



26 June 2019

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

FOR RELEASE TO THE MARKET

Dear Sir / Madam,

AUB Group and IBNA announce an end to the AIMS JV agreement

AUB Group (ASX:AUB), Australasia's largest equity-based insurance broker network, and IBNA (the Australian non-equity broker network), have today announced a decision to mutually end their AIMS joint venture relationship. The decision has been reached due to diverging requirements across the two member groups on the future direction of the partnership.

Summary

- The Austbrokers and IBNA JV partnership in AIMS will end through a phased IBNA exit. The JV served to negotiate capacity with carriers and coordinate conferences for broker members.
- The outcome is aligned with AUB Group's evolving strategic agenda to increase direct influence with carriers. The Group will better leverage its scale, footprint, capability and expertise to drive improved capacity and product innovation.
- The decision is expected to result in a neutral impact on FY20 results with opportunity to enhance run-rate earnings on future years.

Overview

AIMS, established in 2007, is a joint venture between Austbrokers (AUB Group's equity-based Australian insurance broker network) and IBNA (a non-equity insurance broker network) to source capacity and offerings, working for the collective benefit of all its broker members.

On 26th June 2019, AUB Group and IBNA have mutually agreed to end the existing relationship within the joint venture through a phased exit of IBNA from AIMS. AUB Group and IBNA will work closely towards a mutually agreed transition period.

AUB Group Limited

Level 10, 88 Phillip Street,
Sydney, NSW, 2000.

ABN 60 000 000 715
ACN 000 000 715

aubgroup.com.au



The decision is expected to have a neutral impact on FY20 results. Going forward, the scale, market share and capability of AUB Group will allow the business to negotiate similar or better terms from existing and new carrier partners, with an opportunity to enhance run-rate earnings in the future.

For AUB Group, the change is aligned to a strategic shift to enhance its partner proposition, particularly within capacity sourcing and product innovation. AUB Group is confident that greater direct influence in sourcing our capacity is the most beneficial arrangement for its partners and clients. Under a new arrangement, AUB Group will be able to better leverage its scale, footprint, expertise and specialty capabilities to negotiate and deliver market leading offerings that meet the specific needs of its client portfolio.

Mike Emmett, CEO and Managing Director of AUB Group said, “Capacity sourcing and product offering design is a key component of the Group’s value proposition for its partners. When AIMS was established, it was ahead of its time and has since served Austbrokers and IBNA for mutual benefit and I’d like to thank IBNA for their continued support throughout the joint venture. We believe the interests of our partners will be better served through increased control and direct collaborative engagement with Insurance carriers allowing us to negotiate greater flexibility and innovation in product design.”

About AUB Group

AUB Group Limited is Australasia’s largest equity-based insurance broker network driving approximately A\$3.2 billion GWP across its network of 93 businesses, servicing more than 550,000 clients and over one million policies across more than 600 locations. In Australia, the Group has around 20 percent of the commercial insurance broking market share with investment in 61 broking businesses, complimented by established capabilities in life insurance broking, premium funding, claims management and legal services. In New Zealand, AUB Group holds equity stakes in seven major insurance broker partners, an underwriting agency as well as equity in NZbrokers, the largest broking management group in New Zealand with presence in 140 locations. The Group also has a portfolio of 19 agencies within its SURA business with access to delegated global underwriting capacity for niche specialist insurance products. The Group’s Risk Services division includes equity investments in three businesses with capabilities in loss adjustment, investigations, claims management, claims legal support and rehabilitation services.

Yours faithfully,

David Franks
Company Secretary

For further information, contact David Franks Tel: (02) 8098 1169 or 0414 899 897

davidf@aubgroup.com.au

AUB Group Limited

Level 10, 88 Phillip Street,
Sydney, NSW, 2000.

ABN 60 000 000 715
ACN 000 000 715

aubgroup.com.au