

# FIVE YEAR FINANCIAL SUMMARY

	2012	2011	2010	2009	2008 <sup>(a)</sup>
	\$m	\$m	\$m	\$m	\$m
Gross written premium	8,992	8,050	7,782	7,842	7,793
Premium revenue	8,577	7,858	7,621	7,718	7,765
Outward reinsurance premium expense	(734)	(620)	(556)	(485)	(470)
Net premium revenue	7,843	7,238	7,065	7,233	7,295
Net claims expense	(5,791)	(5,089)	(5,072)	(5,370)	(5,155)
Underwriting expenses	(2,144)	(1,978)	(2,054)	(2,128)	(2,180)
Underwriting profit/(loss)	(92)	171	(61)	(265)	(40)
Net investment income on assets backing insurance liabilities	924	489	554	780	432
Insurance profit/(loss)	832	660	493	515	392
Net investment income from equity holders' funds <sup>(b)</sup>	89	213	96	(39)	24
Other income	253	264	256	403	487
Share of net profit/(loss) of associates	(12)	(8)	3	8	(3)
Finance costs	(97)	(86)	(88)	(87)	(101)
Corporate and administration expenses	(297)	(259)	(245)	(423)	(528)
Amortisation expense and impairment charges of acquired intangible assets and goodwill <sup>(c)</sup>	(325)	(170)	(113)	(65)	(407)
Profit/(loss) before income tax	443	614	402	312	(136)
Income tax expense	(178)	(276)	(212)	(65)	(90)
Net profit/(loss)	265	338	190	247	(226)
Net profit attributable to non-controlling interests	(58)	(88)	(99)	(66)	(35)
Net profit/(loss) attributable to equity holders of Insurance Australia Group Limited	207	250	91	181	(261)
Ordinary equity holders' equity (\$ million)	4,343	4,417	4,486	4,671	4,204
Total assets (\$ million)	25,132	23,029	20,442	19,360	19,380
<b>PREMIUM GROWTH</b>					
Gross written premium	11.7 %	3.4 %	(0.8)%	0.6 %	5.6 %
<b>KEY RATIOS</b>					
Loss ratio <sup>(d)</sup>	73.8 %	70.3 %	71.8 %	74.2 %	70.7 %
Expense ratio <sup>(e)</sup>	27.4 %	27.3 %	29.1 %	29.4 %	29.9 %
Combined ratio <sup>(f)</sup>	101.2 %	97.6 %	100.9 %	103.6 %	100.6 %
Insurance margin <sup>(g)</sup>	10.6 %	9.1 %	7.0 %	7.1 %	5.4 %
<b>SHARE INFORMATION</b>					
Dividends per ordinary share - fully franked (cents)	17.00	16.00	13.00	10.00	22.50
Basic earnings per ordinary share (cents)	10.01	12.08	4.39	9.32	(14.11)
Ordinary share price at 30 June (\$) (ASX: IAG)	3.48	3.40	3.41	3.51	3.47
Convertible preference share price at 30 June (\$) (ASX: IAGPC)	98.10	-	-	-	-
Reset preference share price at 30 June (\$) (ASX: IAGPA)	-	101.01	98.55	100.50	85.00
Reset exchangeable securities price at 30 June (\$) (ASX: IANG)	99.30	103.00	100.00	74.75	81.89
Issued ordinary shares (million shares)	2,079	2,079	2,079	2,071	1,878
Issued convertible preference shares (million shares)	4	-	-	-	-
Issued reset preference shares (million shares)	-	4	4	4	4
Market capitalisation (ordinary shares) at 30 June (\$ million)	7,235	7,069	7,089	7,269	6,517
Net tangible asset backing per ordinary share (\$)	1.20	1.23	1.16	1.16	0.93

(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.

(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 \$297 million for 2012, \$150 million for 2011, \$87 million for 2010, \$18 million for 2009 and \$342 million for 2008.

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

(e) The expense ratio refers to the underwriting expenses as a percentage of net earned premium.

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

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