

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	CONSOLIDATED	
		2014 \$m	2013 \$m
Premium revenue	4	9,721	9,135
Outwards reinsurance premium expense	5	(1,077)	(817)
Net premium revenue (i)		8,644	8,318
Claims expense	5	(7,058)	(5,800)
Reinsurance and other recoveries revenue	4	1,857	818
Net claims expense (ii)	10	(5,201)	(4,982)
Acquisition costs	5	(1,386)	(1,203)
Reinsurance commission revenue	4	51	-
Net acquisition costs		(1,335)	(1,203)
Other underwriting expenses	5	(752)	(644)
Fire services levies	5	(216)	(331)
Underwriting expenses (iii)		(2,303)	(2,178)
Underwriting profit/(loss) (i) + (ii) + (iii)		1,140	1,158
Investment income on assets backing insurance liabilities	4	459	290
Investment expenses on assets backing insurance liabilities	5	(20)	(20)
Insurance profit/(loss)		1,579	1,428
Investment income on shareholders' funds	4	400	371
Fee and other income	4	199	175
Share of net profit/(loss) of associates	4	(8)	(29)
Finance costs	5	(98)	(95)
Fee based, corporate and other expenses	5	(256)	(245)
Net income/(loss) attributable to non-controlling interests in unitholders' funds	5	(14)	(12)
Profit/(loss) before income tax from continuing operations		1,802	1,593
Income tax (expense)/credit	6	(472)	(424)
Profit/(loss) after tax from continuing operations		1,330	1,169
Profit/(loss) after tax from discontinued operation		-	(287)
Profit/(loss) for the year		1,330	882
<b>OTHER COMPREHENSIVE INCOME AND (EXPENSE), NET OF TAX</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurements of defined benefit plans		26	35
Income tax on items that will not be reclassified to profit or loss		(8)	(12)
		18	23
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Net movement in foreign currency translation reserve		(31)	82
Income tax on items that may be reclassified to profit or loss		13	40
		(18)	122
Other comprehensive income and (expense), net of tax		-	145
Total comprehensive income and (expense) for the year, net of tax		1,330	1,027
<b>PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO</b>			
Shareholders of the Parent - continuing operations		1,233	1,063
Shareholders of the Parent - discontinued operation		-	(287)
Non-controlling interests		97	106
Profit/(loss) for the year		1,330	882
<b>TOTAL COMPREHENSIVE INCOME AND (EXPENSE) FOR THE YEAR ATTRIBUTABLE TO</b>			
Shareholders of the Parent - continuing operations		1,233	1,127
Shareholders of the Parent - discontinued operation		-	(206)
Non-controlling interests		97	106
Total comprehensive income and (expense) for the year, net of tax		1,330	1,027

## STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	NOTE	CONSOLIDATED	
		2014	2013
		cents	cents
<b>EARNINGS PER SHARE - continuing and discontinued operations</b>			
Basic earnings per ordinary share	8	<u>56.09</u>	<u>37.57</u>
Diluted earnings per ordinary share	8	<u>53.62</u>	<u>36.44</u>
<b>EARNINGS PER SHARE - continuing operations</b>			
Basic earnings per ordinary share	8	<u>56.09</u>	<u>51.46</u>
Diluted earnings per ordinary share	8	<u>53.62</u>	<u>49.60</u>

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

# BALANCE SHEET

AS AT 30 JUNE 2014

	NOTE	CONSOLIDATED	
		2014	2013
		\$m	\$m
<b>ASSETS</b>			
Cash held for operational purposes	22	447	394
Investments	14	15,377	13,616
Premium receivable	15	3,316	2,712
Trade and other receivables	15	628	526
Assets discontinued operation		9	96
Reinsurance and other recoveries on outstanding claims	11	3,231	2,858
Deferred levies and charges		119	151
Deferred outwards reinsurance expense	12	706	542
Deferred acquisition costs	12	1,028	795
Deferred tax assets	6	304	401
Property and equipment		249	257
Other assets		131	23
Investment in joint venture and associates	26	572	577
Intangible assets	16	700	245
Goodwill	17	2,840	1,666
Total assets		<u>29,657</u>	<u>24,859</u>
<b>LIABILITIES</b>			
Trade and other payables	18	1,523	1,263
Reinsurance premium payable		556	451
Restructuring provision	19	50	6
Current tax liabilities		203	253
Unearned premium liability	13	6,256	5,145
Liabilities discontinued operation		20	106
Non-controlling interests in unitholders' funds		190	210
Employee benefits provision	27	335	305
Outstanding claims liability	10	11,937	10,474
Other liabilities		41	38
Interest bearing liabilities	20	1,752	1,620
Total liabilities		<u>22,863</u>	<u>19,871</u>
Net assets		<u>6,794</u>	<u>4,988</u>
<b>EQUITY</b>			
Share capital	21	6,775	5,353
Treasury shares held in trust		(94)	(62)
Reserves		38	63
Retained earnings		(151)	(568)
Parent interest		6,568	4,786
Non-controlling interests		226	202
Total equity		<u>6,794</u>	<u>4,988</u>

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

CONSOLIDATED	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
<b>2014</b>							
Balance at the beginning of the financial year	5,353	(62)	28	35	(568)	202	4,988
Profit/(loss) for the year	-	-	-	-	1,233	97	1,330
Other comprehensive income and (expense)	-	-	(18)	-	18	-	-
Total comprehensive income/(expense) for the year	-	-	(18)	-	1,251	97	1,330
<b>Transactions with owners in their capacity as owners</b>							
Shares issued under institutional placement, net of transaction costs	1,186	-	-	-	-	-	1,186
Shares issued under Share Purchase Plan, net of transaction costs	236	-	-	-	-	-	236
Shares acquired and held in trust	-	(78)	-	-	-	-	(78)
Share based payment expense recognised	-	-	-	25	-	-	25
Share based remuneration vested	-	46	-	(32)	(14)	-	-
Non-controlling interests in acquisitions during the year	-	-	-	-	-	8	8
Dividends determined and paid	-	-	-	-	(823)	(81)	(904)
Dividends received on treasury shares held in trust	-	-	-	-	3	-	3
Balance at the end of the financial year	<u>6,775</u>	<u>(94)</u>	<u>10</u>	<u>28</u>	<u>(151)</u>	<u>226</u>	<u>6,794</u>
<b>2013</b>							
Balance at the beginning of the financial year	5,353	(55)	(94)	26	(887)	181	4,524
Profit/(loss) for the year	-	-	-	-	776	106	882
Other comprehensive income and (expense)	-	-	122	-	23	-	145
Total comprehensive income/(expense) for the year	-	-	122	-	799	106	1,027
<b>Transactions with owners in their capacity as owners</b>							
Shares acquired and held in trust	-	(28)	-	-	-	-	(28)
Share based payment expense recognised	-	-	-	27	-	-	27
Share based remuneration vested	-	21	-	(18)	(3)	-	-
Dividends determined and paid	-	-	-	-	(478)	(85)	(563)
Dividends received on treasury shares held in trust	-	-	-	-	1	-	1
Balance at the end of the financial year	<u>5,353</u>	<u>(62)</u>	<u>28</u>	<u>35</u>	<u>(568)</u>	<u>202</u>	<u>4,988</u>

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

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	CONSOLIDATED	
		2014	2013
		\$m	\$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Premium received		9,661	9,543
Reinsurance and other recoveries received		1,778	1,493
Claims costs paid		(6,898)	(6,645)
Outwards reinsurance premium expense paid		(1,130)	(692)
Dividends received		38	33
Interest and trust distributions received		533	615
Finance costs paid		(95)	(88)
Income taxes refunded		7	3
Income taxes paid		(439)	(427)
Other operating receipts		736	882
Other operating payments		(3,114)	(2,927)
Net cash flows from operating activities	22	<u>1,077</u>	<u>1,790</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash flows on acquisition/capital injection to subsidiaries and associates		(312)	(245)
Net cash flows on disposal of subsidiaries		-	43
Proceeds from disposal of investments and property and equipment		14,543	14,166
Outlays for investments and property and equipment		(14,526)	(15,445)
Net cash flows from investing activities		<u>(295)</u>	<u>(1,481)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Outlays for purchase of treasury shares		(78)	(28)
Proceeds from issue of trust units		163	169
Outlays for redemption of trust units		(197)	(188)
Proceeds from borrowings		347	-
Repayment of borrowings		(283)	(99)
Dividends paid to IAG shareholders		(823)	(478)
Dividends paid to non-controlling interests		(81)	(85)
Proceeds from issue of shares, net of transaction costs		1,422	-
Dividends received on treasury shares		3	1
Net cash flows from financing activities		<u>473</u>	<u>(708)</u>
Net movement in cash held		1,255	(399)
Effects of exchange rate changes on balances of cash held in foreign currencies		39	49
Cash and cash equivalents at the beginning of the financial year		<u>1,716</u>	<u>2,066</u>
Cash and cash equivalents at the end of the financial year	22	<u>3,010</u>	<u>1,716</u>

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