

Independent Assurance Statement to the Board and Management of Insurance Australia Group Limited

Our Conclusion

Based on our limited assurance procedures, as described in this statement, nothing has come to our attention that causes us to believe that the subject matter as presented in the Creating Shared Value section of the IAG Annual Review 2015 and associated online content¹ is not presented, in all material respects, in accordance with the criteria detailed below.

Scope

We have performed a limited assurance engagement in relation to Insurance Australia Group Limited's (IAG) 2015 Annual Review and associated online content ('the Report') in order to state whether anything came to our attention to that caused us to believe that the subject matter, as described below, was not presented, in all material respects, in accordance with the criteria detailed below.

Subject Matter

The subject matter for the year ended 30 June 2015 for Australia, New Zealand and Asia was limited to:

- ▶ All customer, community, workforce, and environmental quantitative indicators (excluding water consumption) contained in the online content (www.iag.com.au/shared-value/reports);
- ▶ The consolidated metrics presented in 'Our performance' on page 15 of IAG's 2015 Annual Review; and
- ▶ IAG's adherence to the Global Reporting Initiative G4 ('GRI G4') principles for defining report content.

Criteria

The criteria for our procedures ("the criteria") were:

- ▶ IAG's own criteria as set out online in the document IAG Data Summary and Glossary of Terms (www.iag.com.au/shared-value/reports);
- ▶ The GRI G4 principles for defining report content of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness.

Management Responsibilities

The management of IAG ('Management') is responsible for the collection, preparation and presentation of the subject matter in accordance with the criteria, and for maintaining adequate records and internal controls that are designed to support the shared value reporting process.

Our responsibilities

Our responsibility is to express a limited assurance conclusion as to whether the subject matter is presented in accordance with the criteria. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000').

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls testing, and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a limited assurance engagement vary in nature, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Our approach

Our assurance procedures included, but were not limited to:

- ▶ Determining whether material topics and performance issues identified during our procedures had been adequately disclosed;
- ▶ Reviewing selected performance information on a materiality basis and selected management information and documentation supporting assertions made in the subject matter;
- ▶ Performing analytical tests and detailed testings to source for material qualitative and quantitative information on a sample basis;
- ▶ Checking the accuracy of calculations performed;
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements;
- ▶ Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report;
- ▶ Reviewing the presentation of claims, case studies and data against the relevant GRI principles contained in the criteria;
- ▶ Testing, on a sample basis, underlying source information to check the accuracy of the data; and
- ▶ Collection and evaluation of documentary evidence.

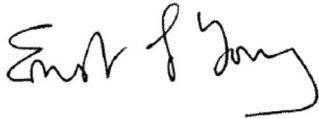
¹Data Summary and Glossary of Terms document and the Governance and Stakeholder Engagement document

Use of this report


Our responsibility in performing our assurance activities is to the directors of IAG only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Our Independence and Assurance Team

In accordance with APES 110, the firm and all professional personnel involved in this engagement have met the independence requirements of Australian professional ethical requirements. Our team has the required competencies and experience for this assurance engagement



Ernst & Young



Dr. Matthew Bell
Partner
Sydney, Australia
19 August 2015

Limitations

There are inherent limitations in performing assurance. For example, assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to GRI principles is subjective and will be interpreted differently by different stakeholder groups. Our assurance was limited to the Creating Shared Value section of the IAG 2015 Annual Review and associated online content and did not include statutory financial statements or forward looking statements. We provide no assurance over changes to the online content after the date of this assurance report.