

FIVE YEAR FINANCIAL SUMMARY

For the year ended 30 June

Insurance Australia Group Five Year Performance	2000¹	2001¹	2002	2003	2004
	\$m	\$m	\$m	\$m	\$m
Gross written premium	2,643	3,198	3,558	5,150	6,427
Gross earned premium	2,573	3,036	3,448	4,885	6,265
Reinsurance expense	(189)	(260)	(253)	(249)	(402)
Net earned premium	2,384	2,776	3,195	4,636	5,863
Net claims expense	(2,048)	(2,234)	(2,425)	(3,363)	(3,815)
Underwriting expenses	(514)	(564)	(628)	(1,074)	(1,500)
Underwriting profit / (loss)	(178)	(22)	142	199	548
Investment income from technical reserves	288	232	136	372	244
Insurance profit	110	210	278	571	792
Investment income from shareholders' and external funds	471	204	(291)	(76)	508
Financial services revenue	217	182	37	30	70
Other operating revenue	188	164	173	177	216
Life insurance business expenses	(93)	(72)	-	(11)	(52)
Borrowing costs expenses	(80)	(88)	(46)	(46)	(57)
Corporate and administration expenses	(345)	(317)	(242)	(267)	(268)
Amortisation of goodwill and intangibles	(13)	(28)	(43)	(81)	(118)
Non-recurring items ²	19	-	33	-	61
Profit / (loss) before income tax	474	255	(101)	297	1,152
Income tax (expense) / credit	(128)	(44)	18	(80)	(346)
Net profit / (loss)	346	211	(83)	217	806
Net (profit) / loss attributable to outside equity interests	(50)	(68)	58	(64)	(141)
Net profit / (loss) attributable to shareholders of Insurance Australia Group Limited	296	143	(25)	153	665
Ordinary shareholders' or members' equity (\$ million)	2,853	2,523	2,476	3,575	3,538
Total assets (\$ million)	12,130	12,586	11,307	16,470	16,335
Number of general insurance risks in force (thousand)	6,802	8,619	8,671	18,213	19,161
Premium growth					
– gross written	19.7%	21.0%	11.3%	44.7%	24.8%
– net earned	21.4%	16.4%	15.1%	45.1%	26.5%
Key ratios					
Loss ratio	85.9%	80.5%	75.9%	72.5%	65.1%
Expense ratio	21.6%	20.3%	19.7%	23.2%	25.6%
Combined ratio	107.5%	100.8%	95.6%	95.7%	90.7%
After tax return on ordinary shareholders' or members' equity ³	11.0%	5.3%	(1.2%)	5.1%	21.1%
Share information					
Dividends per ordinary share – fully franked (cents)	n/a	10.00	10.50	11.50	22.00
Basic earnings per ordinary share (cents) ⁴	n/a	9.40	(1.78)	8.65	37.87
Ordinary share price at 30 June (\$)	n/a	3.40	3.15	3.40	5.00
5.80% reset preference share (IAGPA) price at 30 June (\$)	n/a	n/a	100.10	107.94	104.70
4.51% reset preference share (IAGPB) price at 30 June (\$)	n/a	n/a	n/a	100.10	98.35
Issued ordinary share capital (million shares)	n/a	1,399	1,301	1,683	1,591
Issued reset preference share capital (million shares)	n/a	n/a	4	6	6
Market capitalisation (ordinary shares) at 30 June (\$ million)	n/a	4,761	4,100	5,722	7,954
Net tangible assets backing per ordinary share (\$)	n/a	1.33	1.15	0.84	0.96

1 The 2001 disclosure represents the consolidated result of Insurance Australia Group Limited assuming it acquired Insurance Australia Limited (formerly NRMA Insurance Limited) and its controlled entities on 1 July 2000. This differed to the reported statutory result that is based on the date of acquisition, 22 July 2000. All other prior years represent the consolidated results of Insurance Australia Limited (formerly NRMA Insurance Limited).

2 This includes demutualisation expenses of \$61 million and the recognition of deferred acquisition costs for certain general insurance portfolios of \$80 million in 2000, profit on disposal of NRMA Building Society Limited of \$45 million and "Share the Future" litigation expenses of \$12 million in 2002 and the profit on disposal of ClearView retirement services businesses of \$61 million in 2004.

3 Net profit / (loss) attributable to ordinary shareholders to average ordinary shareholders' equity.

4 The 2001 figure reflects a full year operating period assuming the acquisition of Insurance Australia Limited (formerly NRMA Insurance Limited) occurred on 1 July 2000. The reported statutory figure is 8.62 cents.