



Chair Address to 2024 AGM

Tom Pockett, Chair

IAG's purpose is to make your world a safer place. Over the last 12 months, our businesses have paid around \$10.7 billion in claims, and accepted 98% of claims received in Australia and New Zealand. This outcome reflects our commitment to helping our customers recover from unexpected loss.

In the three years prior to this current year, Australia and the rest of the world experienced peril events well beyond expectations.

These events led to an unusual combination of factors, which included higher prices for the reinsurance we buy and shortages of labour to process claims.

In addition there was significant inflation in the cost of materials and labour to repair customers' homes, cars and other assets.

These factors led to higher premiums which, combined with higher interest rates, resulted in difficult years for your company, and our customers.

We are very conscious of the impact of higher premiums on our most vulnerable customers in this environment, and our businesses provided a number of customer support measures.

We have specialised customer care teams who can help find solutions during times of financial hardship and provide additional support when needed. In addition, we have frontline teams trained to identify and support customers who are experiencing vulnerability.

Further, we also reward customers with reduced premiums when they have taken positive action to reduce their risk from natural hazards.

FY24 results

As part of the broader insurance industry, IAG plays an important role in the economy in providing our services to customers. To do this, it is critical that we maintain financial strength to attract investor and re-insurance capital used to fund our business.

In this challenging year, the Group's net profit after tax for the full year increased by almost 8% from FY23, to \$898 million.

The strong result was driven by:

- An increase in pre-tax insurance profit to \$1.4 billion, following an 11% increase in net earned premiums to \$9.2 billion;
- an improvement in the underlying insurance margin;

- an absence of a release of the provision for business interruption claims, compared with a \$560 million pre-tax release in FY23; and
- higher investment income on shareholders' funds.

Returns to shareholders

The company's strong capital position enabled the Board to declare a final dividend of 17 cents per share, franked to 50%. This took the full year dividend to 27 cents per share, an 80% increase on the full year dividend for FY23. This equated to a pay-out ratio of approximately 72% of reported net profit after tax, towards the upper end of IAG's dividend policy.

The combination of share price growth and dividends resulted in a total shareholder return of almost 30% for the year.

In addition to paying dividends, we have also returned \$550 million of capital to shareholders via on-market buy-backs during the past two years. At our full-year results reported in August, we announced a further on-market share buyback of up to \$350 million.

Importantly, the strength of our capital position also ensures that we will be there for our customers when they need us most.

Customer focus

Managing customers' claims

Managing our customers' claims remained a priority.

As mentioned, significant weather events in both Australia and New Zealand in recent years have led to a considerable – and appropriate – focus on the claims processes and outcomes associated with these large events.

In Australia, this included a Federal Government Inquiry on the 2022 floods. This event was the most catastrophic natural disaster in the world that year. Nick will talk more about the report on this Inquiry and the steps we have taken since the 2022 floods to improve our claims processes and services, and to further advance the care we provide to vulnerable customers.

Central to this care is the skilled and compassionate service our people deliver. Their efforts ensure that most customers' claims continue to be resolved without issue, and in a timely manner.

Improving customers' experience

The Company is also investing in improving the customer experience.

By moving to a single technology platform, we have accelerated claims settlements by up to two weeks. We are applying digital and artificial intelligence solutions to assist in finalising claims.

Pricing benefits are also available to NRMA Insurance customers with properties at risk of bushfire if they gain three stars or above through a Bushfire Resilience Rating.

Sustainability

Climate and disaster resilience

In regard to sustainability, we have a Company-wide approach, and this year we continued to focus on building climate and disaster resilience, and supporting the transition.

FY24 progress included refreshing our approach to using climate scenario analysis to test our strategy, and entering into contracts to procure renewable energy across our sites. We also achieved our target of supporting one million Australians and New Zealanders to take action to reduce their risk from natural hazards by FY25.

Diversity targets

We maintained our focus on our two diversity targets: to have women occupy 50% of senior management roles by FY24, and to have Indigenous employees make up 3% of our Australian workforce by FY25. Our results against these targets were 44% and 1.14% respectively with plans in place to advance our outcomes towards these targets.

Modern slavery

In December 2023, we published our fourth Modern Slavery Statement, continuing our efforts to respect human rights and mitigate all forms of modern slavery in our operations, investments and supply chain.

We updated IAG's Group Procurement Standard to include Modern Slavery considerations; we continued our engagement with suppliers; and we provided our modern slavery toolkit to small and medium enterprises. We also continued to grow awareness of modern slavery risks among key stakeholder groups across the organisation.

Board diversity

In terms of your Board, Wendy Thorpe joined the Board in July 2023 and was elected at last year's AGM. Wendy's appointment brings to eight the number of our Directors who have Board or Senior Executive experience in the insurance industry.

We have the insurance experience we need to continue to oversee and guide the Company's strategy and operations.

Director Jon Nicholson retired in October and, on behalf of the Board and shareholders, I thank Jon for the significant contribution he made to the group over nine years.

Jon's resignation moves female representation on the Board to 30%. The Board is focused on continuing its progress to achieving our 40; 40; 20; Board gender diversity target.

We are also pleased to have appointed Michelle Tredenick as Chair of the Risk Committee and Wendy Thorpe as Chair of the People and Remuneration Committee, effective 1 September 2024.

Conclusion

I would like to acknowledge the hard work and commitment of all of IAG's people, from my fellow Directors, to those who have critical roles to play for our customers when disaster strikes.

As an organisation, we remain committed to keeping our customers safe, delivering on our strategy, and maintaining a strong balance sheet.

Our CEO Nick Hawkins, and his Group Leadership Team, continue to deliver against IAG's strategic priorities. Their focus will ensure that we deliver favourable outcomes for our customers and for you, our shareholders, as we fulfil your Company's purpose to make your world a safer place.

I now ask our Managing Director and Chief Executive Officer, Nick Hawkins to provide further detail about the company's progress and achievements this year.