

IAG EXPANDS MALAYSIAN OPERATIONS

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All amounts are presented in Malaysian ringgit unless otherwise stated. **The exchange rate used is 3.2 ringgit to one Australian dollar.**

AGENDA

1. Transaction summary

Mike Wilkins

2. Strategic rationale

Justin Breheny

- Malaysia – IAG’s successful track record
- Malaysia – attractive market dynamics
- Kurnia – highly complementary business

3. Integrating AmG and Kurnia

Justin Breheny

- Good strategic and cultural fit
- Provides significant competitive advantage
- Supports AmG to meet future industry challenges

4. Capital position, summary and questions

Mike Wilkins

ACQUISITION TO SECURE MARKET-LEADING POSITION IN MALAYSIA

EARNINGS ACCRETIVE IN YEAR ONE

BUSINESS TO BE ACQUIRED

Acquisition of Kurnia Insurans (Malaysia) by 49%-owned AmG

- Fourth largest general insurer in Malaysia (c.RM1.1bn in GWP)
- Largest motor insurer in Malaysia
- Well recognised insurance brand in Malaysia
- Three million customers, net assets of RM757m
- IAG share of consideration RM760m (A\$235m)

STRONG STRATEGIC FIT

Creates largest general insurer in Malaysia with leadership in motor segment

- Combined GWP over RM1.7bn (A\$530m)
- In line with strategic priority to boost Asian footprint
- Delivers number one position in general insurance and motor segment
- Consistent with strategy of pursuing consolidation opportunities in established markets
- Strategically and culturally complementary
- Delivers significant competitive advantage

EARNINGS ACCRETIVE

Earnings accretive within 12 months of completion

- EPS accretive for IAG shareholders within 12 months of completion
- Significant synergies of approximately RM50m expected within two years
- Funded internally – pro forma MCR remains above long term benchmark
- Subject to Kurnia shareholder approval – completion expected by second half calendar 2012

TRANSACTION STRUCTURE

AMG ACQUIRING KURNIA'S MALAYSIAN INSURANCE ARM

KURNIA ASIA BERHAD (KAB)

ACQUIRED BY AmG

- Kurnia Insurans (Malaysia) Berhad
- Malaysian insurance operations and distribution network
- Kurnia brand and customer base
- Agreed net assets of RM757m

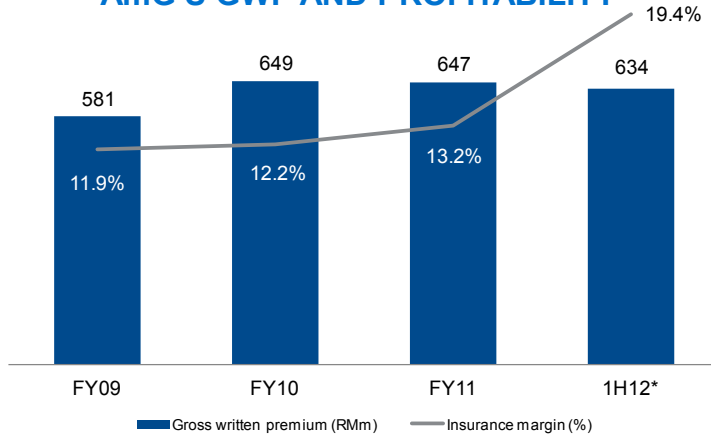
RETAINED BY KAB

- Thailand (Kurnia Insurance (Thailand) Co Ltd)
- Indonesia (PT Kurnia Insurance Indonesia)
- Kurnia Asia Bhd will cease to use the Kurnia brand / name in these markets

PROFITABLE PRESENCE IN MALAYSIA SINCE 2006

STRONG PARTNERSHIP WITH AMBANK GROUP

AmG'S GWP AND PROFITABILITY¹



¹Based on IAG's financial year ended 30 June

*1H12 GWP annualised

- Close, collaborative relationship with joint venture partner, AmBank Group, harnessing:
 - AmBank Group's strong distribution
 - IAG's insurance capability transfer
- Resulting in AmG's strong underwriting performance

MARCH 2006

- IAG acquired 30% interest in AmAssurance, a composite (life and general) insurer owned by AmBank Group

DECEMBER 2008

- Licence split – separate AmG (general) and AmLife (life) businesses formed
- IAG divests life insurance interest; dials up general insurance interest to 49%

DECEMBER 2011

- AmG's proposal to acquire Kurnia announced

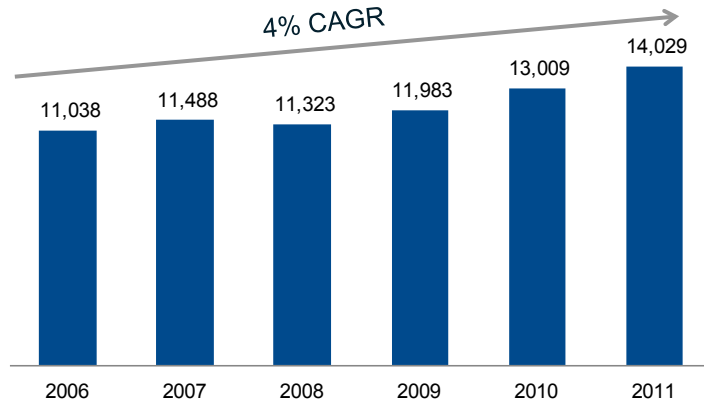
APRIL 2012

- Regulatory approval obtained for AmG to acquire Kurnia
- AmG signs agreement with KAB to acquire Kurnia

MALAYSIA – ATTRACTIVE MARKET DYNAMICS

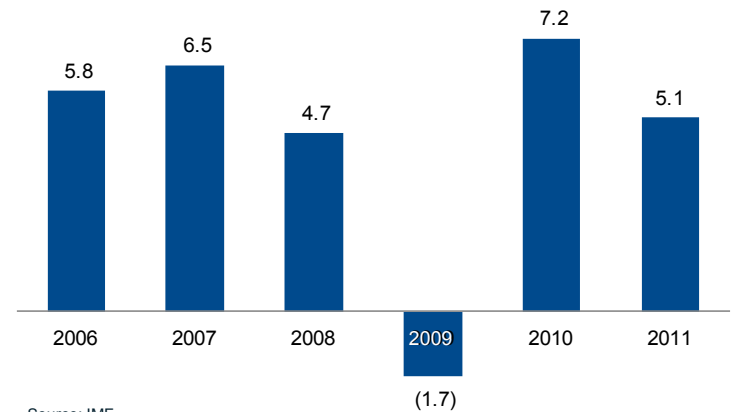
STRONG ECONOMY, CONTINUED GENERAL INSURANCE GROWTH

MALAYSIA GENERAL INSURANCE GWP (RMm)



Source: PIAM

MALAYSIA REAL GDP GROWTH (%)



Source: IMF

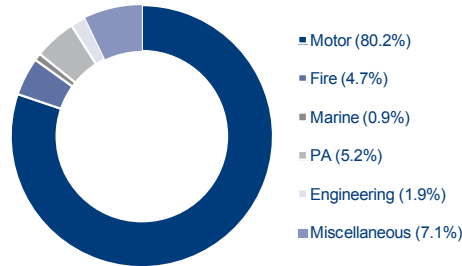
- Malaysia's general insurance market grew 7.8% in calendar 2011
 - Expected to grow around 6% per annum over the next three years
- General insurance market growth supported by strong economy, with GDP projected to grow around 4-5% in calendar 2012
- Positive regulatory reform, creating opportunities

KURNIA – HIGHLY COMPLEMENTARY BUSINESS LARGEST MOTOR INSURER IN MALAYSIA

MALAYSIA'S #1 MOTOR INSURER

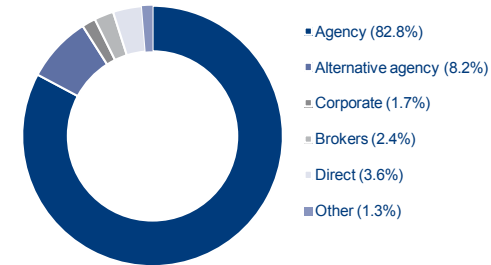
- #4 general insurer in Malaysia with 8% market share
- Largest motor insurer with 14% market share
- Extensive network of 30 branches and 5,500 agents
- Approximately 3 million policyholders
- Around 1,300 employees
- High brand awareness
- Net assets acquired of RM757 million

PRODUCT MIX (% GWP)



Source: PIAM (as at 31 December 2011)

CHANNEL MIX (% GWP)

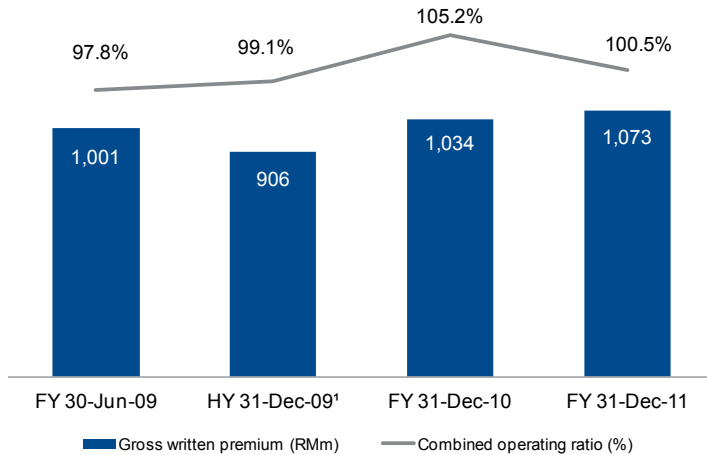


Source: Kurnia financial statements, year ended 31 December 2010



IMPROVED PERFORMANCE FROM KURNIA SIGNIFICANT TRANSFORMATION PROGRAMME AND RESTORED GROWTH

KURNIA'S GWP AND PROFITABILITY



* Annualised

- In the financial year ended 31 December 2011*:
 - GWP of RM1.07 billion (c.A\$335m)
 - Net profit after tax of RM87 million (c.A\$27m)

*Source: Kurnia Insurans (Malaysia) Berhad, financial statements, year ended 31 December 2011

1978

- Business incorporated, trading as Industrial and Commercial Insurance

1991

- KAB acquired business, commenced trading under Kurnia name

2008

- Significant transformation programme commences

2011

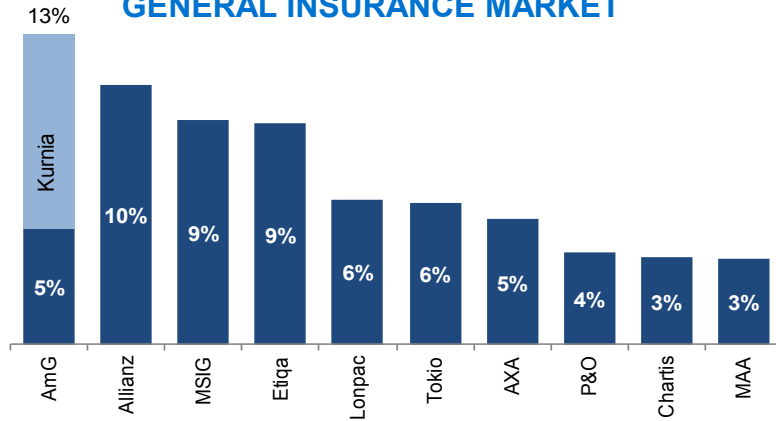
- AmG seeks regulatory approval to enter into an agreement to acquire Kurnia

2012

- AmG reaches conditional agreement to acquire Kurnia

COMBINED BUSINESS SECURES LEADING MARKET POSITIONS IN MALAYSIA

GENERAL INSURANCE MARKET

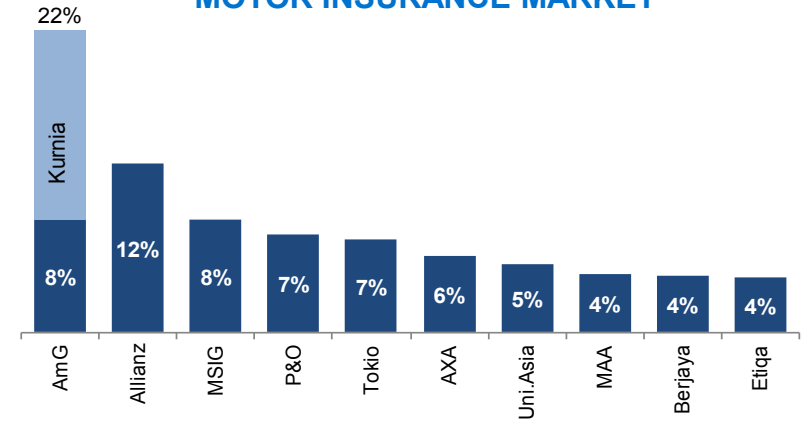


Source: PIAM (as at 31 December 2011)

Addition of Kurnia creates market-leading position in Malaysia for AmG

- Market share of 13% (up from 5%)
- Combined GWP of over RM1.7 billion (A\$530m)

MOTOR INSURANCE MARKET



Source: PIAM (as at 31 December 2011)

Clear number one position in motor, delivering significant competitive advantage

- Market share of 22% (up from 8%)
- AmG has strong track record of profitability in motor segment

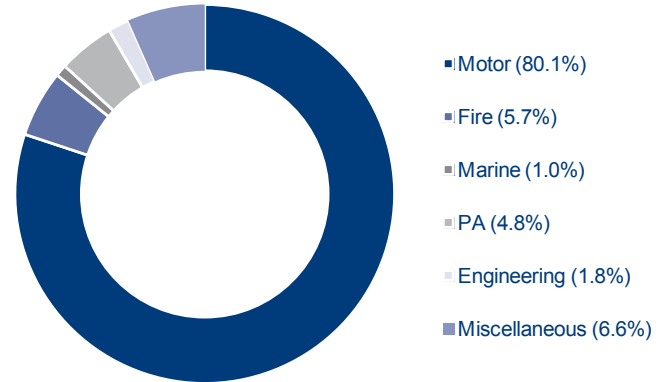
INTEGRATING AMG & KURNIA – GOOD STRATEGIC/CULTURAL FIT CREATING MALAYSIA'S LARGEST GENERAL INSURER

MALAYSIA'S #1 GENERAL INSURER

- Approximately 4 million policyholders
- Two strong brands
- Leading market shares in motor (22%) and general insurance (13%)
- Largest agency network in Malaysia



COMBINED AMG / KURNIA PRODUCT MIX (% GWP)



Source: PIAM (as at 31 December 2011)

ENLARGED AMG WELL PLACED TO MEET INDUSTRY CHALLENGES PROVIDES SIGNIFICANT COMPETITIVE ADVANTAGE

BUILDS SCALE

- Creates largest business in Malaysia's general insurance industry

PRODUCT

- Strong focus on motor insurance
- Capitalise on large agency base to distribute other retail and SME commercial products

DISTRIBUTION

- Expands AmG's distribution network
- Largest number of general insurance agents in Malaysia

BRAND

- Kurnia has well recognised general insurance brand in Malaysia – will be retained alongside AmG's AmAssurance brand

MANAGEMENT TALENT

- Increases AmG's management and talent pool

SCOPE TO ADD VALUE

- Complementary strengths

STRATEGIC ALIGNMENT

- Shared vision and commitment

MALAYSIA: FOCUS FOR THE FUTURE

OBTAINING A MARKET LEADERSHIP POSITION

NO. 1 IN MOTOR

- By organic growth (strategic initiatives focused on improved penetration and renewal retention) and through acquisition

LEAD IN NICHE COMMERCIAL

- Strategic initiatives targeting specific industries with specialist product and innovative distribution solutions

LEAD IN NON-MOTOR PERSONAL LINES

- By leveraging motor scale and customer base, and optimising use of the AmBank Group network

INDUSTRY M&A CONSOLIDATION

- Continue to focus on building scale via in-country bolt-on acquisitions to the AmG business

CAPITAL POSITION REMAINS ABOVE BENCHMARK

ACQUISITION FUNDED INTERNALLY

	31 DEC 2011	BOHAI	AMI	KURNIA	PRO FORMA 31 DEC 2011
MCR (A\$m)	2,481	18	26	41	2,566
Capital base (A\$m)	4,191	-	(209)	-	3,982
Ratio (x)	1.69	(0.01)	(0.10)	(0.03)	1.55

PRO FORMA CAPITAL POSITION ABOVE BENCHMARK

- Proposed acquisition funded internally
- Modest increase in required regulatory capital
- Pro forma 31 December 2011 MCR of 1.55, post Kurnia, AMI and Bohai investment

EXPANDING IAG'S MALAYSIAN INTERESTS SUPPORTS TARGET OF 10% OF GROUP GWP FROM ASIA BY 2016



THAILAND



Voting rights: 98.6%
GWP: A\$188m

INDIA



Ownership: 26%²
GWP: A\$48m

² Option to increase to 49%, subject to foreign ownership law.

MALAYSIA



Ownership: 49%
GWP: A\$530m¹

¹ Kurnia subject to Kurnia Asia Berhad shareholder approval – completion expected second half calendar 2012.

CHINA



Ownership: 20%³
GWP: A\$228m

³ Acquisition completed April 2012.

Note: GWP presented on 100% ownership basis and derived from most recently reported / available information. Thailand and India based on annualised 1H12 GWP.

APPENDIX 1

KURNIA FINANCIALS: FY09-FY11

	Year Ended 30 June 2009	Six Months Ended 31 December 2009	Year Ended 31 December 2010	Year Ended 31 December 2011
	Audited	Audited	Audited	Audited
	<i>RMm</i>	<i>RMm</i>	<i>RMm</i>	<i>RMm</i>
Gross written premium	1,001	453	1,034	1,073
Net earned premium	967	429	842	764
Net claims expense	(637)	(304)	(640)	(540)
Net commission expense	(102)	(43)	(79)	(69)
Underwriting expense	(207)	(78)	(167)	(159)
Underwriting profit/(loss)	21	4	(44)	(4)
Investment income	47	62	115	105
Profit before taxation	68	66	71	101
Taxation income/(expense)	16	(5)	(12)	(14)
Net profit for the period/year	84	61	59	87
Loss ratio	65.9%	70.9%	76.0%	70.7%
Commission ratio	10.5%	10.0%	9.4%	9.0%
Expense ratio	21.4%	18.2%	19.8%	20.8%
Combined ratio	97.8%	99.1%	105.2%	100.5%

Note: Kurnia changed its financial year end from 30 June to 31 December in 2009.

APPENDIX 2

KURNIA BALANCE SHEET

	31 December 2011	
	Audited	
	RMm	A\$m
Assets		
Property and equipment	229	72
Investments	1,635	511
Reinsurance assets and insurance receivables	580	181
Cash and bank balances	116	36
Other assets	119	37
Deferred acquisition costs	26	8
Total Assets	2,705	845
Liabilities		
Premium liabilities	533	167
Claims liabilities	1,132	354
Insurance payables	79	25
Other liabilities	182	56
Total Liabilities	1,926	602
Net Assets	779*	243

*Pricing mechanism at agreed net assets of RM757m