## Financial Ratios Worked Example FY13 to FY15

Prescribed Key Financial Ratios	As at 30 June			2015	Other Relevant Financial Ratios		As at 30 June			extra borrowing of \$100m
		2013 \$ 000	2014 \$ 000	2015 \$ 000			2013 \$ 000	2014 \$ 000	2015 \$ 000	2015 \$ 000
Gearing ratio Total liabilities / total equity		<b>4</b> 000	<b>4</b> 000	<b>4</b> 333	Covenant Gearing Ratio  Gearing Ratio Debt / Gearing Ratio Debt + Gearing Ratio Equi	ity	7 333	¥ 555	<b>4</b> 333	4 333
Total liabilities	Α	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		3,352,630 (1,833,231) (562,238) (725,095) 232,066 9,950 0 (10,401)	3,603,351 (1,884,928) (646,000) (794,198) 278,225 7,368 0 (12,640)	3,788,760 (1,897,632) (688,561) (958,919) 243,648 6,777 0 (24,161)	3,888,7 (1,897,6 (688,5) (958,9 343,6 6,7
					Ranking Obligations  = Gearing Ratio Debt	Α -	0 231,615	0 272,953	<u>0</u> 226,264	326,2
Total equity	В	479,908	508,340	542,879	Total equity		479,908	508,340	542,879	542,8
		,	•	•	plus: Junior Ranking Obligations		0	0	0	
					less ADI equity = Gearing Ratio Equity	В	(48,006) 431,902	(49,138) 459,202	(51,210) 491,669	(51,21 491,6
Gearing ratio (%)	C = A / B	698.6%	708.8%	697.9%	Covenant Gearing Ratio (%)	C = A / (A + B)	34.9%	37.3%	31.5%	39.9
Interest cover ratio EBITDA / net interest expense					AU Interest Cover Ratio 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		62,923 (27,558)	59,303 (24,226)	63,669 (20,736)	
deduct: Net interest income (per below)		(11,806)	(7,438)	(9,172)	add back: Adjusted interest expense (per below)		17,769	16,606	17,966	
add back: Depreciation and amortisation = EBITDA	D	16,938 68,055	16,878 68,743	21,252 75,749	<pre>add back: Depreciation and amortisation = Adjusted EBITDA</pre>	D	16,938 70,072	16,878 68,561	21,252 82,151	
ADI net interest income Benefit Fund net interest income plus: Other net interest expense		(15,522) (1,148) 4,864	(15,441) (789) 8,792	(16,105) (4,225) 11,158						
= Net interest expense /(income)	E	(11,806)	(7,438)	(9,172)	Net interest expense /(income) exclude: ADI net interest income		(11,806) 15,522	(7,438) 15,441	(9,172) 16,105	
					exclude: Benefit Fund net interest income exclude: Other interest income = Adjusted interest expense	Е .	1,148 12,905 17,769	789 7,814 16,606	4,225 6,808 17,966	
Interest cover ratio (times)	E – D / E	(5.76)	(9.24)	(8.26)			•			
Interest cover ratio (times)  Working capital ratio	F = D / E	(5.76)	(9.24)	(8.26)	AU Interest Cover Ratio (times)  ADI Tier 1 capital ratio	F = D / E	3.94	4.13	4.57	
Current assets / current liabilities	_				Tier 1 capital / Risk weighted assets	_				
Current assets  Current liabilities	G H	2,416,539 1,502,096	2,511,179 1,593,310	2,567,321 1,952,132	Tier 1 capital  Risk weighted assets	J K	45,790 286,084	46,100	48,492 341,657	
Current napilities	17	1,302,096	1,293,310	1,902,102	RISK Weighted assets	I/	200,004	323,406	341,03/	

Assume net