AMP Tax Report 2016

1. Message from the Chief Financial Officer

Our purpose is to help customers own their tomorrow by helping them take control of their money and achieve their financial goals. Whether it's retiring right, being debt free, or protecting an income, it's what we've been doing for 168 years. The world has changed immeasurably since our founding in 1849, and while we've evolved and grown to keep pace, our purpose has steadfastly remained on serving our customers, shareholders, investors and the community.

We continue to be proud of the contribution we make to the public finances of the countries in which we operate. We take our tax obligations seriously and our approach to paying tax is built on integrity and transparency. This report details the taxes we paid in 2016 and our effective tax rate from 2012–2016.

We also share our approach to tax; a strategy that seeks to ensure we contribute appropriately to the communities in which we operate.

Gordon Lefevre
Chief Financial Officer

2. Introduction

AMP makes a wide range of tax-related payments to governments in various jurisdictions in which it operates.

This report provides information on AMP, the tax payments the company makes, and its tax strategy and governance.

The vast majority of AMP's tax liability is payable in Australia. Income tax is levied on profits attributable to AMP shareholders and, for some investment structures, the investment returns generated for its customers. AMP is also subject to payroll, property, goods and services tax (GST), stamp duty and other taxes. AMP also collects and pays 'pay as you go' (PAYG) taxes on behalf of employees, withholding tax on behalf of shareholders and investors, and contributions tax on customers' superannuation investments. The payment of Australian income tax by AMP generally results in the generation of imputation credits which are passed to shareholders on payment of dividends; where a shareholder is an Australian taxpayer, they obtain the credits for the tax already paid by AMP.

The information in this report complements the financial information that is published in the AMP 2016 annual report, which is prepared to apply the recognition, measurement and disclosure requirements of international financial reporting standards.

This report also serves to assist with understanding the disclosures that are expected to be made by the Australian Taxation Office (ATO) later this year in its Tax Transparency Report for our tax year ended 31 December 2015.

3. AMP group

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 holding company of the group, AMP Limited, is listed on the Australian Stock Exchange (ASX) and New Zealand Exchange (NZX).

AMP business operations are carried out by a number of controlled entities, including an Australian bank and two Australian registered life insurers (the businesses of which were merged on 1 January 2017). Each of AMP's business units is wholly owned by AMP Limited, except for the AMP Capital business unit, which is 85% owned by AMP Limited and 15% owned by Mitsubishi UFJ Trust and Banking Corporation, which is domiciled in Japan.

The majority of AMP profits are earned from financial services operations in Australia. Other profits are earned from financial services operations in New Zealand, as well as a number of mainly investment management operations in Asia and elsewhere.

AMP comprises the following business units:

- The **Australian wealth management** business provides customers with superannuation, retirement income, investment, self-managed superannuation fund (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, real estate, diversified funds, multi-manager and multi-asset funds.
- **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.
- **AMP Bank** is an Australian retail bank offering residential mortgages, deposits, transaction banking, and SMSF products with around 100,000 customers. It also has a small portfolio of practice finance loans. AMP Bank distributes through brokers, AMP advisers, and direct to retail customers via phone and internet banking.
- **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.
- The **Australian mature** business is the largest closed life insurance business in Australia. Australian mature assets under management (AUM) comprises capital guaranteed products (77%) and market linked products (23%). 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's life insurance entities conduct a wealth management business through separate life statutory funds. For the purpose of preparing AMP Limited's consolidated financial report, income, expenses, assets and liabilities that are attributable to policyholders within the life statutory funds, are consolidated into the AMP group financial statements, together with those attributable to the shareholders of the parent entity.

The business of AMP's life insurance activities relates to the provision of wealth management and life insurance products to investors, referred to as policyholders. The nature of the savings element of this business is that AMP receives premiums and other contributions from policyholders and then invests those funds on behalf of the policyholders. Australian tax law generally taxes policyholder returns and superannuation contributions at different rates in the hands of the life insurer.

In addition to the above business units, AMP has a group office function, which provides centralised services and performs treasury activities.

Under Australian tax law, AMP's Australian corporate entities are organised into two tax consolidated groups, one for AMP Limited and its wholly owned Australian corporate subsidiaries, and another for AMP Capital Holdings Limited and its wholly owned Australian corporate subsidiaries. Each of these tax consolidated groups is a group of companies that is generally treated as a single taxpayer for income tax purposes. A small number of partly owned Australian corporate entities fall outside these tax consolidated groups and are taxed separately on a standalone basis.

Where AMP operates in foreign jurisdictions, it will generally establish separate legal entities in those jurisdictions and be subject to the local tax regime. One notable exception is AMP's life insurance operations in New Zealand, which are conducted through a branch in New Zealand (the operations of this branch are funded by premiums paid by New Zealand policyholders). In some cases, AMP establishes investment vehicles and/or investment assets across multiple jurisdictions. This is discussed further in section 4.

To support its global operations, AMP in Australia provides support services (including administrative and IT support) to its overseas related parties (mainly to AMP New Zealand). In addition, advisory arrangements are entered into between AMP Capital in Australia and its international subsidiaries to support the provision of investment advisory and management services to AMP Capital's global client base. All of AMP's international related party dealings reflect arm's length terms in accordance with Australia's transfer pricing requirements and the Organisation for Economic Co-operation and Development (OECD) guidelines.

AMP Capital operates a large number of registered managed investment schemes and other pooled investment vehicles. AMP's life insurance entities are significant investors into these vehicles and in many cases this results in control and consolidation of these investment vehicles in the AMP Limited financial statements. In general, those investment schemes and other pooled investment vehicles do not pay tax but are required to distribute taxable income annually, which is then taxed in the hands of the investors.

4. Tax strategy and governance

AMP's tax strategy is focused on integrity in compliance, reporting and enhancing shareholder value.

The strategy is implemented through AMP's tax risk framework. This framework is approved by the AMP Limited Board and supported by governance processes, which ensure it is implemented with continued effectiveness. The framework and supporting governance processes include an escalation requirement for key risks that are outside of the parameters approved by the AMP Limited Board.

AMP Limited has entered into an annual compliance arrangement (ACA) in relation to income tax and goods and services tax (GST) with the Australian Taxation Office (ATO). The primary purpose of the ACA is to formalise a relationship predicated on mutual trust, respect and transparency, and which facilitates interaction and cooperation between the parties. The ATO has acknowledged AMP's continued willingness to maintain a cooperative and open relationship.

In conducting AMP's activities (both in Australia and offshore):

– AMP does not shift and/or accumulate profits in low- or zero-tax jurisdictions
– AMP does not use the secrecy rules of jurisdictions to hide assets or income, and
– AMP pays tax where the underlying economic activity occurs.

AMP Limited's Board does not sanction or support any activities which seek to aggressively structure AMP's tax affairs.

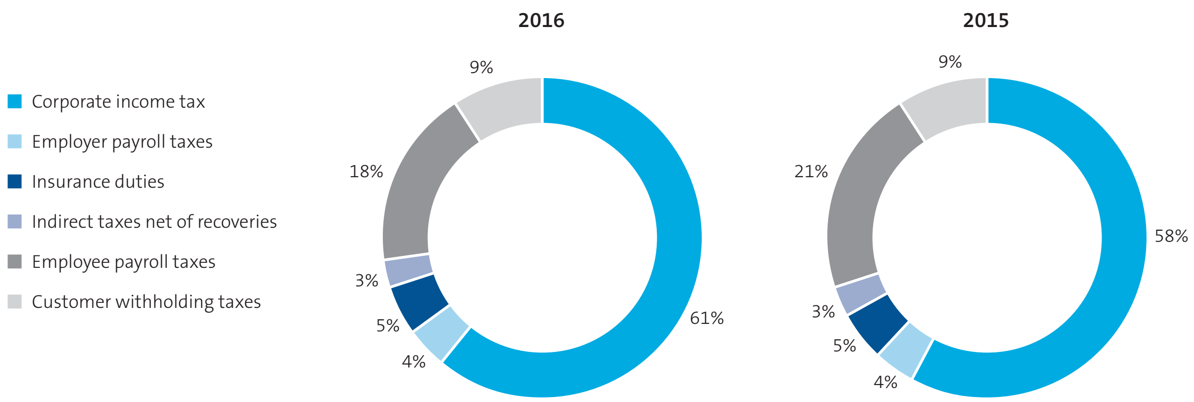
As part of managing a global investment portfolio on behalf of domestic and international clients, including Australian superannuation funds, AMP uses a variety of structures and entities to enter into offshore markets. The selection of a particular location requires balancing various commercial, legal, investor and cost (including tax) factors. In that context, AMP manages investments through entities in jurisdictions which have alignment with OECD guidelines on tax transparency (ie information exchange with other tax authorities) and in certain instances lower effective tax rates. AMP's public financial reports clearly disclose any 'differences in overseas tax rates' to highlight the impact of the different tax rates that is applied in relation to shareholder profit from offshore activities.

5. Tax paid analysis

The below table provides an analysis of the types of taxes that were paid by the AMP group in 2015 and 2016 to the Australian and New Zealand Governments (state and federal). The majority of AMP's operations are in these two countries.

AMP also pays taxes (corporate and withholding tax) to other foreign governments where it conducts economic activity, as well as other taxes (eg property taxes, stamp duty on asset transactions), which have not been included in the table below. The table excludes taxes that are paid by controlled Australian entities, which do not form part of the AMP Limited and AMP Capital Holdings tax consolidated groups.

Taxes paid



2016

	Corporate income tax[1] ($m)	Employer/ payroll taxes[2] ($m)	Insurance duties[3] ($m)	Indirect taxes net of recoveries[4] ($m)	Total taxes borne[5] ($m)	Employee payroll taxes[6] ($m)	Customer withholding taxes[7] ($m)
Australian federal taxes	722.6	3.5	–	40.3	766.4	226.6	128.7
Australian state / territory taxes	–	45.3	62.1	–	107.4	–	–
New Zealand taxes[8]	98.8	0.6	–	5.9	105.3	17.5	–
Total	**821.4**	**49.4**	**62.1**	**46.2**	**979.1**	**244.1**	**128.7**

2015

	Corporate income tax[1] ($m)	Employer/ payroll taxes[2] ($m)	Insurance duties[3] ($m)	Indirect taxes net of recoveries[4] ($m)	Total taxes borne[5] ($m)	Employee payroll taxes[6] ($m)	Customer withholding taxes[7] ($m)
Australian federal taxes	625.1	3.9	–	25.7	654.7	226.7	104.0
Australian state / territory taxes	–	45.2	56.0	–	101.2	–	–
New Zealand taxes[8]	57.8	0.5	–	4.6	62.9	18.2	–
Total	**682.9**	**49.6**	**56.0**	**30.3**	**818.8**	**244.9**	**104.0**

1 Tax liability of the AMP Limited and AMP Capital Holdings Limited tax consolidated groups (see further details on page 2) and the New Zealand branches of AMP Life and The National Mutual Life Association of Australasia. This includes tax of $343m (2015: $306m) that is attributable to Australian policyholders.

2 Comprises payroll and employer taxes that are payable as a result of a company's capacity as an employer (including Australian and New Zealand Fringe Benefits Tax (FBT). Figures shown represent payroll tax for the year to 30 June 2016, Australian FBT for the year to 31 March 2016 and 31 March 2015 respectively, and New Zealand FBT for 2016 and 2015 respectively.

3 Insurance duties that were remitted by AMP to State and Territory Governments in 2016 and 2015 respectively.

4 Comprises GST and other taxes that arise, which cannot be recovered from governments. Figures shown are GST payments for the AMP Life, AMP Services and AMP Capital Investors Australian GST groups, and the New Zealand branches of AMP Life and NMLA. The GST under management in these groups totalled $680m in 2016 (2015: $689m) (comprising both GST that was remitted to the ATO/New Zealand Inland Revenue Department (IRD) and GST paid to suppliers).

5 Taxes that AMP is obliged to pay to a government on its own behalf (including income tax attributable to policyholders).

6 Employee taxes that are withheld from employee remuneration and paid to governments in the year to 30 June 2016 and 30 June 2015 respectively.

7 Taxes that are withheld from customer returns and remitted to governments in 2016 and 2015 respectively (including PAYG and no-TFN withholding tax).

8 Amounts denominated in New Zealand dollars have been converted to Australian dollars at the 2016 average exchange rate of A$1 = NZ$1.0647 (2015: A$1 = NZ$1.0739).

6. Effective tax rate

'Effective tax rate' is a term that is used in public discourse, and in this report, to refer to the income tax expense that is charged as a percentage of total profit before the income tax expense is charged. Income tax expense is an accounting concept and reflects the amount of income tax accrued for accounting purposes. Typically, in any given year, there will be differences between the income tax charge and the amount paid for the period to the ATO, due to timing differences.

For accounting purposes, income tax includes only taxes that are based on taxable profits and excludes other types of taxes, such as GST, stamp duty, superannuation contributions tax, and PAYG tax that is paid on behalf of superannuation members and employees.

Most of AMP's shareholder income tax responsibilities arise in Australia where tax is levied at the corporate tax rate of 30% of the taxable income of the business. Taxable income is a tax legislation concept and differs from total profit before income tax expense for reasons that reflect government policies which apply for each accounting tax year. For example, Australian tax concessions which reduce the effective rate of tax are established government incentives to promote Australian innovation (eg research and development concession [R&D]) and the Australian financial services industry (eg offshore banking unit [OBU] concession).

The effective tax rate is also impacted by the fact that the corporate tax rate that is applicable to NZ taxable income (28%) is less than the Australian rate.

The total income tax expense that is disclosed in AMP's financial report consists of both income tax on shareholder profit, and also tax on investment returns of policyholders. When making a comparison to the Australian corporate tax rate of 30%, it is appropriate to first deduct the amount of tax that is attributable to policyholders, and then compare the amount of tax that is attributable to shareholders to the amount of profit after policyholder tax, but before shareholder tax.

AMP's total income tax expense that is attributable to shareholders is 19% (2015: 16%) of the profit after policyholder tax, but before shareholder tax.

The following table provides details on the actual amounts and circumstances involved in the AMP income tax applicable to the years of 2012–2016 inclusive.

Relationship between income tax expense and accounting profit

	2016		2015		2014		2013		2012	
	$m	%	$m	%	$m	%	$m	%	$m	%
Profit before income tax excluding tax charged to policyholders	**237**	**100%**	**2,041**	**100%**	**1,274**	**100%**	**934**	**100%**	**826**	**100%**
Prima facie tax at the rate of 30%	71	30%	612	30%	382	30%	280	30%	248	30%
Tax effect of differences between amounts of income and expenses recognised for accounting and the amounts deductible/ taxable in calculating taxable income										
– Research and development concession[1]	-4		-9		-10		-16		-14	
– Offshore banking unit[2]	-1		-2		-2		-2		-2	
– Non-taxable income[3]	-5		-14		-11		-7		-5	
– Non-deductible expenses[4]	219		10		7		7		9	
– Other items[5]	-159		-205		-13		3		-7	
Differences in overseas tax rate[6]	-9		-7		-7		-13		-10	
	41	17%	-227	-11%	-36	-3%	-28	-3%	-29	-4%
Prima facie tax adjusted for income and expenses accounting/tax differences and differences in overseas tax rates	**112**	**47%**	**385**	**19%**	**346**	**27%**	**252**	**27%**	**219**	**26%**
Shareholder impact of life-insurance tax treatment[7]	16	7%	11	1%	30	2%	-16	-2%	22	3%
'One-off' tax expense adjustments recognised relating to transactions or events which occurred in one or more previous financial years										
– (Over) under provided in previous years[8]	-14		-25		-17		-15		-83	
– Utilisation of previously unrecognised tax losses[9]	-69		-43		-56		-3		-31	
	-83	-35%	-68	-4%	-73	-5%	-18	-2%	-114	-14%
Total income tax expense attributable to shareholders recognised for accounting purposes	**45**	**19%**	**328**	**16%**	**303**	**24%**	**218**	**23%**	**127**	**15%**

1 Australian tax law provides a government incentive of a 10% additional net tax benefit for qualifying R&D activities that is undertaken by corporates, up to a limit of $10m per annum. This benefit will be reduced by 1.5% (to 8.5%) from the 2017 year onwards.

2 Profit from certain eligible funds management activities undertaken by AMP for non-residents are taxed at a concessional tax rate of 10% under the offshore banking unit regime.

3 This amount includes the impact of imputation credits that apply to dividends that are received on shareholder investments.

4 Includes the tax effect of the $668m goodwill impairment which is not deductible. If this is excluded from the above analysis, AMP's effective tax rate would have been 14% lower in 2016.

5 Includes the tax effect of $513m (2015: $723m) profit that is attributable to non-controlling interests in investment entities that are controlled by the AMP life insurance entities' statutory funds, which is not subject to tax in the hands of AMP. The taxation of these profits in the hands of the owners of the non-controlling interests will vary depending upon their jurisdiction and individual circumstances. If these profits were excluded from the above analysis, AMP's effective tax rate would have been 35% higher in 2016 (2015: 9% higher). The controlling interest held by AMP is taxed on a similar basis to other investments of the AMP life insurance entities' statutory funds.

6 A relatively small part of AMP's operations are in jurisdictions with tax rates other than 30% (principally New Zealand where the corporate tax rate is 28%).

7 Profit before tax is impacted by the method for allocating to shareholders 20% of the 'after tax' profits of the participating business book, in both Australia and New Zealand, resulting in the prima facie tax expense not equalling the income tax expense for accounting purposes. The factors affecting the difference vary from period to period and reflect variations in investment returns, including bond rates, variations in levels of premiums and claims, and tax treatment compared to tax treatment in New Zealand. In addition, New Zealand tax law provides a concessional tax treatment for life insurance business. This concession ceased to apply after 30 June 2015.

8 Over/under provided in previous years relates to the subsequent adjustment of tax estimates that were made in prior periods. This occurs as a result of data impacting the estimate, changes to expectations of how tax law should be applied to certain transactions, and retrospective adjustments to tax legislation. Significant items include:

– 2012 – the release of provisions that were previously held against the tax treatment of amounts for which additional evidence has been obtained and analysis performed during the period, supporting the validity of the original tax treatment.

9 Shareholder tax expense is reduced due to the recoupment of tax benefits that AMP or an entity it acquired became entitled to as a result of losses in a previous period, but which had not been recognised for accounting purposes at the time the losses occurred. AMP's tax losses stem primarily from the acquisition of the GIO insurance business in 2000 and the demerger of the UK operations in 2003. At 31 December 2016, AMP had unutilised tax capital losses carried forward, which could result in a future tax benefit of $170m. These tax benefits can only be booked to the extent that it becomes probable that sufficient applicable taxable capital gains will be made to utilise the losses. In addition, at 31 December 2016, AMP has unbooked unutilised tax losses on revenue account, which could result in a future tax benefit of $110m arising from the acquisition of businesses with carried forward tax losses. These are available to offset against taxable income at a constrained rate (approximately 0.6% of AMP's ordinary class taxable income per annum).

– 2014, 2015 and 2016 – losses utilised in 2014, 2015 and 2016 were impacted by the realisation of capital gains by trusts that AMP invests in.

7. Tax transparency disclosures for the year ended 31 December 2015

The following table outlines income tax return data for AMP Limited and AMP Capital Holdings Limited for the tax year ended 31 December 2015 (2015 year). The data represents information that will be disclosed by the ATO under tax transparency legislation. These disclosures apply to AMP's Australian income tax position and do not cover any foreign taxes.

This income tax return data will contain both tax attributable to shareholder and policyholder related profits, and will therefore differ from the tax paid analysis in section 5 of this report, which only relates to tax paid on shareholder profits.

The ATO has published documents on its website which provide background on its corporate tax transparency report, and acknowledges that for companies that include a life insurance business (eg AMP), the effective tax rate for accounting purposes will be impacted by the aggregation of shareholder and policyholder tax. The ATO has also noted that differing applicable tax rates, in particular the 15% rate for superannuation, may give an impression of an artificially low tax paid. These documents also comment on the impact of certain items, including the research and development tax concession (R&D) and imputation credits.

We expect the data will be released by the ATO later this year and will include the following information from the AMP Limited and AMPCH 2016 Australian income tax returns:

	Gross income ($m)[1]	Taxable income ($m)[2]	Tax payable ($m)
AMP Limited	28,891	6,416	681
AMP Capital Holdings Limited	761	142	42
Total	**29,652**	**6,558**	**723**

1 Gross accounting income for AMP and its wholly owned Australian subsidiaries and their foreign branches as disclosed in the tax returns, prior to offsetting expenses (such as claims, commissions, employee costs or interest). This is not readily comparable to AMP's income statement, which also includes income from foreign subsidiaries and Australian entities that fall outside of the tax consolidated groups.

2 Under Australian tax law, AMP Limited has two classes of taxable income (ordinary class and complying superannuation class). Ordinary class taxable income of $1,749m is taxed at the corporate tax rate of 30%, and complying superannuation class taxable income of $4,667m is taxed at a statutory tax rate of 15%. The taxable income shown above for AMP Limited is the total of both classes of taxable income.

Why tax does not equal 30% of taxable income

Separate tax treatment for life insurance business

AMP's tax profile differs to other Australian corporates due to its life insurance and superannuation businesses.

Under the tax rules for life insurance businesses, a significant portion of AMP's gross income, as reported in its tax returns, is not subject to tax (not included in taxable income) or is subject to a concessional rate of tax where it relates to policyholder interests. This includes:

- certain life insurance premiums that are invested in AMP out of after-tax earnings by policyholders which are not subject to further contributions tax
- income relating to AMP's pension business is exempt from tax, consistent with the taxation of pension phase earnings in a superannuation fund, and
- income relating to complying superannuation business, which is taxed at 15%, consistent with the taxation of standalone complying superannuation funds.

Breakdown between the statutory rate of 30% and AMP's tax rate

The difference between AMP's tax payable and a tax payable rate of 30% is a result of the following:

- Complying superannuation class income is taxed at a concessional rate of 15%, consistent with the rate of taxation on complying superannuation funds. This contributed a $700m reduction to tax from a 30% tax rate.
- AMP receives imputation credit from franked dividends, which reduce its tax payable. These imputation credits arise on dividends that are received by AMP and have been paid from taxed profits. This prevents double taxation of these profits. This contributed a $462m reduction to tax from a 30% tax rate.
- Foreign tax offsets which reflect payments of foreign tax by AMP are allowed as a credit against Australian tax to prevent a double taxation. This contributed a $46m reduction to tax from a 30% tax rate.

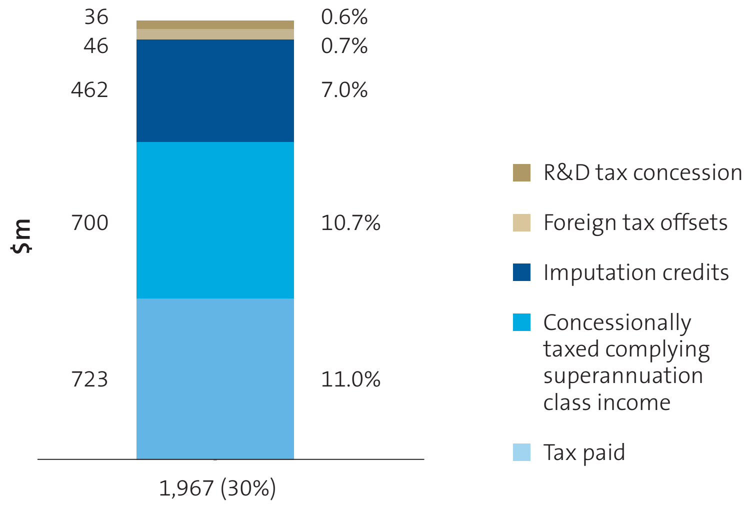
– AMP receives R&D tax offsets from conducting R&D activities in Australia. Under the relevant Australian tax law, R&D expenditure was not deductible and gave rise to a 40% tax offset, which is equivalent to a 10% tax concession. This contributed a $36m reduction to tax from a 30% tax rate[1].

The nature of AMP's business means that under Australian tax laws its Australian tax payable ($723m) is lower than 30% of taxable income (30% tax payable would equate to $1,967m).

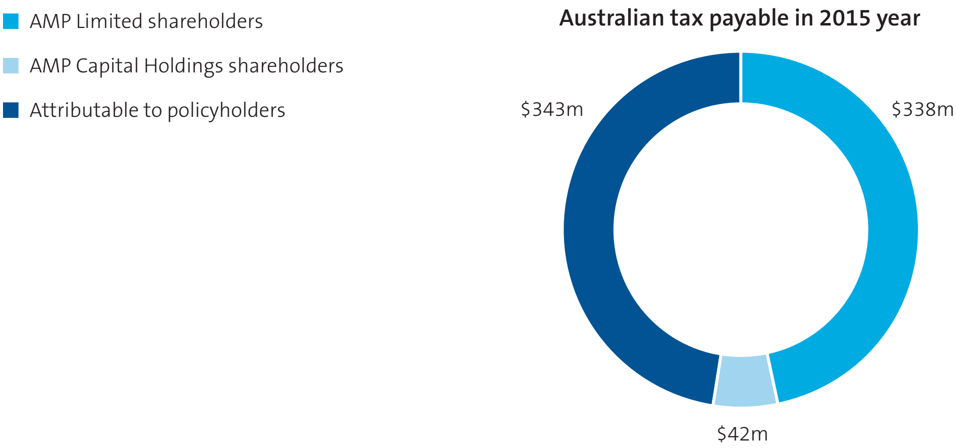
1 The R&D tax offset represents the value of tax deductions for R&D expenditure (at 30%) plus an additional 10% R&D tax concession.

Analysis of gap to 30% of taxable income

The impact of these items on AMP's tax payable in the 2015 year is illustrated in the chart below:



Shareholder vs policyholder tax



The table below and the following footnotes summarise AMP's taxable income and the Australian tax payable by each part of AMP's business for the 2015 year:

	AMP Limited shareholders ($m)	AMP Capital Holdings Limited shareholders ($m)	Total attributable to shareholders ($m)	Attributable to policyholders ($m)	Total ($m)
Taxable income	1,397	142	**1,539**	5,019	**6,558**
Tax	419[1]	43[1]	**462**	805[2]	**1,267**
Tax offsets[3]	(81)	(1)	**(82)**	(462)	**(544)**
Tax payable	**338**	**42**	**380**	**343**	**723**

1 Shareholder income is subject to tax at a 30% tax rate.
2 Policyholder income is subject to tax at either 30%, 15% or exempt from tax (as discussed above).
3 Tax offsets include R&D offsets imputation credits received by AMP on dividends and foreign tax offsets.

Difference between tax payable and income tax expense

The tax payable that is disclosed in the tax return of AMP Limited and AMPCH differs to the shareholder income tax expense of $328m which is disclosed in AMP's accounts and 2016 tax report for reasons including:

– the total tax payable includes tax referable to policyholder income, which is not included in shareholder tax expense
– timing differences in respect of the recognition of income and expenses for tax and accounting purposes (eg gains on investments are not included in taxable income until the investments are realised)
– AMP's shareholder income tax expense includes foreign taxes, as well as Australian tax referable to entities that are not included in the AMP Limited and AMPCH consolidated tax groups (eg income of AMP's foreign branches already taxed overseas are not subject to further Australian tax).

Further, the tax payable that is attributable to policyholders and which is disclosed above, represents the cash tax paid in respect of the 2015 year. The policyholder income tax expense disclosed in AMP's accounts of ($48m) represents both current and deferred tax expense/(benefit) which is expected to be paid in future income years.

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Independent Auditor's Report to the Board Audit Committee of AMP Limited

We have audited the extraction of information contained in the 'Relationship between income tax expense and accounting profit' table ("the table") as presented in the accompanying AMP Tax Report of AMP Limited ("the company") on page 5 for the years ended 31 December 2012, 2013, 2014, 2015 and 2016.

The financial information contained in the table for the years ended 31 December 2012, 2013, 2014, 2015 and 2016 ("the respective years) has been extracted from the audited financial information for the respective years of the company for inclusion in the AMP Tax Report. We have audited the financial report of AMP Limited for the respective years in accordance with the *Corporations Act 2001*. Our independent auditors report for the year ended 31 December 2016 can be found on page 118 of the AMP Limited 2016 Annual Report and states that in our opinion, the financial report of AMP Limited at 31 December 2016 gives a true and fair view of AMP Limited's financial position and financial performance for the year ended on that date.

Management's Responsibility for the AMP Tax Report

Management of the company are responsible for the preparation of the AMP Tax Report, inclusive of the table, and have determined that the financial information, as presented on page 5 in the AMP Tax Report is appropriate to the needs of financial users. This responsibility includes establishing and maintaining internal controls relevant to the preparation of the AMP Tax Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the extraction of the table based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial information contained in the table for the respective years has been properly extracted, in all material respects, from the audited financial information for the respective years.

The financial information has been extracted from audited financial information for inclusion in the AMP Tax Report for the respective years. We have not performed an audit of the financial information contained in the AMP Tax Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of AMP Limited and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Building a better working world

Opinion

In our opinion, the specified financial information contained in the table as presented in the AMP Tax Report for the respective years has been properly extracted from the audited financial reports of AMP Limited for the respective years and therefore presents fairly the tax position of AMP Limited in all material respects for the years ended 31 December 2012, 2013, 2014, 2015 and 2016.

Ernst + Young

Ernst & Young
Sydney
16 March 2017