

2011 INVESTOR BRIEFING

14 June 2011

ABN 60 090 739 923



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IAG OF THE FUTURE

LEONA MURPHY

GROUP EXECUTIVE CORPORATE OFFICE

REALISING OUR POTENTIAL

AMBITION

To be the world's most respected group of general insurance companies

STRATEGY

Deliver superior performance by actively managing our portfolio and driving operational performance and accountability

TARGETS

Long term financial targets:

- ROE $\geq 1.5 \times$ WACC
- Top quartile TSR

PRIORITIES

Accelerate growth in Australia and New Zealand

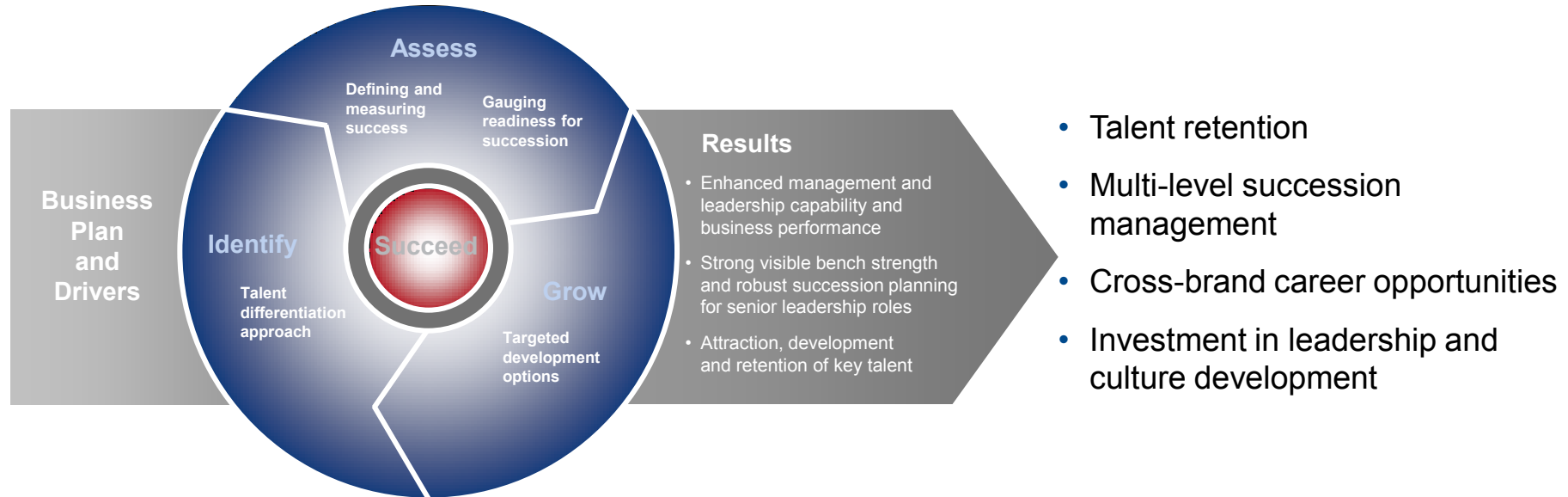
Restore profitability in UK

Boost Asian footprint – 10% of Group GWP by 2016

GROUP-WIDE TALENT MANAGEMENT TO ENABLE OUR AMBITION

BUILDING THE WORKFORCE OF THE FUTURE

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BENEFITS OF RISK EXPERTISE

TANGIBLE, POSITIVE OUTCOMES

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Detailed
under-
standing
of risk

More
efficient
and
equitable
pricing

Share
knowledge
with
customers
and
community

Broader
risk
reduction
and
mitigation

Lower cost
and
likelihood
of claims

More
affordable
insurance
and
retention

Increased
market
share and
scale
benefits

IAG'S VALUE-ADD AS RISK EXPERTS

SHARING KNOWLEDGE TO HELP PREVENTION

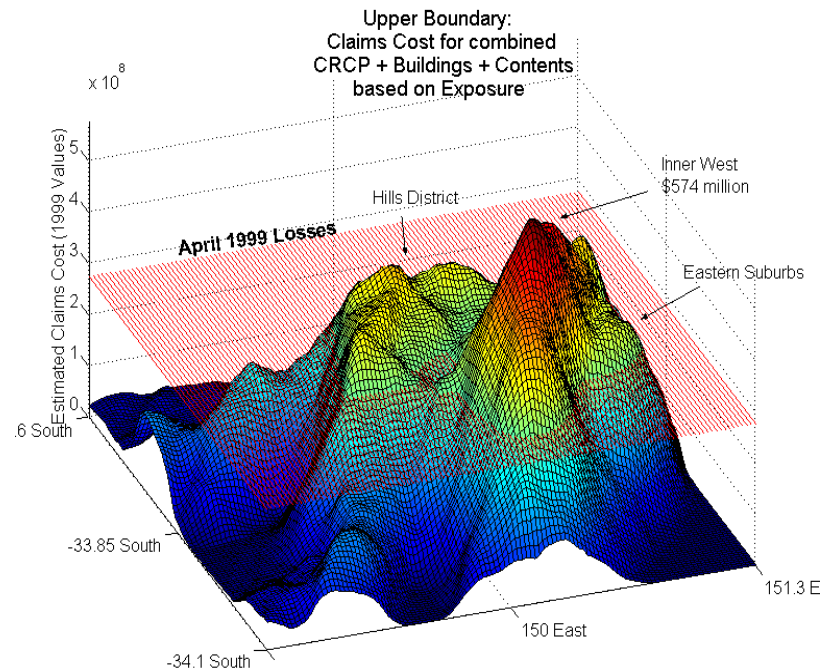
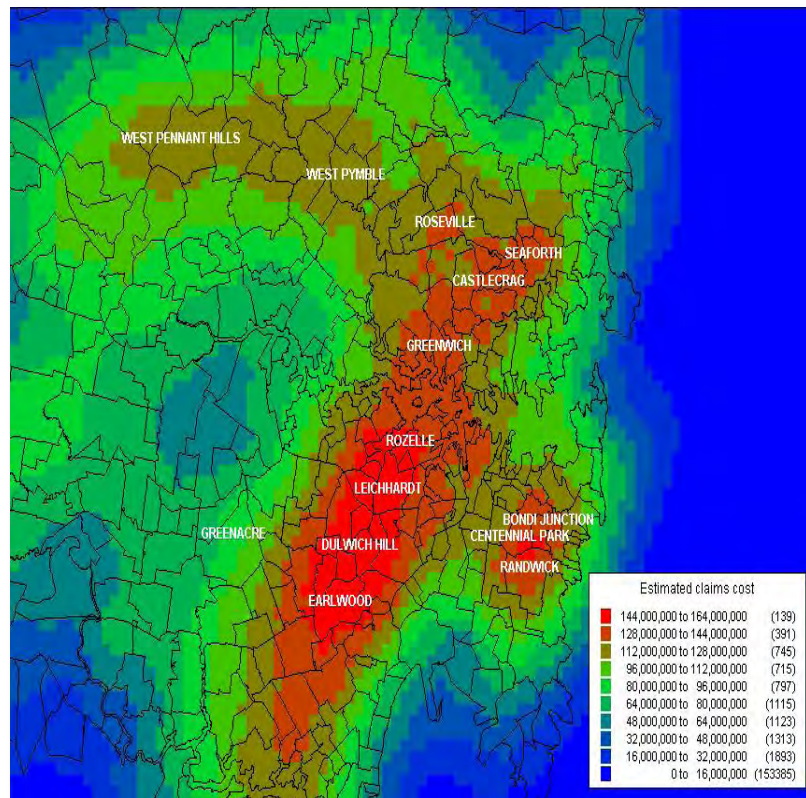
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IAG'S VALUE-ADD AS RISK EXPERTS

MAKING COMMUNITIES MORE RESILIENT

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EFFECTIVELY MANAGING RISK

THREE PILLARS

AREAS OF FOCUS

Risk Prevention

Adaptation and Resilience

Insurance Reach

OBJECTIVES

Identification of emerging risks, managing risks and bringing them into today's decision making

When the risk can't be avoided, use our risk management expertise to drive adaptation and resilience building

Risk transfer should always be an option. Looking at the types of products offered and the affordability of those products

SCOPE

EXAMPLES:

- Fair operating practices / ethical behaviour
- The environment e.g. carbon neutral commitment
- Labour practices, including human rights, diversity
- Responsible investment
- Research
- Encourage individuals to take more responsibility and adapt to changing risks (e.g. weather risk)

EXAMPLES

- Risk appropriate land-use planning, zoning building standards, early warning systems
- Contribute to development of resilience perspective in building codes / standards

EXAMPLES

- Tax reforms to make insurance more affordable
- Consider changing risk profiles and how these impact on customers
- Extend the suite of products & services
- Consider products for the financially excluded i.e. low income insurance
- Educate stakeholders on insurance