

Results Briefing - Half Year 2009

31st August 2009

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calliden
group

Disclaimer

The information contained in this presentation provides only a general overview. To the extent that the presentation contains forward looking statements, Calliden considers that the expectations reflected in these statements are reasonable. The statements are subject to known and unknown risk factors associated with the financial service industry which could cause actual results or trends to differ materially.

The information is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Investors should seek appropriate professional advice in relation to their own objectives, financial situation and needs.

Conference call – dial in details

Monday 31st August at 3.00pm (Australian Eastern Standard Time)

Please note that to participate in this conference call you will need a touchtone phone

Dial in Numbers:

| | |
|--------------------------|---------------|
| Australia | 1800 554 798 |
| New Zealand | 0800 450 585 |
| Singapore | 800 6163 105 |
| Japan | 0053 1250 084 |
| Hong Kong | 800 901 587 |
| United Kingdom | 0808 234 8407 |
| United States of America | 1866 839 8029 |

- Approximately 10 minutes before the scheduled time, please dial the relevant number above.
- You will be greeted by an Operator and asked for your **CONFIRMATION CODE – 6866129.**
- You will then be placed in Listen Only (mute) mode with hold music until the conference is due to commence.
- At the start of the conference your line will be taken off hold music and you will be placed back in Listen Only mode.
- Should you wish to ask a question or make a comment please dial ***1** (star one) to register your questions.
- Should you wish to cancel your question at any time then please dial ***2** (star two).
- Please note that all questions will be answered at the conclusion of the presentation.
- If you are disconnected during the call then please redial your conference Dial In number.
- At any time during the call please dial ***0** (star zero) for operator assistance.

Should you have any queries in regards to the above information then please contact Katherine Formosa (katherine.formosa@calliden.com.au / + 61 2 9551 1102)

Highlights of 1st half year 2009

Building Financial Strength

- \$2.4m profit despite high catastrophes and lower investment return
- Strengthened reinsurance does its job
- Lower returns from our conservative investment portfolio

Simplifying Our Business

- First major systems conversion completed
- Increased electronic placement
- IUA consolidated into Calliden Group (July 2009)

Unlocking Potential

- Strong performance by JV's and Mansions of Australia
- Organic growth of 7% but lower than target
- Rate increases continue but lower than target

Building financial strength

Financial Results

| | 1 st HY 2007 | 2 nd HY 2007 | 1 st HY 2008 | 2 nd HY 2008 | 1 st HY 2009 | 1 st HY 08 – 1 st HY 09 HY % change |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---|
| Gross Written Premium | \$28.3m | \$96.1m | \$97.6m | \$102.4m | \$104.4m | +7% |
| Profit / (Loss) | (\$0.6m) | \$ 1.9m | \$ 3.6m | \$ 5.5m | \$ 2.4m | -33% |
| Total Assets | \$160m | \$392m | \$402m | \$ 394m | \$414.3m | +3% |
| Shareholders Equity | \$ 78m | \$ 95m | \$98m | \$ 103m | \$ 103m | +5% |

Building financial strength

Insurer ratios (excluding statutory charges)

| | 31 Dec 2007 | 31 Dec 2008 | 30 June 2009 | From statutory accounts | | |
|---------------------------------|-------------|-------------|--------------|-------------------------|-------------|--------------|
| | 31 Dec 2007 | 31 Dec 2008 | 30 June 2009 | 31 Dec 2007 | 31 Dec 2008 | 30 June 2009 |
| Gross Claims Ratio | 70% | 60% | 105% | 69% | 56% | 97% |
| Net Claims Ratio | 64% | 62% | 61% | 62% | 55% | 52% |
| Net Acquisition Ratio | 43% | 39% | 36% | 45% | 46% | 45% |
| Combined Operating Ratio | 107% | 101% | 97% | 107% | 101% | 97% |
| Insurance Margin | 1% | 6% | 6% | 1% | 6% | 6% |

Building financial strength

Balance Sheet

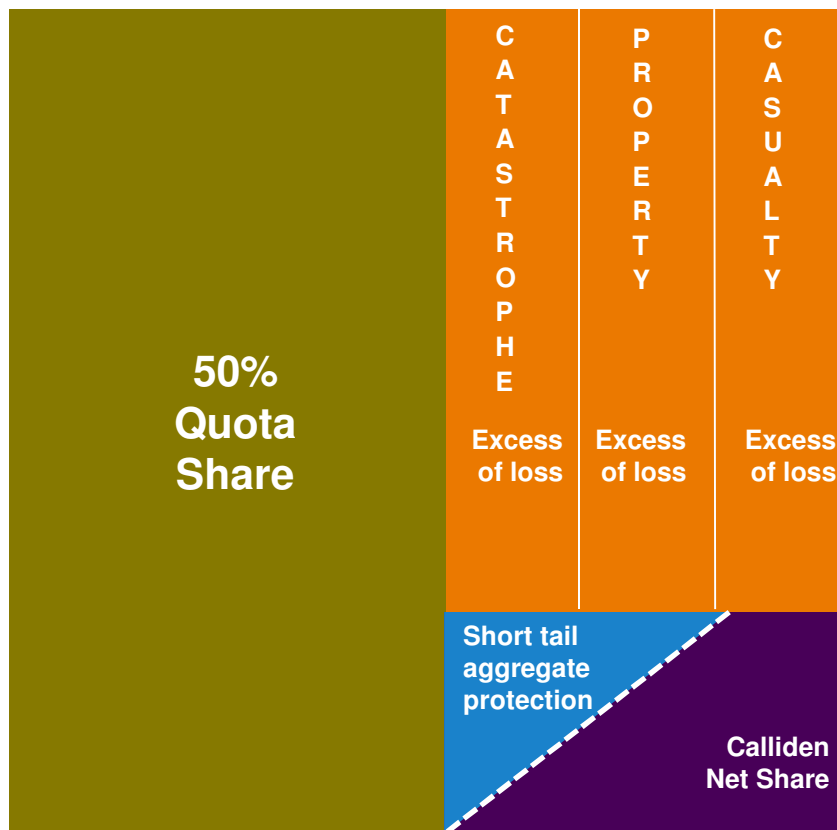
| \$Ms | 31 Dec 2007 | 31 Dec 2008 | 30 June 2009 |
|----------------------|----------------|----------------|-----------------|
| Assets | | | |
| Cash & Investments | \$ 165 | \$ 142 | \$122 |
| Other assets | \$ 196 | \$ 208 | \$248 |
| Intangibles | \$ 31 | \$ 44 | \$ 44 |
| | \$ 392 | \$ 394 | \$414 |
| Liabilities | | | |
| Insurance provisions | \$ 221 | \$ 231 | \$254 |
| Borrowings | \$ 25 | \$ 25 | \$ 25 |
| Other liabilities | \$ 51 | \$ 35 | \$ 32 |
| | \$ 297 | \$ 291 | \$311 |
| Total Equity | \$ 95 | \$ 103 | \$103 |

- Strong reinsurance programme
- Conservative investment portfolio
- CBA debt funding \$25m matures July 2010
- No impairment of intangibles
- Dividend paid

Building financial strength

Strengthened reinsurance protects net result

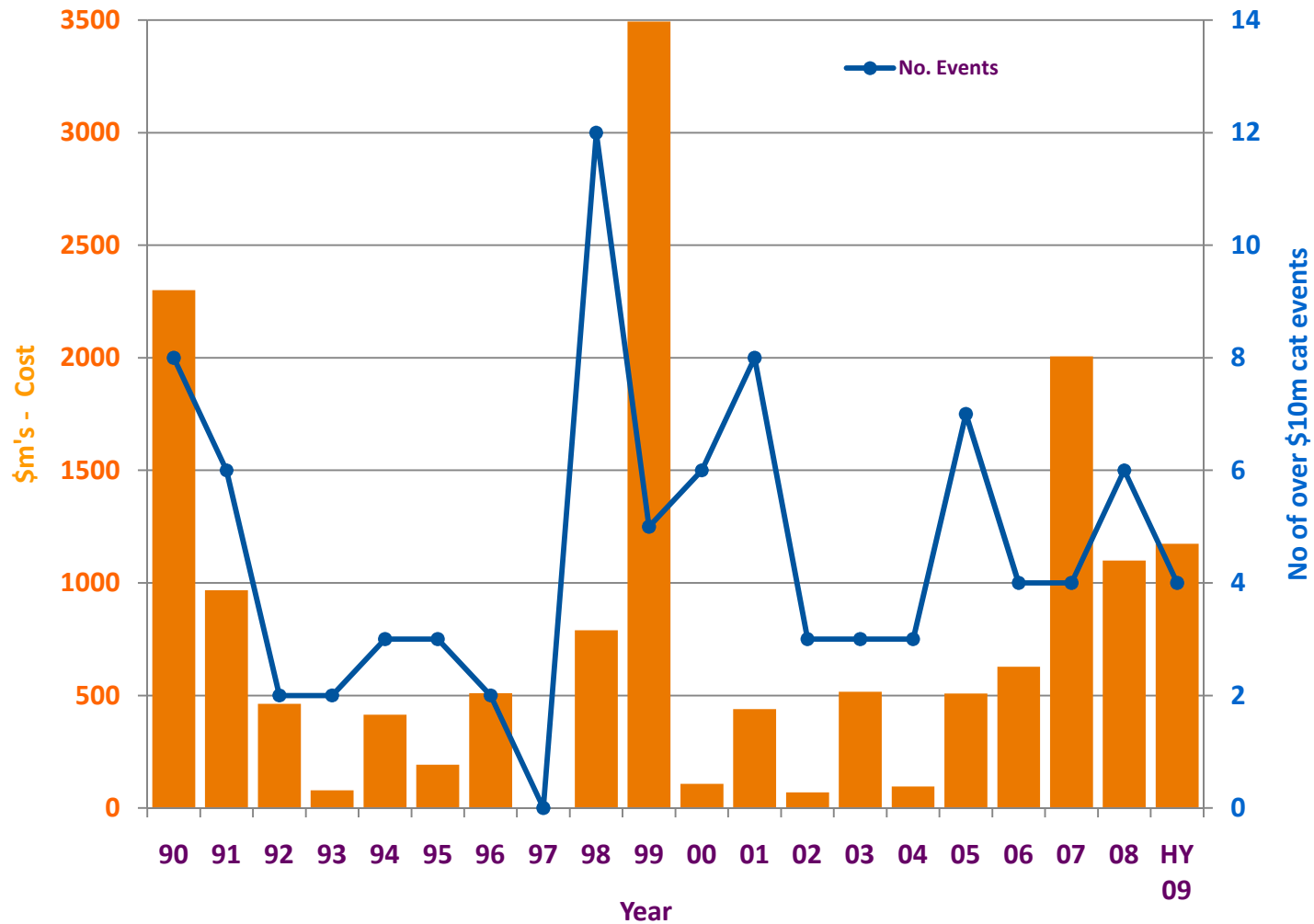
2009 consolidated reinsurance programme



- Net loss ratio protected
- 31.12.09 renewal
- Review commenced

Building financial strength

First half 2009 high natural catastrophes



Building financial strength

The cost of natural catastrophes

| | 2 nd HY 2007 * | 1 st HY 2008 | 2 nd HY 2008 | 1 st HY 2009 |
|---|------------------------------|----------------------------|----------------------------|----------------------------|
| No. of Events | 3 | 1 | 2 | 3 |
| Gross Earned Short Tail Premium \$,000 | 56,889 | 59,301 | 60,894 | 61,116 |
| Ultimate Gross Incurred \$,000 Cat Cost | 8,932 | 1,398 | 3,281 | 32,289 |
| Gross Short Tail Loss Ratio for catastrophes | 16% | 2% | 5% | 53% |

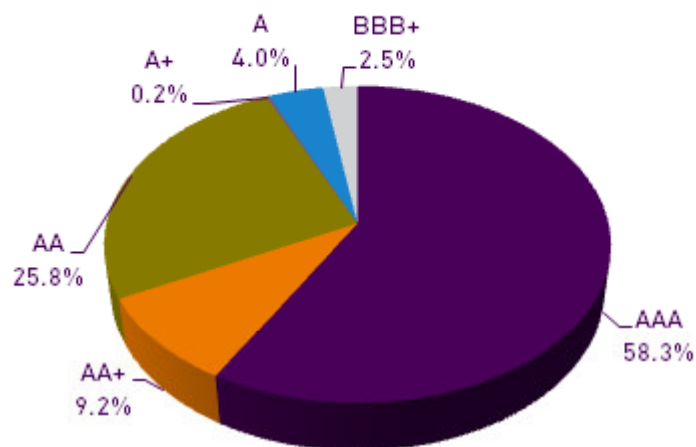
* Includes AUGIL business

Demonstrates wisdom of conservative reinsurance

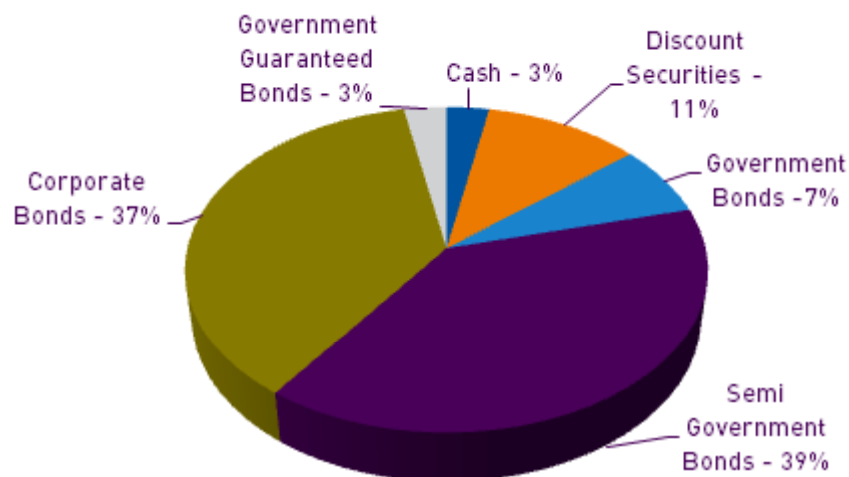
Building financial strength

Lower investment returns from consistent portfolio

Investment Portfolio – by rating 30.06.09



Investment Portfolio – by asset 30.06.09

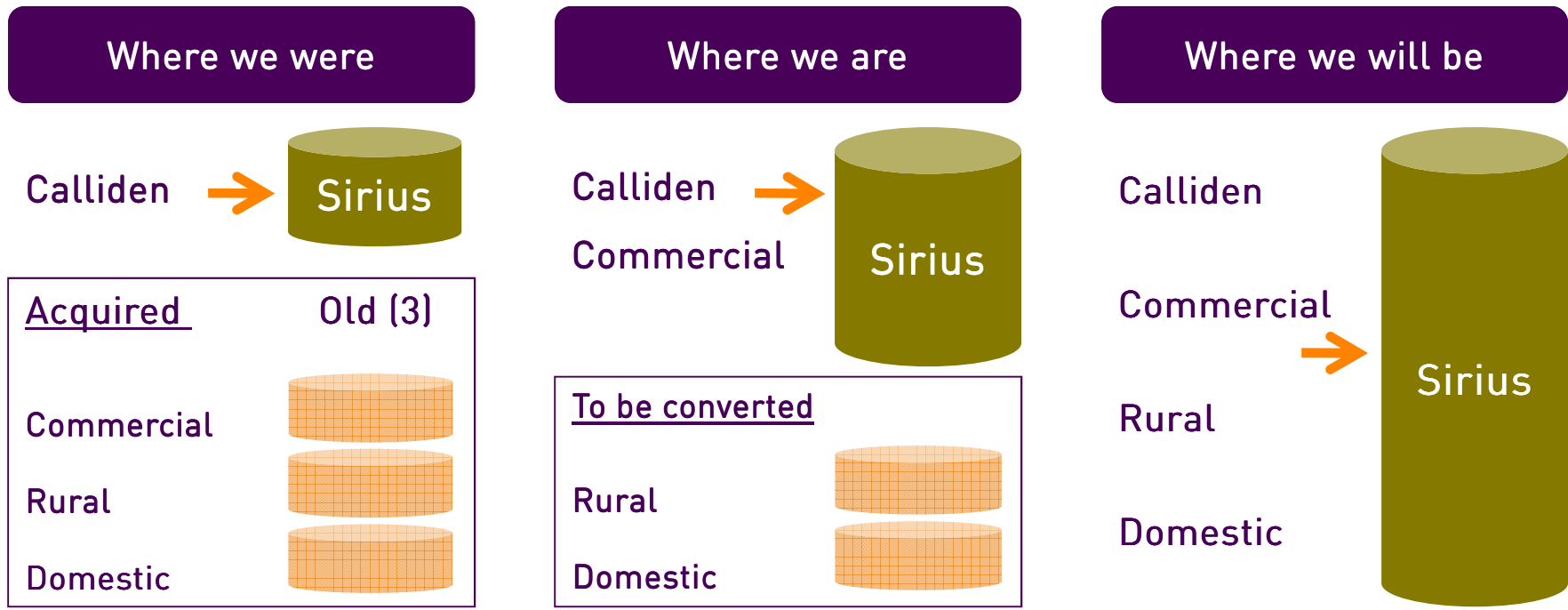


| | 2007 | | | 2008 | | | 2009 | |
|----------------------|--------------------------|--------------------------|------------------|--------------------------|--------------------------|------------------|--------------------------|------------------|
| | HY1 \$000's return | HY2 \$000's return | Annual Return | HY1 \$000's return | HY2 \$000's return | Annual Return | HY1 \$000's return | Annual Return |
| Investment Income | 3,275 | 5,001 | 5.4% | 3,406 | 9,081 | 9.0% | 2,159 | 4.0% |
| Investments in JVs * | 178 | 391 | 12.0% | 803 | 755 | 28.8% | 1,054 | 38.9% |

* Includes dividends from JV's

Simplifying our business

First IT conversion completed



Simplifying our business

Continued portfolio improvement



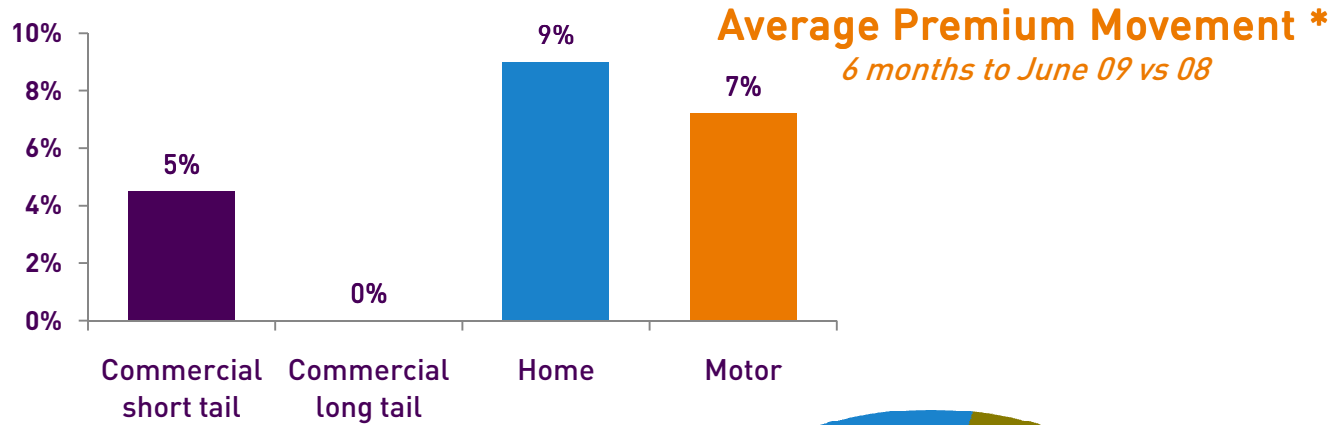
- JV consolidated 100%
- \$1.5m
- Niche business interruption specialist

calibrate

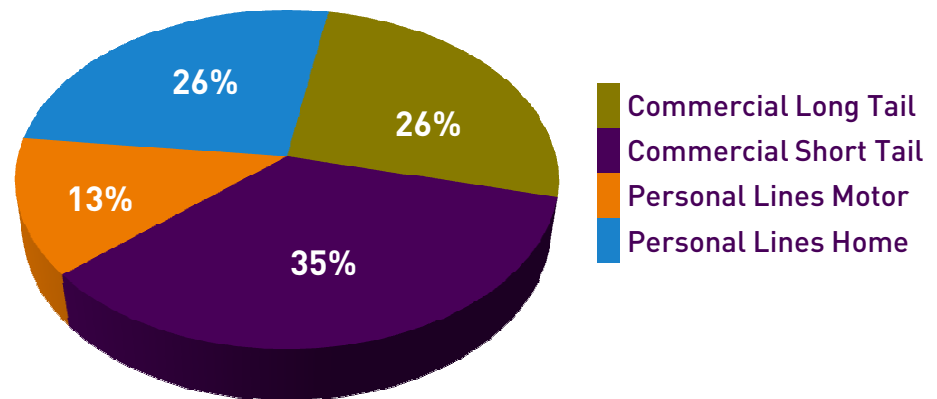
- 35% penetration of commercial package YTD
- 90% broker home insurance YTD

Unlocking potential

Premiums rise but slower than planned



Business Mix by Gross Earned Premium

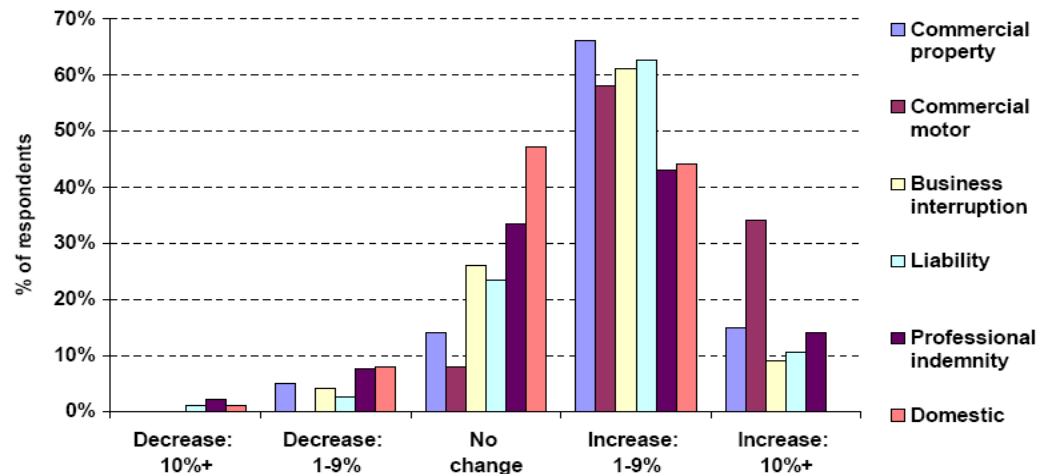


Overall portfolio growth 7%

Unlocking potential

Price rises, some positives in the market

Summary of June 2009 renewals survey by major line of business



The key results from NIBA's half yearly market survey were:

- 72% of insurance brokers have reported increases in premiums. 24% reported no changes, and 4% reported decrease.
- 52% of brokers said the rises were “reasonable”, 15% recorded “irrational increases”, and 14% observed lower rates as insurers sought market share.
- 73% of brokers rated the market between 6 and 8 (out of 10) in terms of market hardness (up from 70% as at December 08).
- Drilling into the survey by product, short-tail lines are hardening by more than long-tail lines. ¹⁵

Outlook

Building Financial Strength

- Natural catastrophe and weather losses potential
- Reinsurance rates hardening
- Reinsurance renewal 31.12.09 review underway

Simplifying Our Business

- 2nd systems conversion in 2009
- Centralisation of commercial package back office
- Carefully manage the expense base

Unlocking Potential

- Price rises to continue and strengthen depending on market
- Develop our people
- Grow target segment

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