

STATEMENTS OF FINANCIAL PERFORMANCE

For the year ended 30 June 2005

	NOTES	PARENT 2005 \$m	PARENT 2004 \$m	CONSOLIDATED 2005 \$m	CONSOLIDATED 2004 \$m
Premium revenue	2(a)	-	-	6,561	6,265
Reinsurance expense	3	-	-	(417)	(402)
Net premium revenue		-	-	6,144	5,863
Claims expense	3	-	-	(4,729)	(4,365)
Reinsurance and other recoveries	2(a)	-	-	660	550
Net claims expense	9(a)	-	-	(4,069)	(3,815)
Acquisition costs	3	-	-	(1,075)	(1,029)
Other underwriting expenses	3	-	-	(339)	(318)
Fire service levies	3	-	-	(177)	(153)
Underwriting expenses		-	-	(1,591)	(1,500)
Underwriting profit ⁽ⁱ⁾		-	-	484	548
Investment revenue	2(b)	585	876	1,055	813
Other operating revenue	2(c)	-	-	178	286
Borrowing costs expense		-	-	(69)	(57)
Corporate, administration and other expenses	3	-	-	(390)	(438)
Profit from ordinary activities before income tax	4	585	876	1,258	1,152
Income tax credit / (expense)	5	2	-	(379)	(346)
Net profit		587	876	879	806
Net profit attributable to outside equity interests		-	-	(119)	(141)
Net profit attributable to shareholders of Insurance Australia Group Limited		587	876	760	665
Non-owner transaction changes in equity:					
Net exchange difference on translation of financial reports of foreign controlled entities		-	-	(1)	(3)
Total changes in equity from non-owner related transactions attributable to the shareholders of the parent entity		587	876	759	662
				CONSOLIDATED 2005 cents	CONSOLIDATED 2004 cents
Basic earnings per ordinary share	7(a)			45.89	37.87
Basic earnings per reset preference share	7(b)			533.09	532.30
Diluted earnings per ordinary share	7(a)			45.83	37.74
				2005 \$m	2004 \$m
Note:					
(i) Underwriting profit comprises:					
Net premium revenue				6,144	5,863
Net claims expense				(4,069)	(3,815)
Underwriting expenses				(1,591)	(1,500)
				484	548

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