



IAG Investor Day 2024

IAG will today host an Investor Day providing an overview of strategic, operational and financial progress.

IAG Managing Director and CEO Nick Hawkins, with members of the executive leadership team, will update investors on IAG's strategic progress. This will include customer and productivity initiatives and the business benefits of its Enterprise Platform technology.

Mr Hawkins said: "What is clear is that we are now a stronger, more resilient IAG.

"IAG is a simpler business, focused on general insurance products across Australia and New Zealand. We've separated and differentiated our Retail and Intermediated businesses and aligned our leadership to focus on our different customer and product segments.

"We have some of the best consumer insurance brands in the world, and between our retail and commercial businesses we can serve customers through their channel of choice. IAG is well positioned to satisfy the insurance needs of more Australians and New Zealanders.

"In Australia, our strategic alliance with RACQ* will mean our retail general insurance products will be distributed through three of the most trusted brands in financial services.

"We've materially uplifted the risk capability across IAG and we're using reinsurance in innovative ways to reduce volatility. As we move into the next phase of growth, we are confident that IAG is a more streamlined and resilient business able to deliver strong returns to our shareholders," Mr Hawkins said.

IAG CFO William McDonnell will reaffirm FY25 guidance and outline an ambition to reduce the administration expense (ex-levies) ratio by at least 100bps to under 11% in FY27.

A video webcast will commence at 9:00am (AEDT) and can be viewed [here](#).

*Subject to regulatory approval.

This release has been authorised by IAG's Managing Director and CEO.

About IAG

IAG is the parent company of a general insurance group with operations in Australia and New Zealand. IAG's main businesses underwrite over \$16bn of premium per annum under leading brands, including NRMA Insurance, RACV (under a distribution agreement with RACV), CGU and WFI (Australia); NZI, State, AML and Lumley (New Zealand). Visit www.iag.com.au for more information.

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Investor Day

3 December 2024

Important information



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Any forward-looking statements, opinions and estimates in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. This includes statements regarding IAG's strategy, targets, goals, ambitions, intent, belief, objectives, commitments and current expectations regarding, but not limited to, IAG's business, results, financial condition, capital adequacy, risk management practices and market conditions.

Forward-looking statements may generally be identified by the use of words such as "should", "would", "could", "will", "may", "expect", "intend", "plan", "forecast", "aim", "anticipate", "believe", "outlook", "estimate", "project", "target", "goal", "ambition", "continue", "guidance", "aspiration", "commit" or other similar words. Guidance on future earnings or performance are also forward looking statements. While IAG believes the forward-looking statements to be reasonable, such statements involve risks (both known and unknown) and assumptions, many of which are beyond IAG's control (including adverse

natural peril events causing losses to exceed forecasts, and uncertainties in the Australian and global economic environment). This may cause actual results, outcomes, conditions or circumstances to differ from those expressed, anticipated or implied in such statements. For further information on some of IAG's key risks see 'Note 3.1 Risk and Capital Management' in IAG's FY24 Annual Report.

In addition, there are particular risks and uncertainties associated with implementation of IAG's strategy and related targets, ambitions and goals. As the strategy and related targets, ambitions and goals span a number of years, they are subject to assumptions and dependencies which have greater levels of uncertainty than guidance given for FY25. IAG's ability to execute its strategy and realise its targets, ambitions and goals will depend upon its ability to respond and adjust its business plans (as and when developed) to any changes in such assumptions and dependencies, including disruptions or events that are beyond IAG's control.

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References to currency are to Australian dollars, unless otherwise specified. Prevailing exchange rates have been used to convert local currency amounts into Australian dollars, where appropriate.

Further information, including IAG's business structure, portfolio and partnerships is available on IAG's website at <https://www.iag.com.au/about-us/what-we-do>.

Nick Hawkins

Chief Executive Officer

Introduction





Acknowledgement of Country

IAG acknowledges Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities.

We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

We show our support by empowering Aboriginal and Torres Strait Islander peoples, business and communities.

Agenda



9.00	Introduction	Nick Hawkins
9.15	Technology	Neil Morgan
9.25	Retail Insurance Australia	Julie Batch
9.40	Intermediated Insurance Australia	Jarrod Hill
9.55	New Zealand	Amanda Whiting
10.10	Breakout Sessions	
	Showcase 1: Reinvigorating Customer Experience	
	Showcase 2: Innovation Driving Efficiency	
11.30	Capital and Financials	William McDonnell
11.45	Q&A session	
12.20	Conclusion	Nick Hawkins

Well positioned to serve more customers across Australia and New Zealand

Compelling purpose

We make your world a safer place

Strategic focus

A stronger and more resilient IAG

Operational progress

Delivering with discipline

Financial results

Consistent, reliable performance

A stronger, more resilient IAG

Strategic focus

- Protecting customers in Australia and New Zealand
- Clear brand strategy
- Reinsurance protections reduce volatility
- Risk maturity uplift
- Technology rationalisation to core common platforms



Grow with our customers



Build better businesses



Create value through digital



Manage our risks

Delivering with discipline

Operational progress

- Experienced, stable leadership team
- Employee engagement +78
- 7.8 million retail customers
- Strong customer NPS
- NRMA Insurance, Australia's most trusted insurance brand
- Simplified product offering

7.8 million
retail customers

AU: +46.8

NZ: +50.0

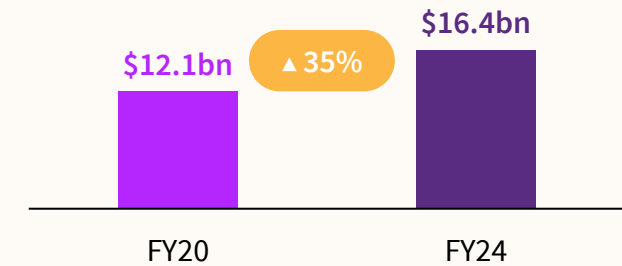
Customer experience

Consistent, reliable performance

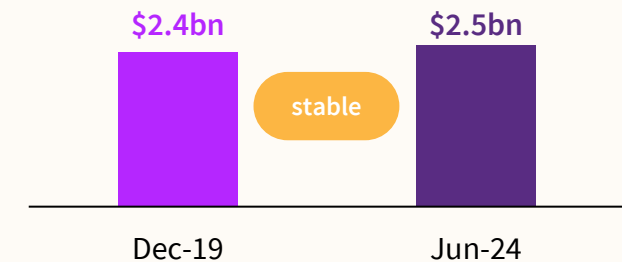
Financial strength

- GWP up 35% over the past four years
- Capital requirements stable
- Perils allowance has doubled (FY20: \$641m, FY25: \$1,283m)
- Reinsurance costs ex-quota share up 50% (FY20: \$650m, FY24: \$976m)
- Intermediated Australian division delivered > \$250m Insurance Profit
- Insurance Profit up >90% (FY20: \$741m, FY24: \$1,438m) in a favourable perils environment

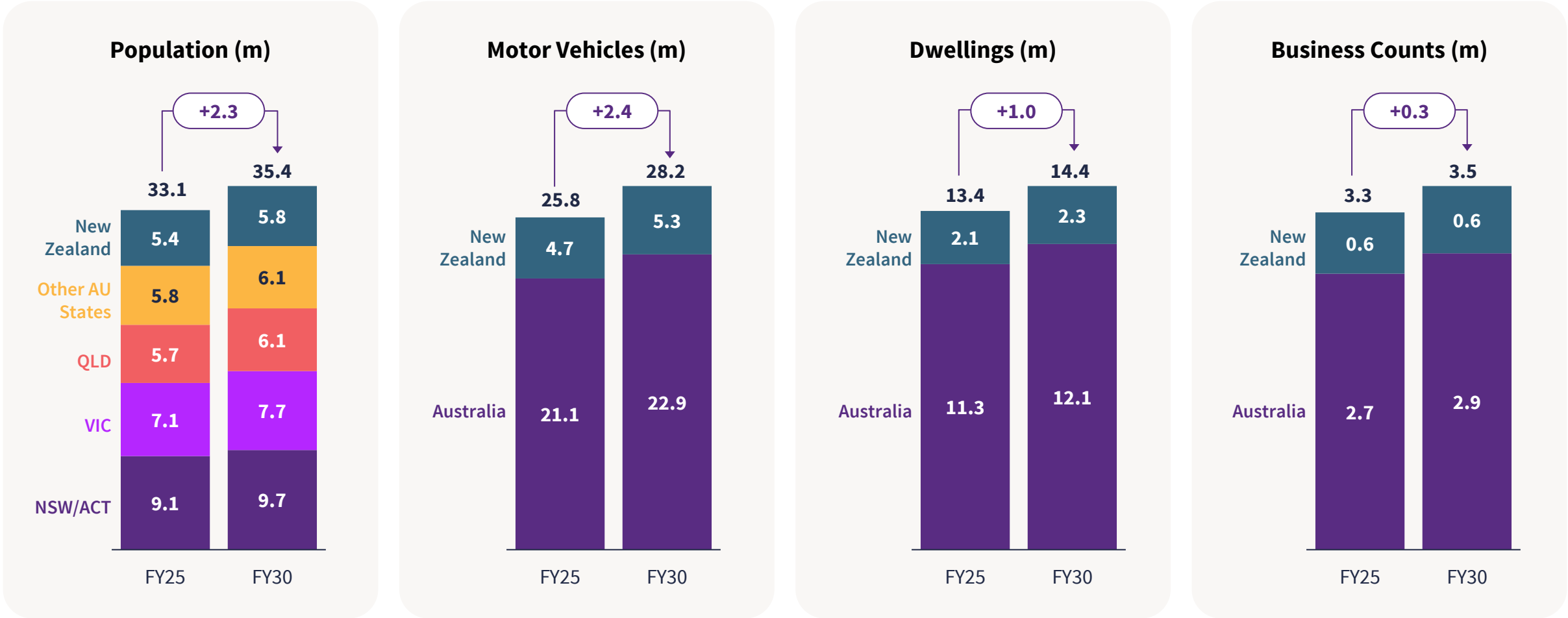
Gross Written Premium



Prescribed Capital Amount



Australia and New Zealand remain attractive markets for growth

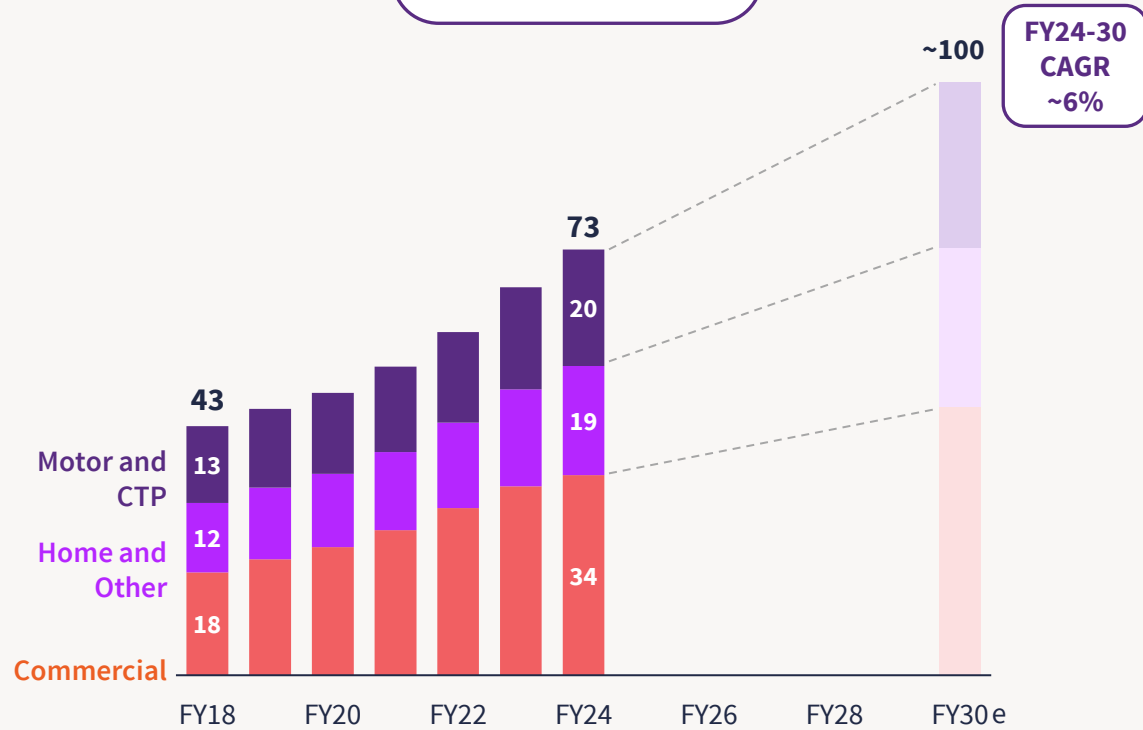


Sources: Deloitte Access Economics November 2024, ABS, StatsNZ, NZ Ministry of Transport

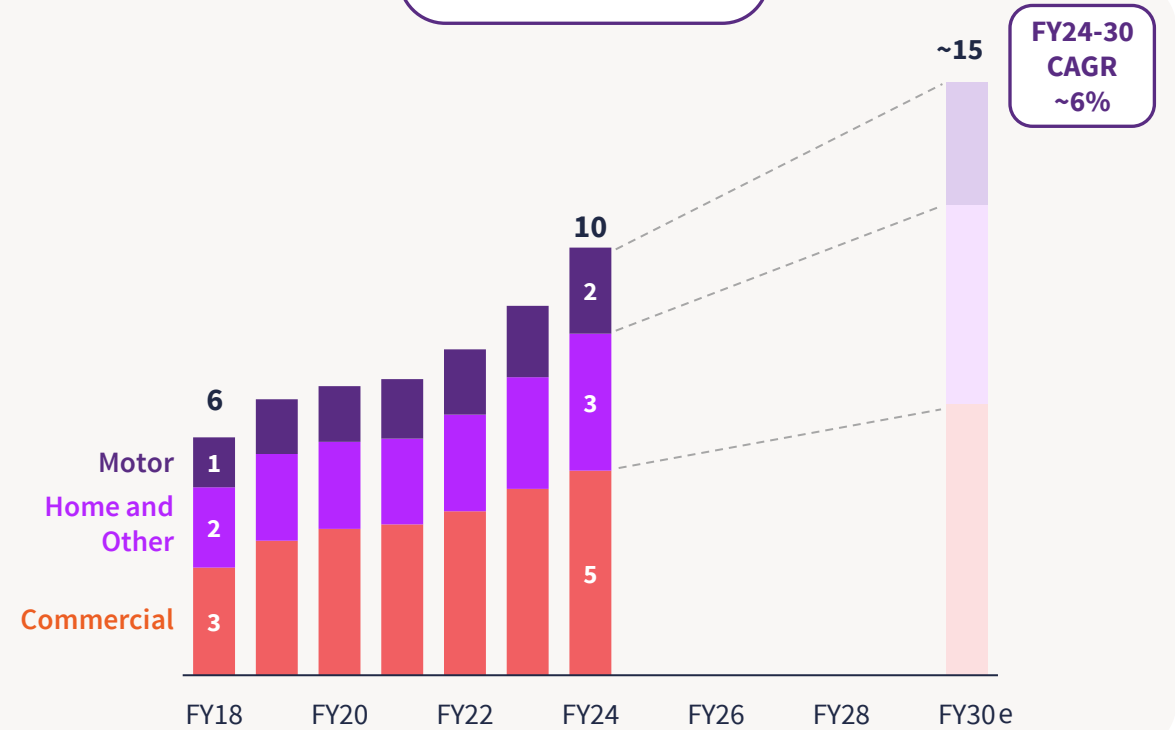
Our markets are estimated to be ~\$115 billion in FY30

General Insurance Industry GWP (A\$bn)

Australia



New Zealand



Source: APRA Quarterly General Insurance Statistics Database and ICNZ including Lloyds. System growth for FY24-30 calculated using company estimates with system macroeconomic and demographic forecasts from Deloitte Access Economics. Commercial GWP includes Lloyds (Australia and NZ) and unauthorised foreign insurers premiums (Australia only). NZ\$ figures converted into A\$ using historic and forecast exchange rate from Deloitte Access Economics. Home and Motor premium increases are based on higher claims costs due to increasing climate change impacts and rising complexities in vehicles.

Clear and consistent IAG strategy

Purpose





We make your world a safer place

Strategy

Create a stronger, more resilient IAG

People

Our people are the difference: bringing our purpose to life and delivering our strategy

Focus	Approach	Ambitions ¹	Targets ¹
 Grow with our customers	Deliver outstanding personalised service when our customers need us the most	<ul style="list-style-type: none"> • 1m additional direct customers 	15% Insurance Margin 14-15% ROE (on a 'through the cycle' basis)
 Build better businesses	Focus on underwriting expertise, active portfolio management and pricing excellence	<ul style="list-style-type: none"> • Reducing expense ratio 	
 Create value through digital	Create connected experiences that seamlessly assist and reward our customers as they unlock the value of our network	<ul style="list-style-type: none"> • \$400m value from DIA claims and supply chain cost reductions • Common core insurance platform for personal lines across Australia and NZ 	
 Manage our risks	Actively manage risk and capital in our business so we can continue to manage the risks in our customers' lives	<ul style="list-style-type: none"> • Accelerate risk maturity to Integrated 	

¹ See Appendix 1 for further detail

Evaluating inorganic growth opportunities



Strategic fit

- Australia and New Zealand
- Retail insurance preference
- Consistent with brand strategy



IAG's partner offering

- Purpose-led customer focus
- Modern, implemented policy administration system
- Leading pricing capability
- Scale claims management capability
- Comprehensive reinsurance arrangements with global partners



Financial outcomes

Consistent with IAG's capital allocation framework and deliver 'through the cycle' targets of:

- a 15% insurance margin; and
- a 14% to 15% Return on Equity

IAG is well positioned for growth now and into the future

Scalable business set to expand beyond our 7.8m customers

Direct

Australia

New Zealand



Partner

Australia

New Zealand



Improving efficiency and margin

Intermediated

Australia

New Zealand



Efficient Capital Platform

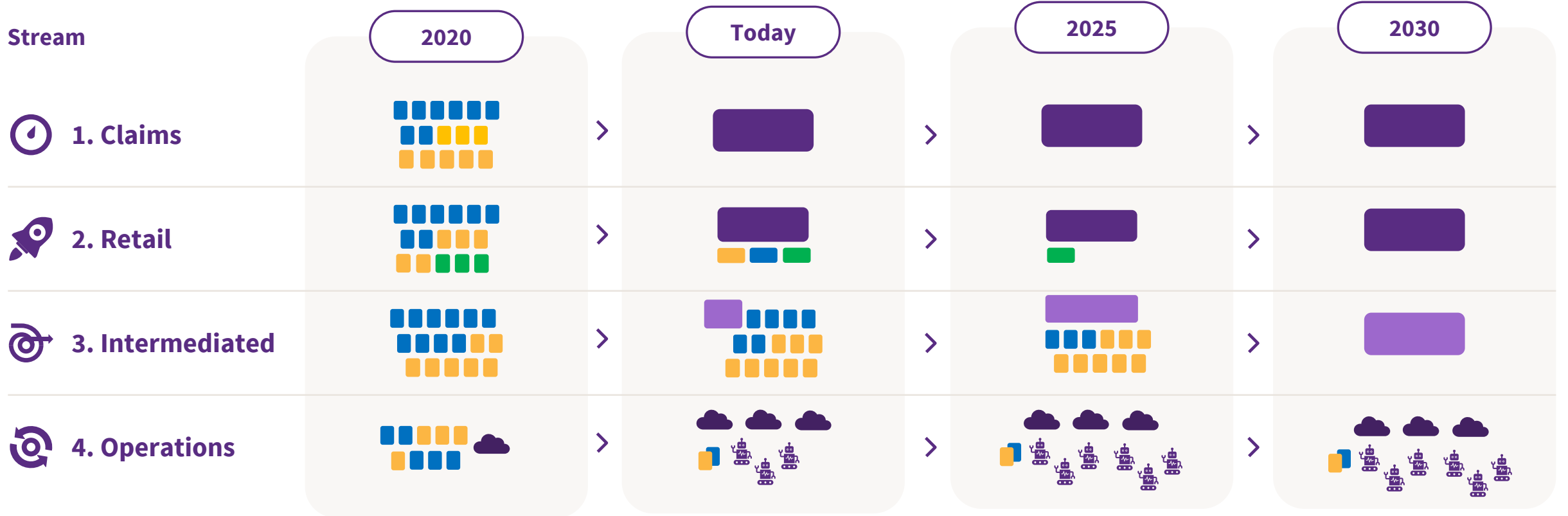
Neil Morgan

Chief Operating Officer

Technology



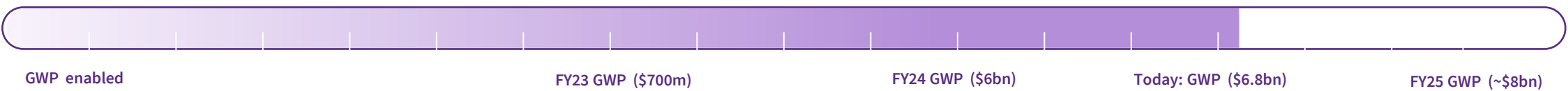
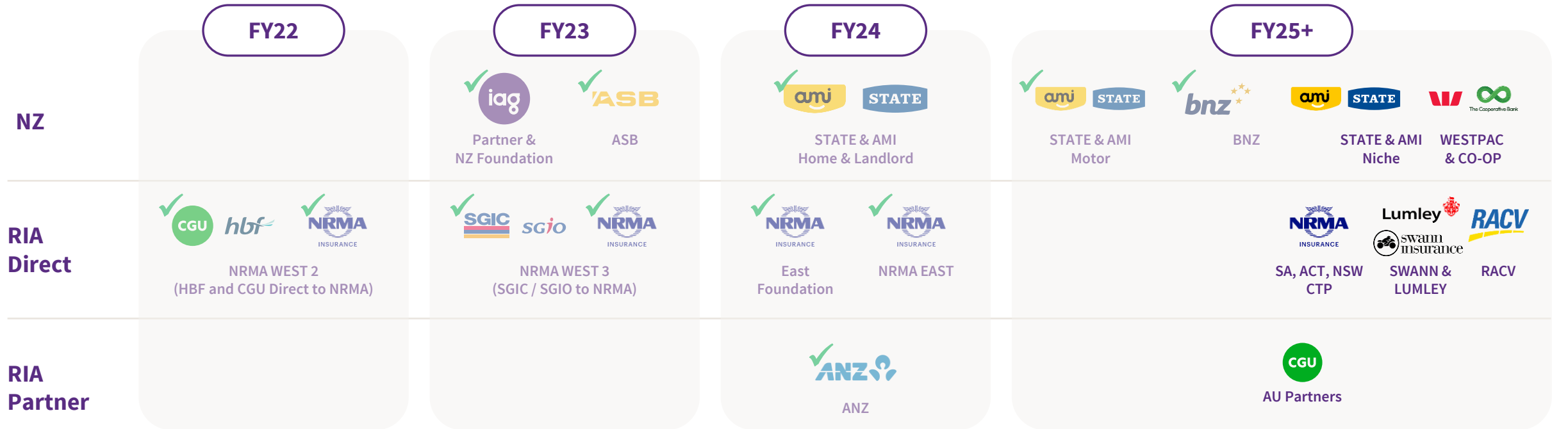
Foundations for growth



Indicative platform coverage

■ AU
 ■ Partners
 ■ NZ
 ■ Strategic Enterprise Platform (Retail)
 ■ Commercial Enablement (Intermediated)

Retail – migrating at pace



Guidewire policy platform
Harmonised product sets, shared capability

Earnix pricing system
Sophisticated pricing allowing rapid change

Mobile apps transformed
Cross-brand re-use, micro front-end architecture

Cloud based
Modern, secure and scalable

Retail – leveraging the core for growth

Customer impact

Digital channel share:

+10% motor & home

Quote to completion:

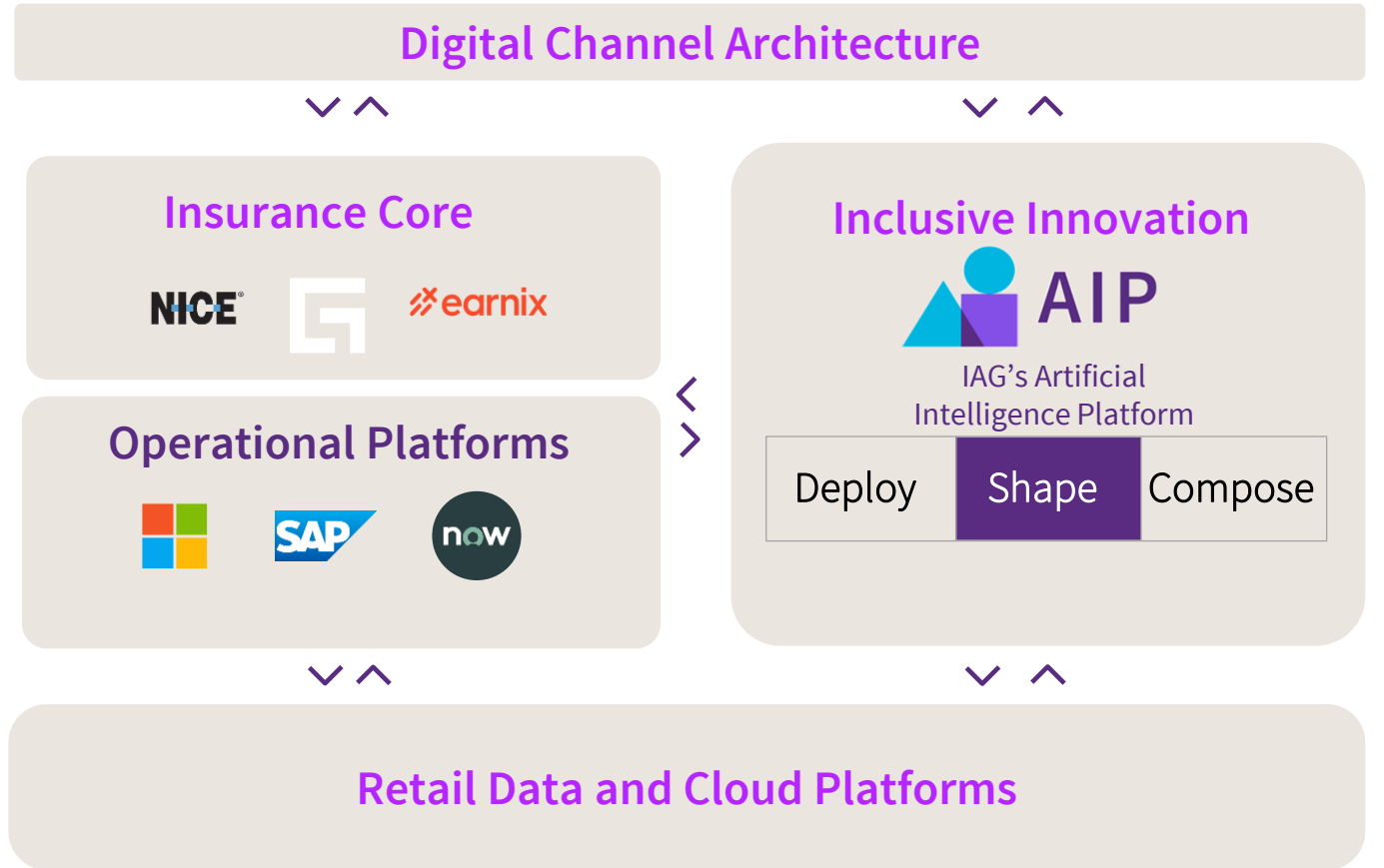
+10% home products

+20% motor products

Partnering for growth:

2x material market partnerships

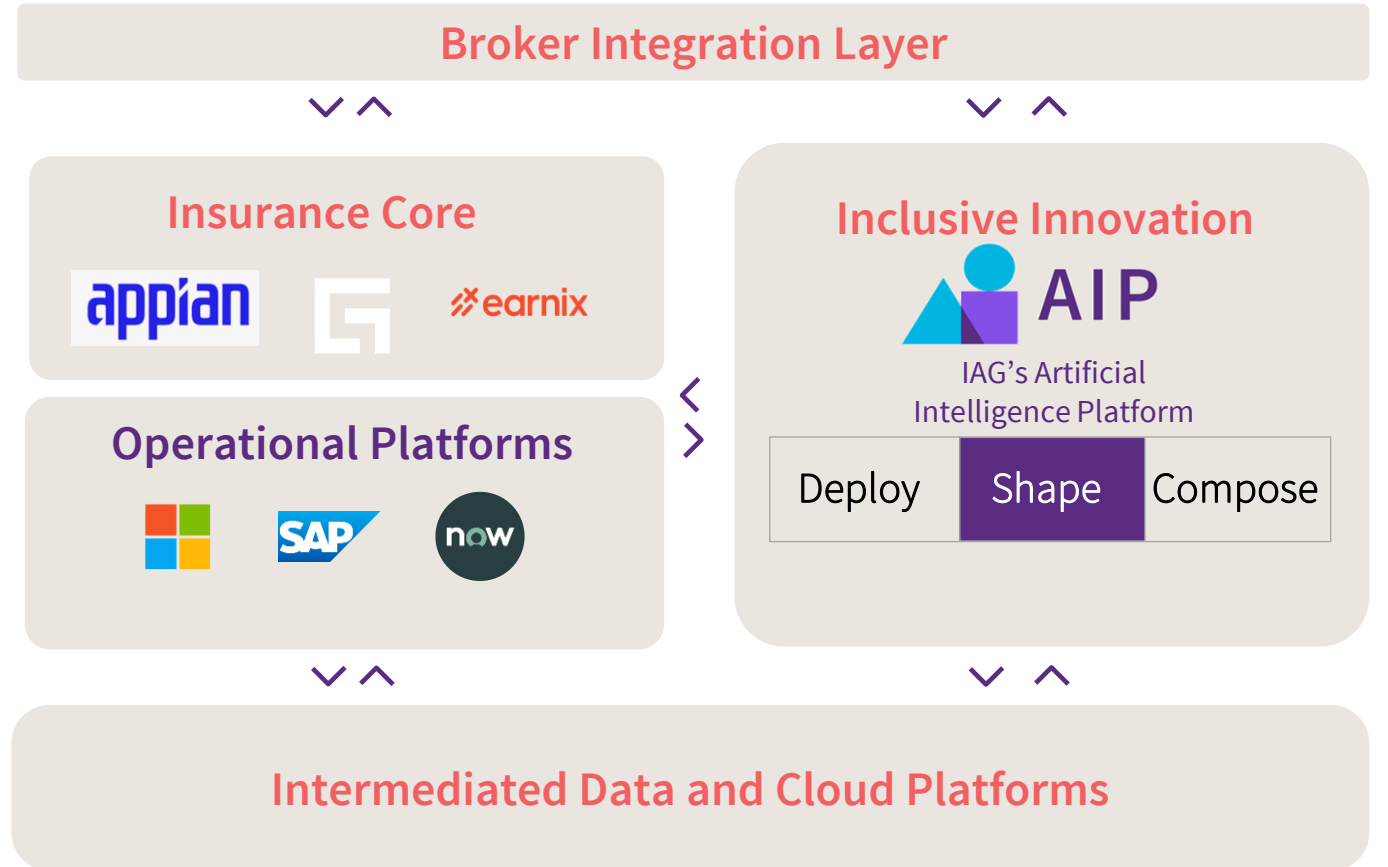
Pricing sophistication



Intermediated – simplification on track

Commercial Enablement

- ✓ Trans-Tasman scale
- ✓ Brokers' partner of choice
- ✓ Intelligent straight-through-processing
- ✓ Granular, agile pricing
- ✓ Underwriting and Packaged simplification
- ✓ Controls & governance lift



Inclusive Innovation across IAG

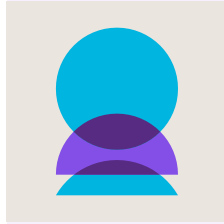
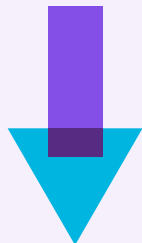


Deploy



- Enterprise-wide scale
- Creating value from simplification
- Adopting embedded solutions
- 4,500 active Copilot users

**Reducing
review effort
by 60%**

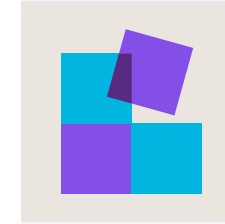
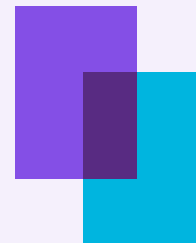


Shape



- IAG's bespoke GenAI bot-builder
- Swift, cost-effective tool creation, shaping existing capability to deliver new experiences
- 150 trained GenAI activators

**800+ templates
re-written,
instantly**



Compose



- 50 GenAI builders supporting scalable, transformative solutions
- 500+ active users

**From 12-15
minutes to
seconds**



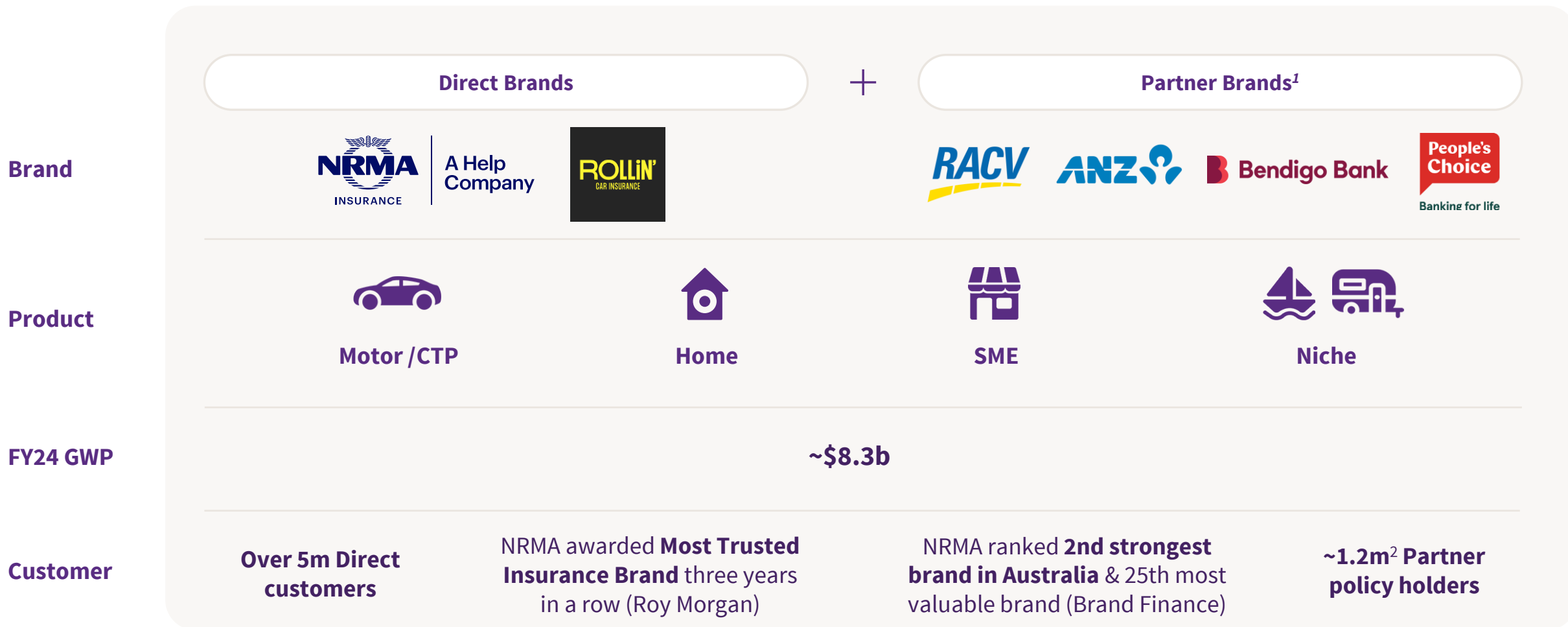
Julie Batch

CEO, NRMA INSURANCE

Retail Insurance Australia



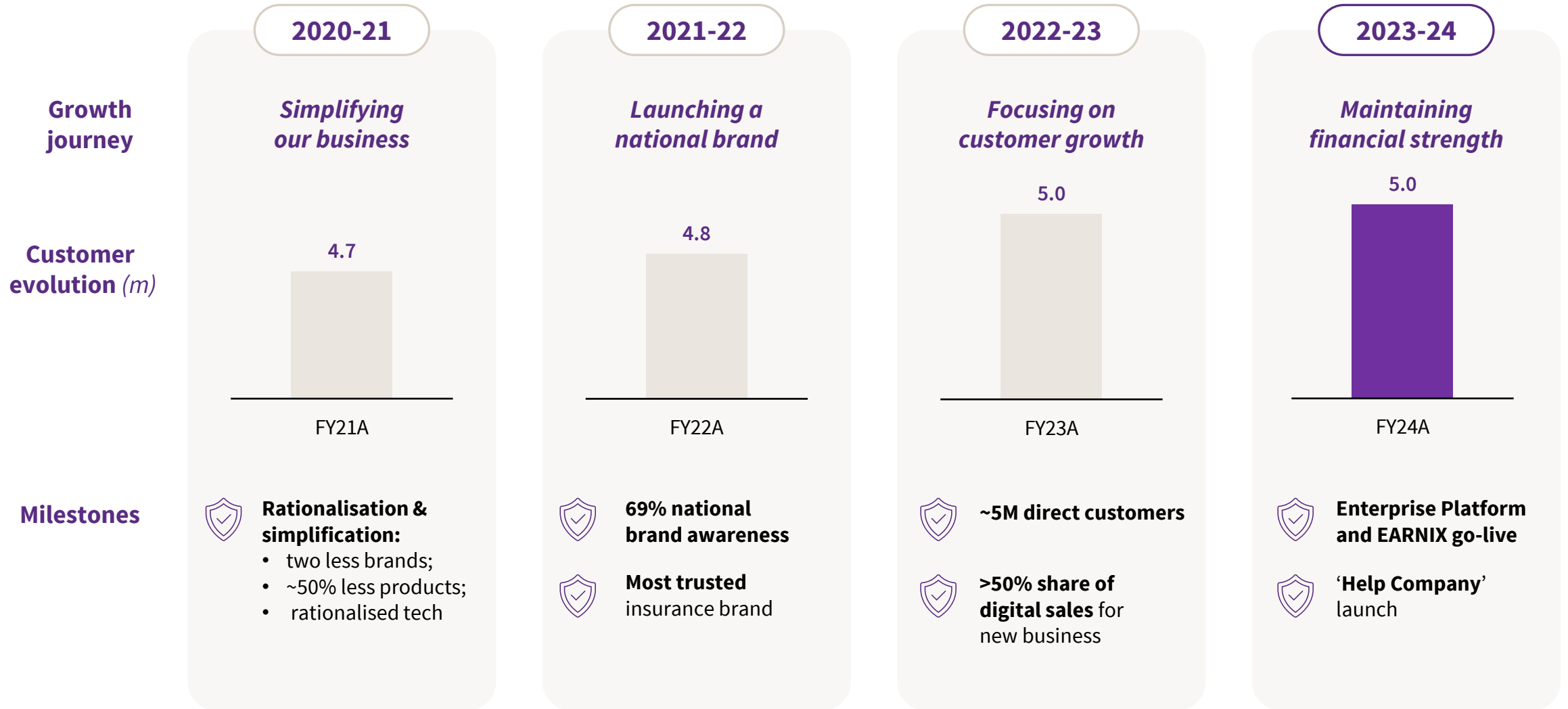
Retail Insurance Australia (RIA) overview



¹ Not exhaustive. FY25 ANZ, Bendigo Bank, People Choice brands managed through our Partners & Platforms business reposit to RIA from IIA

² Excludes RACV (RACV CIF included within '~5m Direct customers')

Our journey so far



Operating environment



Macro themes

- **Positive growth outlook¹:** population (~1.4% p.a.); Motor vehicles (~1.7% p.a.); dwellings (~1.5% p.a.); small business (1.3% p.a.)
- **Inflation expected to moderate**, providing some cost-of-living relief
- Increased **focus on climate risk**



Insurance landscape

Competitive dynamics will continue to evolve:

- Those that can deliver a **superior proposition, at speed, will win**
- **Sub-scale players will need partners** to remain relevant



Customer dynamics

- **Increased shopping behaviour** - more opportunities to capture in-market demand
- Increased **push for fairness & pricing transparency**
- Continued expectations for **personalised offers, attention & support**

¹ Deloitte Access Economics

RIA strategy

Vision: 'A HELP Company'

**Exceptional Brands &
Partnerships**

**Australian-Made
Scale**

**Moving Faster Than
Anyone Else**

Exceptional brands

'Delivering today'

Fast Intuitive Help

>90% **Retention** for customers with >10 years tenure

+10% Improvement in **quote completion rate**

+20% **Uplift in New Business volumes** for Motor post EP go-live

'Transforming tomorrow'

100% **Retention** for customers with >10 years tenure

<2min **Time to complete a quote** (2 click aspiration)

Personal to Needs



Improved **pre-fill forms** and **insurance recommendations**



Personalised segment-led content



Revitalised experiences beyond claims



Real-time decisioning to match product/offer



Revitalised **focus on customer retention**



Tailored service models

Channel of Choice



Optimised Website to improve CX/SEO

>50K

Chatbot conversations handled per month



Frictionless channel experience



AI Co-pilot use cases

Exceptional partnerships

Phase 1. Review

Align current partners with Retail strategy:

- Support transition to **scalable opportunities**
- **Simplify operations** for greater efficiency

Phase 2. Transform

Pursue new partnerships aligned with customer ethos: motoring clubs and OEMs (to access motor); mutuals and financial institutions (to access home)

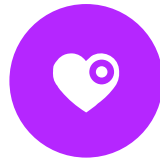


Transformational partnerships to drive national growth

Enduring principles



Shared customer ethos



Access to markets
beyond our direct brands



Positive economics
and marginal contribution



Enhanced product/pricing

Australian-made scale

'Delivering today'

Pricing Excellence

~2m

Customers 'live' on **Enterprise Platform** (all NRMA Home/Motor)



Improved risk estimation and price competitiveness Motor/Home¹



Identifying and executing opportunities in **real time**

'Transforming tomorrow'



Further enhancing **modelling capabilities**



Leverage our **data assets** to their full extent

Product Evolution



Simpler Product suite for scale and efficiency



Expanded into **new product segments**



Greater flexibility in coverage



Simplified product documentation

Leading Claims Model

>\$100m

Value through **supply chain optimisation**

~1m

Unique **visits to claims tracker** p.a.

~10K

Property assessments completed (35% virtual)

\$400m

Full delivery of value against target

100%

Local voice support for claims experience



Greater **claims prevention** incl. fraud



Scaled gen-AI across claims operations

¹ Midpoint or lower across all states

Moving faster than anyone else

'Delivering today'

Digital engagement

50% Interactions through digital channels

>30% Claims lodged digitally

'Transforming tomorrow'



Single view of customer enabled



MarTech to **optimise paid search**



Next evolution of customer loyalty

Faster decisioning

80% Accuracy for repair allocations

40% Improvement in **cycle time** using RAVIN (Lodgement to Assessment)

~90% Accuracy for repair allocations



Real-time updates for claims (all devices)



Enhanced **buy-stage fraud protections**

Quicker Adaptability



Modernisation of Technology through EP/Earnix



Improved delivery model with **faster releases**

100% **Migration of workloads** to the cloud



Next-gen website built for Web 3.0



Advanced data models to improve risk



Vision: 'A HELP Company'



Exceptional Brands & Partnerships



Australian-Made Scale



Moving Faster Than Anyone Else

Jarrood Hill

CEO, CGU & WFI

Intermediated Insurance Australia



Intermediated Insurance Australia (IIA) overview

Product

SME, Agri and Personal Lines

Commercial and Corporate

Brands



FY24 GWP

\$3.0bn

\$1.3bn

Key Partners



Our journey so far

Turnaround journey

Setting up a dedicated Intermediated business

2020-21

Horizon 1 – Launch of Ambition26 strategy

2021-22

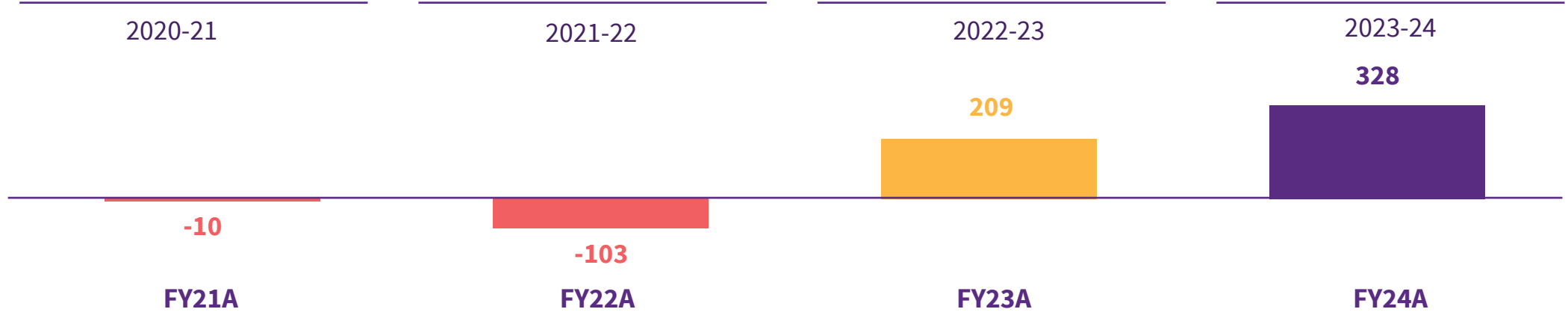
Portfolio optimisation and improved Pricing sophistication

2022-23

Horizon 1 complete: >\$250m target delivered

2023-24

Insurance Profit/loss¹ (\$m)



Milestones

- New operating model embedded.
- ~8% average rate increases achieved.
- Underlying insurance margin turned positive, but below acceptable levels.

- IIA Underwriting office and centralised pricing teams established.
- IAL Personal Lines exit commenced.
- ~9% average rate increases achieved with underlying insurance margin improved to 5%.
- “PRICE” perils pricing tool implemented.

- Disciplined cost management with admin ratio reduction of 90bps.
- ~13% average rate increases achieved.
- New distribution agreement with ANZ.

- Horizon 1 delivered with simplified business and foundational capabilities in place.
- Strong improvement in Broker NPS and WFI NPS.
- Commercial Enablement digital transformation to achieve first delivery milestone from FY25.
- Partners & Platforms transferred to RIA (FY25).

1. Inclusive of Partners & Platforms

Track record of success

Workers' Comp



- Ongoing growth & partnership opportunities
- Consistent underwriting improvement
- Claims cost savings

\$56m FY24 new business written

33% Insurance margin improvement FY21-24

\$20m Claims cost reduction

Property ISR



- Profitable and within risk appetite
- Optimised renewals process to reduce costs and response times
- Targeted retention and new business strategy

\$54m FY24 new business

4% Improvement in quote to submission rate¹

10% Improvement in strike rate¹

Property Claims



- Process re-design
- Improved claims segmentation
- Tailored, customer focused service

20% Reduction in time to authorise repairs or replacement

12% More claims finalised than received last 18 months

8 Points Improvement in NPS

WFI Growth



- Investment in pricing sophistication
- Productivity improvements driving margin growth
- Selective growth focused on profitable business, exiting loss making accounts

\$30m FY24 new business

21% Insurance margin improvement FY21-24

87.5% FY24 Policy Retention Rate

Operating environment



Broker landscape

- Broker consolidation and M&A activity likely to continue.
- Brokers seeking efficiency uplift via technology and process.
- Intermediated channels gaining share in General Insurance market, up 8% from FY15 to FY24.¹
- Broker service strategies and value propositions are diverging.



Insurance landscape

- Market rate environment in transition following an extended period of rate firming conditions.
- Global underwriters and Underwriting Agencies have gained share enabled by digital connectivity and service.
- Reinsurance options are becoming more available.



Customer dynamics

- Consumers increasingly focused on value particularly in Personal Lines, SME and Agri.
- Consumer engagement preferences are increasingly divergent around channel, time and service type.
- Risks needs of commercial customers are beginning to shift from tangible to intangible.

IIA strategy and objectives

Vision: Australia's leading Intermediated Insurer



Insuring Ambition

1. Digitally enabled, AI enhanced Platform business (SME, Agri, Personal Lines)

2. Tailored proposition for brokers and customers in our Underwritten Lines



Insurance you can shake hands with.

3. Insurance you can shake hands with

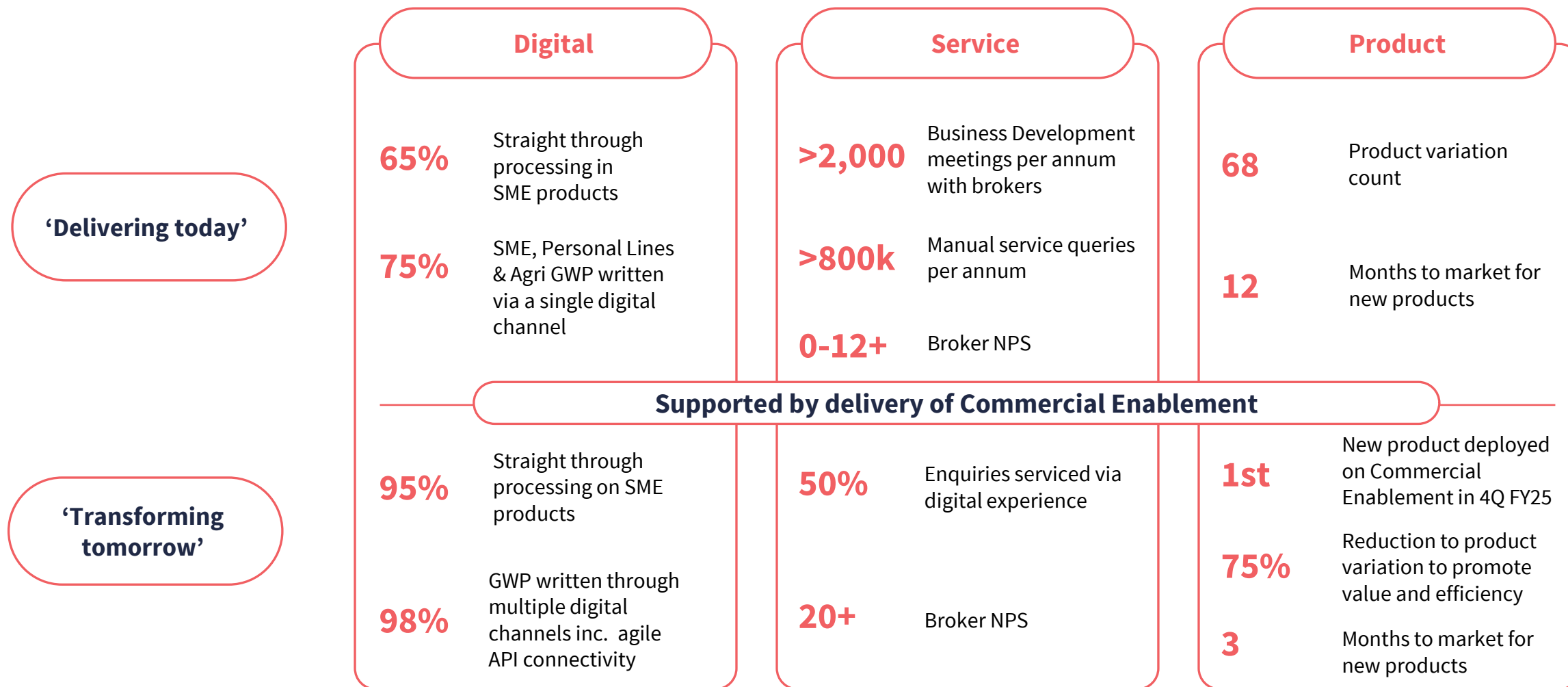


4. Market leading Claims

1. Digitally enabled, AI enhanced Platform business (SME, Agri, Personal Lines)



Insuring Ambition



2. Tailored proposition for brokers and customers in our Underwritten Lines



Insuring Ambition

\$50m ISR new business target in FY25

Continue to build our presence in the mid-market & corporate segment via a responsive underwriting proposition and improved pricing capability

Leading Brokers NPS

Match broker service needs through a differentiated model (high touch, low touch, no touch)

Underpinned by 4 principles



Leading Underwriter

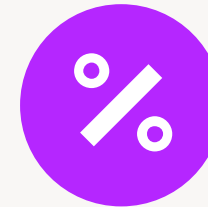
- Pricing
- Risk underwriting
- Portfolio Management



Digital connectivity with broker systems



Agility in delivery of tailored solutions



Flexible capital options

3. Insurance you can shake hands with



Insurance you can shake hands with.

'Delivering today'

Productivity

16% Admin Expense Ratio

52 NPS

50% Increase in sales productivity

>100 bps Improvement in Admin Expense Ratio

Growth & Partners

4% Amount of total GWP written from New Business

40% Contribution of referral partners to GWP

11% Amount of total GWP written from New Business

2x Increase in new business from referral partners

Customers and Sales reps

150 Community based Sales Representatives

~36,000 Customer visits each year

100% Increase in Sales Reps

100% Increase in customer visits per Sales Rep each year

'Transforming tomorrow'

Underpinned by 4 principles



Reinvigorate core partnerships



Expand geographic footprint



Dedicated Agri Claims team



Engaged in local communities

4. Market leading claims



+50 NPS

Deploy digital tools and enhance our service model to reduce duration and deliver a better service experience

Reduced Claims Handling Expenses

Leverage emerging technology capabilities to deliver a scalable claims proposition, improve accuracy and reduce operating overhead

Underpinned by 4 principles



Reduce claims leakage, enhance fraud detection



Value for Customers



Innovate to drive service outcomes and productivity



Set the new standard in claims excellence

Vision: Australia's leading Intermediated Insurer



Market share **stabilised as business** transforms to FY27



Leading commercial underwriter with **>5 points broker NPS** lead over nearest competitor



Re-building our commercial insurance presence in targeted segments to drive growth



Tailored products for customers that suit their individual needs



Expense ratio reduction as we transform to modern core tech systems



Uplift Claims NPS by **10 points**

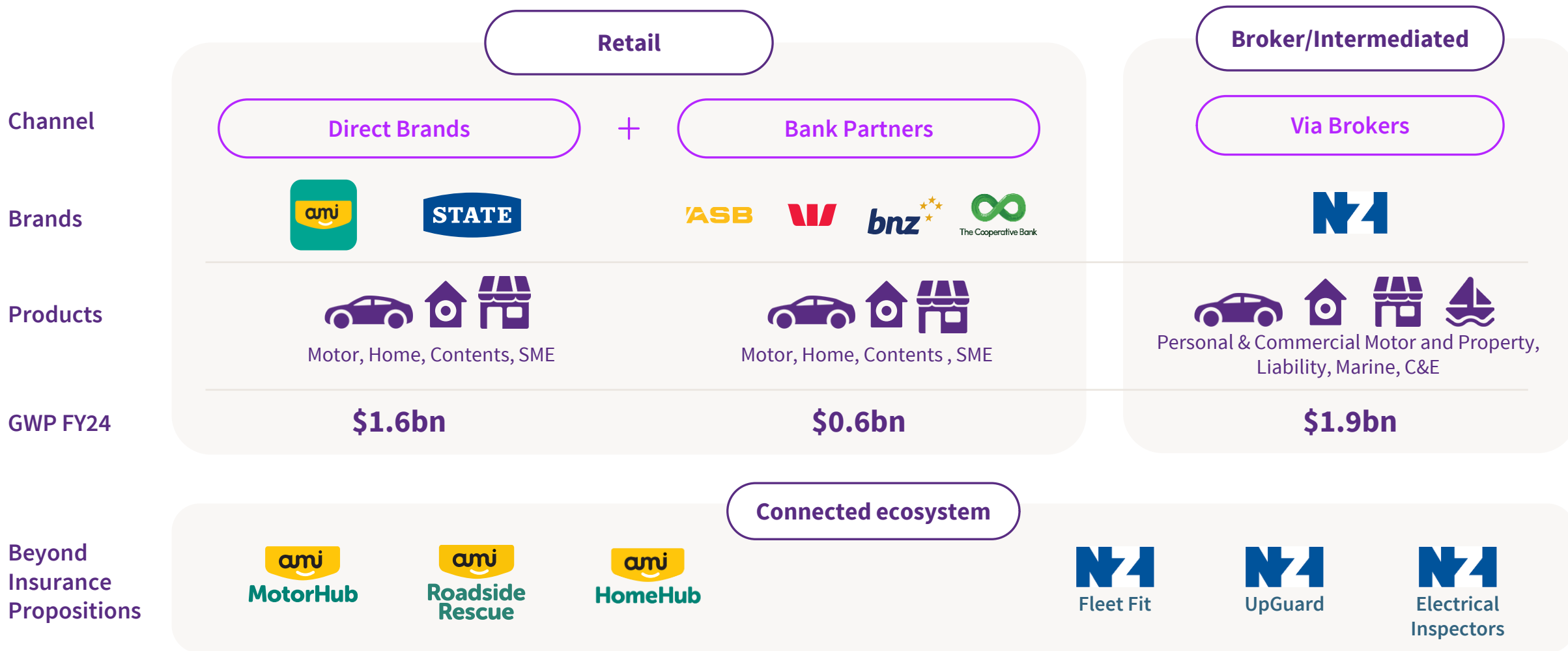
Amanda Whiting

CEO, IAG NZ

New Zealand



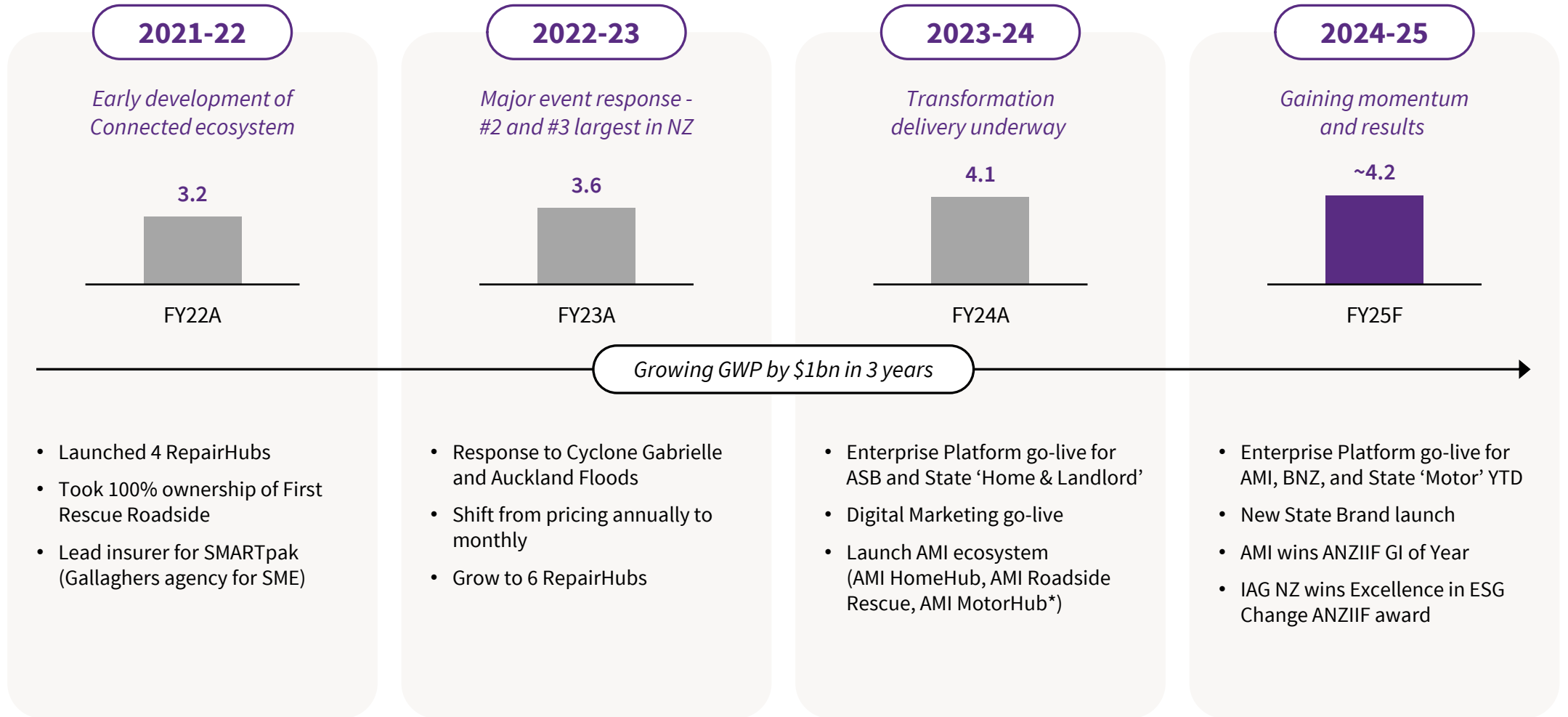
New Zealand Overview



Our journey so far

New Zealand Journey

GWP(NZ\$bn)



Milestones

- Launched 4 RepairHubs
- Took 100% ownership of First Rescue Roadside
- Lead insurer for SMARTpak (Gallaghers agency for SME)

- Response to Cyclone Gabrielle and Auckland Floods
- Shift from pricing annually to monthly
- Grow to 6 RepairHubs

- Enterprise Platform go-live for ASB and State 'Home & Landlord'
- Digital Marketing go-live
- Launch AMI ecosystem (AMI HomeHub, AMI Roadside Rescue, AMI MotorHub*)

- Enterprise Platform go-live for AMI, BNZ, and State 'Motor' YTD
- New State Brand launch
- AMI wins ANZIIF GI of Year
- IAG NZ wins Excellence in ESG Change ANZIIF award

* Rebrand of RepairHub. Now at 10 AMI MotorHub sites

Operating environment



Macro themes

- Positive system growth to 2030
- Cost of living pressures persist
- Ageing population, but still young compared to OECD average (avg. 38 yrs) and greater ethnic mix
- Climate adaption a priority of NZ government



Insurance landscape

- Increased presence of offshore capital contributing to a softer market
- Changes in the nature of risk (e.g. cyber, climate change)
- Changing role of insurer from risk transfer to include risk prevention



Customer dynamics

- Rise in Digital Natives
- Expectations of real-time, on-demand personalised experiences
- Increased demand for transparency around data usage and pricing

New Zealand strategy

Vision: A Connected Customer Business

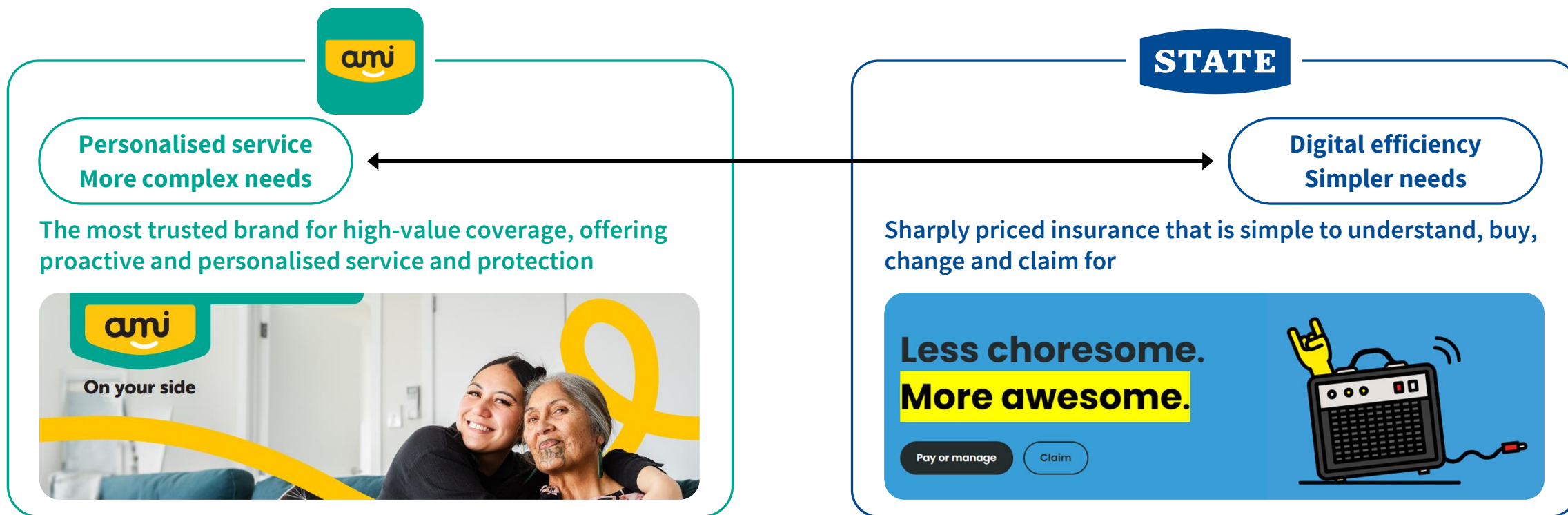
1. Distinct Brand Propositions (AMI and State)

2. Building a Connected Ecosystem

3. NZI is Brokers' Partner of Choice

4. NZ Transformation

1. Distinct Brand Propositions (AMI and State)



Delivering Today:

AMI wins General Insurer of the Year 2024 ANZIIF award

90%

Retention for AMI and State customers

35%

Claims lodged digitally

State wins Best Value Car Insurance 2024 Canstar award

Transforming Tomorrow:

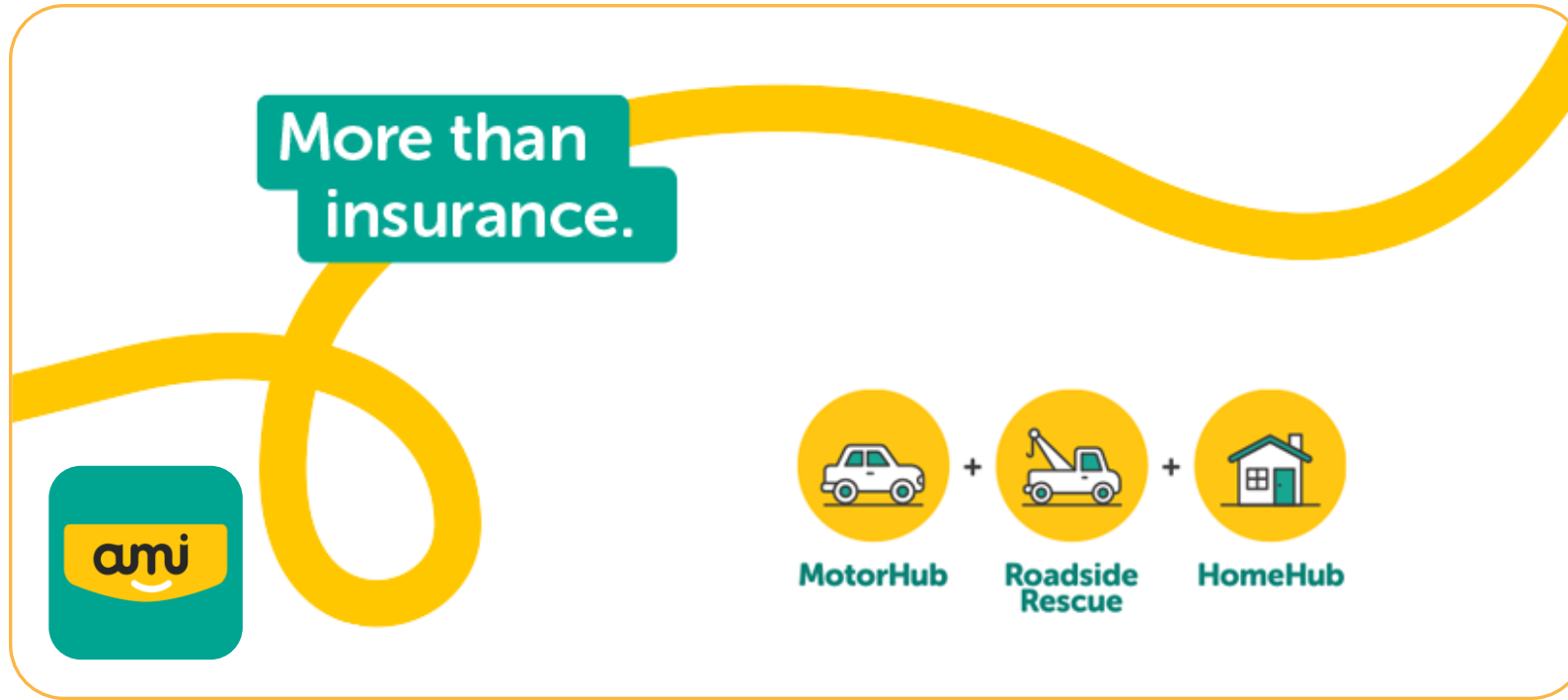
More digital capabilities

New insurance propositions

New loyalty reward and recognition platform

New Partners

2. Building a Connected Ecosystem



Amplify further

- Expand geographic footprint and breadth of services
- Increase growth of insurance and non-insurance customers
- Optimising the mobile app experience
- Build partnerships where it makes sense

Strategic Rationale

- Grow relationships with non-insurance customers
- Deeper understanding of customers and their assets enabling more personalised, proactive engagement
- Lift brand awareness and consideration
- Outstanding customer experience across all services to build trust, at a lower cost

3. NZI is Brokers' Partner of Choice



Delivering today

Growth with our customers and partners through leading experience and expanded assurance solutions

Transforming tomorrow

Modernise technology platforms, data and AI capability, and digital connectivity with brokers

Underpinned by 4 principles



Strong relationships
(tri-partite with corporate customers)



Leading claims
experience for customers and brokers



Expand assurance offer
for customers via
Connected ecosystem



Improved
product/pricing for
customers

4. NZ Transformation

'Delivering today'

Pricing Uplift

- Granular risk assessment
- Higher customer acquisition & retention
- Enhanced monitoring & analytics

17% Increase in new business quote conversion

68% Conversion for lower risk peril homes (vs. 40% in 'very high' risk locations)

Claims Segmentation

- Faster claim closure
- Improved customer satisfaction
- Operational efficiency & cost savings

80% 'Rapid claims' closed in 3 days

9 to 4 Avg. customer interactions

60+ Customer NPS

Data and AI

- Faster insights-to-action loop
- Personalised customer experience
- AI powered productivity uplift

1 Ecosystem for data

10 AI Use cases live in FY25

10 Machine Learning cases live in FY25

'Transforming tomorrow'

- Complete customer migration onto the Enterprise Platform (12-month migration through renewal cycle)
- Optimise the end-to-end customer experience journeys (Buy, Service, Claim)
- Building more partner capability
- NZI digital transformation commencing

New Zealand Vision

Retail

Connect and grow our customer base



Data for personalised, proactive customer engagements

Digitise and build a customer-centric organisation

Broker / Intermediated

Grow GWP with strong underwriting discipline



Build customer value and expand assurance propositions

Digitally transform the business

William McDonnell

Chief Financial Officer

Capital and Financials



Strong capital foundations

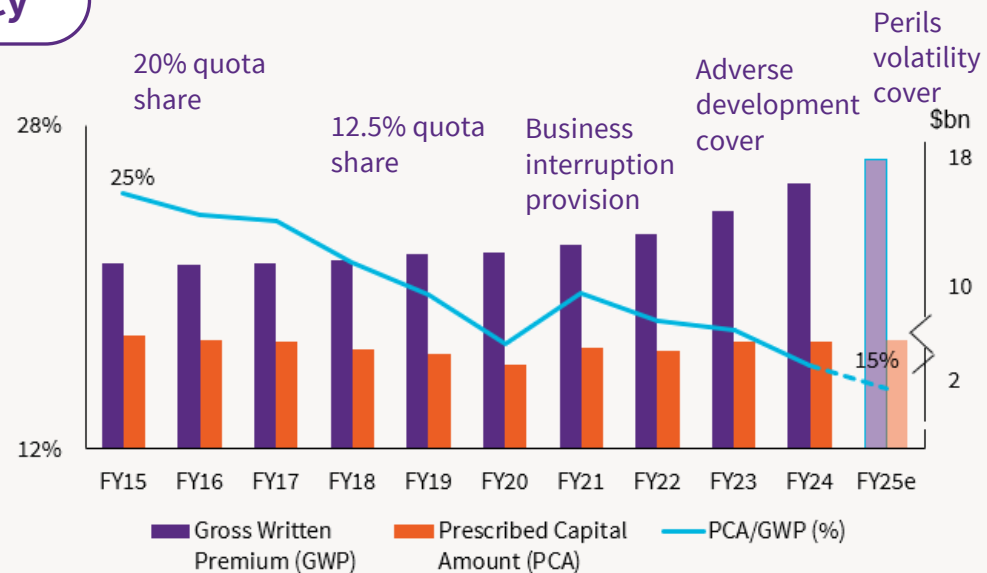
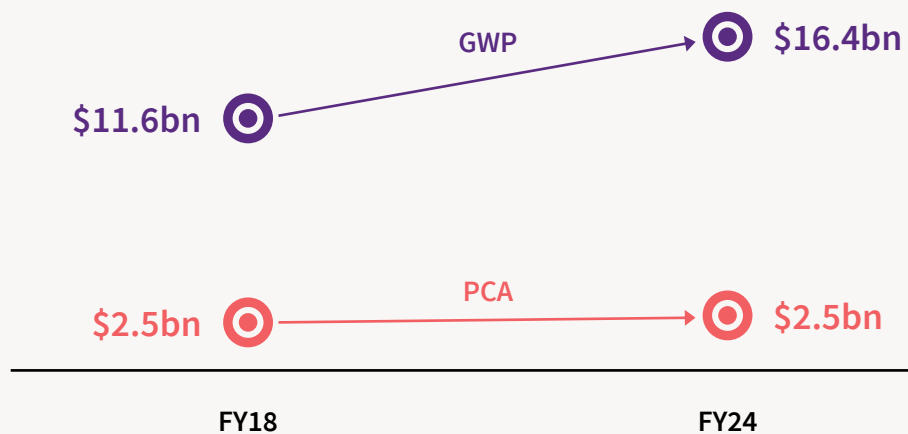
Capital Approach

- Strong capital targets materially above regulatory requirements
- Flexible capital platform, accessing global reinsurance to reduce capital requirements and earnings volatility
- Risk-based and disciplined allocation of capital:
 - Invest to grow and transform
 - Disciplined approach to M&A
 - Return surplus capital

Outcomes

- Comprehensive reinsurance program with multiple components
- Dividend payout ratio 60-80% of earnings
- ~\$587m of surplus capital returned via on-market buybacks
- RACQ acquisition internally funded
- S&P credit rating upgrade to 'AA'

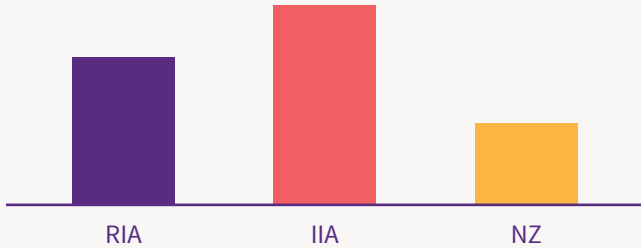
Capital Efficiency



Strategic capital allocation:

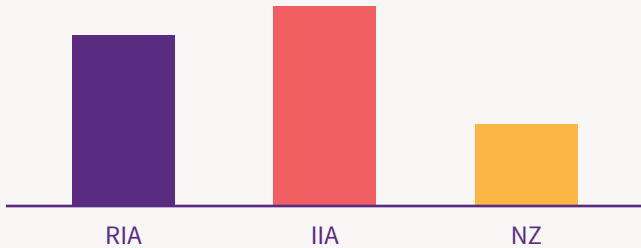
Continuing the low volatility / 'capital light' journey

Divisional earnings volatility



Standard deviation from expected return net of reinsurance

Divisional capital intensity



Prescribed capital amount / Gross written premium

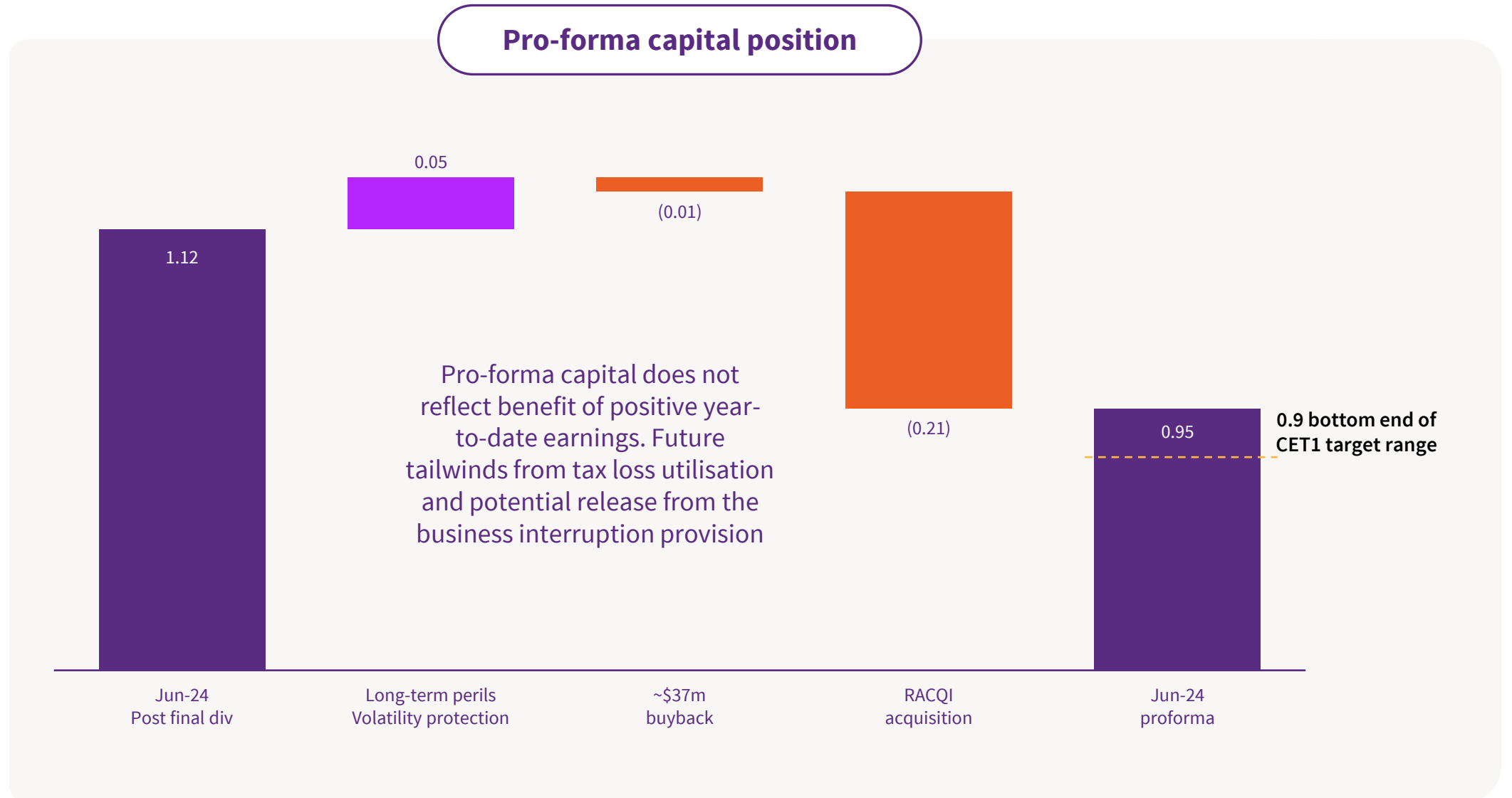
Ongoing focus on reducing earnings volatility

- Future opportunities to reduce volatility based on the material risk drivers
- Intermediated Insurance Australia provides greatest opportunity to reduce volatility

Capital allocation approach

- Opportunity for long-term value creation from disciplined capital allocation
- Demonstrated by RACQ acquisition with stringent criteria:
 - Australia & New Zealand
 - Retail general insurance
 - Brand and operational fit
 - EPS accretion
 - Consistent with 15% insurance margin and 14-15% ROE targets

RACQ acquisition from surplus capital



Productivity and efficiency

○ Gross operating costs expected to increase with:

- Additional technology expenses
- Amortisation of capitalised software

○ Partially offset by:

- Automation and process optimisation
- Operating model simplification

○ Group administration expense ex-levies ratio expected to reduce to under 11% in FY27

○ Organisational focus on productivity with greater granularity and rigour in reporting and tracking of efficiency benefits

○ Stable capitalised software impact

- Commercial Enablement investment offset by reduction in Enterprise Platform costs

Administration expense ex-levies ratio (%)

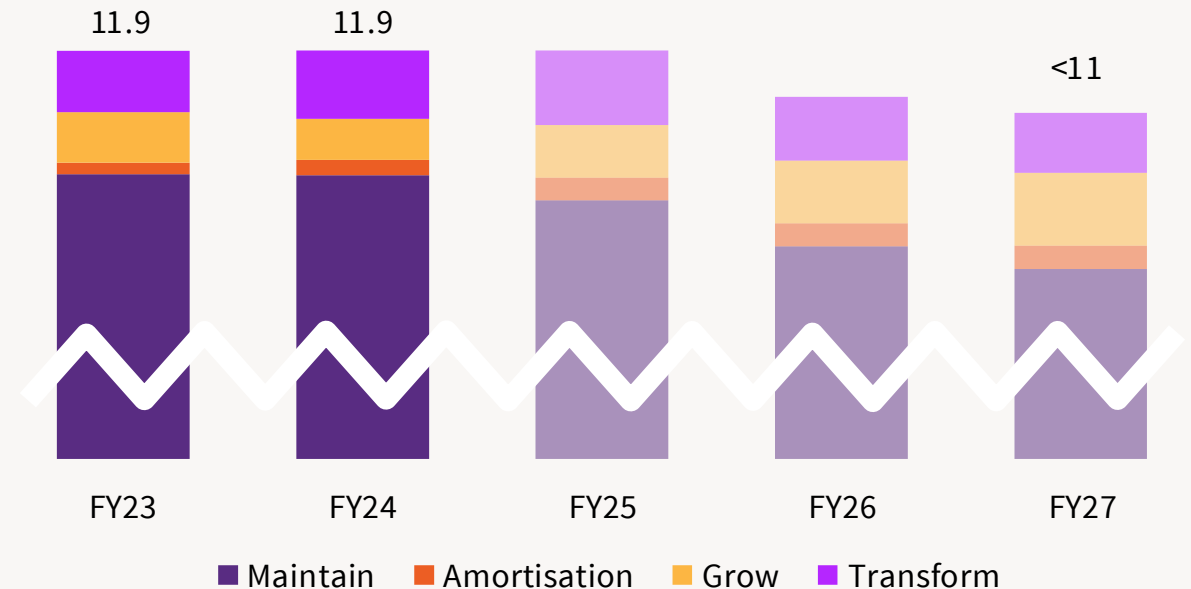


Chart displays directional trend only

FY25 guidance reaffirmed¹

- GWP growth of ‘mid-to-high single digit’
- Reported insurance profit of \$1,400m to \$1,600m
- Reported insurance margin of 13.5-15.5%

¹ Refer to Appendix 1 for further details on IAG's FY25 Guidance and targets. Also refer to the Important Information disclaimer.

FY25 financial trends



Premium rate increases
cover inflation



Inflation trends stable or
moderating



Retention rates remain strong
with new business levels
challenging



YTD favourable perils
experience, particularly in NZ;
guidance assumes full year
allowance of \$1,283m



Q&A session

Nick Hawkins

Chief Executive Officer

Conclusion



IAG is well positioned for growth now and into the future

Scalable business set to expand beyond our 7.8m customers

Direct

Australia

New Zealand



Partner

Australia

New Zealand



Improving efficiency and margin

Intermediated

Australia

New Zealand



Efficient Capital Platform



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Appendix 1

FY25 Guidance and Outlook

- **IAG's confidence in its underlying business is reflected in guidance for FY25 which includes:**
 - **GWP growth of 'mid-to-high single digit'.** This assumes premium increases to cover ongoing claims inflation and the increased natural perils allowance combined with direct customer and volume growth
 - **Reported insurance profit guidance of \$1,400 million to \$1,600 million,** equating to a reported insurance margin of 13.5% to 15.5% and assumes:
 - » continued momentum in the underlying performance of IAG's businesses;
 - » a natural peril allowance of \$1,283 million;
 - » no material prior period reserve releases or strengthening; and
 - » no material movement in macro-economic conditions including foreign exchange rates or investment markets
- **This FY25 guidance aligns to IAG's targets to deliver a 15% reported insurance margin and a reported ROE of 14% to 15% on a 'through the cycle' basis.**

These targets are subject to assumptions and dependencies, including that there are no material adverse developments in macro-economic conditions and disruptions or events beyond IAG's control. As they span a number of years, these assumptions and dependencies have a greater level of uncertainty than the FY25 guidance. Refer to the Important Information disclaimer on page 2 of this presentation for further detail.