

FIVE YEAR FINANCIAL SUMMARY

	2011	2010	2009	2008 ^(a)	2007
	\$m	\$m	\$m	\$m	\$m
Gross written premium	8,050	7,782	7,842	7,793	7,381
Premium revenue	7,858	7,621	7,718	7,765	7,207
Outward reinsurance premium expense	(620)	(556)	(485)	(470)	(464)
Net premium revenue	7,238	7,065	7,233	7,295	6,743
Net claims expense	(5,089)	(5,072)	(5,370)	(5,155)	(4,474)
Underwriting expenses	(1,978)	(2,054)	(2,128)	(2,180)	(1,862)
Underwriting profit/(loss)	171	(61)	(265)	(40)	407
Net investment income on assets backing insurance liabilities	489	554	780	432	360
Insurance profit/(loss)	660	493	515	392	767
Net investment income from equity holders' funds ^(b)	213	96	(39)	24	301
Other income	264	256	403	487	463
Share of net profit/(loss) of associates	(8)	3	8	(3)	5
Finance costs	(86)	(88)	(87)	(101)	(119)
Corporate and administration expenses	(259)	(245)	(423)	(528)	(454)
Amortisation expense and impairment charges of acquired intangible assets and goodwill ^(c)	(170)	(113)	(65)	(407)	(55)
Profit/(loss) before income tax	614	402	312	(136)	908
Income tax expense	(276)	(212)	(65)	(90)	(279)
Net profit/(loss)	338	190	247	(226)	629
Net profit attributable to non-controlling interests	(88)	(99)	(66)	(35)	(77)
Net profit/(loss) attributable to equity holders of Insurance Australia Group Limited	250	91	181	(261)	552
Ordinary equity holders' equity (\$ million)	4,417	4,486	4,671	4,204	4,660
Total assets (\$ million)	22,923	20,442	19,360	19,380	21,637
PREMIUM GROWTH					
Gross written premium	3.4 %	(0.8)%	0.6 %	5.6%	14.7 %
KEY RATIOS					
Loss ratio	70.3 %	71.8 %	74.2 %	70.7%	66.4 %
Expense ratio	27.3 %	29.1 %	29.4 %	29.9%	27.6 %
Combined ratio	97.6 %	100.9 %	103.6 %	100.6%	94.0 %
Insurance margin ^(d)	9.1 %	7.0 %	7.1 %	5.4%	11.4 %
SHARE INFORMATION					
Dividends per ordinary share - fully franked (cents)	16.00	13.00	10.00	22.50	29.50
Basic earnings per ordinary share (cents)	12.08	4.39	9.32	(14.11)	32.79
Ordinary share price at 30 June (\$) (ASX: IAG)	3.40	3.41	3.51	3.47	5.70
Reset preference share price at 30 June (\$) (ASX: IAGPA)	101.01	98.55	100.50	85.00	99.80
Reset exchangeable securities price at 30 June (\$) (ASX: IANG)	103.00	100.00	74.75	81.89	100.09
Issued ordinary shares (million shares)	2,079	2,079	2,071	1,878	1,794
Issued reset preference shares (million shares)	4	4	4	4	6
Market capitalisation (ordinary shares) at 30 June (\$ million)	7,069	7,089	7,269	6,517	10,226
Net tangible asset backing per ordinary share (\$)	1.23	1.16	1.16	0.93	0.90

(a) The financial information for the 2008 year has been reclassified to provide comparable figures for the segment reporting adopted in 2009. This includes reallocation of corporate expenses and reinsurance to the operating divisions. All financial information prior to 2008 was prepared under IAG's previous classification.

(b) This included an unrealised gain/(loss) on embedded derivatives of (\$96 million) for 2010, \$27 million for 2009 and \$69 million for 2008.

(c) This included impairment charges for acquired identifiable intangible assets and goodwill of \$150 million for 2011, \$87 million for 2010, \$18 million for 2009 and \$342 million for 2008.

(d) Insurance margin is a ratio of insurance profit over net premium revenue.