

STATEMENTS OF FINANCIAL PERFORMANCE

For the year ended 30 June 2004

	Notes	PARENT 2004 \$m	PARENT 2003 \$m	CONSOLIDATED 2004 \$m	CONSOLIDATED 2003 \$m
Premium revenue	2(a)(i)	-	-	6,265	4,885
Reinsurance expense	4	-	-	(402)	(249)
Net premium revenue		-	-	5,863	4,636
Claims expense	4	-	-	(4,365)	(3,743)
Reinsurance and other recoveries	2(a)(i)	-	-	550	380
Net claims expense	5	-	-	(3,815)	(3,363)
Acquisition costs	4	-	-	(963)	(700)
Other underwriting expenses	4	-	-	(384)	(241)
Fire brigade charges	4	-	-	(153)	(133)
Underwriting expenses		-	-	(1,500)	(1,074)
Profit from underwriting		-	-	548	199
Investment income	2(a)(ii)	812	102	485	332
Realised gains on investments	2(a)(ii)	64	-	116	1
Unrealised gains / (losses) on investments	2(a)(ii)	-	-	212	(37)
Retirement services revenue	2(a)(iii)	-	-	70	30
Other operating revenue	2(a)(iv)	-	-	216	177
Borrowing costs expense		-	-	(57)	(46)
Life insurance business expenses	4	-	-	(52)	(11)
Corporate and administration expenses	4	-	-	(386)	(348)
Profit from ordinary activities before income tax	3	876	102	1,152	297
Income tax credit / (expense)	6	-	4	(346)	(80)
Net profit		876	106	806	217
Net profit attributable to outside equity interests		-	-	(141)	(64)
Net profit attributable to shareholders of Insurance Australia Group Limited		876	106	665	153
Non-owner transaction changes in equity:					
Net exchange difference on translation of financial reports of foreign controlled entities		-	-	(3)	-
Total changes in equity from non-owner related transactions attributable to the shareholders of the parent entity		876	106	662	153
				2004 cents	2003 cents
Basic earnings per ordinary share	31(a)			37.87	8.65
Basic earnings per reset preference share	31(b)			532.30	587.36
Diluted earnings per ordinary share	31(a)			37.74	8.61

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