

# Appendix 4B (rule 4.13(b))

## Preliminary final report

Introduced 1/7/2000.

Name of entity

NRMA Insurance Group Limited

ACN, ARBN or ARSN

60 090 739 923

Half yearly  
(tick)Preliminary  
final (tick)Half year/financial year ended ('current  
period')

30 June 2001

### For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities (item 1.1)		4,254,602
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members (item 1.20)		130,245
Profit (loss) from ordinary activities after tax attributable to members (item 1.23)		122,662
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))		-
Net profit (loss) for the period attributable to members (item 1.11)		122,662
<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
Final dividend (Preliminary final report only - item 15.4)	6¢	6¢
Previous corresponding period (Preliminary final report - item 15.5)	N/A	N/A

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)

19 September 2001

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

The consolidated entity was formed on 22 July 2000 when NRMA Insurance Group Limited acquired 100% of the share capital of NRMA Insurance Limited upon that company's demutualisation. There are therefore no comparative figures.

+ See Chapter 19 for defined terms.

1/7/2000

Appendix 4B Page 1

### Consolidated profit and loss account

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities	4,254,602	-
1.2 Expenses from ordinary activities	(3,955,637)	-
1.3 Borrowing costs	(83,589)	-
1.4 Share of net profit (loss) of associates and joint venture entities ( <i>see item 16.7</i> )	-	-
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>215,376</b>	<b>-</b>
1.6 Income tax on ordinary activities ( <i>see note 4</i> )	(31,104)	-
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>184,272</b>	<b>-</b>
1.8 Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )	-	-
<b>1.9 Net profit</b>	<b>184,272</b>	<b>-</b>
1.10 Net profit (loss) attributable to outside +equity interests	61,610	-
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>122,662</b>	<b>-</b>

### Consolidated retained profits

1.12 Retained profits (accumulated losses) at the beginning of the financial period	-	-
1.13 Net profit (loss) attributable to members ( <i>item 1.11</i> )	122,662	-
1.14 Net transfers to and from reserves	-	-
1.15 Net effect of changes in accounting policies	-	-
1.16 Dividends and other equity distributions paid or payable	(285,534)	-
<b>1.17 Retained profits (accumulated losses) at end of financial period</b>	<b>(162,872)</b>	<b>-</b>

### Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period \$A'000
1.18 Profit (loss) from ordinary activities after tax before outside equity interests ( <i>items 1.7</i> ) and amortisation of goodwill	191,855	-
1.19 Less (plus) outside +equity interests	61,610	-
<b>1.20 Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members</b>	<b>130,245</b>	<b>-</b>

+ See chapter 19 for defined terms.

### Profit (loss) from ordinary activities attributable to members

	Current period \$A'000	Previous corresponding period \$A'000
1.21 Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	184,272	-
1.22 Less (plus) outside +equity interests	61,610	-
<b>1.23 Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>122,662</b>	<b>-</b>

### Revenue and expenses from ordinary activities

*AASB 1004 requires disclosure of specific categories of revenue and AASB 1018 requires disclosure of expenses from ordinary activities according to either their nature of function. Entities must report details of revenue and expenses from ordinary activities using the layout employed in their accounts. See also items 12.1 to 12.6.*

	Current period \$A'000	Previous corresponding period \$A'000
1.24 Details of revenue and expenses		
Premium revenue	2,882,324	-
Reinsurance expense	(247,963)	-
<b>Net premium revenue</b>	<b>2,634,361</b>	<b>-</b>
Claims expense	(2,568,873)	-
Reinsurance and other recoveries	466,440	-
<b>Net claims expense</b>	<b>(2,102,433)</b>	<b>-</b>
Acquisition costs	(291,926)	-
Other underwriting expenses	(169,104)	-
Fire brigade charges	(71,218)	-
<b>Underwriting expenses</b>	<b>(532,248)</b>	<b>-</b>
<b>Loss from underwriting</b>	<b>(320)</b>	<b>-</b>
Investment income	350,293	-
Realised losses on investments	(89,655)	-
Unrealised gains on investments	103,747	-
Financial services revenue	376,333	-
Other operating revenue	157,621	-
Borrowing costs expense	(83,589)	-
Life insurance business expense	(276,001)	-
Investment and other expenses	(323,053)	-
<b>Profit from ordinary activities before income tax</b>	<b>215,376</b>	<b>-</b>

+ See chapter 19 for defined terms.

## Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000  (a)	Related tax \$A'000  (b)	Related outside +equity interests \$A'000  (c)	Amount (after tax) attributable to members \$A'000  (d)
2.1	Amortisation of goodwill	7,583	-	-	7,583
2.2	Amortisation of other intangibles	19,161	-	-	19,161
<b>2.3</b>	<b>Total amortisation of intangibles</b>	<b>26,744</b>	<b>-</b>	<b>-</b>	<b>26,744</b>
2.4	Extraordinary items (details)	-	-	-	-
<b>2.5</b>	<b>Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Comparison of half year profits

*(Preliminary final report only)*

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)	(17,068)	-
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	139,730	-

+ See chapter 19 for defined terms.

<b>Consolidated balance sheet</b>		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>				
4.1	Cash	222,932	-	184,126
4.2	Receivables	1,438,881	-	1,208,832
4.3	Investments	1,338,027	-	2,905,414
4.4	Inventories	2,307	-	354
4.5	Other	273,554	-	204,572
<b>4.6</b>	<b>Total current assets</b>	<b>3,275,701</b>	<b>-</b>	<b>4,503,298</b>
<b>Non-current assets</b>				
4.7	Receivables	1,272,515	-	1,160,442
4.8	Investments (equity accounted)	-	-	-
4.9	Other investments	7,117,623	-	6,258,034
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised (see para .71 of <i>AASB 1022</i> )	-	-	-
4.12	Development properties (+mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	104,468	-	80,714
4.14	Intangibles (net)	658,290	-	406,244
4.15	Other (FITB and other)	156,863	-	122,352
<b>4.16</b>	<b>Total non-current assets</b>	<b>9,309,759</b>	<b>-</b>	<b>8,027,786</b>
<b>4.17</b>	<b>Total assets</b>	<b>12,585,460</b>	<b>-</b>	<b>12,531,084</b>
<b>Current liabilities</b>				
4.18	Payables	591,809	-	482,467
4.19	Interest bearing liabilities	1,717,810	-	1,217,266
4.20	Provisions (includes outstanding claims)	1,322,075	-	1,328,757
4.21	Other (Unearned premiums and scrip borrowing/lending)	1,971,851	-	2,641,770
<b>4.22</b>	<b>Total current liabilities</b>	<b>5,603,545</b>	<b>-</b>	<b>5,670,260</b>
<b>Non-current liabilities</b>				
4.23	Payables	-	-	-
4.24	Interest bearing liabilities	55,420	-	59,269
4.25	Provisions (includes outstanding claims)	2,602,756	-	2,248,559
4.26	Other (Life insurance policy liabilities)	935,598	-	880,765
<b>4.27</b>	<b>Total non-current liabilities</b>	<b>3,593,774</b>	<b>-</b>	<b>3,188,593</b>
<b>4.28</b>	<b>Total liabilities</b>	<b>9,197,319</b>	<b>-</b>	<b>8,858,853</b>
<b>4.29</b>	<b>Net assets</b>	<b>3,388,141</b>	<b>-</b>	<b>3,672,231</b>

+ See chapter 19 for defined terms.

**Consolidated balance sheet continued**

<b>Equity</b>				
4.30	Capital/contributed equity	2,686,468	-	2,944,436
4.31	Reserves (FX fluctuation reserve)	331	-	-
4.32	Retained profits (accumulated losses)	(162,872)	-	(17,068)
<b>4.33</b>	<b>Equity attributable to members of the parent entity</b>	<b>2,523,927</b>	<b>-</b>	<b>2,927,368</b>
4.34	Outside +equity interests in controlled entities	864,214	-	744,863
<b>4.35</b>	<b>Total equity</b>	<b>3,388,141</b>	<b>-</b>	<b>3,672,231</b>
4.36	Preference capital included as part of 4.33	N/A	N/A	N/A

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.*

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	N/A
5.2	Expenditure incurred during current period	N/A
5.3	Expenditure written off during current period	N/A
5.4	Acquisitions, disposals, revaluation increments, etc.	N/A
5.5	Expenditure transferred to Development Properties	N/A
<b>5.6</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	<b>N/A</b>

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

	Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	N/A
6.2	Expenditure incurred during current period	N/A
6.3	Expenditure transferred from exploration and evaluation	N/A
6.4	Expenditure written off during current period	N/A
6.5	Acquisitions, disposals, revaluation increments, etc.	N/A
6.6	Expenditure transferred to mine properties	N/A
<b>6.7</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>N/A</b>

+ See chapter 19 for defined terms.

## Consolidated statement of cash flows

		Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>			-
7.1	Receipts from customers	3,484,029	-
7.2	Payments to suppliers and employees	(2,597,208)	-
7.3	Dividends received from associates	-	-
7.4	Other dividends received	125,402	-
7.5	Interest and other items of similar nature received	397,950	-
7.6	Interest and other costs of finance paid	(118,222)	-
7.7	Income taxes paid	(51,783)	-
7.8	Other	(894,140)	-
<b>7.9</b>	<b>Net operating cash flows</b>	<b>346,028</b>	<b>-</b>
<b>Cash flows related to investing activities</b>			-
7.10	Payment for purchases of property, plant and equipment	(49,001)	-
7.11	Proceeds from sale of property, plant and equipment	17,393	-
7.12	Payment for purchases of equity investments	(26,231,370)	-
7.13	Proceeds from sale of equity investments	26,132,463	-
7.14	Loans to other entities	(854,943)	-
7.15	Loans repaid by other entities	640,710	-
7.16	Other (cash acquired on acquisition of controlled entities)	422,819	-
<b>7.17</b>	<b>Net investing cash flows</b>	<b>78,071</b>	<b>-</b>
<b>Cash flows related to financing activities</b>			-
7.18	Redemption of share issues	(326,388)	-
7.19	Proceeds from borrowings	840,368	-
7.20	Repayment of borrowings	(1,038,040)	-
7.21	Dividends paid	(90,412)	-
7.22	Other (Redemption paid, trust and securitisation proceeds)	534,671	-
<b>7.23</b>	<b>Net financing cash flows</b>	<b>(79,801)</b>	<b>-</b>
<b>7.24</b>	<b>Net increase (decrease) in cash held</b>	<b>344,298</b>	<b>-</b>
7.25	Cash at beginning of period <i>(see Reconciliation of cash)</i>	-	-
7.26	Exchange rate adjustments to item 7.25.	86	-
<b>7.27</b>	<b>Cash at end of period</b> <i>(see Reconciliation of cash)</i>	<b>344,384</b>	<b>-</b>

## Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

Nil
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+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	222,932	-
8.2 Deposits at call	-	-
8.3 Bank overdraft	(47,586)	-
8.4 Other (Commercial bills)	169,038	-
<b>8.5 Total cash at end of period (item 7.27)</b>	<b>344,384</b>	-

<b>Ratios</b>	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	5.1%	-
<b>Profit after tax / +equity interests</b>		
9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.9) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	7.3%	-

<b>Earnings per security (EPS)</b>	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
(a) Basic EPS	8.62¢	N/A
(b) Diluted EPS (if materially different from (a))	N/A	N/A
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	1,423,278,077	N/A

<b>NTA backing</b>	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	133¢	N/A

+ See chapter 19 for defined terms.

**Details of specific receipts/outlays, revenues/ expenses**

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.5	352,284	-
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3 Interest costs excluded from borrowing costs, capitalised in asset values	83,589	-
12.4 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.5 Depreciation and amortisation (excluding amortisation of intangibles)	30,501	-
12.6 Other specific relevant items not shown in item 1.24 (see note 15)	-	-

**Control gained over entities having material effect**

13.1 Name of entity (or group of entities)	See attached: Appendix A
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	See attached: Appendix A
13.3 Date from which such profit has been calculated	See attached: Appendix A
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	See attached: Appendix A

+ See chapter 19 for defined terms.

### Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

### Reports for industry and geographical segments

*Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.*

#### Segments

See attached: Appendix B

### Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	22 October 2001
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	19 September 2001
15.3	If it is a final dividend, has it been declared?	Yes

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+ See chapter 19 for defined terms.

**Amount per security**

		Amount per security	Franked amount per security at 34% (interim) 30% (final)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	6¢	6¢	N/Ac
15.5	Previous year	N/A	N/A	N/A
15.6	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year	4¢	4¢	N/A
15.7	Previous year	N/A	N/A	N/A

**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	10¢	N/A
15.9 Preference +securities	N/A	N/A

**Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities	83,960	N/A
15.11 Preference +securities	-	N/A
15.12 Other equity instruments	-	N/A
<b>15.13 Total</b>	<b>83,960</b>	<b>N/A</b>

The +dividend or distribution plans shown below are in operation.

N/A
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The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A
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Any other disclosures in relation to dividends (distributions)

N/A
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+ See chapter 19 for defined terms.

**Details of aggregate share of profits (losses) of associates and joint venture entities**

		Current period \$A'000	Previous corresponding period - \$A'000
16.1	Profit (loss) from ordinary activities before income tax	N/A	N/A
16.2	Income tax on ordinary activities	N/A	N/A
16.3	<b>Profit (loss) from ordinary activities after income tax</b>	N/A	N/A
16.4	Extraordinary items net of tax	N/A	N/A
16.5	<b>Net profit (loss)</b>	N/A	N/A
16.6	Outside +equity interests	N/A	N/A
16.7	<b>Net profit (loss) attributable to members</b>	N/A	N/A

**Material interests in entities which are not controlled entities**

*The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) ( <i>item 1.9</i> )	
	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period- \$A'000
<b>17.1 Equity accounted associates and joint venture entities</b>	N/A	N/A	N/A	N/A
<b>17.2 Total</b>	N/A	N/A	N/A	N/A
17.3 Other material interests	N/A	N/A	N/A	N/A
<b>17.4 Total</b>	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

## Issued and quoted securities at end of current period

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities	N/A	N/A	N/A	N/A
18.2 Changes during current period	N/A	N/A	N/A	N/A
<b>18.3 +Ordinary securities</b>	1,399,336,971	1,399,336,971		
18.4 Changes during current period				
(a) Increases through issues				
- Staff allocation share plan	4,500,095	4,500,095	286¢	286¢
- Other issues	50,541,946	50,541,946	275¢	275¢
- Demutualisation issue	1,492,884,635	1,492,884,635	188¢*	188¢*
(b) Decreases through buyback	148,589,705	148,589,705	188¢	188¢
<b>18.5 +Convertible debt securities (description and conversion factor)</b>	N/A	N/A	N/A	N/A
18.6 Changes during current period	N/A	N/A	N/A	N/A
(a) Increases through issues				
(b) Decreases through securities matured, converted				
<b>18.7 Options (description and conversion factor)</b>			<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period				
21 December 2000	1,712,120	1,712,120	See below**	21 Dec, 2010
30 April 2001	3,796,200	3,796,200	See below**	30 Apr, 2011
18.9 Exercised during current period	Nil	Nil	N/A	N/A
18.10 Expired during current period	Nil	Nil	N/A	N/A
<b>18.11 Debentures (totals only)</b>	N/A	N/A		
<b>18.12 Unsecured notes (totals only)</b>	N/A	N/A		

\* Deemed issue price per share upon demutualisation of NRMA Insurance Limited

\*\* \$1 per tranche of options issued - 172 tranches issued

+ See chapter 19 for defined terms.

## **Comments by directors**

Nil

### **Basis of accounts preparation**

*If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]*

#### Material factors affecting the revenues and expenses of the economic entity for the current period

(i) This report represents the consolidated results of NRMA Insurance Group Limited (NIGL) which, on 22 July 2000 acquired 100% of the share capital of NRMA Insurance Limited upon that company's demutualisation. It is therefore recommended that this report should be read in conjunction with appendix D which represent the consolidated results of NRMA Insurance Group Limited based on the assumption it acquired NRMA Insurance Limited and its controlled entities from 1 July 2000.

(ii) On 15 February 2001, the NIGL Group purchased New Zealand's largest general insurer, State Insurance Limited, with annual premium income of \$297 million.

(iii) On 2 March 2001, the Company resolved to make an off-market buy-back of up to 10% of the shares issued on demutualisation. 149 million shares, which represented 9.60% of the shares issued, were bought back during this process.

(iv) During March 2001, the NIGL Group agreed to take on the Australian workers compensation portfolio of HIH Insurance Limited for a sum of \$120 million. The acquisition did not involve assuming liability for any of the portfolio's outstanding claims provision (for claims occurring on or before 14 March 2001). The business has annual premium income of \$110 million and fee income of \$50 million.

(v) NRMA Insurance Group Limited has obtained an order, dated 14 February 2000, from the Australian Securities & Investments Commission exempting the Company from compliance with certain sections of the Corporations Act 2001. These exemptions allowed the Company to acquire the shares in NRMA Insurance Limited at an amount equal to the sum of the carrying amounts of the assets and liabilities as shown in the consolidated statement of financial position of NRMA Insurance Limited immediately prior to the date of acquisition. This order also allows dividends paid by NRMA Insurance Limited to the Company out of distributable reserves of NRMA Insurance Limited at the time of acquisition of its shares by the Company (pre-acquisition reserves) to be treated as income by the Company. However, the order restricts the amount of such dividends that can be paid by NRMA Insurance Limited to the Company to \$575 million. During the year ended 30 June 2001, the Company received dividends of \$313 million from NRMA Insurance Limited from pre-demutualisation retained earnings. This amount has been fully eliminated in the consolidated results.

Other than the matters identified above, there was no significant change to the state of affairs of the NIGL Group during the financial year ended 30 June 2001.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Nil

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+ See chapter 19 for defined terms.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

The franking surplus of the NRMA Insurance Group exceeds \$520 million as at 30 June 2001. Accordingly frankable distributions payable in the current financial year are expected to be full franked.

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

Nil

## Additional disclosure for trusts

19.1 Number of units held by the management company or responsible entity or their related parties.

N/A

19.2 A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

- initial service charges
- management fees
- other fees

## Annual meeting

The annual meeting will be held as follows:

Place

Tumbalong Auditorium, Sydney Convention and Exhibition Centre (South), Darling Harbour

Date

2 November 2001

Time

2.30 pm

Approximate date the +annual report will be available

13 September 2001

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+ See chapter 19 for defined terms.

## Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 12).

Identify other standards used

Nil

- 2 This report, and the <sup>+</sup>accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed

- 4 This report is based on <sup>+</sup>accounts to which one of the following applies.

*(Tick one)*

The <sup>+</sup>accounts have been audited.

The <sup>+</sup>accounts have been subject to review.

The <sup>+</sup>accounts are in the process of being audited or subject to review.

The <sup>+</sup>accounts have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached.

- 6 The entity has a formally constituted audit committee.

Sign here: ..... Date: .....  
(Director/Company Secretary)

Print name: .....

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+ See chapter 19 for defined terms.

**APPENDIX A: Control gained over entities having material effect**

Name of entity (or group of entities)	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired \$000	Date from which such profit has been calculated	Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period
NRMA Insurance Group**	122,662	22 July 2000	-
NRMA Workers Compensation (NSW) (No 2) Pty Limited, NRMA Workers Compensation (NSW) (No 3) Limited, NRMA Workers Compensation (VIC) Limited and NRMA Workers Compensation (SA) Limited.	(429)	23 March 2001	-
NRMA Insurance NZ Limited and its controlled entities	(13,335)	15 February 2001	-

\*\* The consolidated entity was formed on 22 July 2000 when NRMA Insurance Group Limited acquired 100% of the share capital of NRMA Insurance Limited upon that company's demutualisation. There are therefore no comparative figures.

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+ See chapter 19 for defined terms.

**APPENDIX B: Segmental reporting**

(a) Business Segments

The consolidated entity operates in the general insurance and financial services industries. Other activities, including corporate services, investment management and investment of the Group's capital funds form a separate segment. Description of each segment is as follows:

	General Insurance		Financial Services		Corporate and Investments		Intersegment Elimination		Total	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
External revenue	3,543,250	-	384,305	-	327,047	-	-	-	4,254,602	-
Intersegment revenue	-	-	-	-	54,392	-	(54,392)	-	-	-
<b>Total revenue</b>	<b>3,543,250</b>	<b>-</b>	<b>384,305</b>	<b>-</b>	<b>381,439</b>	<b>-</b>	<b>(54,392)</b>	<b>-</b>	<b>4,254,602</b>	<b>-</b>
Profit from ordinary activities before income tax	206,500	-	20,102	-	(11,226)	-	-	-	215,376	-
Segment assets	3,751,060	-	2,952,747	-	6,735,783	-	(854,130)	-	12,585,460	-

(b) Geographical segments

	Australia		International*		Total	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
External revenue	4,122,512	-	132,090	-	4,254,602	-
Intersegment revenue	-	-	-	-	-	-
<b>Total revenue</b>	<b>4,122,512</b>	<b>-</b>	<b>132,090</b>	<b>-</b>	<b>4,254,602</b>	<b>-</b>
Profit from ordinary activities before income tax	230,635	-	(15,259)	-	215,376	-
Segment assets	12,027,922	-	557,538	-	12,585,460	-

\* Virtually all New Zealand as other regions are immaterial.

+ See chapter 19 for defined terms.

## APPENDIX C: Income tax

(a) The prima facie tax on the statement of financial performance differs from the income tax provided in the financial statements and is reconciled as follows:

	2001 \$000	2000 \$000
Profit from ordinary activities before income tax	<u>215,376</u>	-
Prima facie tax thereon at 34% (2000 - 36%)	73,228	-
Tax effect of permanent differences:		
Rebateable dividends	(11,161)	-
Realised capital profits not subject to income tax	43,929	-
Unrealised capital (profits)/losses not subject to income tax	(41,956)	-
Other non-deductible items	5,310	-
Other	(14,274)	-
Recognition of future income tax benefits	(1,339)	-
Change in income tax rate	<u>(14,306)</u>	-
Income tax expense/(credit) applicable to current year	39,431	-
Adjustment to prior year	<u>(8,327)</u>	-
Income tax expense/(credit) attributable to profit from ordinary activities	<u>31,104</u>	-

(b) The potential future income tax benefits relating to tax losses at 30 June 2001 not brought to account are:

	<u>2,702</u>	-
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The benefits will only be obtained if:

the economic entity derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses and timing differences to be realised;

the economic entity continues to comply with the conditions for deductibility imposed by tax legislation; and

no changes in tax legislation adversely affect the economic entity in realising the benefits from the deductions for the losses.

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+ See Chapter 19 for defined terms.

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**

**STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2001**

**APPENDIX D**  
**ADDITIONAL PROFORMA FINANCIAL INFORMATION**

**ATTACHED INCLUDES:**

**Page No.**

- |   |   |
|---|---|
| • Proforma Statements of Financial Performance for the year ended 30 June 2001                                    | 1 |
| • Proforma Statements of Cashflows for the year ended 30 June 2001  | 3 |
| • Proforma Notes to the Financial Statements for the year ended 30 June 2001                                      | 5 |
| - Revenue   |   |
| - Profit from ordinary activities before income tax   |   |
| - Claims expense  |   |
| - Income tax  |   |
| - Earnings per share  |   |
| - Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax |   |
| - Outside equity interest in controlled entities  |   |
| - Segmental reporting   |   |

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**

**STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2001**

	<u>Notes</u>	CONSOLIDATED		
		(A) NIGL Group 2001 \$m	(B) Proforma NIGL Group 2001 \$m	(C) Proforma NRMA Insurance Group 2000 \$m
Premium revenue	1(a)(i)	2,882	3,036	2,573
Reinsurance expense		(248)	(260)	(189)
<b>Net premium revenue</b>		<b>2,634</b>	<b>2,776</b>	2,384
Claims expense	3	(2,568)	(2,734)	(2,574)
Reinsurance and other recoveries		466	500	526
<b>Net claims expense</b>		<b>(2,102)</b>	<b>(2,234)</b>	(2,048)
Acquisition costs		(292)	(310)	(200)
Other underwriting expenses		(169)	(178)	(175)
Fire brigade charges		(71)	(75)	(60)
<b>Underwriting expenses</b>		<b>(532)</b>	<b>(563)</b>	(435)
<b>Loss from underwriting</b>		-	(21)	(99)
Investment income		350	363	304
Realised (losses) / gains on investments		(90)	(92)	23
Unrealised gains on investments		104	165	432
Financial services revenue		377	410	428
Other operating revenue		157	164	88
Borrowing costs expense		(84)	(88)	(80)
Life insurance business expense		(276)	(301)	(304)
Other operating expenses		(323)	(345)	(318)
<b>Profit from ordinary activities before income tax</b>	2	<b>215</b>	<b>255</b>	474
Income tax expense	4	(31)	(44)	(128)
<b>Net profit</b>		<b>184</b>	<b>211</b>	346
Net profit attributable to outside equity interest		(62)	(68)	(50)
<b>Net profit attributable to members of NRMA Insurance Group Limited</b>		<b>122</b>	<b>143</b>	296
<b>Non-owner transaction changes in equity:</b>				
<b>Total revenues, expense and valuation adjustments attributable to members of NRMA Insurance Group Limited recognised directly in equity</b>		-	-	-
<b>Total changes in equity from non-owner related transactions attributable to the members of the parent entity</b>		<b>122</b>	<b>143</b>	296

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

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**

**STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2001**

Note:

- (A) Represents NRMA Insurance Group Limited's ("NIGL") consolidated result in accordance with AASB 1024. This recognises that NIGL acquired NRMA Insurance Limited and its controlled entities on 22 July 2000 and does not include the results of NRMA Insurance Limited and its controlled entities for the period 1 July 2000 to 21 July 2000 (capitalised as equity of NRMA Insurance Group Limited).
- (B) Represents the consolidated result of NIGL, assuming it acquired NRMA Insurance Limited and its controlled entities on 1 July 2000. This proforma is provided to allow direct comparison to the prospectus dated 23 June 2000 as this was prepared on the basis that NIGL gained control of NRMA Insurance Limited on 1 July 2000.
- (C) Represents the result of NRMA Insurance Limited and its controlled entities for the year ended 30 June 2000.

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**

**STATEMENTS OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2001**

	<u>Notes</u>	CONSOLIDATED		
		(A)	(B)	(C)
		NIGL Group 2001 \$m	Proforma NIGL Group 2001 \$m	Profoma NRMA Insurance Group 2000 \$m
<b>Cash flows from operating activities</b>				
Premium received		3,061	3,248	2,682
Reinsurance and other recoveries received		423	449	501
Claims costs paid		(2,399)	(2,545)	(2,465)
Outwards reinsurance premium paid		(198)	(210)	(78)
Dividends received		125	133	120
Interest and similar items received		398	422	342
Interest and other costs of finance paid		(118)	(126)	(97)
Income taxes refunded		-	-	5
Income taxes paid		(52)	(55)	(9)
Other operating receipts		455	483	286
Other operating payments		(1,349)	(1,465)	(878)
<b>Net cash provided by operating activities</b>	6	<b>346</b>	<b>334</b>	<b>409</b>
<b>Cash flows from investing activities</b>				
Net cash flows on acquisition of controlled entities		423	437	(562)
Proceeds from disposal of investments and fixed assets		25,491	27,048	33,855
Outlays for investments and fixed assets acquired		(25,622)	(27,189)	(34,050)
Repayment of mortgage loans		641	680	819
Drawdown of mortgage loans		(855)	(907)	(1,111)
<b>Net cash provided by / (used in) investing activities</b>		<b>78</b>	<b>69</b>	<b>(1,049)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issues of shares		152	152	-
Outlays for buy-back of shares		(410)	(410)	-
Proceeds from issues of trust units		1,087	1,153	820
Outlays for redemption of trust units		(962)	(1,020)	(686)
Proceeds from borrowings		839	892	663
Repayment of borrowings		(1,038)	(1,101)	(106)
Net increase in depositor funds		118	125	85
Proceeds from securitisation		291	307	290
Share issue costs paid		(67)	(67)	-
Dividends paid		(90)	(90)	(9)
<b>Net cash provided by / (used in) financing activities</b>		<b>(80)</b>	<b>(59)</b>	<b>1,057</b>
<b>Net increase in cash held</b>		<b>344</b>	<b>344</b>	<b>417</b>
<b>Cash at the beginning of the financial year</b>		<b>-</b>	<b>-</b>	<b>258</b>
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the financial year		-	-	(2)
<b>Cash at the end of the financial year</b>		<b>344</b>	<b>344</b>	<b>673</b>

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

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**

**STATEMENTS OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2001**

Note:

- (A) Represents NRMA Insurance Group Limited's ("NIGL") consolidated result in accordance with AASB 1024. This recognises that NIGL acquired NRMA Insurance Limited and its controlled entities on 22 July 2000 and does not include the results of NRMA Insurance Limited and its controlled entities for the period 1 July 2000 to 21 July 2000 (capitalised as equity of NRMA Insurance Group Limited).
- (B) Represents the consolidated result of NIGL, assuming it acquired NRMA Insurance Limited and its controlled entities on 1 July 2000. This proforma is provided to allow direct comparison to the prospectus dated 23 June 2000 as this was prepared on the basis that NIGL gained control of NRMA Insurance Limited on 1 July 2000.
- (C) Represents the result of NRMA Insurance Limited and its controlled entities for the year ended 30 June 2000.

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

	CONSOLIDATED		
	(A) NIGL Group	(B) Proforma NIGL Group	(C) Proforma NRMA Insurance Group
	2001 \$m	2001 \$m	2000 \$m
<b>Note 1. Revenue</b>			
<b>(a) Revenue from operating activities</b>			
<b>(i) General insurance revenue</b>			
Premium income	3,015	3,198	2,643
Movement in unearned premium reserve	(133)	(162)	(70)
Premium revenue	<b>2,882</b>	<b>3,036</b>	2,573
Direct premium	2,784	2,936	2,481
Inwards reinsurance premium	98	100	92
Premium revenue	<b>2,882</b>	<b>3,036</b>	2,573
Reinsurance and other recoveries	466	500	526
Total general insurance revenue	<b>3,348</b>	<b>3,536</b>	3,099
<b>(ii) Investment revenue</b>			
Dividend income			
- other corporations	53	54	59
Interest income			
- other parties	272	284	218
Trust income			
- other parties	25	25	27
Total investment income	<b>350</b>	<b>363</b>	304
Changes in net market values of investments			
- realised (losses) / gains	(90)	(92)	23
- unrealised gains	104	165	432
Total investment revenue	<b>364</b>	<b>436</b>	759
<b>(iii) Financial services revenue</b>			
Interest income on loans	81	87	100
Life insurance business revenue	296	323	328
Total financial services revenue	<b>377</b>	<b>410</b>	428
<b>(iv) Other operating income</b>			
- related corporations	28	30	61
- other parties	129	134	27
Total other operating revenue	<b>157</b>	<b>164</b>	88
<b>Total revenue from operating activities</b>	<b>4,246</b>	<b>4,546</b>	4,374
<b>(b) Revenue from outside the operating activities</b>			
Proceeds from disposal of assets	7	8	32
<b>Total revenue from other operating activities</b>	<b>7</b>	<b>8</b>	32
<b>Total revenue</b>	<b>4,253</b>	<b>4,554</b>	4,406

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

	<b>CONSOLIDATED</b>		
	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>
	<b>NIGL Group 2001 \$m</b>	<b>Proform a NIGL Group 2001 \$m</b>	<b>Proforma NRMA Insurance Group 2000 \$m</b>
<b>Note 2. Profit from ordinary activities before income tax</b>			
Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:			
Depreciation of motor vehicles	<b>6</b>	<b>7</b>	<b>4</b>
Depreciation of office and other plant and equipment	<b>26</b>	<b>26</b>	<b>28</b>
Amortisation of goodwill	<b>8</b>	<b>8</b>	<b>4</b>
Amortisation of intangibles	<b>19</b>	<b>20</b>	<b>9</b>
(Gains) / losses on disposal of fixed assets	<b>(1)</b>	<b>(1)</b>	<b>1</b>
Operating lease rentals	<b>85</b>	<b>91</b>	<b>66</b>
Transfer to provision - employee entitlements	<b>26</b>	<b>27</b>	<b>20</b>
Foreign exchange losses / (gains)	<b>9</b>	<b>(1)</b>	<b>(62)</b>
Bad and doubtful debts	<b>9</b>	<b>10</b>	<b>2</b>

	<b>CONSOLIDATED</b>		
	<b>(A) NIGL Group</b>		
	<b>2001</b>		
	<b>Current year \$m</b>	<b>Prior years \$m</b>	<b>Total \$m</b>
<b>Note 3. Claims expense</b>			
(a) Direct business			
Gross claims and related expenses - undiscounted	<b>2,782</b>	<b>(326)</b>	<b>2,456</b>
Discount	<b>(155)</b>	<b>158</b>	<b>3</b>
Gross claims and related expenses - discounted	<b>2,627</b>	<b>(168)</b>	<b>2,459</b>
Reinsurance and other recoveries - undiscounted	<b>(487)</b>	<b>34</b>	<b>(453)</b>
Discount	<b>2</b>	<b>(11)</b>	<b>(9)</b>
Reinsurance and other recoveries - discounted	<b>(485)</b>	<b>23</b>	<b>(462)</b>
Net claims incurred	<b>2,142</b>	<b>(145)</b>	<b>1,997</b>

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

	CONSOLIDATED					
	(B) Proforma NIGL Group			(C) Profoma NRMA Insurance Group		
	Current year \$m	2001 Prior years \$m	Total \$m	Current year \$m	2000 Prior years \$m	Total \$m
<b>Note 3. Claims expense (continued)</b>						
(a) Direct business						
Gross claims and related expenses - undiscounted	2,961	(347)	2,614	2,871	(402)	2,469
Discount	(165)	169	4	(166)	151	(15)
Gross claims and related expenses - discounted	<u>2,796</u>	<u>(178)</u>	<u>2,618</u>	<u>2,705</u>	<u>(251)</u>	<u>2,454</u>
Reinsurance and other recoveries - undiscounted	(520)	36	(484)	(432)	(63)	(495)
Discount	2	(12)	(10)	(2)	3	1
Reinsurance and other recoveries - discounted	<u>(518)</u>	<u>24</u>	<u>(494)</u>	<u>(434)</u>	<u>(60)</u>	<u>(494)</u>
Net claims incurred	<u><u>2,278</u></u>	<u><u>(154)</u></u>	<u><u>2,124</u></u>	<u><u>2,271</u></u>	<u><u>(311)</u></u>	<u><u>1,960</u></u>

Current year claims relate to risks borne in the current financial year. Prior year claims relate to a reassessment of the risks borne in all previous financial periods.

The major components of the prior year movements are a release of prudential margin in respect of claims payments during the year (largely offset by inclusion of prudential margins in respect of current year claims).

	CONSOLIDATED		
	(A)	(B)	(C)
	NIGL Group 2001 \$m	Proforma NIGL Group 2001 \$m	Profoma NRMA Insurance Group 2000 \$m
(b) Inwards reinsurance business			
Gross claims and related expenses - undiscounted	126	134	122
Discount	(17)	(18)	(2)
Gross claims and related expenses - discounted	<u>109</u>	<u>116</u>	<u>120</u>
Reinsurance and other recoveries - undiscounted	(4)	(6)	(38)
Discount	-	-	6
Reinsurance and other recoveries - discounted	<u>(4)</u>	<u>(6)</u>	<u>(32)</u>
Net claims incurred	<u><u>105</u></u>	<u><u>110</u></u>	<u><u>88</u></u>
(c) Total			
Direct business	1,997	2,124	1,960
Inwards reinsurance business	105	110	88
Net claims incurred	<u><u>2,102</u></u>	<u><u>2,234</u></u>	<u><u>2,048</u></u>

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

	CONSOLIDATED		
	(A)	(B)	(C)
	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group
	2001 \$m	2001 \$m	2000 \$m
<b>Note 4. Income tax</b>			
(a) The prima facie tax on the statement of financial performance differs from the income tax provided in the financial statements and is reconciled as follows:			
Profit from ordinary activities before income tax	215	255	474
Prima facie tax thereon at 34% (2000 - 36%)	73	87	171
Tax effect of permanent differences:			
Rebateable dividends	(11)	(11)	(21)
Realised capital losses / (profits) not subject to income tax	44	44	(1)
Unrealised capital profits not subject to income tax	(42)	(42)	(31)
Other non-deductible items	5	5	20
Other	(14)	(16)	(3)
Change in income tax rate	(14)	(14)	(9)
Future income tax benefit (recognised) / not recognised	(1)	(1)	4
Income tax expense applicable to current year	40	52	130
Adjustment to prior year	(9)	(8)	(2)
Income tax attributable to profit from ordinary activities	31	44	128
(b) The potential future income tax benefits relating to tax losses at 30 June 2001 not brought to account are:	3	3	4

The benefits will only be obtained if:

- (i) the economic entity derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses and timing differences to be realised;
- (ii) the economic entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the economic entity in realising the benefits from the deductions for the losses.

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

	CONSOLIDATED		
	(A) NIGL Group	(B) Proforma NIGL Group	(C) Profoma NRMA Insurance Group
	2001 cents	2001 cents	2000 cents
<b>Note 5. Earnings per share</b>			
Basic earnings per share	<b>8.62</b>	<b>9.40</b>	-
Diluted earnings per share	<b>8.59</b>	<b>9.37</b>	-
Weighted average number of ordinary shares outstanding during the financial year used in calculation of the basic earnings per share	<b>1,423,278,077</b>	<b>1,521,440,355</b>	-

Classification of securities as potential ordinary shares:

Rights granted to employees under the performance share rights plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The rights have not been included in the determination of basic earnings per share.

	CONSOLIDATED		
	(A) NIGL Group	(B) Proforma NIGL Group	(C) Profoma NRMA Insurance Group
	2001 \$m	2001 \$m	2000 \$m
<b>Note 6. Reconciliation of net cash (used in) / provided by operating activities to profit from ordinary activities after income tax</b>			
Net cash provided by operating activities	<b>346</b>	<b>334</b>	409
Depreciation	<b>(32)</b>	<b>(32)</b>	(31)
Amortisation of goodwill and intangibles	<b>(27)</b>	<b>(28)</b>	(13)
Realised gains / (losses) on disposal of investments	<b>(97)</b>	<b>(99)</b>	52
Unrealised gains on revaluation of investments	<b>145</b>	<b>191</b>	362
Profits / (losses) on disposal of fixed assets	<b>1</b>	<b>1</b>	(1)
Foreign exchange gains / (losses)	<b>(9)</b>	<b>1</b>	62
Bad and doubtful debts	<b>(9)</b>	<b>(10)</b>	(2)
Other	<b>4</b>	<b>6</b>	1
Increase / (decrease) in operating assets			
Receivables	<b>164</b>	<b>174</b>	314
Other	<b>164</b>	<b>174</b>	(217)
Decrease / (increase) in operating liabilities			
Payables	<b>23</b>	<b>24</b>	(182)
Provisions	<b>(18)</b>	<b>(19)</b>	(68)
Outstanding claims	<b>(238)</b>	<b>(253)</b>	(136)
Unearned premium	<b>(155)</b>	<b>(165)</b>	(72)
Gross life insurance policy liabilities	<b>(78)</b>	<b>(88)</b>	(132)
Profit from ordinary activities after income tax	<b>184</b>	<b>211</b>	346

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

	CONSOLIDATED		
	(A)	(B)	(C)
	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group
	2001	2001	2000
	\$m	\$m	\$m
<b>Note 7. Outside equity interest in controlled entities</b>			
Equity attributable to members of NRMA Insurance Group Limited	<b>2,523</b>	<b>2,608</b>	2,853
Contributed equity	<b>167</b>	<b>167</b>	163
Shareholder's loan	<b>11</b>	<b>11</b>	10
Retained profits	<b>29</b>	<b>29</b>	25
Unit holders' funds	<b>658</b>	<b>658</b>	433
Total equity	<b>3,388</b>	<b>3,473</b>	3,484

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

**Note 8. Segmental reporting**

(a) Business segments

The consolidated entity operates in the general insurance and financial services industries. Other activities, including corporate services, investment management and investment of the Group's capital funds form a separate segment.

	General Insurance			Financial Services			Corporate and Investments		
	(A)	(B)	(C)	(A)	(B)	(C)	(A)	(B)	(C)
	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group
	2001	2001	2000	2001	2001	2000	2001	2001	2000
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
External revenue	3,542	3,756	3,388	384	419	443	327	378	575
Intersegment revenue	-	-	-	-	-	-	54	58	22
<b>Total revenue</b>	<b>5,542</b>	<b>3,756</b>	<b>3,388</b>	<b>384</b>	<b>419</b>	<b>443</b>	<b>381</b>	<b>436</b>	<b>597</b>
Profit from ordinary activities before income tax	206	211	190	20	20	21	(11)	24	263
<b>Segment assets</b>	<b>3,751</b>	<b>3,751</b>	<b>3,498</b>	<b>2,953</b>	<b>2,953</b>	<b>2,912</b>	<b>6,736</b>	<b>6,736</b>	<b>6,181</b>
	Inter-segment Elimination			Total					
	(A)	(B)	(C)	(A)	(B)	(C)			
	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group			
	2001	2001	2000	2001	2001	2000			
	\$m	\$m	\$m	\$m	\$m	\$m			
External revenue	-	-	-	4,253	4,553	4,406			
Intersegment revenue	(54)	(58)	(22)	-	-	-			
<b>Total revenue</b>	<b>(54)</b>	<b>(58)</b>	<b>(22)</b>	<b>4,253</b>	<b>4,553</b>	<b>4,406</b>			
Profit from ordinary activities before income tax	-	-	-	215	255	474			
<b>Segment assets</b>	<b>(854)</b>	<b>(854)</b>	<b>(461)</b>	<b>12,586</b>	<b>12,586</b>	<b>12,130</b>			

+ See chapter 19 for defined terms.

**NRMA INSURANCE GROUP LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

**Note 8. Segmental reporting (continued)**

(b) Geographical segments

	(A)	Australia (B)	(C)	(A)	International *		(A)	Total	
	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group	NIGL Group	Proforma NIGL Group	Profoma NRMA Insurance Group	NIGL Group	Proforma NIGL Group	(C) Profoma NRMA Insurance Group
	2001	2001	2000	2001	2001	2000	2001	2001	2000
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
External revenue	4,121	4,421	4,406	132	132	-	4,253	4,553	4,406
Intersegment revenue	-	-	-	-	-	-	-	-	-
Total revenue	<b>4,121</b>	<b>4,421</b>	4,406	<b>132</b>	<b>132</b>	-	<b>4,253</b>	<b>4,553</b>	4,406
Profit from ordinary activities before income tax	<b>230</b>	<b>270</b>	474	<b>(15)</b>	<b>(15)</b>	-	<b>215</b>	<b>255</b>	474
Segment assets	<b>12,028</b>	<b>12,028</b>	12,130	<b>558</b>	<b>558</b>	-	<b>12,586</b>	<b>12,586</b>	12,130

\* Virtually all New Zealand as other regions are immaterial.