



IAG is the parent company of a general insurance group with controlled operations in Australia and New Zealand

It is listed on the Australian Securities Exchange (ASX) with ordinary shares trading under the ticker "IAG." References in the remainder of this profile to IAG and to "the Group" are to IAG and its subsidiaries on a consolidated basis. Financial data for the half year ended 31 December 2023 and a more comprehensive review of IAG and its operations is contained in the half year accounts dated 16 February 2024. This document, and those for past years, are available in the Results & Reports section of the Group's website (www.iag.com.au).

IAG's current businesses underwrite nearly \$15 billion of gross written premium (GWP) per annum, selling insurance under many leading and established brands in Australia and New Zealand.

Brief history

From its beginnings as a motor vehicle insurer in New South Wales (NSW), Australia, IAG has grown to become a general insurance group diversified by product, distribution channel and geography.

It dates its direct heritage back to 1920 when the National Roads and Motorists' Association (NRMA) was established and subsequently offered motor insurance to its members. Following demutualisation in 2000, the insurance arm of NRMA was listed on the ASX as NRMA Insurance Group Limited, and renamed Insurance Australia Group Limited in 2002.

The Group grew organically and through acquisitions primarily in its home market of Australia, and in New Zealand.





Purpose & Strategy

Helping customers manage risk has been IAG's business for over 160 years, forming the heart of IAG's Purpose, **to make your world a safer place**.

IAG's trusted brands, established supply chain, deep data assets and financial strength are key attributes, providing competitive advantage.

IAG's long-term objective remains: the delivery of top quartile Total Shareholder Return, with a sustainable growth profile. To realise this, IAG has a strategy to **'create a stronger, more resilient IAG'**. IAG is driving focus, adapting its business model and playing to its strengths to capitalise on trends shaping the operating environment.

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
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Focus	Approach	Ambitions 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
 Build better businesses	Focus on underwriting expertise, active portfolio management and pricing excellence	<ul style="list-style-type: none"> • \$250m IIA insurance profit in FY24 • 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 on a run-rate basis from FY26 • 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 These ambitions 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 (for example, natural perils events in excess of IAG's allowances). As they span a number of years, these assumptions and dependencies have a greater level of uncertainty than financial year guidance. Refer to the forward-looking statements and other representations disclaimer on page 46 of IAG's 1H24 4D financial report, available in the Results & Reports area of the website (www.iag.com.au).

Four strategic pillars provide focus, inform IAG's operating model and underpin IAG's three to five year strategy:

Grow with our customers

- IAG will grow as Australians and New Zealanders grow by delivering outstanding personalised service when customers need it most;
- IAG will focus the strength of its brands to meet the evolving needs of consumers and enable the next wave of growth in small businesses across Australia and New Zealand; and
- IAG will increase its customer reach to make the world safer for more Australians and New Zealanders.

Build better businesses

- IAG will help Australian and New Zealand businesses by continuing to focus on underwriting expertise, active portfolio management and pricing excellence; and
- IAG will evolve by investing in its core competencies, delivering consistent high-quality returns to shareholders and enhancing its competitive advantage.

Create value through digital

- IAG will be digital to the core by creating connected customer experiences that seamlessly assist and reward customers as they unlock the value of IAG's network; and
- IAG will transform customer experience while modernising core platforms and using intelligent automation to capture value.

Manage our risks

- IAG will manage the risks in its own business so that it can continue to manage the risks in its customers' lives, by building a strong, active risk culture and meeting its obligations to the communities it serves;
- IAG will invest in process, capability, infrastructure and operational excellence to create a stable, scalable and efficient business; and
- IAG will continue to have a strong capital platform, ensuring its customers are appropriately supported by its financial strength.

IAG's strategy balances strengthening the fundamentals of insurance while evolving to be a digital leader. It will ensure IAG is a stronger, more resilient organisation with increased customer reach.

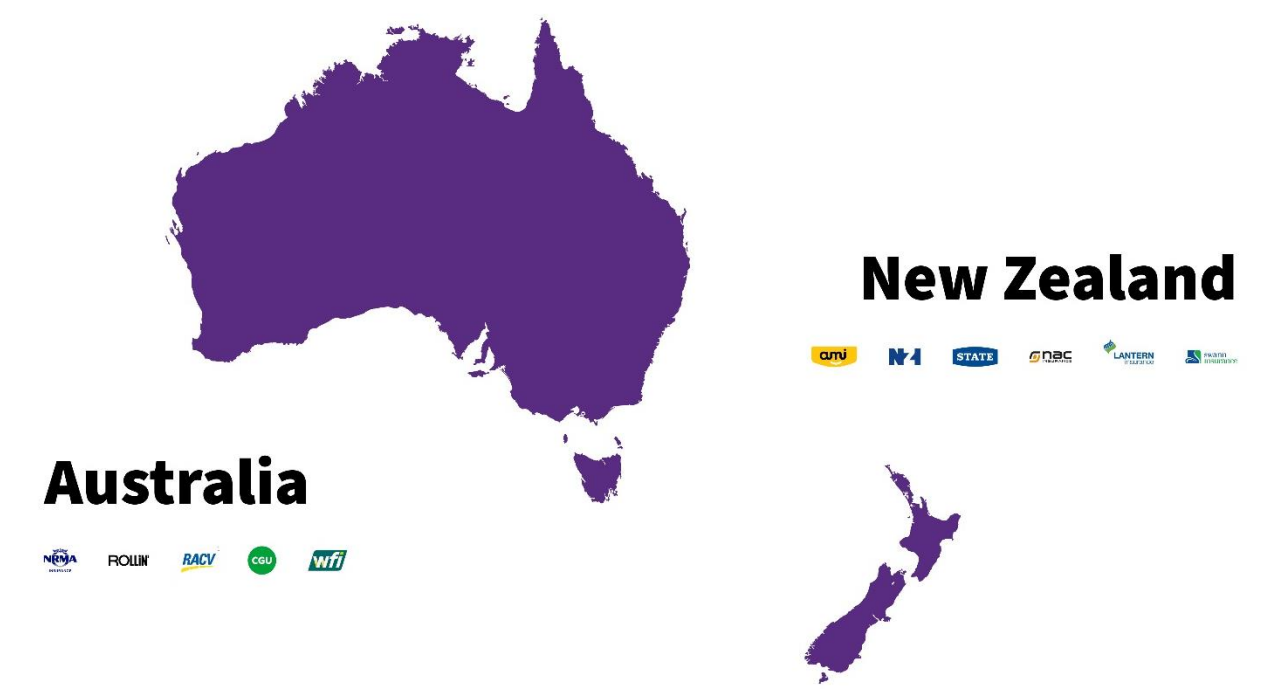
Financial targets and ambitions

IAG's aspirational goals are to deliver a 15% insurance margin and a reported ROE of 13% to 14% on a 'through the cycle' basis.

Full details on IAG Guidance, Approach and Ambitions, including assumptions and dependencies, are outlined in Appendix 1 of the 1H24 results presentation, available in the Results & Reports area of IAG's website (www.iag.com.au).

Business operations and brands

IAG is the name behind some of the most trusted and respected insurance brands in the countries in which it operates. The Group's businesses are aligned around customers, brands and markets.



IAG's short tail personal insurance products are distributed in Victoria under the RACV brand, via a distribution relationship and underwriting joint venture with RACV. These products are distributed by RACV and manufactured by Insurance Manufacturers of Australia Pty Limited (IMA), which is 70% owned by IAG and 30% by RACV.

Business structure

IAG's operating model has three core insurance businesses, with each division aligned to the insurance needs of specific customers, and the way those customers want to engage with us. The operating model provides greater clarity on roles and responsibilities and is more aligned to IAG's brands and customer propositions.

Direct Insurance Australia is the largest division in IAG and plays an integral role in delivering on the Group's strategy to "Grow with our customers" by expanding the breadth and depth of our customer base.

Direct Insurance Australia holds a leading market share in direct personal insurance in Australia, with products sold under well-known brands in Australia including NRMA Insurance and RACV together with our new digital brand ROLLiN'. The business also provides insurance to SMEs on a direct basis, a significant growth opportunity.

Direct Insurance Australia has consistently produced strong financial returns, reinforcing the strength and resilience of the business and for 1H24, accounted for 46% of IAG's gross written premium.

Intermediated Insurance Australia is a leading provider of general insurance products sold through a network of intermediaries to businesses and individuals across Australia. Commercial insurance sold under the CGU and WFI brands, has a significant share of the SME market and a leading presence in rural areas.

Intermediated Insurance Australia also provides personal insurance primarily through broker and partner channels, including a leading retailer and a number of financial institution partnerships.

The division's profitability and simplification focus is a key driver of IAG's strategy to 'Build better businesses'. Longer term, the division is also targeting growth, to align to IAG's strategy to 'Grow with our customers'.

For 1H24, Intermediated Insurance Australia accounted for 31% of IAG's gross written premium.

IAG is the largest general insurer in **New Zealand** selling products through a combination of direct and intermediated channels. Products are sold directly to customers under the State, AMI, and Lantern brands. The Business division distributes products through a nationwide network of qualified and experienced brokers under the NZI and Lumley brands. IAG also distributes products through banking partners ASB, Westpac, BNZ, and the Co-Operative Bank.

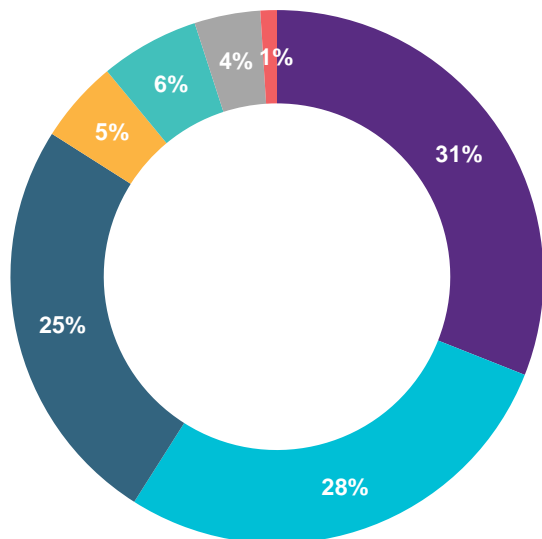
New Zealand is making good progress towards its strategy with a strong focus on organisational simplification to drive efficiencies together with automation and digitalisation initiatives to improve customers' experience.

For 1H24, New Zealand accounted for 23% of IAG's gross written premium.

Business portfolio

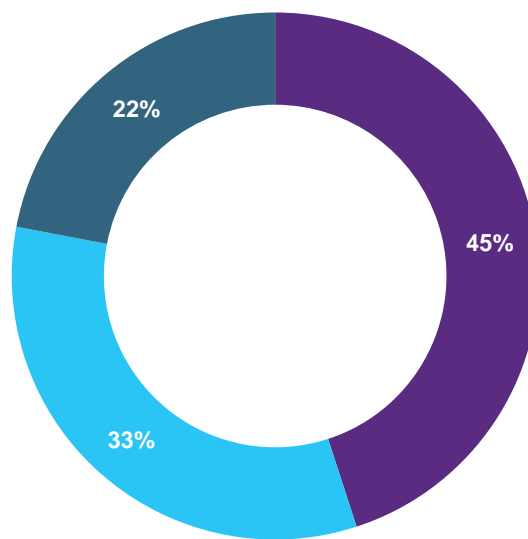
IAG's business portfolio comprises leading and established brands across its home markets of Australia and New Zealand.

GWP by product – FY23*



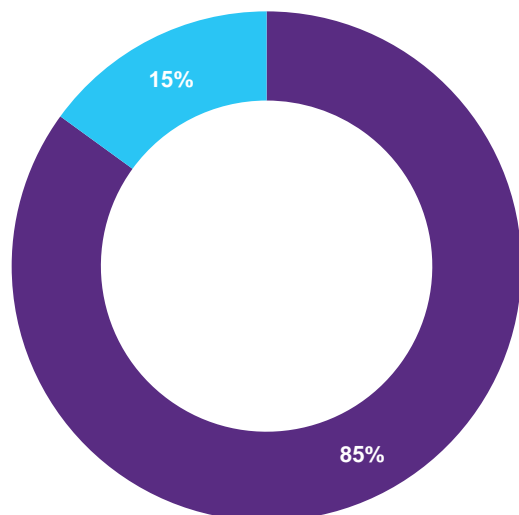
- Motor
- Home
- Short tail commercial
- CTP/motor liability
- Liability
- Workers' compensation
- Other short tail

GWP by division – FY23*



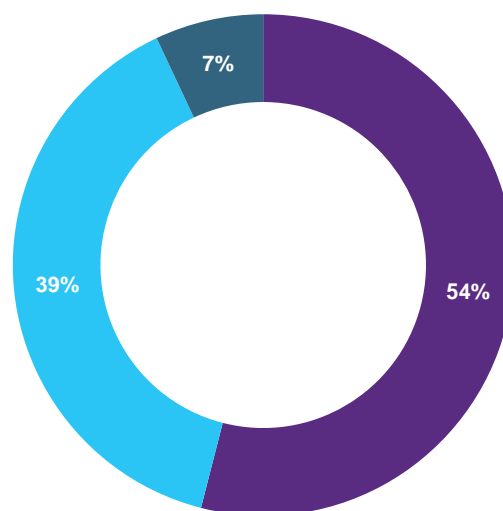
- DIA
- IIA
- New Zealand

GWP by tail – FY23*



- Short Tail
- Long Tail

GWP by channel – FY23*



- Direct
- Intermediated
- Affinity

* Data provided on full year basis only

Business risk and risk management

Managing risk is central to the sustainability of IAG's business, its purpose and delivery of value to stakeholders. IAG uses an enterprise approach to risk and its risk management framework is a core part of its governance structure. IAG's Risk Management Strategy is reviewed annually or as required by the Risk Committee before being recommended for approval by the Board.

IAG's Group Risk function provides regular reports to the Risk Committee on the operation of IAG's risk management framework, the status of key risks, risk and compliance incidents and risk framework changes. IAG's Internal Audit function provides reports to the Audit Committee on significant audit findings and other audit related matters.

Further details of IAG's overall risk management framework are set out in the 2023 corporate governance statement and in the IAG annual report for the year ended 30 June 2023.

Investments

The Group's investments totalled \$12.4 billion as at 31 December 2023, excluding investments held in joint ventures and associates, with \$7.0 billion in the technical reserves portfolio and the balance in shareholders' funds. The technical reserves portfolio supports associated insurance liabilities and is invested entirely in fixed interest and cash. IAG's allocation to growth assets (equities and alternatives) was around 24% of shareholders' funds at 31 December 2023 with the balance invested in fixed interest and cash.

Capital management

As an entity regulated by the Australian Prudential Regulation Authority (APRA), IAG maintains a capital base that complies with prudential standards for general insurers based on APRA's Life and General Insurance Capital (LAGIC) regulatory regime. IAG's capital position is aligned with the Group's risk appetite and is maintained in accordance with APRA's Prescribed Capital Amount (PCA) and Prudential Capital Requirement (PCR) under LAGIC. IAG held regulatory capital of over \$5.7 billion at 31 December 2023. At that date, IAG's Common Equity Tier 1 (CET1) ratio was 1.16 times the PCA, compared to a targeted range of 0.9 to 1.1 times and a regulatory minimum requirement of 0.6 times. At 30 June 2023, IAG's PCA multiple was 2.07, versus a benchmark of 1.6-1.8. IAG's reported PCA multiple has consistently met or exceeded the revised target range of 1.6-1.8 since the introduction of APRA's LAGIC regime at the beginning of calendar 2013.

Reinsurance

Reinsurance is an important part of IAG's approach to capital management. Since 2015, IAG has increased its use of reinsurance capital via quota shares, with 32.5% of IAG's consolidated business now subject to quota share on a whole-of-account basis. The individual agreements deliver similar benefits and financial effects, on a pro rata basis, including reduced earnings volatility, as insurance risk is effectively exchanged for a more stable fee income stream, a lower requirement for excess of loss catastrophe reinsurance capacity and reduced exposure to volatility in associated reinsurance premium rates and a reduction in IAG's regulatory capital needs.

IAG's core catastrophe reinsurance protection which runs to a calendar year operates on an excess of loss basis and covers business written in all territories in which IAG operates. IAG's core 2024 catastrophe reinsurance program has gross reinsurance cover at up to \$10.5 billion, and is placed to the extent of 67.5%, after allowance for quota shares.

IAG also purchases a comprehensive suite of per risk and proportional reinsurances for property, casualty and specialty classes which provide protection for all territories in which it underwrites.

Where required by statute, unlimited cover is purchased where available and for other lines cover is placed up to the original underwriting limits for each class. Cover is also secured for potential accumulations within a class or between classes of business.

Key relationships



National Roads and motorists' Association Limited (NRMA)

NRMA was established in 1920 and is a mutual organisation with over 2.6 million members. Until August 2000 it owned the NRMA Insurance business. At that time NRMA and its members received IAG shares as consideration for the NRMA Insurance business to demutualise. The NRMA Insurance business now forms a large part of IAG's Australian operations.

Under the terms of the demutualisation agreements, NRMA and IAG co-own the NRMA brand, with the respective parties having the following exclusive rights to its use:

- NRMA – roadside assistance and other motoring services (except smash repairs), motoring products, transportation and travel.
- IAG (NRMA Insurance) – insurance and financial services and any other good or service not specifically reserved for NRMA.

In addition, both parties cannot, under any brand, carry out activities engaged in by the other at the point of demutualisation.

The two organisations retain a strong and closely aligned relationship, with a focus on delivering a consistent NRMA brand customer experience.



Royal Automobile Club of Victoria (RACV)

RACV is a mutual organisation founded in 1903. It provides a diverse range of services to 2.2 million members. These services include: insurance; finance; emergency roadside and home assistance; general mobility, road safety and vehicle design advocacy; and leisure, which includes club and resorts, touring and travel products and services.

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Group Leadership Team

- **Nick Hawkins**, Managing Director and Chief Executive Officer
- **Julie Batch**, Group Executive, Direct Insurance Australia
- **Robert Cutler**, Group General Counsel
- **Jarrold Hill**, Group Executive, Intermediated Insurance Australia
- **William McDonnell**, Chief Financial Officer
- **Neil Morgan**, Chief Operating Officer
- **Christine Stasi**, Group Executive, People, Performance & Reputation
- **Peter Taylor**, Group Chief Risk Officer
- **Amanda Whiting**, Chief Executive IAG New Zealand

Board of Directors

- **Tom Pockett**, Chairman and Non-executive Director
- **Simon Allen**, Non-executive Director
- **David Armstrong**, Non-executive Director
- **Jon Nicholson**, Non-executive Director
- **Helen Nugent AC**, Non-executive Director
- **Scott Pickering**, Non-executive Director
- **George Sartorel**, Non-executive Director
- **George Savvides AM**, Non-executive Director
- **Wendy Thorpe**, Non-executive Director
- **Michelle Tredenick**, Non-executive Director
- **Nick Hawkins**, Managing Director and Chief Executive Officer

More information

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