



# Potential sale of IAG's interest in Malaysian business

IAG has announced that AmGeneral Holdings Berhad, the Malaysian business in which it holds a 49% interest, has signed an Implementation Agreement for the proposed sale of its insurance business to Liberty Insurance Berhad (Liberty).

AmGeneral Holdings Berhad is the general insurance arm of the AMMB Group (AmBank), which owns the remaining 51% interest. Its wholly-owned subsidiary AmGeneral Insurance Berhad (AmGeneral) sells general insurance products under the AmAssurance and Kurnia brands.

The Implementation Agreement sets out the terms on which the parties will seek required regulatory approvals for the sale from Bank Negara Malaysia and the Minister of Finance. Subject to receiving these approvals, the parties will execute a Share Purchase Agreement under which:

- Liberty will acquire 100% of the shares in AmGeneral and AmBank will hold a 30% interest in the insurance operations of Liberty and AmGeneral, while IAG will exit its investment in AmGeneral;
- Completion will be conditional on the Malaysian High Court approving a capital reduction and distribution of the sale proceeds to IAG; and
- IAG's share of the sale proceeds will be \$340<sup>1</sup> million, payable in cash and subject to post-close adjustments.

The transaction, which remains subject to regulatory processes and approvals (including from Bank Negara Malaysia and the Minister of Finance), is expected to complete during IAG's financial year ending 30 June 2022 (FY22). IAG expects to incur a loss of approximately \$90<sup>1</sup> million which will be recognised in the FY21 results as part of amortisation and impairment given the asset will now be recognised as held-for-sale. The sale is expected to result in an increase in IAG's regulatory capital position of approximately \$150<sup>1</sup> million at completion.

This release has been authorised by the IAG Continuous Disclosure Committee.

## About IAG

IAG is the parent company of a general insurance group (the Group) with controlled operations in Australia and New Zealand. The Group's businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). IAG also has an interest in a general insurance joint venture in Malaysia. For further information, please visit [www.iag.com.au](http://www.iag.com.au).

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<sup>1</sup> Based on a Malaysian Ringgit exchange rate of 3.1285 at 30 June 2021