

Five-year financial summary

	2019	2018	2017 ¹³	2016	2015
	\$m	\$m	\$m	\$m	\$m
Gross written premium	12,005	11,647	11,439	11,367	11,440
Gross earned premium	11,942	11,522	11,321	11,411	11,525
Outwards reinsurance premium expense	(4,704)	(3,851)	(3,122)	(3,183)	(1,196)
Net premium revenue	7,238	7,671	8,199	8,228	10,329
Net claims expense	(4,619)	(4,617)	(5,082)	(5,397)	(6,941)
Net underwriting expense	(1,716)	(1,877)	(2,079)	(2,116)	(2,847)
Underwriting profit ⁴	903	1,177	1,038	715	541
Net investment income on assets backing insurance liabilities	321	230	232	463	562
Management reported insurance profit ¹	1,224	1,407	1,270	1,178	1,103
Net investment income from shareholders' funds	227	165	246	97	223
Other income	111	164	180	204	187
Share of net profit of associates ²	42	31	19	17	6
Finance costs	(94)	(82)	(93)	(99)	(107)
Corporate and administration expenses ³	(124)	(185)	(222)	(423)	(383)
Acquired intangible amortisation and impairment	(54)	(90)	(57)	(54)	(80)
Profit before income tax	1,332	1,410	1,343	920	949
Income tax expense	(363)	(384)	(328)	(218)	(119)
Profit after tax from continuing operations	969	1,026	1,015	702	830
Profit/loss after tax from discontinued operations	204	(25)	(10)	–	–
Net profit attributable to non-controlling interests	(97)	(78)	(76)	(77)	(102)
Net profit attributable to shareholders of the parent	1,076	923	929	625	728
Cash earnings ⁴	931	1,034	990	867	987
Ordinary shareholders' equity (\$ million)	6,404	6,669	6,562	6,563	6,817
Total assets (\$ million)	29,286	29,766	29,597	30,030	31,402

Key ratios

Gross written premium growth	3.1%	1.8%	n/a	(0.6)%	17.0%
Loss ratio ⁵	63.8%	60.2%	62.0%	65.6%	67.2%
Expense ratio ⁶	23.7%	24.5%	25.3%	25.7%	27.6%
Combined ratio ⁷	87.5%	84.7%	87.3%	91.3%	94.8%
Reported insurance margin ⁸	16.9%	18.3%	15.5%	14.3%	10.7%
Underlying insurance margin ⁹	16.6%	14.1%	12.4%	14.0%	13.1%

Share information

Dividends per ordinary share (cents) ¹⁰	32.00	34.00	33.00	36.00	29.00
Special dividends per ordinary share (cents)	5.50	–	–	10.00	–
Basic earnings per ordinary share (cents) ¹¹	46.26	39.06	39.03	25.79	31.22
Basic earnings per ordinary share – cash basis (cents) ¹²	40.04	43.78	41.60	35.78	42.33
Diluted earnings per ordinary share (cents) ¹¹	44.58	38.30	37.72	25.34	30.45
Diluted earnings per ordinary share – cash basis (cents) ¹²	38.83	42.75	40.13	34.76	40.92
Ordinary share price at 30 June (\$) (ASX: IAG)	8.26	8.53	6.78	5.45	5.58
Capital notes price at 30 June (\$) (ASX: IAGPD)	106.95	104.67	106.53	–	–
Reset exchangeable securities price at 30 June (\$) (ASX: IANG)	101.38	102.66	103.40	100.00	103.10
Issued ordinary shares (million)	2,311	2,367	2,367	2,431	2,431
Issued capital notes (million)	4	4	4	–	–
Market capitalisation (ordinary shares) at 30 June (\$ million)	19,089	20,191	16,048	13,249	13,565
Net tangible asset backing per ordinary share (\$)	1.43	1.47	1.36	1.3	1.34

1 The amounts for 2016 financial year are presented on a management reported (non-IFRS) basis which is not directly comparable to the equivalent statutory (IFRS) figure.

A reconciliation between the two is outlined in the Operating and Financial Review section of the Directors' Report in the 30 June 2016 Annual Report.

2 Share of net profit of associates includes regional support and development costs.

3 Includes a \$198 million impairment of capitalised software for 2016 and a \$60 million impairment of the investment in Bohai Insurance for 2015.

4 Cash earnings represent non-IFRS financial information. It is defined as net profit after tax attributable to shareholders of the Parent, plus amortisation and impairment of acquired identifiable intangibles, and excluding any unusual items (non-recurring in nature).

5 The loss ratio refers to the net claims expense as a percentage of net premium revenue.

6 The expense ratio refers to net underwriting expense as a percentage of net premium revenue.

7 The combined ratio refers to the sum of the loss ratio and expense ratio.

8 Reported insurance margin is a ratio of insurance profit over net premium revenue.

9 Underlying insurance margin is defined as the reported insurance margin adjusted for net natural peril claim costs less related allowance for the period, reserve releases in excess of 1% of NEP and credit spread movements.

10 The dividends per ordinary share are partially franked for the 2019 financial year, and fully franked for the previous financial years presented.

11 Reflects basic and diluted earnings per ordinary share on an accounting basis.

12 Basic and diluted earnings per ordinary share on a cash basis are calculated with reference to cash earnings.

13 The financial information for 2017 has been re-presented to reflect the changed treatment of the Asian businesses as discontinued operations. Financial information for 2016 and 2015 is not re-presented.