

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 \$m	2019 \$m
Gross earned premium	2.1	12,014	11,942
Outwards reinsurance premium expense		(4,776)	(4,704)
Net earned premium (i)		7,238	7,238
Claims expense		(9,711)	(8,468)
Reinsurance and other recoveries revenue	2.1	4,701	3,849
Net claims expense (ii)	2.2	(5,010)	(4,619)
Commission expense		(1,009)	(1,011)
Underwriting expense		(2,070)	(1,833)
Reinsurance commission revenue	2.1	1,201	1,128
Net underwriting expense (iii)		(1,878)	(1,716)
Underwriting profit (i) + (ii) + (iii)		350	903
Investment income on assets backing insurance liabilities	2.3	162	339
Investment expenses on assets backing insurance liabilities		(17)	(18)
Insurance profit		495	1,224
Investment (loss)/income on shareholders' funds	2.3	(164)	247
Fee and other income		441	111
Share of net profit of associates		57	42
Finance costs		(92)	(94)
Fee-based, corporate and other expenses		(193)	(193)
Net loss attributable to non-controlling interests in unitholders' funds		(9)	(5)
Profit before income tax from continuing operations		535	1,332
Income tax expense	5.2	(37)	(363)
Profit after income tax from continuing operations		498	969
(Loss)/profit after income tax from discontinued operations	6.2	(4)	204
Profit for the year		494	1,173
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that may be reclassified subsequently to profit or loss:			
Net movement in foreign currency translation reserve, net of tax		(21)	33
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans, net of tax		(12)	(17)
Other comprehensive (expense)/income from continuing operations, net of tax		(33)	16
Other comprehensive income from discontinued operations, net of tax	6.2	2	20
Total comprehensive income for the year, net of tax		463	1,209
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent – continuing operations		439	871
Shareholders of the Parent – discontinued operations	6.2	(4)	205
Non-controlling interests – continuing operations		59	98
Non-controlling interests – discontinued operations	6.2	-	(1)
Profit for the year		494	1,173
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Parent – continuing operations		406	887
Shareholders of the Parent – discontinued operations	6.2	(2)	225
Non-controlling interests – continuing operations		59	98
Non-controlling interests – discontinued operations	6.2	-	(1)
Total comprehensive income for the year, net of tax		463	1,209

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	NOTE	2020 cents	2019 cents
EARNINGS PER SHARE – CONTINUING AND DISCONTINUED OPERATIONS			
Basic earnings per ordinary share	4.3	<u>18.87</u>	<u>46.26</u>
Diluted earnings per ordinary share	4.3	<u>18.49</u>	<u>44.58</u>
EARNINGS PER SHARE – CONTINUING OPERATIONS			
Basic earnings per ordinary share	4.3	<u>19.05</u>	<u>37.45</u>
Diluted earnings per ordinary share	4.3	<u>18.65</u>	<u>36.44</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 2020

	NOTE	2020 \$m	2019 \$m
ASSETS			
Cash held for operational purposes	8.1	405	538
Investments	2.3	10,100	10,684
Trade and other receivables	2.6	4,419	4,170
Current tax assets		212	107
Assets held for sale	6.2	33	61
Reinsurance and other recoveries on outstanding claims	2.2	6,069	5,779
Deferred insurance expenses	2.5	3,501	3,451
Deferred levies and charges		119	105
Deferred tax assets	5.2	575	453
Right-of-use assets	5.4	531	-
Property and equipment		132	181
Other assets		113	115
Investment in joint venture and associates	6.5	351	544
Goodwill and intangible assets	5.1	3,134	3,098
Total assets		<u>29,694</u>	<u>29,286</u>
LIABILITIES			
Trade and other payables	2.7	2,800	2,680
Current tax liabilities		31	29
Liabilities held for sale	6.2	14	27
Unearned premium liability	2.4	6,276	6,334
Outstanding claims liability	2.2	10,584	10,296
Lease liabilities	5.4	655	-
Non-controlling interests in unitholders' funds		330	245
Provisions	5.3	639	389
Other liabilities		485	496
Interest-bearing liabilities	4.1	1,526	2,080
Total liabilities		<u>23,340</u>	<u>22,576</u>
Net assets		<u>6,354</u>	<u>6,710</u>
EQUITY			
Share capital	4.2	6,617	6,617
Treasury shares held in trust		(49)	(48)
Reserves		30	46
Retained earnings		(521)	(211)
Parent interest		6,077	6,404
Non-controlling interests		277	306
Total equity		<u>6,354</u>	<u>6,710</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 2020

	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
2020							
Balance at the beginning of the financial year	6,617	(48)	20	26	(211)	306	6,710
Adjustment on initial application of AASB 16, net of tax (see Note 8.5)	-	-	-	-	(33)	-	(33)
Restated balance at the beginning of the financial year	6,617	(48)	20	26	(244)	306	6,677
Profit for the year	-	-	-	-	435	59	494
Other comprehensive income/(expense)	-	-	(19)	-	(12)	-	(31)
Total comprehensive income for the year	-	-	(19)	-	423	59	463
Transactions with owners in their capacity as owners							
Share-based remuneration	-	(1)	-	3	(8)	-	(6)
Dividends determined and paid	-	-	-	-	(693)	(87)	(780)
Dividends received on treasury shares held in trust	-	-	-	-	1	-	1
Disposal of subsidiaries	-	-	-	-	-	(1)	(1)
Balance at the end of the financial year	<u>6,617</u>	<u>(49)</u>	<u>1</u>	<u>29</u>	<u>(521)</u>	<u>277</u>	<u>6,354</u>
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							
Off-market share buy-back, 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>

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 2020

	NOTE	2020 \$m	2019 \$m
CASH FLOWS FROM OPERATING ACTIVITIES			
Premium received		12,181	11,973
Reinsurance and other recoveries received		4,170	3,442
Claims costs paid		(9,406)	(8,670)
Outwards reinsurance premium expense paid		(4,768)	(4,617)
Dividends, interest and trust distributions received		350	492
Finance costs paid		(90)	(88)
Income taxes paid		(234)	(406)
Other operating receipts		1,906	1,974
Other operating payments		(3,728)	(3,511)
Net cash flows from operating activities	8.1	381	589
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows on disposal/(acquisition) of subsidiaries and associates		600	407
Net cash flows from sale/(purchase) of investments and plant and equipment		968	668
Net cash flows from investing activities		1,568	1,075
CASH FLOWS FROM FINANCING ACTIVITIES			
Outlays for capital, including transaction costs		-	(465)
Proceeds from borrowings, net of transaction costs		-	447
Repayment of borrowings		(551)	(350)
Principal element of lease payments		(74)	-
Net cash flow from issue and redemption of trust units		81	1
Dividends paid to shareholders of the Parent		(693)	(880)
Dividends paid to non-controlling interests		(87)	(72)
Dividends received on treasury shares		1	-
Net cash flows from financing activities		(1,323)	(1,319)
Net movement in cash held		626	345
Effects of exchange rate changes on balances of cash held in foreign currencies		(2)	8
Cash and cash equivalents at the beginning of the financial year		1,698	1,345
Cash and cash equivalents at the end of the financial year	8.1	2,322	1,698

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