

# FIVE YEAR FINANCIAL SUMMARY

|  | 2017           | 2016    | 2015    | 2014    | 2013    |
|--|----------------|---------|---------|---------|---------|
|  | \$m            | \$m     | \$m     | \$m     | \$m     |
| Gross written premium  | <b>11,805</b>  | 11,367  | 11,440  | 9,779   | 9,498   |
| Gross earned premium   | <b>11,692</b>  | 11,411  | 11,525  | 9,721   | 9,135   |
| Outwards reinsurance premium expense   | <b>(3,227)</b> | (3,183) | (1,196) | (1,077) | (817)   |
| Net premium revenue  | <b>8,465</b>   | 8,228   | 10,329  | 8,644   | 8,318   |
| Net claims expense   | <b>(5,263)</b> | (5,397) | (6,941) | (5,201) | (4,982) |
| Underwriting expenses  | <b>(2,185)</b> | (2,116) | (2,847) | (2,303) | (2,178) |
| Underwriting profit <sup>(a)</sup>   | <b>1,017</b>   | 715     | 541     | 1,140   | 1,158   |
| Net investment income on assets backing insurance liabilities                          | <b>241</b>     | 463     | 562     | 439     | 270     |
| Management reported insurance profit <sup>(a)</sup>                                    | <b>1,258</b>   | 1,178   | 1,103   | 1,579   | 1,428   |
| Net investment income from shareholders' funds   | <b>249</b>     | 97      | 223     | 396     | 347     |
| Other income   | <b>182</b>     | 204     | 187     | 199     | 175     |
| Share of net profit/(loss) of associates <sup>(b)</sup>                                | <b>19</b>      | 17      | 6       | (8)     | (29)    |
| Finance costs  | <b>(93)</b>    | (99)    | (107)   | (98)    | (95)    |
| Corporate and administration expenses <sup>(c)</sup>                                   | <b>(224)</b>   | (423)   | (383)   | (255)   | (208)   |
| Amortisation expense and impairment charges of acquired intangible assets and goodwill | <b>(57)</b>    | (54)    | (80)    | (11)    | (25)    |
| Profit before income tax   | <b>1,334</b>   | 920     | 949     | 1,802   | 1,593   |
| Income tax expense   | <b>(329)</b>   | (218)   | (119)   | (472)   | (424)   |
| Profit after tax from continuing operations  | <b>1,005</b>   | 702     | 830     | 1,330   | 1,169   |
| Loss after tax from discontinued operation   | -              | -       | -       | -       | (287)   |
| Net profit attributable to non-controlling interests                                   | <b>(76)</b>    | (77)    | (102)   | (97)    | (106)   |
| Net profit attributable to IAG shareholders  | <b>929</b>     | 625     | 728     | 1,233   | 776     |
| Ordinary shareholders' equity (\$ million)   | <b>6,562</b>   | 6,563   | 6,817   | 6,568   | 4,786   |
| Total assets (\$ million) <sup>(d)</sup>   | <b>29,597</b>  | 30,030  | 31,402  | 29,748  | 24,859  |
| <b>KEY RATIOS</b>  |                |         |         |         |         |
| Gross written premium growth   | <b>3.9 %</b>   | (0.6)%  | 17.0 %  | 3.0%    | 11.8 %  |
| Loss ratio <sup>(e)</sup>  | <b>62.2 %</b>  | 65.6 %  | 67.2 %  | 60.2 %  | 59.9 %  |
| Expense ratio <sup>(f)</sup>   | <b>25.8 %</b>  | 25.7 %  | 27.6 %  | 26.7 %  | 26.2 %  |
| Combined ratio <sup>(g)</sup>  | <b>88.0 %</b>  | 91.3 %  | 94.8 %  | 86.9 %  | 86.1 %  |
| Insurance margin <sup>(h)</sup>  | <b>14.9 %</b>  | 14.3 %  | 10.7 %  | 18.3 %  | 17.2 %  |
| <b>SHARE INFORMATION</b>   |                |         |         |         |         |
| Dividends per ordinary share - fully franked (cents)                                   | <b>33.00</b>   | 36.00   | 29.00   | 39.00   | 36.00   |
| Basic earnings per ordinary share (cents)  | <b>39.03</b>   | 25.79   | 31.22   | 56.09   | 37.57   |
| Diluted earnings per ordinary share (cents)  | <b>37.72</b>   | 25.34   | 30.45   | 53.62   | 36.44   |
| Ordinary share price at 30 June (\$) (ASX: IAG)  | <b>6.78</b>    | 5.45    | 5.58    | 5.84    | 5.44    |
| Convertible preference share price at 30 June (\$) (ASX: IAGPC)                        | -              | 101.50  | 101.60  | 106.44  | 101.88  |
| Capital notes price at 30 June (\$) (ASX: IAGPD)                                       | <b>106.53</b>  | -       | -       | -       | -       |
| Reset exchangeable securities price at 30 June (\$) (ASX: IANG)                        | <b>103.40</b>  | 100.00  | 103.10  | 107.00  | 102.80  |
| Issued ordinary shares (million)   | <b>2,367</b>   | 2,431   | 2,431   | 2,341   | 2,079   |
| Issued convertible preference shares (million)   | -              | 4       | 4       | 4       | 4       |
| Issued capital notes (million)   | <b>4</b>       | -       | -       | -       | -       |
| Market capitalisation (ordinary shares) at 30 June (\$ million)                        | <b>16,048</b>  | 13,249  | 13,565  | 13,671  | 11,310  |
| Net tangible asset backing per ordinary share (\$) <sup>(d)</sup>                      | <b>1.36</b>    | 1.30    | 1.34    | 1.27    | 1.38    |

(a) 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.

(b) Share of net profit/(loss) of associates includes regional support and development costs.

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

(d) The financial information for 2014 has been restated to reflect the fair value adjustments to the net assets acquired in respect of the former Wesfarmers business in 2014.

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

(f) The expense ratio refers to underwriting expenses as a percentage of net premium revenue.

(g) The combined ratio refers to the sum of the loss ratio and expense ratio.

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