

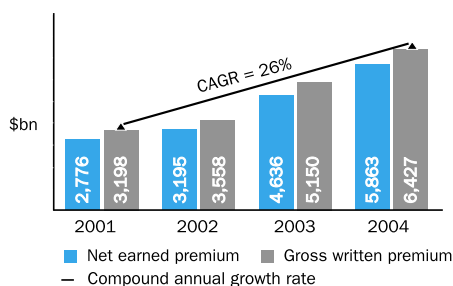
HOW WE'VE PERFORMED

HOW INSURANCE WORKS

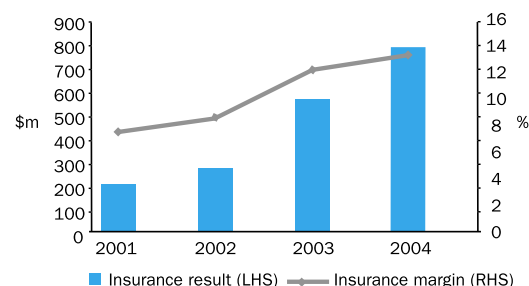


HIGHLIGHTS

	2003	2004
GROSS WRITTEN PREMIUM The total amount we received from customers for the payment of their insurance policies.	\$5,150m	\$6,427m
NET EARNED PREMIUM Our net earned premium is our gross earned premium minus reinsurance expense.	\$4,636m	\$5,863m
NET CLAIMS EXPENSE The amount paid out in claims during the year, as well as an estimate of how much we need to pay on unsettled claims, plus claims handling costs such as legal and administrative expenses, less recoveries from reinsurers and other parties.	\$3,363m	\$3,815m
UNDERWRITING EXPENSES The costs associated with researching risk and determining appropriate premiums, underwriting, administering the policy information required to run the business, marketing, commissions, distribution and meeting the Group's compliance requirements.	\$1,074m	\$1,500m
UNDERWRITING RESULT The profit or loss we make from our premium income before we consider related investment income.	\$199m	\$548m
INVESTMENT RETURNS FROM CLAIMS RESERVES This is the income received from investing reserves held to pay future claims.	\$372m	\$244m
INSURANCE RESULT The addition of our underwriting result and investment returns from claims reserves.	\$571m	\$792m
INVESTMENT INCOME/(LOSS) ON SHAREHOLDERS' FUNDS The income received from investing our shareholders' funds.	\$(120)m	\$434m
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS	\$153m	\$665m



REVENUE GROWTH
YEAR ENDED 30 JUNE



INSURANCE RESULT AND MARGIN
YEAR ENDED 30 JUNE

RETURN TO SHAREHOLDERS

RETURN ON EQUITY

Net profit attributable to our ordinary shareholders as a percentage of the average equity of those shareholders.

2003

2004

5.1%

21.1%

TOTAL DIVIDENDS PER SHARE

Includes an interim dividend of 8 cents per ordinary share and a final dividend of 14 cents per ordinary share for the financial year ended 30 June 2004.

11.5 cents

22.0 cents

GROUP INSURANCE RATIOS

INSURANCE MARGIN

The insurance result as a percentage of net earned premium.

12.3%

13.5%

COMBINED OPERATING RATIO

Our claims and underwriting expenses measured as a percentage of our net earned premium.

95.7%

90.7%

OPERATIONAL HIGHLIGHTS

- Refocused on general insurance – sold non-core health insurance underwriting and ClearView businesses.
- Completed the programme to integrate CGU and NZI into the Group, to deliver \$160 million in annual synergy benefits, pre-tax, promised at the time of acquisition.
- Met or exceeded all Group operating targets.
- Increased risks in force by 5.2%.
- Sustained high customer retention levels above 90% across our largest portfolios of directly distributed home and motor insurance and claims satisfaction above 85%.
- Completed \$414 million off-market share buy-back.
- Recorded a regulatory capital position as at 30 June 2004 of 1.75 times the minimum capital required by APRA.