

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$m	2016 \$m
Gross earned premium	2.1	11,692	11,411
Outwards reinsurance premium expense		(3,227)	(3,883)
Net earned premium (i)		8,465	7,528
Claims expense		(8,638)	(8,500)
Reinsurance and other recoveries revenue	2.1	3,375	3,798
Net claims expense (ii)	2.2	(5,263)	(4,702)
Commission expense		(1,065)	(1,039)
Underwriting expense		(1,835)	(1,822)
Reinsurance commission revenue	2.1	715	745
Net underwriting expense (iii)		(2,185)	(2,116)
Underwriting profit (i) + (ii) + (iii)		1,017	710
Investment income on assets backing insurance liabilities	2.3	257	484
Investment expenses on assets backing insurance liabilities		(16)	(21)
Insurance profit before capitalised software accelerated amortisation and impairment		1,258	1,173
Capitalised software accelerated amortisation and impairment expense	5.1	-	(198)
Insurance profit		1,258	975
Investment income on shareholders' funds	2.3	262	113
Fee and other income		182	204
Share of net profit of associates		19	17
Finance costs		(93)	(99)
Fee based, corporate and other expenses		(290)	(285)
Net loss attributable to non-controlling interests in unitholders' funds		(4)	(5)
Profit before income tax		1,334	920
Income tax expense	5.2	(329)	(218)
Profit for the year		1,005	702
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that may be reclassified subsequently to profit or loss:			
Net movement in foreign currency translation reserve, net of tax		(16)	65
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans, net of tax		25	(32)
Other comprehensive income, net of tax		9	33
Total comprehensive income for the year, net of tax		1,014	735
PROFIT FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent		929	625
Non-controlling interests		76	77
Profit for the year		1,005	702
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent		938	658
Non-controlling interests		76	77
Total comprehensive income for the year, net of tax		1,014	735
	NOTE	2017 cents	2016 cents
EARNINGS PER SHARE			
Basic earnings per ordinary share	4.3	39.03	25.79
Diluted earnings per ordinary share	4.3	37.72	25.34

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 2017

	NOTE	2017 \$m	2016 \$m
ASSETS			
Cash held for operational purposes	8.1	424	263
Investments	2.3	12,136	12,946
Trade and other receivables	2.6	4,153	4,321
Current tax assets		66	54
Reinsurance and other recoveries on outstanding claims	2.2	5,258	4,689
Deferred insurance expenses	2.5	2,770	2,778
Deferred levies and charges		105	131
Deferred tax assets	5.2	545	603
Property and equipment		182	204
Other assets		121	145
Investment in joint venture and associates	6.3	505	486
Goodwill and intangible assets	5.1	3,332	3,410
Total assets		<u>29,597</u>	<u>30,030</u>
LIABILITIES			
Trade and other payables	2.7	2,434	2,346
Current tax liabilities		169	5
Unearned premium liability	2.4	6,331	6,220
Outstanding claims liability	2.2	11,371	11,741
Non-controlling interests in unitholders' funds		219	247
Provisions	5.3	329	370
Other liabilities		328	354
Interest bearing liabilities	4.1	1,624	1,962
Total liabilities		<u>22,805</u>	<u>23,245</u>
Net assets		<u>6,792</u>	<u>6,785</u>
EQUITY			
Share capital	4.2	7,082	7,275
Treasury shares held in trust		(38)	(43)
Reserves		17	32
Retained earnings		(499)	(701)
Parent interest		6,562	6,563
Non-controlling interests		230	222
Total equity		<u>6,792</u>	<u>6,785</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 2017

	SHARE CAPITAL \$m	TREASURY SHARES HELD IN TRUST \$m	FOREIGN CURRENCY TRANSLATION RESERVE \$m	SHARE BASED REMUNERATION RESERVE \$m	RETAINED EARNINGS \$m	NON-CONTROLLING INTERESTS \$m	TOTAL EQUITY \$m
2017							
Balance at the beginning of the financial year	7,275	(43)	(3)	35	(701)	222	6,785
Profit for the year	-	-	-	-	929	76	1,005
Other comprehensive income/(expense)	-	-	(16)	-	25	-	9
Total comprehensive income/(expense) for the year	-	-	(16)	-	954	76	1,014
Transactions with owners in their capacity as owners							
Off-market share buy-back, including transaction costs	(193)	-	-	-	(123)	-	(316)
Share based remuneration	-	5	-	1	(3)	-	3
Purchase of non-controlling interest	-	-	-	-	(3)	-	(3)
Dividends determined and paid	-	-	-	-	(623)	(68)	(691)
Balance at the end of the financial year	<u>7,082</u>	<u>(38)</u>	<u>(19)</u>	<u>36</u>	<u>(499)</u>	<u>230</u>	<u>6,792</u>
2016							
Balance at the beginning of the financial year	7,275	(83)	(68)	30	(337)	201	7,018
Profit for the year	-	-	-	-	625	77	702
Other comprehensive income/(expense)	-	-	65	-	(32)	-	33
Total comprehensive income 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>

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 2017

	NOTE	2017 \$m	2016 \$m
CASH FLOWS FROM OPERATING ACTIVITIES			
Premium received		11,793	11,310
Reinsurance and other recoveries received		3,129	2,170
Claims costs paid		(8,995)	(9,447)
Outwards reinsurance premium expense paid		(3,329)	(4,029)
Dividends, interest and trust distributions received		458	525
Finance costs paid		(86)	(95)
Income taxes paid		(137)	(388)
Other operating receipts		1,566	1,582
Other operating payments		(3,763)	(3,574)
Net cash flows from operating activities	8.1	<u>636</u>	<u>(1,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows on acquisition of subsidiaries and associates		37	5
Net cash flows from sale/(purchase) of investments and plant and equipment		1,081	2,362
Net cash flows from investing activities		<u>1,118</u>	<u>2,367</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Outlays for repurchase of shares, including transaction costs		(316)	-
Proceeds from borrowings, net of transaction costs		394	326
Repayment of borrowings		(727)	(131)
Net cash flow from issue and redemption of trust units		(38)	45
Dividends paid to IAG shareholders		(623)	(948)
Dividends paid to non-controlling interests		(68)	(56)
Dividends received on treasury shares		-	3
Net cash flows from financing activities		<u>(1,378)</u>	<u>(761)</u>
Net movement in cash held		376	(340)
Effects of exchange rate changes on balances of cash held in foreign currencies		-	11
Cash and cash equivalents at the beginning of the financial year		<u>1,104</u>	<u>1,433</u>
Cash and cash equivalents at the end of the financial year	8.1	<u>1,480</u>	<u>1,104</u>

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