1,152
Investment contract liabilities	-	2,450	66,914	69,364
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>513</b>	<b>3,882</b>	<b>66,914</b>	<b>71,309</b>
<b>Total financial liabilities measured at fair value</b>	<b>513</b>	<b>3,882</b>	<b>66,914</b>	<b>71,309</b>
<b>31 December 2014</b>				
<b>Assets</b>				
<b>Measured at fair value on a recurring basis</b>				
Equity securities and listed managed investment schemes	44,679	43	2,354	47,076
Debt securities	-	37,840	599	38,439
Investments in unlisted managed investment schemes	-	17,589	967	18,556
Derivative financial assets	131	1,831	-	1,962
Other financial assets	-	32	9	41
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>44,810</b>	<b>57,335</b>	<b>3,929</b>	<b>106,074</b>
<b>Total financial assets measured at fair value</b>	<b>44,810</b>	<b>57,335</b>	<b>3,929</b>	<b>106,074</b>
<b>Liabilities</b>				
<b>Measured at fair value on a recurring basis</b>				
Derivative financial liabilities	96	1,028	-	1,124
Collateral deposits held	792	64	-	856
Investment contract liabilities	-	2,532	64,448	66,980
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>888</b>	<b>3,624</b>	<b>64,448</b>	<b>68,960</b>
<b>Total financial liabilities measured at fair value</b>	<b>888</b>	<b>3,624</b>	<b>64,448</b>	<b>68,960</b>

**Notes to the financial statements**

for the half year ended 30 June 2015

**12. Fair value information** (continued)

The following table shows movements in the fair value of financial instruments categorised as level 3:

	Balance at the beginning of the period \$m	FX gains or losses <sup>2</sup> \$m	Total gains/ losses <sup>2,3</sup> \$m	Purchases/ deposits \$m	Sales/ withdrawals \$m	Net transfers in/(out) <sup>1</sup> \$m	Balance at the end of the period \$m	Total gains and losses on assets and liabilities held at reporting date \$m
<b>30 June 2015</b>								
<b>Assets classified as level 3</b>								
Equity securities and listed managed investment schemes	2,354	59	108	15	(21)	537	3,052	108
Debt securities	599	57	48	435	(10)	14	1,143	48
Investments in unlisted managed investment schemes	967	-	6	247	(41)	444	1,623	15
Other financial assets	9	-	(6)	-	-	5	8	(6)
<b>Liabilities classified as level 3</b>								
Investment contract liabilities	64,448	(26)	2,634	5,727	(5,869)	-	66,914	2,472
<b>31 December 2014</b>								
<b>Assets classified as level 3</b>								
Equity securities and listed managed investment schemes	2,480	29	223	29	(19)	(388)	2,354	223
Debt securities	556	13	65	9	(32)	(12)	599	65
Investments in unlisted managed investment schemes	612	-	128	321	(251)	157	967	128
Other financial assets	-	-	-	-	-	9	9	-
<b>Liabilities classified as level 3</b>								
Investment contract liabilities	63,148	12	4,956	11,608	(15,276)	-	64,448	4,572

1 The AMPGH group recognises transfers as at the end of the reporting period during which the transfer has occurred. Transfers are recognised when there are changes in the observability of the pricing of the relevant securities or where the AMPGH group cease to consolidate a controlled entity.

2 Gains and losses are classified in investment gains and losses or change in policyholder liabilities in the Income statement.

3 Total gains/losses includes net unrealised gains and losses relating to financial assets of \$156m (2014: \$416m).

**Notes to the financial statements**

for the half year ended 30 June 2015

**12. Fair value information** (continued)

The following table shows the sensitivity of the fair value of Level 3 instruments to changes in key assumptions:

30 June 2015	Carrying amount <sup>1,2</sup> \$m	Effect of reasonably possible alternative assumptions <sup>3</sup>		Valuation technique	Key unobservable inputs
		(+) \$m	(-) \$m		
<b>Assets</b>					
Equity securities and listed managed investment schemes	3,052	233	(219)	Discounted cash flow approach utilising cost of equity as the discount rate.	Discount rate. Terminal value growth rate. Cash flow forecasts.
Debt securities	1,143	-	-	Discounted cash flow approach.	Discount rate. Cash flow forecasts.
Investments in unlisted managed investment schemes	1,623	-	-	Published redemption prices.	Valuation of the unlisted managed investment schemes. Suspension of redemptions of the managed investment schemes.
<b>Liabilities</b>					
Investment contract liabilities	66,914	8	(7)	Valuation model based on published unit prices and the fair value of backing assets. Fixed retirement-income policies - discounted cash flow .	Fair value of financial instruments. Cash flow forecasts. Credit risk.
<b>31 December 2014</b>					
<b>Assets</b>					
Equity securities and listed managed investment schemes	2,354	164	(163)		
Debt securities	599	-	-		
Investments in unlisted managed investment schemes	967	-	-		
<b>Liabilities</b>					
Investment contract liabilities	64,448	9	(9)		

1 The fair value of the asset or liability would increase/decrease if the discount rate decreases/increases. The fair value of the asset or liability would increase/decrease if the other inputs increase/decrease.

2 Each individual asset and industry profile will determine the appropriate valuation inputs to be utilised in each specific valuation and can vary from asset to asset.

3 Reasonably possible alternative assumptions have been calculated by changing one or more of significant unobservable inputs for individual assets to reasonably possible alternative assumptions. On financial assets this included adjusting the discount rate by 25bps - 100bps. On investment contract liabilities this included adjustments to credit risk by 50bps.

*Financial asset valuation process*

For financial assets categorised within level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets is governed by the AMP Capital asset valuation policy. This policy outlines the asset valuation methodologies and processes applied to measure non-exchange traded assets which have no regular market price, including investment property, infrastructure, private equity, alternative assets, and illiquid debt securities. All significant level 3 assets are referred to the appropriate valuation committee who meet at least every six months, or more frequently if required.

## Notes to the financial statements

for the half year ended 30 June 2015

### 13. Changes in composition of the AMPGH group

#### (a) Operating entities

There were no material acquisition or disposals of operating entities during the half-year ended 30 June 2015.

On 20 January 2015, AMP acquired 19.99% of China Life Pension Company, one of the largest pension companies in China, for \$268m. This investment has been accounted for as an associate using the equity method from that date.

#### (b) Investment controlled entities of the AMP life insurance entities' statutory funds

At 31 December 2014, AMPGH group classified certain operations of investment entities controlled by AMP life entities' statutory funds as disposal groups. Each of those operations were sold during the period .

## **Notes to the financial statements**

for the half year ended 30 June 2015

### **14. Contingent liabilities**

As at the date of this report there have been no material changes in contingent liabilities since those reported in the 2014 annual financial report.

## **Notes to the financial statements**

for the half year ended 30 June 2015

### **15. Events occurring after reporting date**

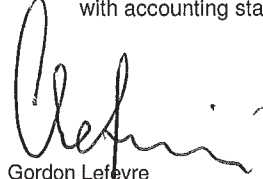
As at the date of this report, the directors are not aware of any matter or circumstance that has arisen since the reporting date that has significantly affected or may significantly affect the entity's operations in future years; the results of those operations in future years; or the entity's state of affairs in future years which is not already reflected in this report.

## Directors' declaration

for the half year ended 30 June 2015

In accordance with a resolution of the directors of AMP Group Holdings Limited, we state for the purposes of Section 303(4) of the *Corporations Act 2001* that, in the opinion of the directors:

- (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) the financial statements and notes are in accordance with the *Corporations Act 2001*, including Section 304 (compliance with accounting standards) and Section 305 (true and fair view).



Gordon Lefevre  
Chairman

Sydney, 26 August 2015



To the members of AMP Group Holdings Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AMP Group Holdings Limited, which comprises the statement of financial position as at 30 June 2015, income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AMP Group Holdings Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AMP Group Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Tony Johnson  
Partner  
Sydney  
26 August 2015