

# FIVE YEAR FINANCIAL SUMMARY

	2010	2009	2008 <sup>(a)</sup>	2007	2006
	\$m	\$m	\$m	\$m	\$m
Gross written premium	<b>7,782</b>	7,842	7,793	7,381	6,435
Premium revenue	<b>7,621</b>	7,718	7,765	7,207	6,537
Outward reinsurance premium expense	<b>(556)</b>	(485)	(470)	(464)	(405)
Net premium revenue	<b>7,065</b>	7,233	7,295	6,743	6,132
Net claims expense	<b>(5,072)</b>	(5,370)	(5,155)	(4,474)	(3,900)
Underwriting expenses	<b>(2,054)</b>	(2,128)	(2,180)	(1,862)	(1,699)
Underwriting profit/(loss)	<b>(61)</b>	(265)	(40)	407	533
Net investment income on assets backing insurance liabilities	<b>554</b>	780	432	360	310
Insurance profit/(loss)	<b>493</b>	515	392	767	843
Net investment income from equity holders' funds <sup>(b)</sup>	<b>96</b>	(39)	24	301	539
Other income	<b>256</b>	403	487	463	218
Share of net profit/(loss) of associates	<b>3</b>	8	(3)	5	2
Finance costs	<b>(88)</b>	(87)	(101)	(119)	(86)
Corporate and administration expenses	<b>(245)</b>	(423)	(528)	(454)	(273)
Amortisation expense and impairment charges of acquired intangible assets and goodwill <sup>(c)</sup>	<b>(113)</b>	(65)	(407)	(55)	(8)
Profit/(loss) before income tax	<b>402</b>	312	(136)	908	1,235
Income tax expense	<b>(212)</b>	(65)	(90)	(279)	(373)
Net profit/(loss)	<b>190</b>	247	(226)	629	862
Net profit attributable to non-controlling interests	<b>(99)</b>	(66)	(35)	(77)	(103)
Net profit/(loss) attributable to equity holders of Insurance Australia Group Limited	<b>91</b>	181	(261)	552	759
Ordinary equity holders' equity (\$ million)	<b>4,486</b>	4,671	4,204	4,660	3,491
Total assets (\$ million)	<b>20,446</b>	19,360	19,380	21,637	16,972
<b>PREMIUM GROWTH</b>					
Gross written premium	<b>(0.8%)</b>	0.6%	5.6%	14.7%	(3.6%)
Net premium	<b>(1.3%)</b>	(0.8%)	8.2%	10.0%	(0.2%)
<b>KEY RATIOS</b>					
Loss ratio	<b>71.8%</b>	74.2%	70.7%	66.4%	63.6%
Expense ratio	<b>29.1%</b>	29.4%	29.9%	27.6%	27.7%
Combined ratio	<b>100.9%</b>	103.6%	100.6%	94.0%	91.3%
Insurance margin <sup>(d)</sup>	<b>7.0%</b>	7.1%	5.4%	11.4%	13.7%
<b>SHARE INFORMATION</b>					
Dividends per ordinary share—fully franked (cents)	<b>13.00</b>	10.00	22.50	29.50	42.00
Basic earnings per ordinary share (cents)	<b>4.39</b>	9.32	(14.11)	32.79	47.66
Ordinary share price at 30 June (\$) (ASX: IAG)	<b>3.41</b>	3.51	3.47	5.70	5.35
Reset preference share price at 30 June (\$) (ASX: IAGPA)	<b>98.55</b>	100.50	85.00	99.80	101.80
Reset exchangeable securities price at 30 June (\$) (ASX: IANG)	<b>100.00</b>	74.75	81.89	100.09	100.00
Issued ordinary shares (million shares)	<b>2,079</b>	2,071	1,878	1,794	1,595
Issued reset preference shares (million shares)	<b>4</b>	4	4	6	6
Market capitalisation (ordinary shares) at 30 June (\$ million)	<b>7,089</b>	7,269	6,517	10,226	8,533
Net tangible asset backing per ordinary share (\$)	<b>1.16</b>	1.16	0.93	0.90	1.22

(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 \$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.