
IAG URGES BUSINESS COMMUNITY TO ACT ON ASIAN OPPORTUNITY



Insurance Australia Group (IAG) Managing Director and CEO Mike Wilkins today called on the Australian business community to quickly recognise and act on the Asian growth opportunity.

Speaking at an American Chamber of Commerce business briefing in Melbourne on the opportunities for Australian business to invest in Asia, Mr Wilkins said IAG sees enormous potential as it builds its presence in the region.

“I’m proud to say that IAG has been one of the pioneers to expand northwards,” he said. “It’s been over 10 years since we entered the Asian market.

“Since then, Asia has been one of our key strategic priorities. We’ve set a target for our collective Asian business to deliver a return on equity, before regional support and development costs, of more than 15% by the end of our 2017 financial year.

“We’ve identified six target markets where we see enormous potential – China, India, Thailand, Vietnam, Malaysia and Indonesia – and to date we’ve invested about \$950 million in the region.”

Mr Wilkins said IAG had well-performing businesses in Thailand and Malaysia, developing businesses in India, China and Vietnam, and had recently established a presence in Indonesia.

“We have just acquired a licence to operate in Indonesia through the purchase of a small, local insurer. This is the first step in our plan to enter the Indonesian market. With the world’s fourth largest population and a sizeable and growing middle class, we’re excited by the opportunities that Indonesia presents,” he said.

“We have also previously flagged that we would like to increase our stake in our joint venture with the State Bank of India, SBI General. The recent change in India’s foreign ownership laws means we can increase our share from 26% to 49% and we are working through that now.

“Through our experience to date, we’ve witnessed first-hand the growing appetite from our Asian associates for Australian investment and capabilities and we encourage other businesses to understand and act on the region’s potential.

“We remain very excited by Asia, and should further attractive investment opportunities present themselves we would be prepared to expand our presence and investment in the region.”

About Insurance Australia Group

Insurance Australia Group Limited (IAG) is the parent company of a general insurance group with controlled operations in Australia, New Zealand, Thailand and Vietnam, employing more than 15,000 people. Its businesses underwrite over \$11 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann, WFI and Lumley Insurance (Australia); NZI, State, AMI and Lumley Insurance (New Zealand); Safety and NZI (Thailand); and AAA Assurance (Vietnam). IAG also has interests in general insurance joint ventures in Malaysia, India and China. For further information please visit www.iag.com.au.

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