CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

TOR THE TEAR ERDED OU JONE 2010	NOTE	2010	
	NOTE	2016 \$m	2015 \$m
Gross earned premium	2.1	11,411	11,525
Outwards reinsurance premium expense	2.1	(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	2.2	(1,039)	(1,043)
Underwriting expense		(1,822)	(1,856)
Reinsurance commission revenue	2.1	745	52
Net underwriting expense (iii)	2.1	(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	2.0	(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)	1,103
	5.1	975	1,103
Insurance profit/(loss) Investment income on shareholders' funds	2.3	<u>975</u> 113	231
Fee and other income	2.3	204	231 187
		204 17	
Share of net profit/(loss) of associates			(107)
Finance costs		(99)	(107)
Fee based, corporate and other expenses		(285)	(465)
Net income/(loss) attributable to non-controlling interests in unitholders' funds		<u>(5)</u>	<u>(6)</u>
Profit/(loss) before income tax	г о	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:		0.5	(70)
Net movement in foreign currency translation reserve, net of tax		65	(78)
Items that will not be reclassified to profit or loss:		(00)	4.5
Remeasurements of defined benefit plans, net of tax		<u>(32</u>)	<u>15</u>
Other comprehensive income and (expense), net of tax		33	<u>(63</u>)
Total comprehensive income and (expense) for the year, net of tax		<u>735</u>	767
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO Shareholders of the Parent		625	728
		<u>77</u>	102
Non-controlling interests Profit /(loss) for the year		702	830
Profit/(loss) for the year TOTAL COMPREHENSIVE INCOME AND (EXPENSE) FOR THE YEAR ATTRIBUTABLE TO		102	
Shareholders of the Parent		658	665
Non-controlling interests		<u>77</u>	102
Total comprehensive income and (expense) for the year, net of tax			
Total comprehensive income and (expense) for the year, her or tax		<u>735</u>	767
	NOTE	2016	2015
		cents	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
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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

Cash held for operational purposes 8.1 263 306 Investments 2.3 12,946 15,335 Crurent tax assets 54 - Reinisurance 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 5.2 603 499 Property and equipment 204 235 Other assets 145 145 134 Other assets 6.4 486 561 Goodwill and intangible assets 5.1 3,400 3,561 Other assets 5.1 3,400 3,561 Goodwill and intangible assets 5.1 3,400 3,561 Goodwill and intangible assets 5.1 3,400 3,561 Total assets 5.2 2,346 2,761 Current tax liabilities 5.7 2,346 2,761 Outstanding claims liability 2.2 1,714 12,687 Voler Interest bearing liabilities		NOTE	2016	2015
Cash held for operational purposes 8.1 263 306 Investments 2.3 12,946 15,335 Crurent tax assets 54 - Reinisurance 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 5.2 603 499 Property and equipment 204 235 Other assets 145 145 134 Other assets 6.4 486 561 Goodwill and intangible assets 5.1 3,400 3,561 Other assets 5.1 3,400 3,561 Goodwill and intangible assets 5.1 3,400 3,561 Goodwill and intangible assets 5.1 3,400 3,561 Total assets 5.2 2,346 2,761 Current tax liabilities 5.7 2,346 2,761 Outstanding claims liability 2.2 1,714 12,687 Voler Interest bearing liabilities			\$m	\$m
nvestments 2.3 12,946 15,535 Trade and other receivables 2.6 4,321 3,904 Current tax assets 54	ASSETS			
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 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 Goodwill and intangible assets 5.1 3,400 3,561 Total assets 5.1 3,400 3,561 Total assets 5.7 2,346 2,761 Current tax liabilities 5 1,09 Unearned premium liability 2.4 6,220 6,156 Outstanding claims liability 2.2 11,741 12,687 Provisions 5.3 370 383 Other liabilities 354 328 <t< td=""><td>Cash held for operational purposes</td><td>8.1</td><td>263</td><td>306</td></t<>	Cash held for operational purposes	8.1	263	306
Current tax assets 54	Investments	2.3	12,946	15,535
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 2.7 2,346 2,761 Cotal assets 2.7 2,346 2,761 Cotal assets 2.7 2,346 2,761 Cotal assets 2.7 2,346 2,761 Current tax liabilities 5 1.09 Unearned premium liability 2.4 6,220 6,156 Cutstanding claims liability 2.4 6,220 6,156 Von-controlling interests in unitholders' funds 2.4 1,267 1,762 Provisions 5.3 370 383 Ottat liabilities 3.5 3.2 32	Trade and other receivables	2.6	4,321	3,904
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 2.7 2,346 2,761 Clotal assets 2.7 2,346 2,761 Clotal and other payables 2.7 2,346 2,761 Current tax liabilities 5 1.09 One-controlling interests in unitholders' funds 2.4 6,220 6,156 Outstanding claims liability 2.4 6,220 6,156 Outstanding liabilities 3.3 30 383 Other liabilities 3.3 30 383 Other liabilities 4.1 1,962 1,762 Ottal liabilities 4.1 1,962 1,725	Current tax assets		54	-
Deferred levies and charges 131 116 Deferred tax assets 5.2 603 499 Property and equipment 204 235 145 134 Other assets 6.4 486 561 3.40 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 3.400 3.561 <td< td=""><td>Reinsurance and other recoveries on outstanding claims</td><td>2.2</td><td>4,689</td><td>3,713</td></td<>	Reinsurance and other recoveries on outstanding claims	2.2	4,689	3,713
Deferred tax assets 5.2 603 499 Property and equipment 204 235 Other assets 145 134 nvestment in joint venture and associates 6.4 486 561 Goodwill and intangible assets 5.1 3,410 3,561 Goodwill and intangible assets 5.1 30,030 31,402 LIABILITIES 2.7 2,346 2,761 Current tax liabilities 5 109 Dreamed premium liability 2.4 6,220 6,156 Curstanding claims liability 2.2 11,741 12,687 Von-controlling interests in unitholders' funds 5.3 370 383 Other liabilities 5.3 370 383 Other liabilities 5.3 370 383 Other liabilities 4.1 1,962 1,762 Total liabilities 4.1 1,962 1,762 Total liabilities 4.2 7,275 7,275 Total liabilities 4.2 7,275	Deferred insurance expenses	2.5	2,778	2,838
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 Good assets 5.1 30,030 31,402 LIABILITIES 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 5.3 370 383 Other liabilities 4.1 1,962 1,762 Total liabilities 4.1 1,962 1,762 Total liabilities 4.1 1,962 1,762 Total liabilities 4.2 7,275 7,275 Share capital 4.2 7,275 7,275 Share	Deferred levies and charges		131	116
Other assets 145 134 Investment in joint venture and associates 6.4 486 561 Goodwill and intangible assets 5.1 3.410 3.561 Goodwill assets 5.1 3.000 31.402 LIABILITIES 3.7 2.346 2.761 Tarde and other payables 2.7 2.346 2.761 Current tax liabilities 5 1.09 Durearned 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 4.2 7,275 7,275	Deferred tax assets	5.2	603	499
Investment in joint venture and associates 6.4 486 561 Goodwill and intangible assets 5.1 3,410 3,561 Goodwill and intangible assets 30,030 31,402 LIABILITIES Trade and other payables 2.7 2,346 2,761 Current tax liabilities 5 109 Current qurenium liability 2.4 6,220 6,156 Cuttatanding 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 Iotal liabilities 4.1 1,962 1,762 Iotal liabilities 4.1 1,962 24,384 Not assets 5.3 7,215 7,275 Share capital 4.2 7,275 7,275 Greateres 32 (38) Reserves 32 (38) Parent interest 6,563 6,817 Non-control	Property and equipment		204	235
Goodwill and intangible assets 5.1 3,410 3,561 Intal assets 30,030 31,402 LIABILITIES Trade and other payables 2.7 2,346 2,761 Current tax liabilities 5 1.09 Uncarried 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 Footal liabilities 23,245 24,384 Net assets 23,245 24,384 Net assets 6,785 7,018 EQUITY 4.2 7,275 7,275 Greater capital 4.2 7,275 7,275 Greater capital 4.2 7,275 7,275 Greaterines 32 (38) Greater capital 6,563 6,817 <td>Other assets</td> <td></td> <td>145</td> <td>134</td>	Other assets		145	134
Interest Interes	Investment in joint venture and associates	6.4	486	561
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 4.1 1,962 1,762 Total liabilities 4.1 1,962 24,384 Not assets 6,785 7,018 EQUITY 5 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	Goodwill and intangible assets	5.1	3,410	3,561
Trade and other payables 2.7 2,346 2,761 Current tax liabilities 5 1.09 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 1.98 Provisions 5.3 370 383 Other liabilities 3.54 328 Interest bearing liabilities 4.1 1.962 1.762 Total liabilities 4.1 1.962 1.762 Total liabilities 4.1 1.962 2.7,275 Total liabilities 4.2 7,275 7,275	Total assets		30,030	31,402
Current tax liabilities 5 109 Current premium liability 2.4 6,220 6,156 Cutstanding 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 23,245 24,384 Net assets 6,785 7,018 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 201	LIABILITIES			
Unearned premium liability 2.4 6,220 6,156 Duststanding 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 23,245 24,384 Net assets 6,785 7,018 EQUITY 5 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	Trade and other payables	2.7	2,346	2,761
Dutstanding 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 23,245 24,384 Net assets 6,785 7,018 EQUITY 5 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	Current tax liabilities		5	109
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 23,245 24,384 Net assets 6,785 7,018 EQUITY 5hare 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	Unearned premium liability	2.4	6,220	6,156
Provisions 5.3 370 383 Other liabilities 354 328 Interest bearing liabilities 4.1 1,962 1,762 Total liabilities 23,245 24,384 Net assets 6,785 7,018 EQUITY 5.3 370 383 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	Outstanding claims liability	2.2	11,741	12,687
Other liabilities 354 328 Interest bearing liabilities 4.1 1,962 1,762 Fotal liabilities 23,245 24,384 Net assets 6,785 7,018 EQUITY 5 7,275 7,275 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 Non-controlling interests 222 201	Non-controlling interests in unitholders' funds		247	198
Interest bearing liabilities 4.1 1,962 1,762 Total liabilities 23,245 24,384 Net assets 6,785 7,018 EQUITY 5 7,275 7,275 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	Provisions	5.3	370	383
Fotal liabilities 23,245 24,384 Net assets 6,785 7,018 EQUITY 5 hare 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	Other liabilities		354	328
Net assets 6,785 7,018 EQUITY 4.2 7,275 7,275 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	Interest bearing liabilities	4.1	1,962	1,762
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 liabilities		23,245	24,384
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 222 201 201 201 201	Net assets		6,785	7,018
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 Approximation 201 201	EQUITY			
Reserves 32 (38) Retained earnings (701) (337) Parent interest 6,563 6,817 Non-controlling interests 222 201	Share capital	4.2	7,275	7,275
Retained earnings (701) (337) Parent interest 6,563 6,817 Non-controlling interests 222 201	Treasury shares held in trust		(43)	(83)
Parent interest 6,563 6,817 Non-controlling interests 222 201	Reserves		32	(38)
Non-controlling interests 222 201	Retained earnings		(70 1)	(337)
2 7 2 4 2	Parent interest		6,563	6,817
Total equity	Non-controlling interests		222	201
	Total equity		6,785	7,018

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 \$m	TREASURY SHARES HELD IN TRUST \$m	FOREIGN CURRENCY TRANSLATION RESERVE \$m	SHARE BASED REMUN- ERATION RESERVE \$m	RETAINED EARNINGS \$m	NON- CONTROLLING INTERESTS \$m	TOTAL EQUITY \$m
2016		·	•			·	
Balance at the beginning of the financial year	7,275	(83)	(68)	30	(337)		7,018
Profit/(loss) for the year Other comprehensive income and (expense)			65		625 (32)	77	702 33
Total comprehensive income/(expense) for the year Transactions with owners in their capacity as owners	-	-	65	-	593	77	735
Share based remuneration	-	40	-	5	(12)	-	33
Dividends determined and paid	-	-	-	-	(948)	(56)	(1,004)
Dividends received on treasury shares held in trust					3	<u>-</u>	3
Balance at the end of the financial year	7,275	(43)	(3)	35	<u>(701</u>)	222	6,785
2015							
Balance at the beginning of the financial year	6,775	(94)	10	28	(151)		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 Transactions with owners in their capacity as owners	-	-	(78)	-	743	102	767
Shares issued under institutional							
placement, net of transaction costs	500	-	-	-	(00)	-	500
Share based remuneration Non-controlling interests in	-	11	-	2	(20)	-	(7)
acquisitions during the year	_	-	-	-	-	2	2
Dividends determined and paid	-	-	-	-	(913)		(1,042)
Dividends received on treasury shares held in trust					4		4
Balance at the end of the financial year	7,275	(83)	(68)	30	(337)	201	7,018

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

CONSOLIDATED CASH FLOW STATEMENT

	NOTE	2016	2015
		\$m	\$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		(76 1)	(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		<u> 1,433</u>	3,010
Cash and cash equivalents at the end of the financial year	8.1	<u> 1,104</u>	1,433

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