

FIVE YEAR FINANCIAL SUMMARY.

All financial information for 2004 was prepared under previous Australian Accounting Standards (before applying International Financial Reporting Standards).

	2008 \$M	2007 \$M	2006 \$M	2005 \$M	2004 \$M
Gross written premium	7,793	7,381	6,435	6,673	6,427
Gross earned premium	7,765	7,207	6,537	6,561	6,265
Reinsurance expense	(470)	(464)	(405)	(417)	(402)
Net earned premium	7,295	6,743	6,132	6,144	5,863
Net claims expense	(5,155)	(4,474)	(3,900)	(4,090)	(3,815)
Underwriting expenses	(2,124)	(1,862)	(1,699)	(1,624)	(1,500)
Underwriting profit	16	407	533	430	548
Investment income on assets backing insurance liabilities	432	360	310	516	244
Insurance profit	448	767	843	946	792
Investment income from equity holders' and external funds ⁽ⁱ⁾	41	320	537	500	508
Other operating revenue	487	463	218	179	216
Share of net profit/(loss) of associates	(3)	5	2	–	–
Finance costs	(101)	(119)	(86)	(69)	(57)
Corporate and administration expenses	(601)	(455)	(265)	(258)	(268)
Amortisation expenses and impairment charges of intangible assets and goodwill ⁽ⁱⁱ⁾	(407)	(73)	(14)	(13)	(118)
Financial services and life insurance result (net)	–	–	–	–	18
Gain on disposal of ClearView retirement services	–	–	–	–	61
Profit/(loss) before income tax	(136)	908	1,235	1,285	1,152
Income tax expense	(90)	(279)	(373)	(357)	(346)
Net profit/(loss)	(226)	629	862	928	806
Net profit attributable to minority interests	(35)	(77)	(103)	(117)	(141)
Net profit/(loss) attributable to equity holders of Insurance Australia Group Limited	(261)	552	759	811	665
Ordinary equity holders' equity (\$ million)	4,204	4,660	3,491	3,378	2,999
Total assets (\$ million)	19,380	21,637	16,972	17,102	16,291
PREMIUM GROWTH					
Gross written	5.6%	14.7%	(3.6%)	3.8%	24.8%
Net earned	8.2%	10.0%	(0.2%)	4.8%	26.5%
KEY RATIOS					
Loss ratio	70.7%	66.4%	63.6%	66.6%	65.1%
Expense ratio	29.1%	27.6%	27.7%	26.4%	25.6%
Combined ratio	99.8%	94.0%	91.3%	93.0%	90.7%
Insurance margin ⁽ⁱⁱⁱ⁾	6.1%	11.4%	13.7%	15.4%	13.5%
After tax return on ordinary equity ^(iv)	(5.9%)	13.5%	22.1%	24.5%	21.1%
SHARE INFORMATION					
Dividends per ordinary share—fully franked (cents)	22.50	29.50	42.00	26.50	22.00
Basic earnings per ordinary share (cents)	(14.29)	32.79	47.66	49.31	37.87
Ordinary share price at 30 June (\$) (ASX: IAG)	3.47	5.70	5.35	6.01	5.00
Reset preference share price at 30 June (\$) (ASX: IAGPA)	85.00	99.80	101.80	103.90	104.70
Reset exchangeable securities price at 30 June (\$) (ASX: IANG)	81.89	100.09	100.00	99.00	n/a
Issued ordinary shares (million shares)	1,878	1,794	1,595	1,594	1,591
Issued reset preference shares (million shares)	4	6	6	6	6
Market capitalisation (ordinary shares) at 30 June (\$ million)	6,517	10,226	8,533	9,582	7,954
Net tangible asset backing per ordinary share (\$)	0.93	0.90	1.22	1.18	0.96

(i) This included an unrealised gain on embedded derivatives of \$69 million for 2008.

(ii) This included impairment charges for acquired identifiable intangible assets and goodwill of \$342 million for 2008.

(iii) Insurance margin is a ratio of insurance profit over net earned premium.

(iv) Net profit/(loss) attributable to ordinary equity holders to average ordinary equity holders' equity.