

# FIVE YEAR FINANCIAL SUMMARY

	2009	2008 <sup>(a)</sup>	2007	2006	2005
	\$m	\$m	\$m	\$m	\$m
Gross written premium	<b>7,842</b>	7,793	7,381	6,435	6,673
Premium revenue	<b>7,718</b>	7,765	7,207	6,537	6,561
Outward reinsurance premium expense	<b>(485)</b>	(470)	(464)	(405)	(417)
Net premium revenue	<b>7,233</b>	7,295	6,743	6,132	6,144
Net claims expense	<b>(5,370)</b>	(5,155)	(4,474)	(3,900)	(4,090)
Underwriting expenses	<b>(2,128)</b>	(2,180)	(1,862)	(1,699)	(1,624)
Underwriting profit/(loss)	<b>(265)</b>	(40)	407	533	430
Net investment income on assets backing insurance liabilities	<b>780</b>	432	360	310	516
Insurance profit	<b>515</b>	392	767	843	946
Net investment income from equity holders' and external funds <sup>(b)</sup>	<b>(29)</b>	41	320	537	500
Other income	<b>494</b>	487	463	218	179
Share of net profit/(loss) of associates	<b>8</b>	(3)	5	2	–
Finance costs	<b>(87)</b>	(101)	(119)	(86)	(69)
Corporate and administration expenses	<b>(524)</b>	(545)	(455)	(265)	(258)
Amortisation expenses and impairment charges of intangible assets and goodwill <sup>(c)</sup>	<b>(65)</b>	(407)	(73)	(14)	(13)
Profit/(loss) before income tax	<b>312</b>	(136)	908	1,235	1,285
Income tax expense	<b>(65)</b>	(90)	(279)	(373)	(357)
Net profit/(loss)	<b>247</b>	(226)	629	862	928
Net profit attributable to minority interests	<b>(66)</b>	(35)	(77)	(103)	(117)
Net profit/(loss) attributable to equity holders of Insurance Australia Group Limited	<b>181</b>	(261)	552	759	811
Ordinary equity holders' equity (\$ million)	<b>4,671</b>	4,204	4,660	3,491	3,378
Total assets (\$ million)	<b>19,315</b>	19,380	21,637	16,972	17,102
<b>PREMIUM GROWTH</b>					
Gross written premium	<b>0.6%</b>	5.6%	14.7%	(3.6%)	3.8%
Net premium	<b>(0.8%)</b>	8.2%	10.0%	(0.2%)	4.8%
<b>KEY RATIOS</b>					
Loss ratio	<b>74.2%</b>	70.7%	66.4%	63.6%	66.6%
Expense ratio	<b>29.4%</b>	29.9%	27.6%	27.7%	26.4%
Combined ratio	<b>103.6%</b>	100.6%	94.0%	91.3%	93.0%
Insurance margin <sup>(d)</sup>	<b>7.1%</b>	5.4%	11.4%	13.7%	15.4%
<b>SHARE INFORMATION</b>					
Dividends per ordinary share—fully franked (cents)	<b>10.00</b>	22.50	29.50	42.00	26.50
Basic earnings per ordinary share (cents)	<b>9.32</b>	(14.11)	32.79	47.66	49.31
Ordinary share price at 30 June (\$) (ASX: IAG)	<b>3.51</b>	3.47	5.70	5.35	6.01
Reset preference share price at 30 June (\$) (ASX: IAGPA)	<b>100.50</b>	85.00	99.80	101.80	103.90
Reset exchangeable securities price at 30 June (\$) (ASX: IANG)	<b>74.75</b>	81.89	100.09	100.00	99.00
Issued ordinary shares (million shares)	<b>2,071</b>	1,878	1,794	1,595	1,594
Issued reset preference shares (million shares)	<b>4</b>	4	6	6	6
Market capitalisation (ordinary shares) at 30 June (\$ million)	<b>7,269</b>	6,517	10,226	8,533	9,582
Net tangible asset backing per ordinary share (\$)	<b>1.16</b>	0.93	0.90	1.22	1.18

(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 on embedded derivatives of \$69 million for 2008.

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

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