

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2003

	Notes	Parent 2003 \$m	Parent 2002 \$m	Consolidated 2003 \$m	Consolidated 2002 \$m
Cash flows from operating activities					
Premium received		-	-	5,395	3,750
Reinsurance and other recoveries received		-	-	466	421
Claims costs paid		-	-	(3,891)	(2,894)
Outwards reinsurance premium paid		-	-	(348)	(255)
Dividends received		102	248	82	126
Interest and similar items received		-	-	385	296
Interest and other costs of finance paid		-	-	(39)	(65)
Income taxes paid		-	(1)	(108)	(91)
Other operating receipts		-	-	423	414
Other operating payments		-	-	(1,540)	(1,171)
Net cash provided by operating activities	36	102	247	825	531
Cash flows from investing activities					
Net cash flows on acquisition of controlled entities	38(b)	-	-	(1,644)	-
Net cash flows on disposal of controlled entities	39	-	133	-	(67)
Proceeds from disposal of investments and plant and equipment		-	-	26,872	26,080
Dividend received from pre-acquisition profits of a controlled entity		33	27	-	-
Outlays for investments and plant and equipment acquired		(892)	(275)	(26,405)	(26,278)
Repayment of loans by policyholders		-	-	126	-
Loans to policyholders		-	-	(116)	-
Repayment of mortgage loans		-	-	-	253
Drawdown of mortgage loans		-	-	-	(308)
Net cash used in investing activities		(859)	(115)	(1,167)	(320)
Cash flows from financing activities					
Proceeds from issues of shares		1,080	350	1,080	353
Outlays for buy-back of shares		-	(301)	-	(301)
Proceeds from issues of trust units		-	-	578	552
Outlays for redemption of trust units		-	-	(673)	(576)
Proceeds from borrowings		-	-	1,509	1,195
Repayment of borrowings		(190)	(27)	(1,597)	(1,370)
Net decrease in depositor funds		-	-	-	(3)
Proceeds from securitisation		-	-	-	28
Share issue costs paid		(34)	(7)	(34)	(7)
Dividends paid to IAG shareholders*		(99)	(147)	(99)	(147)
Dividends paid to outside equity interests		-	-	(48)	(26)
Net cash provided by/(used in) financing activities		757	(132)	716	(302)
Net increase/(decrease) in cash held		-	-	374	(91)
Effects of exchange rate changes on balances of cash held in foreign currencies		-	-	(1)	-
Cash at the beginning of the financial year		2	2	253	344
Cash at the end of the financial year	37	2	2	626	253

* Dividends paid to IAG shareholders exclude dividends reinvested under the Dividend Reinvestment Plan.

The above statements of cash flows are to be read in conjunction with the notes to the financial statements.