

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$m	2018 \$m
Gross earned premium	2.1	11,942	11,522
Outwards reinsurance premium expense		(4,704)	(3,851)
Net earned premium (i)		7,238	7,671
Claims expense		(8,468)	(8,005)
Reinsurance and other recoveries revenue	2.1	3,849	3,388
Net claims expense (ii)	2.2	(4,619)	(4,617)
Commission expense		(1,011)	(970)
Underwriting expense		(1,833)	(1,787)
Reinsurance commission revenue	2.1	1,128	880
Net underwriting expense (iii)		(1,716)	(1,877)
Underwriting profit (i) + (ii) + (iii)		903	1,177
Investment income on assets backing insurance liabilities	2.3	339	249
Investment expenses on assets backing insurance liabilities		(18)	(19)
Insurance profit		1,224	1,407
Investment income on shareholders' funds	2.3	247	177
Fee and other income		111	164
Share of net profit of associates		42	31
Finance costs		(94)	(82)
Fee-based, corporate and other expenses		(193)	(284)
Net loss attributable to non-controlling interests in unitholders' funds		(5)	(3)
Profit before income tax from continuing operations		1,332	1,410
Income tax expense	5.2	(363)	(384)
Profit after income tax from continuing operations		969	1,026
Profit/(loss) after income tax from discontinued operations	6.2	204	(25)
Profit for the year		1,173	1,001
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that may be reclassified subsequently to profit or loss:			
Net movement in foreign currency translation reserve, net of tax		33	(15)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans, net of tax		(17)	2
Other comprehensive income/(expense) from continuing operations, net of tax		16	(13)
Other comprehensive income from discontinued operations, net of tax	6.2	20	1
Total comprehensive income for the year, net of tax		1,209	989
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent – continuing operations		871	947
Shareholders of the Parent – discontinued operations	6.2	205	(24)
Non-controlling interests – continuing operations		98	79
Non-controlling interests – discontinued operations	6.2	(1)	(1)
Profit for the year		1,173	1,001
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent – continuing operations		887	934
Shareholders of the Parent – discontinued operations	6.2	225	(23)
Non-controlling interests – continuing operations		98	79
Non-controlling interests – discontinued operations	6.2	(1)	(1)
Total comprehensive income for the year, net of tax		1,209	989

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	NOTE	2019 cents	2018 cents
EARNINGS PER SHARE – CONTINUING AND DISCONTINUED OPERATIONS			
Basic earnings per ordinary share	4.3	<u>46.26</u>	<u>39.06</u>
Diluted earnings per ordinary share	4.3	<u>44.58</u>	<u>38.30</u>
EARNINGS PER SHARE – CONTINUING OPERATIONS			
Basic earnings per ordinary share	4.3	<u>37.45</u>	<u>40.08</u>
Diluted earnings per ordinary share	4.3	<u>36.44</u>	<u>39.26</u>

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 2019

	NOTE	2019 \$m	2018 \$m
ASSETS			
Cash held for operational purposes	8.1	538	448
Investments	2.3	10,684	11,007
Trade and other receivables	2.6	4,170	4,085
Current tax assets		107	17
Assets held for sale	6.2	61	655
Reinsurance and other recoveries on outstanding claims	2.2	5,779	5,422
Deferred insurance expenses	2.5	3,451	3,443
Deferred levies and charges		105	136
Deferred tax assets	5.2	453	544
Property and equipment		181	180
Other assets		115	89
Investment in joint venture and associates	6.5	544	557
Goodwill and intangible assets	5.1	3,098	3,183
Total assets		<u>29,286</u>	<u>29,766</u>
LIABILITIES			
Trade and other payables	2.7	2,680	2,592
Current tax liabilities		29	120
Liabilities held for sale	6.2	27	444
Unearned premium liability	2.4	6,334	6,217
Outstanding claims liability	2.2	10,296	10,410
Non-controlling interests in unitholders' funds		245	239
Provisions	5.3	389	327
Other liabilities		496	516
Interest-bearing liabilities	4.1	2,080	1,960
Total liabilities		<u>22,576</u>	<u>22,825</u>
Net assets		<u>6,710</u>	<u>6,941</u>
EQUITY			
Share capital	4.2	6,617	7,082
Treasury shares held in trust		(48)	(27)
Reserves		46	(4)
Retained earnings		(211)	(382)
Parent interest		6,404	6,669
Non-controlling interests		306	272
Total equity		<u>6,710</u>	<u>6,941</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 2019

	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
2019							
Balance at the beginning of the financial year	7,082	(27)	(33)	29	(382)	272	6,941
Profit for the year	-	-	-	-	1,076	97	1,173
Other comprehensive income/(expense)	-	-	53	-	(17)	-	36
Total comprehensive income for the year	-	-	53	-	1,059	97	1,209
Transactions with owners in their capacity as owners							
Capital return, including transaction costs	(465)	-	-	-	-	-	(465)
Share-based remuneration	-	(21)	-	(3)	(7)	-	(31)
Dividends determined and paid	-	-	-	-	(880)	(72)	(952)
Investment in subsidiaries	-	-	-	-	(1)	11	10
Disposal of subsidiaries	-	-	-	-	-	(2)	(2)
Balance at the end of the financial year	<u>6,617</u>	<u>(48)</u>	<u>20</u>	<u>26</u>	<u>(211)</u>	<u>306</u>	<u>6,710</u>
2018							
Balance at the beginning of the financial year	7,082	(38)	(19)	36	(499)	230	6,792
Profit for the year	-	-	-	-	923	78	1,001
Other comprehensive (expense)/income	-	-	(14)	-	2	-	(12)
Total comprehensive (loss)/income for the year	-	-	(14)	-	925	78	989
Transactions with owners in their capacity as owners							
Share-based remuneration	-	11	-	(7)	(5)	-	(1)
Dividends determined and paid	-	-	-	-	(803)	(36)	(839)
Balance at the end of the financial year	<u>7,082</u>	<u>(27)</u>	<u>(33)</u>	<u>29</u>	<u>(382)</u>	<u>272</u>	<u>6,941</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 2019

	NOTE	2019 \$m	2018 \$m
CASH FLOWS FROM OPERATING ACTIVITIES			
Premium received		11,973	11,779
Reinsurance and other recoveries received		3,442	3,195
Claims costs paid		(8,670)	(9,006)
Outwards reinsurance premium expense paid		(4,617)	(4,016)
Dividends, interest and trust distributions received		492	416
Finance costs paid		(88)	(87)
Income taxes paid		(406)	(379)
Other operating receipts		1,974	1,802
Other operating payments		(3,511)	(3,757)
Net cash flows from operating activities	8.1	589	(53)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows on disposal/(acquisition) of subsidiaries and associates		407	4
Net cash flows from sale/(purchase) of investments and plant and equipment		668	387
Net cash flows from investing activities		1,075	391
CASH FLOWS FROM FINANCING ACTIVITIES			
Outlays for capital, including transaction costs		(465)	-
Proceeds from borrowings, net of transaction costs		447	348
Repayment of borrowings		(350)	(2)
Net cash flow from issue and redemption of trust units		1	18
Dividends paid to shareholders of the Parent		(880)	(803)
Dividends paid to non-controlling interests		(72)	(36)
Net cash flows from financing activities		(1,319)	(475)
Net movement in cash held		345	(137)
Effects of exchange rate changes on balances of cash held in foreign currencies		8	2
Cash and cash equivalents at the beginning of the financial year		1,345	1,480
Cash and cash equivalents at the end of the financial year	8.1	1,698	1,345

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