



IAG announces wholesale subordinated debt issue

Insurance Australia Group Limited (IAG) today announced it will offer a new A\$ subordinated debt issue to wholesale investors. If IAG proceeds with the issue, pricing and further details will be the subject of a further announcement.

IAG is seeking to raise subordinated debt which is expected to qualify as Tier 2 Capital under the Australia Prudential Regulation Authority's (APRA) capital adequacy framework. The proposed issue includes the following terms:

- a floating rate issue with a legal maturity in December 2038 (year 15.1) subject to conversion, write-off and/or early redemption as outlined below;
- IAG has an option to redeem or resell the securities at face value (plus accrued interest, if any) on interest payment dates between 15 December 2028 and 15 June 2029 (years 5.1 and 5.6) and on each interest payment date falling on or after 15 September 2031 (year 7.9), and at any time for certain tax and regulatory events (in each case subject to APRA's prior written approval). Wholesale investors should not expect that APRA's approval will be given for any early redemption or resale and holders have no right to request redemption or resale;
- if not redeemed, converted or written-off beforehand, the securities may be converted into IAG fully paid ordinary shares (IAG Ordinary Shares) at the option of holders on 15 June 2031 (year 7.6) subject to the note terms;
- if APRA determines IAG to be non-viable, all (or in some cases, some) of the securities will convert into a number of IAG Ordinary Shares calculated by reference to a volume-weighted average price prior to conversion or, if conversion does not occur when required, the securities will be written-off;
- if not redeemed, converted or written-off beforehand, on a winding up of IAG the securities will be subordinated to senior creditors;
- the securities will pay a floating rate of interest (deferrable at IAG's option in certain circumstances), with the margin to be determined by a bookbuild process; and
- the securities will have a notional face value of A\$10,000 per security, with a minimum subscription amount of A\$500,000 or otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act.

No shareholder approval is needed for the issue, and no offer is being made under this announcement. There are risks associated with an investment in the securities and wholesale investors should consider the content of the Information Memorandum (provided to certain wholesale investors separately) in its entirety, including the terms and conditions before making any investment decision.

Upon request until the issue date, IAG will provide, free of charge, a copy of:

- IAG's latest annual financial report and full year results announcement released to the ASX on 21 August 2023; and
- Any continuous disclosure notices given by IAG to the ASX since 21 August 2023 and before the date of this notice.

These documents are also available free of charge from IAG's website at: <https://www.iag.com.au>

This release has been authorised by IAG's Chief Financial Officer.

Disclaimer

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US person" (as defined in Regulation S under the U.S. Securities Act of 1933 (the "**US Securities Act**"), or in any other jurisdiction. The securities described in this announcement have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to US persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

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 \$14 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), CGU, SGIO, SGIC and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). For further information, please visit www.iag.com.au.

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