



IAG issues \$500 million of Capital Notes 2

Insurance Australia Group Limited (**IAG**) has successfully completed the Offer of Capital Notes 2, issuing 5,000,000 Capital Notes 2 at \$100 each, raising \$500 million of Additional Tier 1 Capital.

Allocation policy

Allocations of Capital Notes 2 to Syndicate Brokers and Institutional Investors were determined under the Bookbuild. Allocations to individual Applicants under the New Money Offer were at the discretion of the relevant Syndicate Broker. Applications from Eligible Capital Note 1 Holders under the Reinvestment Offer, where an Allocation of Notes was received under the Bookbuild, were accepted in full. Applicants should contact their Syndicate Broker to confirm their Allocation.

Trading on the ASX

Capital Notes 2 are expected to commence trading on the ASX under the code IAGPE on a normal settlement basis on 23 December 2022.

Applicants are responsible for confirming their Allocation before trading in Capital Notes 2. Applicants who sell their Capital Notes 2 before receiving their Holding Statement do so at their own risk. Holding Statements confirming the Capital Notes 2 issued to successful Applicants are expected to be despatched by 28 December 2022.

First Distribution

The first Capital Note 2 Distribution is expected to be paid on 15 March 2023 with a record date of 3 March 2023. The Distribution Rate for the 83 day period to 15 March 2023 is calculated as follows:

3 month Bank Bill Rate as at 22 December 2022	3.2100% p.a.
plus Margin	3.50% p.a.
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Equivalent unfranked Distribution Rate	6.7100% p.a.
Multiplied by Franking Adjustment Factor	(to be determined when the Franking Percentage that will apply on 15 March 2023 is known)

The applicable Franking Percentage will be announced with IAG's 1H23 Results in February 2023, at which point the Distribution Rate and the amount of the Distribution will be determined. Such Distributions are subject to IAG's discretion and no Payment Condition existing in respect of the relevant Distribution Payment Date.

Other information

- For the purposes of the Conversion calculations, the Issue Date VWAP is \$4.7622, the initial Maximum Conversion Number is 41.9974 Ordinary Shares per Capital Note 2 in relation to Conversion occurring on a Mandatory Conversion Date and 104.9935 Ordinary Shares per Capital Note 2 in relation to Conversion occurring at any other time.
- Today, the Capital Notes 1 that holders elected to reinvest in the Reinvestment Offer (1,838,784 Capital Notes 1 representing \$183,878,400) were resold to the Nominated Purchaser for \$100 per Note and the proceeds were reinvested into Capital Notes 2. The Capital Notes 1 that were resold were subsequently redeemed by IAG.
- The remaining Capital Notes 1 will remain on issue in accordance with their terms. Under the Capital Notes 1 Terms, IAG may elect to exchange the outstanding Capital Notes 1 on 15 June 2023, subject to APRA's prior written approval, further conditions and IAG's absolute discretion.
- A First Pro Rata Distribution has today been paid on all Capital Notes 1 held on the record date of 16 December 2022, regardless of whether they were reinvested.
- Also attached to this announcement is a list of the twenty largest holders of Capital Notes 2 and a distribution schedule of the number of holders of Capital Notes 2.
- No Capital Notes 2 were purchased by directors and their associates.
- Unless otherwise specified, capitalised terms in this announcement have the meaning given to them in the Capital Notes 2 replacement Prospectus dated 29 November 2022.

This release has been authorised by the 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 \$13 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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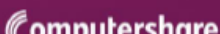
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20 Largest Holders of Capital Notes 2

			
INSURANCE AUSTRALIA GROUP LIMITED			
TOP 20 HOLDERS			
Rank	Name	Capital Notes 2	% of Capital Notes 2
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	386,016	7.72
2.	CITICORP NOMINEES PTY LIMITED	314,693	6.29
3.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	253,136	5.06
4.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	171,586	3.43
5.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	118,259	2.37
6.	MUTUAL TRUST PTY LTD	101,350	2.03
7.	NATIONAL NOMINEES LIMITED	86,816	1.74
8.	BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS DRP>	54,259	1.09
9.	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	42,697	0.85
10.	MR BRADLEY VINCENT HELLEN + MR SEAN PATRICK MCMAHON <THE LES AYNLEY A/C>	35,000	0.70
11.	JOHN E GILL TRADING PTY LTD	27,500	0.55
12.	REGION HALL PTY LTD	26,091	0.52
13.	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	24,982	0.50
14.	INVIA CUSTODIAN PTY LIMITED <INCOME POOL A/C>	24,925	0.50
15.	CERTANE CT PTY LTD <BIPETA>	22,500	0.45
16.	CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	22,500	0.45
17.	TRUSTEES OF CHURCH PROPERTY FOR THE DIOCESE OF NEWCASTLE <SAVINGS & DEVELOPMENT A/C>	18,870	0.34
18.	NOME INVESTMENTS PTY LTD <HUA FAMILY SUPERFUND A/C>	13,720	0.27
19.	IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	12,796	0.26
20.	SPECIALIST NOMINEES PTY LIMITED	12,270	0.25
TOP 20 HOLDERS OF CAPITAL NOTES 2		1,767,966	35.36
TOTAL REMAINING HOLDERS BALANCE		3,232,034	64.64

Distribution Schedule of Capital Note 2 Holders

			
INSURANCE AUSTRALIA GROUP LIMITED			CAPITAL NOTES 2
DISTRIBUTION SCHEDULE			
Range	Total holders	Capital Notes 2	% of Capital Notes 2
1 - 1,000	6,476	1,840,439	36.81
1,001 - 5,000	538	1,072,441	21.45
5,001 - 10,000	35	249,215	4.98
10,001 - 100,000	20	492,865	9.88
100,001 +	6	1,345,040	26.90
Total	7,075	5,000,000	100.00