Financial Ratios Worked Example FY13 to FY15

Prescribed Key Financial Ratios			s at 30 June		Other Relevant Financial Ratios	
		2013 \$ 000	2014 \$ 000	2015 \$ 000		
Gearing ratio Total liabilities / total equity		φ 000	\$ 000	÷ 000	Covenant Gearing Ratio Gearing Ratio Debt / Gearing Ratio Debt + Gearing Ratio Equit	у
Total liabilities	A	3,352,630	3,603,351	3,788,760	Total liabilities less: Benefit fund policyholder liabilities less: ADI interest bearing liabilities less: Other (non-interest bearing) liabilities = subtotal	
					plus: Consolidated guarantees less: ADI guarantees less: AUL Cash less: Interest bearing liabilities which are Junior	
					Ranking Obligations = Gearing Ratio Debt	Α
Total equity	В	479,908	508,340	542,879	Total equity plus: Junior Ranking Obligations less ADI equity	
					= Gearing Ratio Equity	В
Gearing ratio (%)	C = A / B	698.6%	708.8%	697.9%	Covenant Gearing Ratio (%)	C = A / (A + B)
Interest cover ratio	•				AU Interest Cover Ratio	•
EBITDA / net interest expense					Adjusted EBITDA / Adjusted interest expense	
Net profit before tax		62,923	59,303	63,669	Net profit before tax exclude: Benefit Fund net profit before tax	
deduct: Net interest income (per below)		(11,806)	(7,438)	(9,172)	add back: Adjusted interest expense (per below) add back: Depreciation and amortisation	
add back: Depreciation and amortisation = EBITDA	D	16,938 68,055	<u>16,878</u> 68,743	<u>21,252</u> 75,749	= Adjusted EBITDA	D
ADI net interest income Benefit Fund net interest income		(15,522) (1,148)	(15,441) (789)	(16,105) (4,225)		
plus: Other net interest expense = Net interest expense /(income)	E	<u>4,864</u> (11,806)	8,792 (7,438)	<u>11,158</u> (9,172)	Net interest expense /(income) exclude: ADI net interest income exclude: Benefit Fund net interest income exclude: Other interest income	
					= Adjusted interest expense	E –
Interest cover ratio (times)	F = D / E	(5.76)	(9.24)	(8.26)	AU Interest Cover Ratio (times)	F = D / E
Working capital ratio Current assets / current liabilities	•				ADI Tier 1 capital ratio Tier 1 capital / Risk weighted assets	
Current assets	G	2,416,539	2,511,179	2,567,321	Tier 1 capital	J
Current liabilities	н	1,502,096	1,593,310	1,952,132	Risk weighted assets	К
Working capital ratio (times)	I = G / H	1.61	1.58	1.32	Tier 1 capital ratio (%)	L = J / K

Assume net

39.9%

Д	\s at 30 June	1	extra borrowings of \$100m
2013	2014	2015	2015
\$ 000	\$ 000	\$ 000	\$ 000
3,352,630 (1,833,231) (562,238) <u>(725,095)</u> 232,066	3,603,351 (1,884,928) (646,000) <u>(794,198)</u> 278,225	3,788,760 (1,897,632) (688,561) <u>(958,919)</u> 243,648	3,888,760 (1,897,632) (688,561) <u>(958,919)</u> 343,648
9,950	7,368	6,777	6,777
(10,401)	(12 640)	(24 161)	(24,161)
(10,401) 0	(12,640) 0	(24,161) 0	(24,161) 0
231,615	272,953	226,264	326,264
479,908	508,340	542,879	542,879
0	0	0	0
(48,006)	(49,138)	(51,210)	(51,210)
431,902	459,202	491,669	491,669

31.5%

62,923	59,303	63,669
(27,558)	(24,226)	(20,736)
17,769	16,606	17,966
16,938	16,878	21,252
70,072	68,561	82,151

37.3%

34.9%

(11,806)	(7,438)	(9,172)
15,522	15,441	16,105
1,148	789	4,225
12,905	7,814	6,808
17,769	16,606	17,966

3.94	4.13	4.57

16.0%	14.3%	14.2%
286,084	323,406	341,657
45,790	46,100	48,492