

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$m	2015 \$m
Gross earned premium	2.1	11,411	11,525
Outwards reinsurance premium expense		(3,883)	(1,196)
Net earned premium (i)		7,528	10,329
Claims expense		(8,500)	(9,363)
Reinsurance and other recoveries revenue	2.1	3,798	2,422
Net claims expense (ii)	2.2	(4,702)	(6,941)
Commission expense		(1,039)	(1,043)
Underwriting expense		(1,822)	(1,856)
Reinsurance commission revenue	2.1	745	52
Net underwriting expense (iii)		(2,116)	(2,847)
Underwriting profit/(loss) (i) + (ii) + (iii)		710	541
Investment income on assets backing insurance liabilities	2.3	484	585
Investment expenses on assets backing insurance liabilities		(21)	(23)
Insurance profit/(loss) before capitalised software accelerated amortisation and impairment		1,173	1,103
Capitalised software accelerated amortisation and impairment expense	5.1	(198)	-
Insurance profit/(loss)		975	1,103
Investment income on shareholders' funds	2.3	113	231
Fee and other income		204	187
Share of net profit/(loss) of associates		17	6
Finance costs		(99)	(107)
Fee based, corporate and other expenses		(285)	(465)
Net income/(loss) attributable to non-controlling interests in unitholders' funds		(5)	(6)
Profit/(loss) before income tax		920	949
Income tax (expense)/credit	5.2	(218)	(119)
Profit/(loss) for the year		702	830
OTHER COMPREHENSIVE INCOME AND (EXPENSE)			
Items that may be reclassified subsequently to profit or loss:			
Net movement in foreign currency translation reserve, net of tax		65	(78)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans, net of tax		(32)	15
Other comprehensive income and (expense), net of tax		33	(63)
Total comprehensive income and (expense) for the year, net of tax		735	767
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent		625	728
Non-controlling interests		77	102
Profit/(loss) for the year		702	830
TOTAL COMPREHENSIVE INCOME AND (EXPENSE) FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent		658	665
Non-controlling interests		77	102
Total comprehensive income and (expense) for the year, net of tax		735	767
	NOTE	2016 cents	2015 cents
EARNINGS PER SHARE			
Basic earnings per ordinary share	4.3	25.79	31.22
Diluted earnings per ordinary share	4.3	25.34	30.45

The above consolidated statement of comprehensive income should be read in conjunction with the notes to the financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2016

	NOTE	2016 \$m	2015 \$m
ASSETS			
Cash held for operational purposes	8.1	263	306
Investments	2.3	12,946	15,535
Trade and other receivables	2.6	4,321	3,904
Current tax assets		54	-
Reinsurance and other recoveries on outstanding claims	2.2	4,689	3,713
Deferred insurance expenses	2.5	2,778	2,838
Deferred levies and charges		131	116
Deferred tax assets	5.2	603	499
Property and equipment		204	235
Other assets		145	134
Investment in joint venture and associates	6.4	486	561
Goodwill and intangible assets	5.1	3,410	3,561
Total assets		<u>30,030</u>	<u>31,402</u>
LIABILITIES			
Trade and other payables	2.7	2,346	2,761
Current tax liabilities		5	109
Unearned premium liability	2.4	6,220	6,156
Outstanding claims liability	2.2	11,741	12,687
Non-controlling interests in unitholders' funds		247	198
Provisions	5.3	370	383
Other liabilities		354	328
Interest bearing liabilities	4.1	1,962	1,762
Total liabilities		<u>23,245</u>	<u>24,384</u>
Net assets		<u>6,785</u>	<u>7,018</u>
EQUITY			
Share capital	4.2	7,275	7,275
Treasury shares held in trust		(43)	(83)
Reserves		32	(38)
Retained earnings		(701)	(337)
Parent interest		6,563	6,817
Non-controlling interests		222	201
Total equity		<u>6,785</u>	<u>7,018</u>

The above consolidated balance sheet should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	SHARE CAPITAL	TREASURY SHARES HELD IN TRUST	FOREIGN CURRENCY TRANSLATION RESERVE	SHARE BASED REMUNERATION RESERVE	RETAINED EARNINGS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2016							
Balance at the beginning of the financial year	7,275	(83)	(68)	30	(337)	201	7,018
Profit/(loss) for the year	-	-	-	-	625	77	702
Other comprehensive income and (expense)	-	-	65	-	(32)	-	33
Total comprehensive income/(expense) for the year	-	-	65	-	593	77	735
Transactions with owners in their capacity as owners							
Share based remuneration	-	40	-	5	(12)	-	33
Dividends determined and paid	-	-	-	-	(948)	(56)	(1,004)
Dividends received on treasury shares held in trust	-	-	-	-	3	-	3
Balance at the end of the financial year	<u>7,275</u>	<u>(43)</u>	<u>(3)</u>	<u>35</u>	<u>(701)</u>	<u>222</u>	<u>6,785</u>
2015							
Balance at the beginning of the financial year	6,775	(94)	10	28	(151)	226	6,794
Profit/(loss) for the year	-	-	-	-	728	102	830
Other comprehensive income and (expense)	-	-	(78)	-	15	-	(63)
Total comprehensive income/(expense) for the year	-	-	(78)	-	743	102	767
Transactions with owners in their capacity as owners							
Shares issued under institutional placement, net of transaction costs	500	-	-	-	-	-	500
Share based remuneration	-	11	-	2	(20)	-	(7)
Non-controlling interests in acquisitions during the year	-	-	-	-	-	2	2
Dividends determined and paid	-	-	-	-	(913)	(129)	(1,042)
Dividends received on treasury shares held in trust	-	-	-	-	4	-	4
Balance at the end of the financial year	<u>7,275</u>	<u>(83)</u>	<u>(68)</u>	<u>30</u>	<u>(337)</u>	<u>201</u>	<u>7,018</u>

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$m	2015 \$m
CASH FLOWS FROM OPERATING ACTIVITIES			
Premium received		11,310	11,503
Reinsurance and other recoveries received		2,170	1,938
Claims costs paid		(9,447)	(8,736)
Outwards reinsurance premium expense paid		(4,029)	(1,427)
Dividends, interest and trust distributions received		525	594
Finance costs paid		(95)	(102)
Income taxes paid		(388)	(351)
Other operating receipts		1,582	884
Other operating payments		(3,574)	(3,605)
Net cash flows from operating activities	8.1	(1,946)	698
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows on acquisition of subsidiaries and associates		5	(162)
Net cash flows from sale/(purchase) of investments and plant and equipment		2,362	(1,530)
Net cash flows from investing activities		2,367	(1,692)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of transaction costs		-	500
Outlays for purchase of treasury shares		-	(35)
Proceeds from borrowings		326	-
Repayment of borrowings		(131)	-
Net cash flow from issue and redemption of trust units		45	1
Dividends paid to IAG shareholders		(948)	(913)
Dividends paid to non-controlling interests		(56)	(129)
Dividends received on treasury shares		3	4
Net cash flows from financing activities		(761)	(572)
Net movement in cash held		(340)	(1,566)
Effects of exchange rate changes on balances of cash held in foreign currencies		11	(11)
Cash and cash equivalents at the beginning of the financial year		1,433	3,010
Cash and cash equivalents at the end of the financial year	8.1	1,104	1,433

The above consolidated cash flow statement should be read in conjunction with the notes to the financial statements.