



IAG lodges product disclosure statement for an offer of unsecured subordinated notes

Insurance Australia Group Limited (**IAG**) has today registered a Product Disclosure Statement (**PDS**) for its offer of up to NZ\$400 million of unsecured subordinated notes (**Notes**) to New Zealand retail investors and certain institutional investors.

The offer forms part of IAG's capital management strategy and proceeds will be used for IAG's general corporate purposes, including to refinance existing indebtedness. The Notes will qualify as Tier 2 Capital for the IAG Level 2 Insurance Group for Australian regulatory capital purposes.

The offer will consist of two separate parts:

- a Direct Re-investment Offer for up to NZ\$30 million available only to New Zealand resident investors in the unsecured subordinated convertible notes issued by IAG in 2016 (**2016 Notes**) whose investment is not held under a custody arrangement (**Direct Re-investment Offer**). This offer will be available on a first come first served basis via a website portal (www.iagsubordinatednotes2022.co.nz).
- a Primary Offer for up to NZ\$370 million (plus any unallocated amount under the Direct Re-investment Offer) will be reserved for clients of the Joint Lead Managers, Co-Managers, Primary Market Participants and other persons invited to participate in the Bookbuild, including New Zealand resident clients whose investment in 2016 Notes is held under a custody arrangement (**Primary Offer**). Investors can register their interest with a Joint Lead Manager, Co-Manager or their usual financial adviser. There is no public pool for the offer.

A re-investment option is available under each of the Direct Re-investment Offer and Primary Offer for New Zealand resident investors in the 2016 Notes.

The Notes are a long-term investment with a final maturity date of 15 June 2038 but may be redeemed early, if certain conditions are met (including APRA's prior written approval being obtained), on the First Optional Redemption Date (15 June 2028) or on any Scheduled Interest Payment Date thereafter, or if a tax or regulatory event occurs. All or some of the Notes must be converted into ordinary shares in IAG if a non-viability trigger event occurs (or be written-off if unable to be converted into shares). A non-viability trigger event could occur if IAG encounters severe financial difficulty. The Notes are expected to have a credit rating of BBB from S&P Global Ratings.

The interest rate will be fixed until the First Optional Redemption Date and will be a floating rate for subsequent interest periods.

The Primary Offer and the Direct Re-investment Offer are expected to open on 21 March 2022, and the indicative margin is expected to be announced via NZX on the same date. The Offer is expected to close on 25 March 2022. The Notes are expected to be issued on 5 April 2022 and quoted on the NZX Debt Market on 6 April 2022.

The margin and fixed interest rate until the First Optional Redemption Date for the Notes will be set following a bookbuild process on or around 25 March 2022.

IAG has appointed ANZ Bank New Zealand Limited (**ANZ**) as Arranger and ANZ, Bank of New Zealand and Forsyth Barr Limited as Joint Lead Managers, and Commonwealth Bank of Australia ABN 48 123 123 124 (acting through its New Zealand branch) and Westpac Banking Corporation ABN 33 007 457 141 (acting through its New Zealand branch) as Co-Managers in relation to the offer.

Details of the offer and the Notes are contained in the PDS. Copies of the PDS, IAG's roadshow presentation and the indicative terms sheet are available on the online Disclose Register maintained by the Companies Office (www.disclose-register.companiesoffice.govt.nz, offer number OFR13283) or by contacting one of the Joint Lead Managers or Co-Managers to the offer or your usual financial adviser.

This offer is being made in accordance with the Financial Markets Conduct Act 2013.

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

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 \$12.5 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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