

19 August 2014

ABN 60 090 739 923

FINANCIAL RESULTS

FULL YEAR

ENDED 30 JUNE 2014

Mike Wilkins

Managing Director and
Chief Executive Officer

Nick Hawkins

Chief Financial Officer



IMPORTANT INFORMATION

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Local currencies have been used where possible. Prevailing exchange rates have been used to convert local currency amounts into Australian dollars, where appropriate.

All references starting with "1H" refer to the six months ended 31 December, being the first half of IAG's financial year. For example, "1H14" refers to the six months ended 31 December 2013. All references starting with "2H" refer to the six months ended 30 June, being the second half of IAG's financial year. For example, "2H14" refers to the six months ended 30 June 2014. All references starting with "FY" refer to the financial year ended 30 June. For example, "FY14" refers to the year ended 30 June 2014.

GROUP RESULTS

Mike Wilkins

Managing Director and
Chief Executive Officer

KEY HIGHLIGHTS

STRONGLY POSITIONED FOR NEXT PHASE OF DEVELOPMENT

STRONG UNDERLYING PERFORMANCE

- Further improvement in underlying margin across FY14, to 14.2% (FY13: 12.5%)
- Year-on-year improvement in all divisions in Australia and New Zealand
- Small profit from Asia – development progressing to plan
- Lower GWP growth of 3% – limited input cost pressures on premium rates

NEXT PHASE OF GROUP'S DEVELOPMENT

- Completion of acquisition of Wesfarmers insurance underwriting business on 30 June 2014
- New Australian operating model implemented from FY15
- Significant combined synergies / benefits over two years
- FY15 guidance of GWP growth of 17–20% and reported insurance margin of 13.5-15.5%

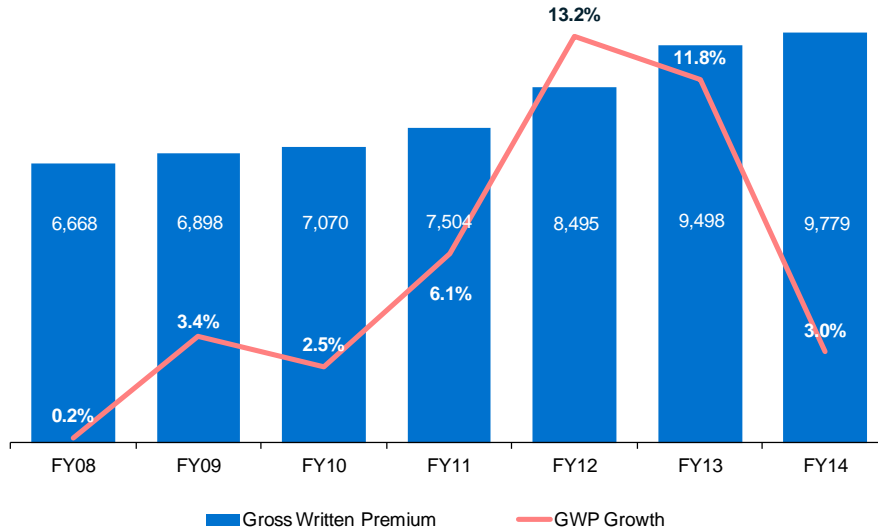
FINANCIAL SUMMARY

ALL KEY MEASURES POSITIVE OR STRONG

	FY13	FY14	CHANGE
GWP (\$M)	9,498	9,779	↑ 3.0%
NET EARNED PREMIUM (\$M)	8,318	8,644	↑ 3.9%
INSURANCE PROFIT (\$M)	1,428	1,579	↑ 10.6%
UNDERLYING MARGIN (%)	12.5	14.2	↑ 170bps
REPORTED MARGIN (%)	17.2	18.3	↑ 110bps
NET PROFIT AFTER TAX (\$M)	776	1,233	↑ 58.9%
CASH EARNINGS (\$M)	1,156	1,306	↑ 13.0%
DIVIDEND (CPS)	36.0	39.0	↑ 8.3%
CASH ROE (%)	25.3	23.0	↓ 230bps
PCA MULTIPLE	1.67	1.72	↑ 5bps

FY14 GROSS WRITTEN PREMIUM GROWTH OF 3% (4.1% EX-VICTORIAN FSL)

GROSS WRITTEN PREMIUM GROWTH (EX-UK)



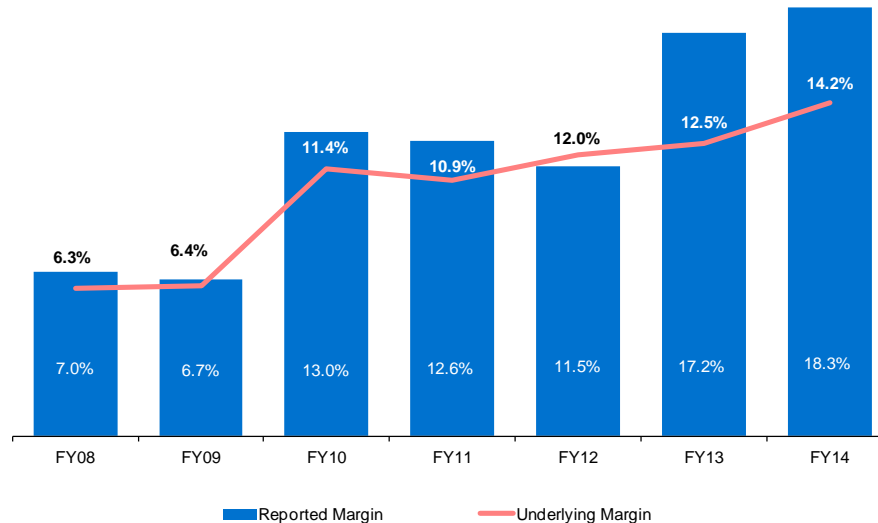
KEY POINTS

- Overall growth of 3.0% (4.1% ex-Victorian FSL)
- Environment of modest input cost pressures – limited need for rate increases
- Cessation of the Victorian Fire Services Levy (FSL) from 1 July 2013 (FY13: \$104m of GWP)
- Competitive changes in CTP markets
- Favourable foreign exchange movement, notably in respect of New Zealand
- Volume growth in line with system in most classes

FY14 UNDERLYING MARGIN OF 14.2%

REALISATION OF BENEFITS OF FOCUSED STRATEGY

GROUP INSURANCE MARGIN REPORTED VS. UNDERLYING (EX-UK)

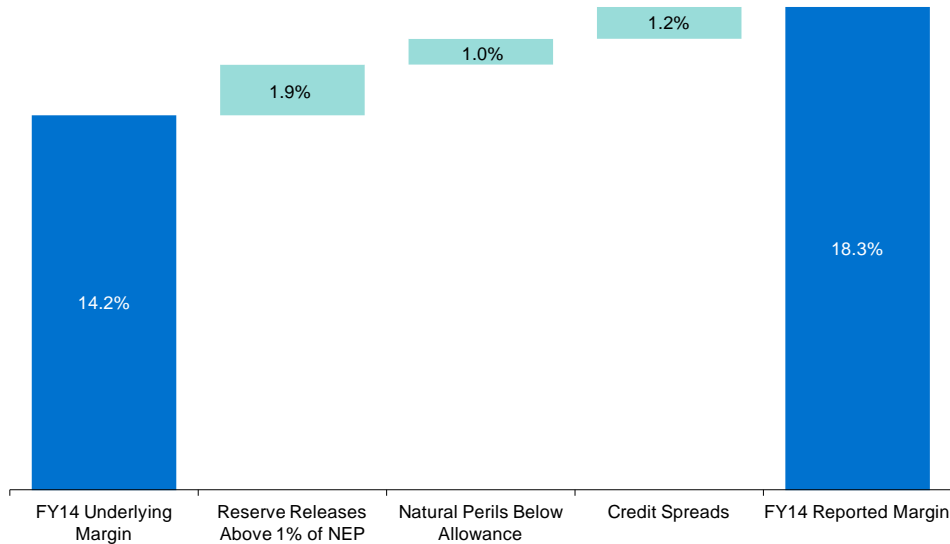


KEY POINTS

- Improved underlying margin of 14.2% (FY13: 12.5%)
- Improvement across all business units in Australia and New Zealand
- Underpinning features:
 - Ongoing application of underwriting disciplines leading to improved portfolio quality
 - Improvement in underlying claim costs, assisted by better than expected frequency
 - Increased investment in the business, directed at long term efficiency and customer-oriented projects

FY14 REPORTED INSURANCE MARGIN BOOSTED BY FAVOURABLE CONDITIONS

UNDERLYING VS REPORTED INSURANCE MARGIN



KEY POINTS

- Strong reported margin of 18.3% (FY13: 17.2%) boosted by:
 - Prior period reserve releases of \$248m, equivalent to 2.9% of net earned premium
 - Net natural peril claim costs \$87m below allowance, following relatively benign 2H14 in Australia
 - Positive \$100m impact from narrowing of credit spreads

FY14 DIVISIONAL PERFORMANCE



SGIO



STATE



AmAssurance

SBIGeneral
INSURANCE



SGIC

RACV

swann
insurance

amj



KURNIA
pauline

渤海保险
Bohai Insurance

Australia

New Zealand

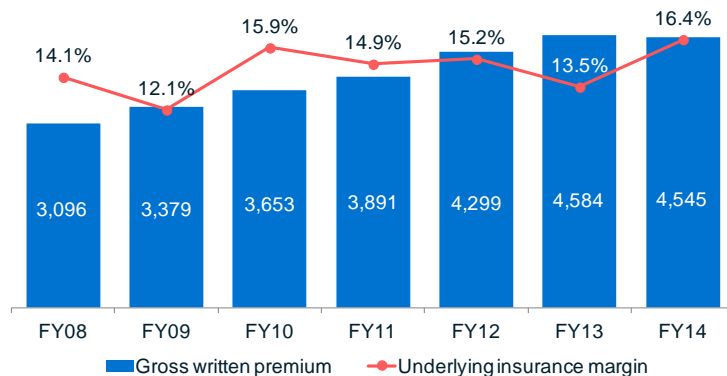
Asia

AUSTRALIA DIRECT

STRONG UNDERLYING PERFORMANCE

KEY METRICS	FY13	FY14	CHANGE
Gross written premium (\$m)	4,584	4,545	-0.9%
Insurance result (\$m)	822	908	+10.5%
Underlying margin (%)	13.5	16.4	+290bps
Reported margin (%)	19.7	22.5	+280bps

GWP (\$M) / UNDERLYING INSURANCE MARGIN (%)



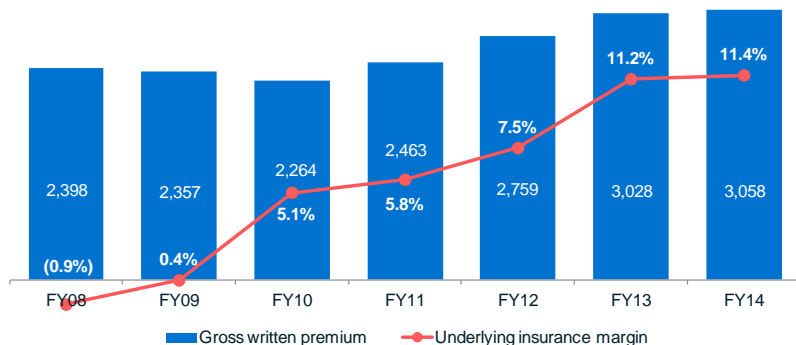
KEY POINTS

- Relatively flat GWP (+1% ex-Victorian FSL and Queensland CTP)
 - Substantially reduced need for input cost recovery, notably in home
 - Motor volume growth in line with system
 - Competitive changes in ACT and Queensland CTP
- Improved underlying margin of 16.4% (FY13: 13.5%)
 - Strong performance from short tail portfolios
 - Improvement in underlying claim costs – supply chain initiatives and lower than expected frequency
 - NSW CTP pressures eased – full impact of FY13 rate increase
 - Modest favourable CTP quota share effect
- Reported margin bolstered by higher reserve releases, partially offset by less benign natural peril experience

AUSTRALIA INTERMEDIATED (CGU) UNDERLYING IMPROVEMENT SUSTAINED

KEY METRICS	FY13	FY14	CHANGE
Gross written premium (\$m)	3,028	3,058	+1.0%
Insurance result (\$m)	470	479	+1.9%
Underlying margin (%)	11.2	11.4	+20bps
Reported margin (%)	17.8	17.4	-40bps

GWP (\$M) / UNDERLYING INSURANCE MARGIN (%)



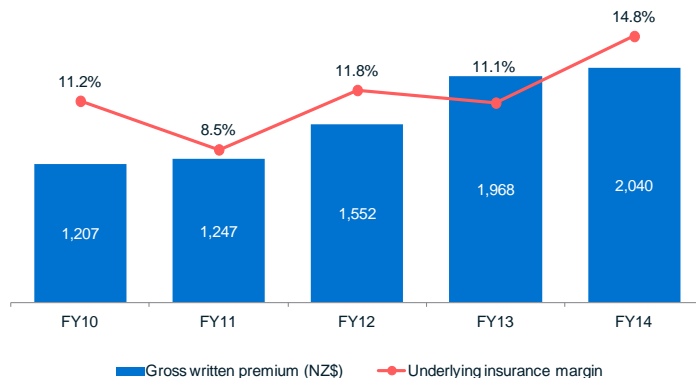
KEY POINTS

- GWP growth of 1% (2.8% ex-Victorian FSL)
 - Maintained market position
 - Modest rate growth, varies by segment
- Maintained double digit underlying margin of 11.4% (FY13: 11.2%)
 - Further improvement in underlying claims performance
 - Portfolio remediation largely complete
- Slightly lower reported margin
 - Lower reserve releases of 2.9% of NEP – absence of case-specific releases recognised in FY13
 - Partial offset from more benign natural peril activity

NEW ZEALAND CONTINUES TO PERFORM WELL

KEY METRICS	FY13	FY14	CHANGE
Gross written premium (\$m)	1,575	1,846	+17.2%
Insurance result (\$m)	115	180	+56.5%
Underlying margin (%)	11.1	14.8	+370bps
Reported margin (%)	8.9	11.5	+260bps

GWP (\$M) / UNDERLYING INSURANCE MARGIN (%)



KEY POINTS

- GWP growth of 17.2% boosted by favourable FX effect
 - Local currency growth of 3.7%
 - Further rate increases concentrated on domestic home
 - Move to sum insured home product complete
- Improved underlying margin of 14.8% (FY13: 11.1%)
 - AMI integration complete – NZ\$35m of synergies realised
 - Favourable underlying claims performance, aided by lower than expected frequency
- Reported margin absorbed natural peril costs well above allowance – adverse 2.4% margin impact
- Canterbury rebuild progress
 - Over NZ\$3.3bn of claims paid, 58% fully settled by number
 - Increased complexities have pushed expected completion date out to mid-2016 (previously December 2015)

ASIA DEVELOPMENT PROGRESSING TO PLAN

FINANCIAL CONTRIBUTION BY COUNTRY

	Proportional GWP		Earnings Contribution	
	FY13 A\$m	FY14 A\$m	FY13 A\$m	FY14 A\$m
Thailand	295	288	26	28
Malaysia	225	276	28	29
Established markets	520	564	54	57
India	43	57	(5)	(5)
China	49	75	(1)	(2)
Vietnam	7	29	(3)	(5)
Developing markets	99	161	(9)	(12)
Total Asian operations	619	725	45	45
Support and development costs	n/a	n/a	(25)	(31)
Total divisional result	619	725	20	14

KEY POINTS

- 7.1% of Group GWP on a proportional basis (FY13: 6.3%)
 - Thailand impacted by contraction in new vehicle sales
 - A full twelve-month contribution from Kurnia in Malaysia
 - Continued strong growth in India and China
 - Consolidation of Vietnam
- Slightly lower divisional result
 - Established businesses continue to perform well
 - Slightly higher losses from developing markets, in line with expectations
 - Adverse \$12m mark-to-market effect from investment portfolios
 - Increased regional support and development costs
- Overall development progressing to plan

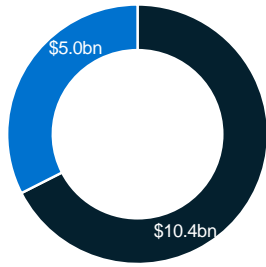
CAPITAL AND INVESTMENTS

Nick Hawkins
Chief Financial Officer

INVESTMENT PORTFOLIO

CONSERVATIVE MIX AND HIGH CREDIT QUALITY

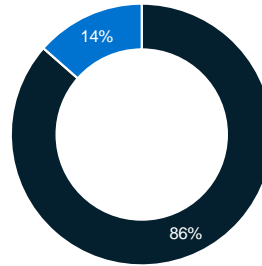
TOTAL INVESTMENT PORTFOLIO – \$15.4BN



■ Technical Reserves ■ Shareholders' Funds

- Two distinct pools with different investment strategies:
 - Technical reserves – backing insurance liabilities
 - Shareholders' funds

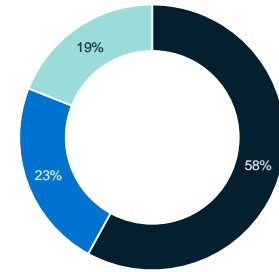
GROUP ASSET ALLOCATION



■ Fixed Interest and Cash ■ Growth

- Overall investment allocation conservatively positioned
- Technical reserves 100% fixed interest and cash

SHAREHOLDERS' FUNDS



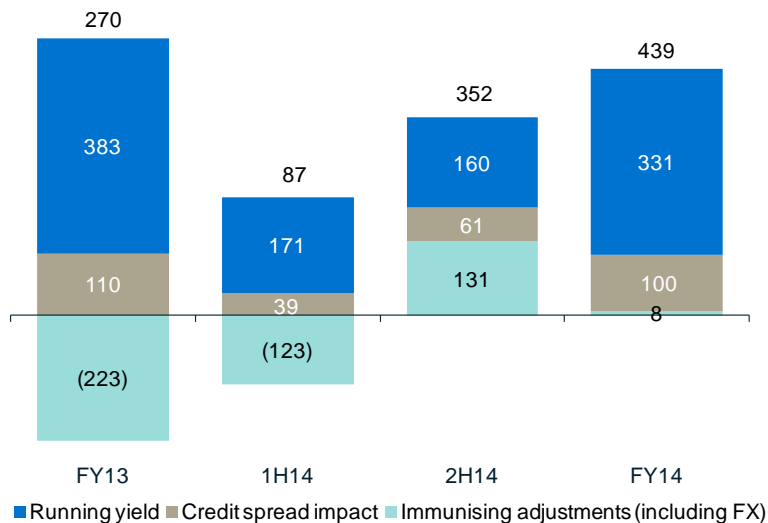
■ Fixed Interest and Cash ■ Equities ■ Alternatives

- Growth assets weighting of 42% (1H14: 36%)
 - Movement since 1H14 reflects funds dispersed for Wesfarmers acquisition

INVESTMENT RETURNS

STRONG RETURNS, AIDED BY CREDIT SPREAD MOVEMENTS

TECHNICAL RESERVES RETURNS FY14 VS FY13



TECHNICAL RESERVES RETURNS

- Higher return of \$439m (FY13: \$270m) reflecting:
 - Similar credit spread benefit of \$100m (FY13: \$110m)
 - \$56m unrealised capital gain (FY13: c.\$180m loss)
 - Further FX effect, primarily on earthquake reinsurance recoverables
 - Slightly lower running yield

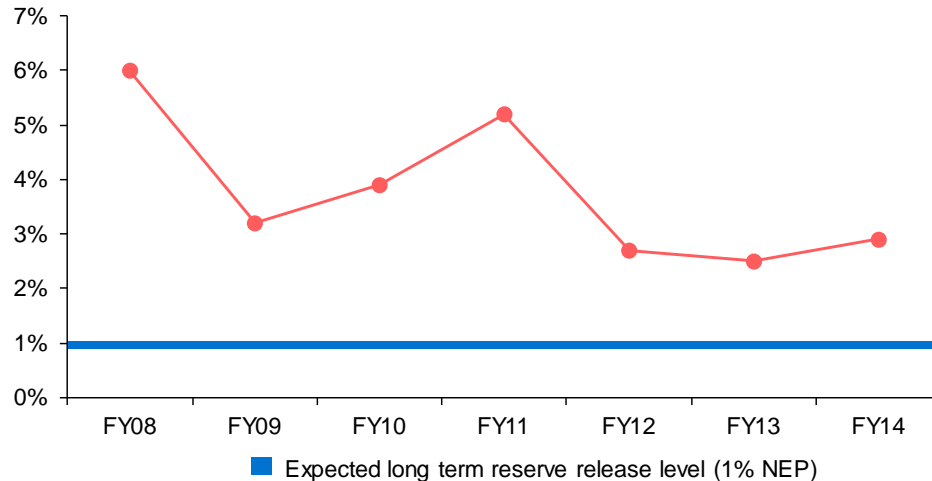
SHAREHOLDERS' FUNDS RETURNS

- Higher return of \$396m (FY13: \$347m)
 - Strong performances from equities and alternatives
 - Income on funds raised to finance acquisition of Wesfarmers insurance underwriting business

RESERVE RELEASES

CONTINUED FAVOURABLE EXPERIENCE IN LONG TAIL CLASSES

GROUP RESERVE RELEASES (% NEP)



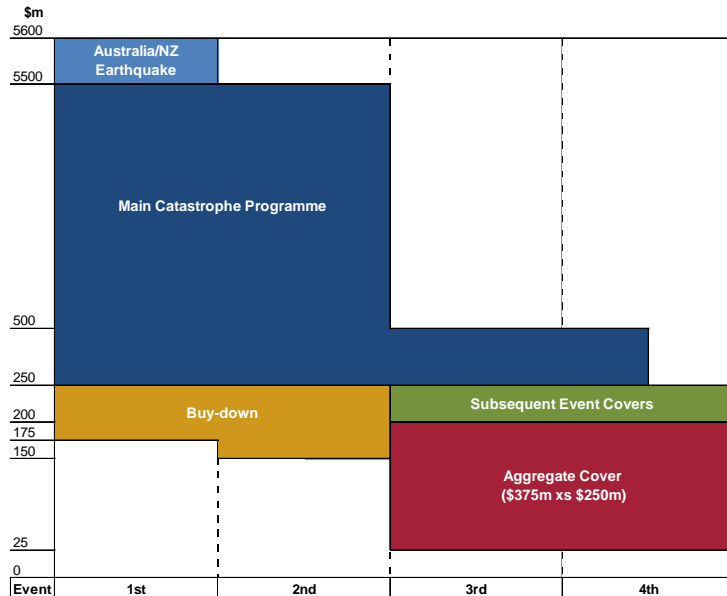
KEY POINTS

- In line with revised guidance, at 2.9% of NEP (\$248m)
 - Favourable inflationary environment in Australian long tail classes
- Reserve release expectation of around 2% of NEP for FY15, including former Wesfarmers business
- Long term expectation remains recurring reserve releases of 1% of NEP

CATASTROPHE REINSURANCE

ADDITIONAL FY15 COVER, \$150M ABOVE PERILS ALLOWANCE

2014 CATASTROPHE PROGRAMME

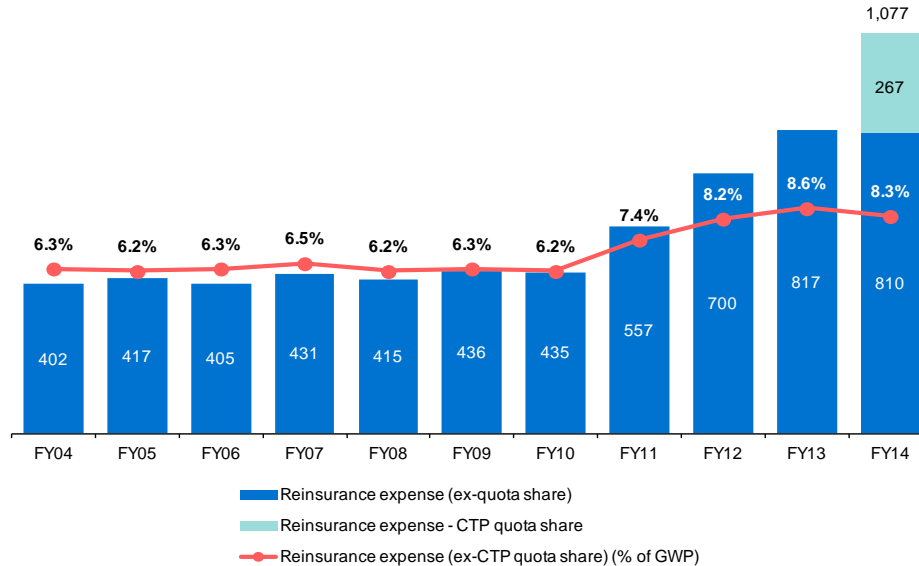


KEY POINTS

- Group main cover raised to \$5.6bn for calendar 2014
 - Overall protection bolstered in face of favourable market conditions
- Standalone protection of \$1.35bn for acquired Wesfarmers business from 1 July 2014
 - Option to cancel on 31 December 2014
 - \$50m retention
- Group maximum event retention (MER) increases to \$225m from 1 July 2014
- Additional FY15 reinsurance cover of \$150m excess of \$700m perils allowance
- Strong counterparty-risk profile – over 89% 'A+' or better

REINSURANCE EXPENSE FAVOURABLE MARKET CONDITIONS

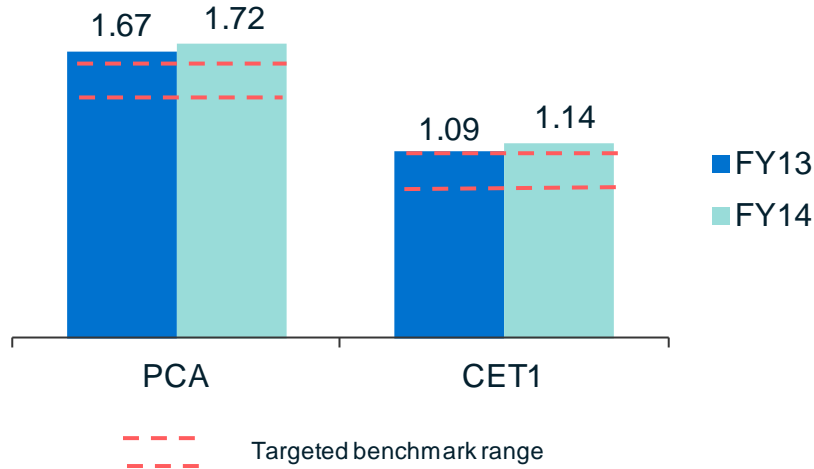
REINSURANCE EXPENSE



KEY POINTS

- Higher FY14 reinsurance expense of \$1,077m (FY13: \$817m) due to CTP quota share impact
- Ex-CTP quota share expense ratio of 8.3%, down from 8.6% in FY13
- Favourable conditions encountered at 2014 Group catastrophe renewal (1 January 2014) and Wesfarmers renewal (1 July 2014)

REGULATORY CAPITAL STRONG POSITION MAINTAINED



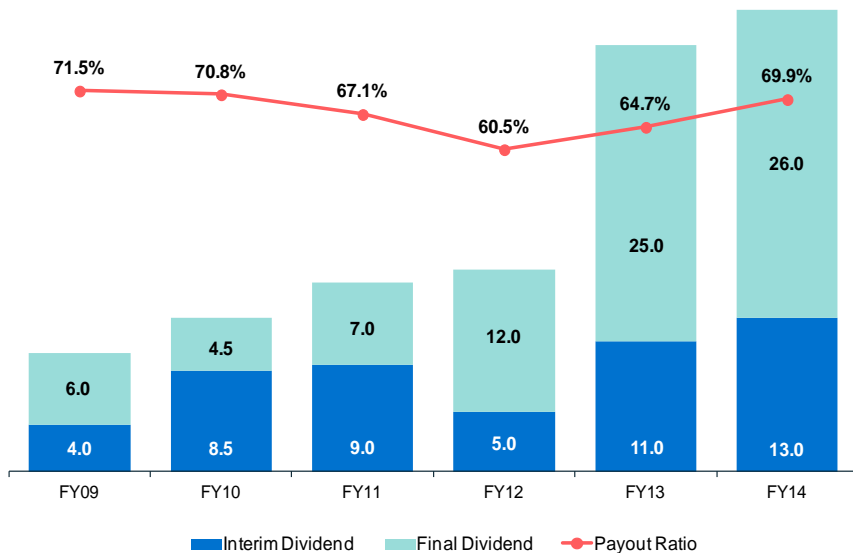
KEY POINTS

- Strong capital position, above targeted benchmarks
 - PCA multiple 1.72 (benchmark 1.4–1.6)
 - CET1 multiple 1.14 (benchmark 0.9–1.1)
- Post-dividend ratios in line with benchmarks
- CTP adverse development cover (ADC) completed since year end
 - Complements CTP quota share
 - Driven by capital efficiency considerations
 - Expected \$90m reduction in PCA in FY15
- S&P ratings affirmed on 2 July 2014

DIVIDEND

FULL YEAR PAYOUT AT TOP END OF POLICY RANGE

DIVIDEND HISTORY



KEY POINTS

- Full year payout policy of 50-70% of cash earnings
- FY14 payout of nearly 70% of cash earnings
- Full year dividend of 39 cents
 - 8.3% increase over FY13
- Final fully franked dividend of 26 cents
 - 4% increase

WESFARMERS ACQUISITION FY14 PERFORMANCE

WESFARMERS INSURANCE UNDERWRITING	FY14 A\$m*
Gross written premium	1,760
Gross earned premium	1,732
Reinsurance expense	(187)
Net earned premium	1,545
Net claims expense	(973)
Commission expense	(216)
Underwriting expense	(249)
Underwriting profit	107
Investment income on technical reserves	44
Insurance profit	151

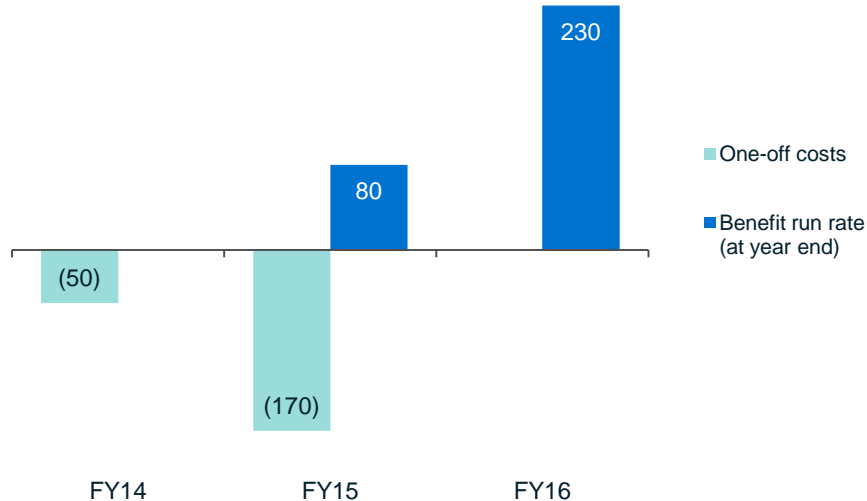
* Excluding levies.

Insurance Ratios	FY14
Loss ratio	63.0%
Expense ratio	30.1%
Commission ratio	14.0%
Administration ratio	16.1%
Combined ratio	93.1%
Insurance margin	9.8%

KEY POINTS

- GWP of nearly \$1.8bn
- Reported insurance margin of 9.8%
- Similar underlying margin
 - Favourable perils experience and reserve strengthening (earthquake) effects largely cancel out
- Performance in line with IAG expectations

WESFARMERS INTEGRATION / NEW OPERATING MODEL SUBSTANTIAL SYNERGIES / BENEFITS OVER TWO-YEAR PERIOD



KEY POINTS

- Transformation programme comprising:
 - Integration of former Wesfarmers business in Australia and New Zealand
 - Move to new operating model in Australia
- Combined financial impact over a roughly two-year period:
 - One-off pre-tax costs of \$220m (\$50m in FY14) – identified in net corporate expense line
 - Annualised synergy / benefit run rate of \$230m by end of FY16
- Expected FY15 impacts:
 - Balance of one-off pre-tax costs (\$170m)
 - Annualised synergy / benefit run rate of \$80m by year end

OUTLOOK

Mike Wilkins

Managing Director and
Chief Executive Officer

FY15 OUTLOOK

GUIDANCE	
GWP growth	17-20%
Insurance margin	13.5-15.5%

- GWP growth largely driven by Wesfarmers acquisition – some attrition anticipated
- Modest rate increases in low cost pressure and increasingly competitive environment
- Underlying volume growth broadly in line with system
- Integration of lower margin former Wesfarmers business

FY15 ASSUMPTIONS

- Net losses from natural perils in line with budgeted allowance of \$700m
- Reserve releases of around 2% of NEP
- No material movement in foreign exchange rates or investment markets

QUESTIONS

AUSTRALIA



NEW ZEALAND



ASIA



100% owned unless indicated.

¹ RACV is via a distribution relationship and underwriting joint venture with RACV Limited.

² IAG holds a 98.6% beneficial interest in Safety Insurance, based in Thailand, which trades under the Safety and NZI brands.

³ IAG owns 49% of the general insurance arm of Malaysian-based AmBank Group, AmGeneral Holdings Berhad, which trades under the AmAssurance and Kurnia brands.

⁴ IAG owns 26% of SBI General Insurance Company, a joint venture with State Bank of India.

⁵ IAG owns 20% of Bohai Property Insurance Company Ltd, based in China.

⁶ IAG owns 63.17% of AAA Assurance Corporation, based in Vietnam.

APPENDIX - GROUP PERFORMANCE

	1H13	2H13	1H14	2H14	FY13	FY14
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
GROUP RESULTS						
Gross written premium	4,593	4,905	4,786	4,993	9,498	9,779
Gross earned premium	4,494	4,641	4,885	4,836	9,135	9,721
Reinsurance expense	(399)	(418)	(565)	(512)	(817)	(1,077)
Net earned premium	4,095	4,223	4,320	4,324	8,318	8,644
Net claims expense	(2,436)	(2,546)	(2,508)	(2,693)	(4,982)	(5,201)
Commission expense	(331)	(364)	(400)	(411)	(695)	(811)
Underwriting expense	(714)	(769)	(741)	(751)	(1,483)	(1,492)
Underwriting profit	614	544	671	469	1,158	1,140
Investment income on technical reserves	201	69	87	352	270	439
Insurance profit	815	613	758	821	1,428	1,579
Net corporate expense	(21)	(33)	(1)	(67)	(54)	(68)
Interest	(50)	(45)	(47)	(51)	(95)	(98)
Profit from fee based business	13	8	12	-	21	12
Share of profit/(loss) from associates	(2)	3	(3)	5	1	2
Investment income on shareholders' funds	201	146	233	163	347	396
Profit before income tax and amortisation	956	692	952	871	1,648	1,823
Income tax expense	(227)	(197)	(266)	(206)	(424)	(472)
Profit after income tax (before amortisation)	729	495	686	665	1,224	1,351
Non-controlling interests	(60)	(46)	(34)	(63)	(106)	(97)
Profit after income tax and non-controlling interests (before amortisation)	669	449	652	602	1,118	1,254
Amortisation and impairment	(26)	(29)	(10)	(11)	(55)	(21)
Profit attributable to IAG shareholders from continuing operations	643	420	642	591	1,063	1,233
Net (loss) after tax from discontinued operation	(182)	(105)	-	-	(287)	-
Profit attributable to IAG shareholders	461	315	642	591	776	1,233

Insurance Ratios (Continuing Operations)	1H13	2H13	1H14	2H14	FY13	FY14
Loss ratio	59.5%	60.3%	58.1%	62.3%	59.9%	60.2%
Immunised loss ratio	61.6%	63.5%	60.9%	59.3%	62.6%	60.1%
Expense ratio	25.5%	26.8%	26.5%	26.9%	26.2%	26.7%
Commission ratio	8.1%	8.6%	9.3%	9.5%	8.4%	9.4%
Administration ratio	17.4%	18.2%	17.2%	17.4%	17.8%	17.3%
Combined ratio	85.0%	87.1%	84.6%	89.2%	86.1%	86.9%
Immunised combined ratio	87.1%	90.3%	87.4%	86.2%	88.8%	86.8%
Insurance margin	19.9%	14.5%	17.5%	19.0%	17.2%	18.3%

Key Financial Metrics (Total Operations)	1H13	2H13	1H14	2H14	FY13	FY14
Reported ROE (average equity) (% pa)	20.7%	13.5%	26.4%	18.5%	17.0%	21.7%
Cash ROE (average equity) (% pa)	30.7%	20.2%	26.8%	20.4%	25.3%	23.0%
Basic EPS (cents)	22.30	15.27	30.88	25.48	37.57	56.09
Diluted EPS (cents)	21.54	14.90	29.56	24.32	36.44	53.62
Cash EPS (cents)	33.08	22.87	31.41	28.16	55.95	59.41
DPS (cents)	11.00	25.00	13.00	26.00	36.00	39.00
Probability of adequacy	90%	90%	90%	90%	90%	90%
NTA backing per ordinary share (\$)	1.31	1.38	1.78	1.29	1.38	1.29
PCA multiple	n/a	1.67	2.31	1.72	1.67	1.72

APPENDIX – DIVISIONAL PERFORMANCE

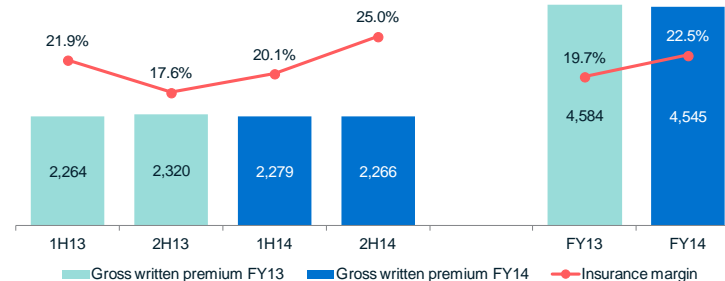
DIVISIONAL PERFORMANCE	FY13				FY14			
	GWP		INSURANCE MARGIN		GWP		INSURANCE MARGIN	
	Reported A\$m	Growth %	Reported %	Underlying %	Reported A\$m	Growth %	Reported %	Underlying %
Australia Direct	4,584	6.6%	19.7	13.5	4,545	(0.9%)	22.5	16.4
Australia Intermediated	3,028	9.7%	17.8	11.2	3,058	1.0%	17.4	11.4
New Zealand	1,575	30.2%	8.9	11.1	1,846	17.2%	11.5	14.8
Asia	295	34.7%	n/a	n/a	317	7.5%	n/a	n/a
Corporate & Other	16	n/a	n/a	n/a	13	n/a	n/a	n/a
Total Group	9,498	11.8%	17.2	12.5	9,779	3.0%	18.3	14.2

APPENDIX – AUSTRALIA DIRECT

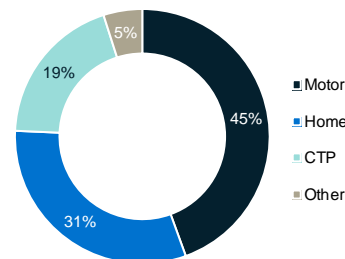
	1H13	2H13	1H14	2H14	FY13	FY14
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Gross written premium	2,264	2,320	2,279	2,266	4,584	4,545
Gross earned premium	2,199	2,246	2,317	2,270	4,445	4,587
Reinsurance expense	(134)	(147)	(287)	(270)	(281)	(557)
Net earned premium	2,065	2,099	2,030	2,000	4,164	4,030
Net claims expense	(1,372)	(1,386)	(1,332)	(1,322)	(2,758)	(2,654)
Commission expense	(44)	(46)	(46)	(45)	(90)	(91)
Underwriting expense	(334)	(373)	(322)	(344)	(707)	(666)
Underwriting profit	315	294	330	289	609	619
Investment income on technical reserves	138	75	79	210	213	289
Insurance profit	453	369	409	499	822	908

Insurance Ratios	1H13	2H13	1H14	2H14	FY13	FY14
Loss ratio	66.4%	66.0%	65.6%	66.1%	66.2%	65.9%
Immunised loss ratio	68.0%	68.1%	67.5%	62.8%	68.0%	65.1%
Expense ratio	18.3%	20.0%	18.2%	19.5%	19.2%	18.8%
Commission ratio	2.1%	2.2%	2.3%	2.3%	2.2%	2.3%
Administration ratio	16.2%	17.8%	15.9%	17.2%	17.0%	16.5%
Combined ratio	84.7%	86.0%	83.8%	85.6%	85.4%	84.7%
Immunised combined ratio	86.3%	88.1%	85.7%	82.3%	87.2%	83.9%
Insurance margin	21.9%	17.6%	20.1%	25.0%	19.7%	22.5%

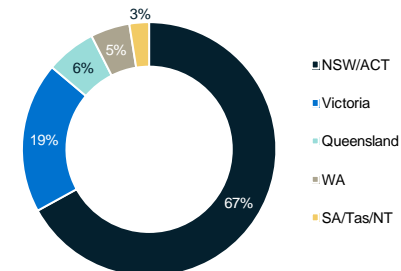
GWP (\$M) / INSURANCE MARGIN (%)



FY14 GWP BY CLASS



FY14 GWP BY STATE

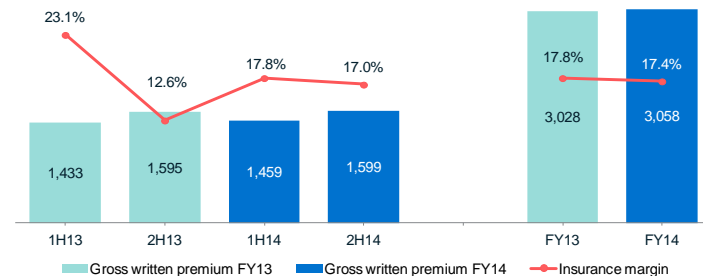


APPENDIX – AUSTRALIA INTERMEDIATED (CGU)

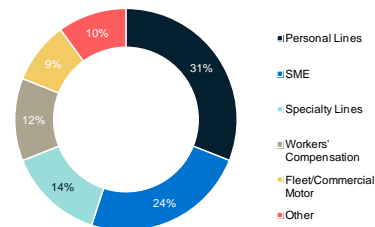
	1H13	2H13	1H14	2H14	FY13	FY14
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Gross written premium	1,433	1,595	1,459	1,599	3,028	3,058
Gross earned premium	1,428	1,458	1,514	1,469	2,886	2,983
Reinsurance expense	(124)	(121)	(117)	(108)	(245)	(225)
Net earned premium	1,304	1,337	1,397	1,361	2,641	2,758
Net claims expense	(609)	(707)	(701)	(790)	(1,316)	(1,491)
Commission expense	(197)	(213)	(234)	(239)	(410)	(473)
Underwriting expense	(258)	(260)	(252)	(237)	(518)	(489)
Underwriting profit	240	157	210	95	397	305
Investment income on technical reserves	61	12	38	136	73	174
Insurance profit	301	169	248	231	470	479
Profit/(loss) from fee based business	12	7	11	(2)	19	9
Share of profit from associates	1	-	-	-	1	-
Total divisional result	314	176	259	229	490	488

Insurance Ratios	1H13	2H13	1H14	2H14	FY13	FY14
Loss ratio	46.7%	52.9%	50.2%	58.0%	49.8%	54.1%
Immunised loss ratio	50.2%	57.7%	52.9%	52.8%	53.9%	52.8%
Expense ratio	34.9%	35.3%	34.8%	35.0%	35.1%	34.9%
Commission ratio	15.1%	15.9%	16.8%	17.6%	15.5%	17.2%
Administration ratio	19.8%	19.4%	18.0%	17.4%	19.6%	17.7%
Combined ratio	81.6%	88.2%	85.0%	93.0%	84.9%	89.0%
Immunised combined ratio	85.1%	93.0%	87.7%	87.8%	89.0%	87.7%
Insurance margin	23.1%	12.6%	17.8%	17.0%	17.8%	17.4%

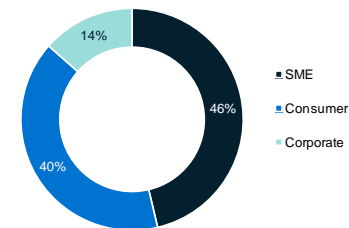
GWP (\$M) / INSURANCE MARGIN (%)



FY14 GWP BY CLASS



FY14 GWP BY SEGMENT

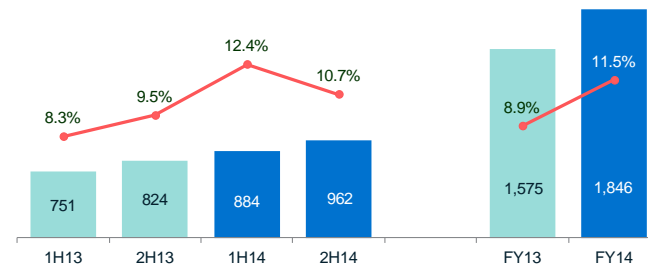


APPENDIX – NEW ZEALAND

	1H13	2H13	1H14	2H14	FY13	FY14
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Gross written premium	751	824	884	962	1,575	1,846
Gross earned premium	739	785	880	936	1,524	1,816
Reinsurance expense	(113)	(124)	(140)	(117)	(237)	(257)
Net earned premium	626	661	740	819	1,287	1,559
Net claims expense	(399)	(375)	(387)	(505)	(774)	(892)
Commission expense	(67)	(75)	(82)	(86)	(142)	(168)
Underwriting expense	(107)	(122)	(147)	(146)	(229)	(293)
Underwriting profit	53	89	124	82	142	206
Investment income on technical reserves	(1)	(26)	(32)	6	(27)	(26)
Insurance profit	52	63	92	88	115	180
Profit from fee based business	1	1	1	2	2	3
Total divisional result	53	64	93	90	117	183

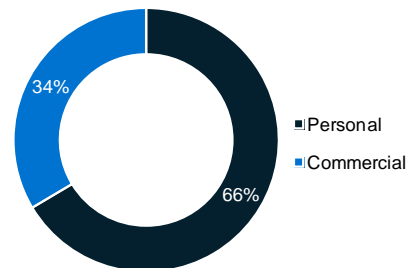
Insurance Ratios	1H13	2H13	1H14	2H14	FY13	FY14
Loss ratio	63.7%	56.7%	52.3%	61.7%	60.1%	57.2%
Immunised loss ratio	65.5%	61.7%	58.5%	62.4%	63.6%	60.5%
Expense ratio	27.8%	29.8%	31.0%	28.3%	28.8%	29.6%
Commission ratio	10.7%	11.3%	11.1%	10.5%	11.0%	10.8%
Administration ratio	17.1%	18.5%	19.9%	17.8%	17.8%	18.8%
Combined ratio	91.5%	86.5%	83.3%	90.0%	88.9%	86.8%
Immunised combined ratio	93.3%	91.5%	89.5%	90.7%	92.4%	90.1%
Insurance margin	8.3%	9.5%	12.4%	10.7%	8.9%	11.5%

GWP (\$M) / INSURANCE MARGIN (%)

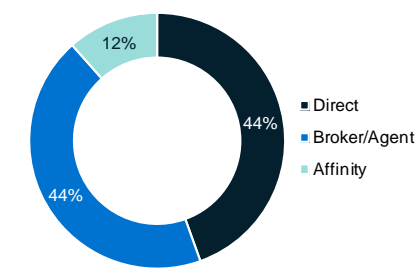


■ Gross written premium FY13 ■ Gross written premium FY14 — Insurance margin

FY14 GWP BY CLASS



FY14 GWP BY CHANNEL



APPENDIX – ASIA

	1H13	2H13	1H14	2H14	FY13	FY14
	A\$m	A\$m	A\$m	A\$m	A\$m	A\$m
Gross written premium	137	158	154	163	295	317
Gross earned premium	122	145	167	155	267	322
Reinsurance expense	(25)	(22)	(18)	(16)	(47)	(34)
Net earned premium	97	123	149	139	220	288
Net claims expense	(56)	(74)	(84)	(76)	(130)	(160)
Commission expense	(22)	(29)	(37)	(39)	(51)	(76)
Underwriting expense	(15)	(14)	(20)	(23)	(29)	(43)
Underwriting profit	4	6	8	1	10	9
Investment income on technical reserves	2	8	2	1	10	3
Insurance profit	6	14	10	2	20	12
Share of profit/(loss) from associates	(3)	3	(3)	5	-	2
Total divisional result	3	17	7	7	20	14

IAG ASIA GWP FY14 – PROPORTIONAL BASIS

