FY26 Results

13 August 2026

IAG delivers strong results in a year of strategic execution and evolution

"FY26 was a year of strategic execution and evolution for IAG, including continued technology platform transformation, completion of the landmark RACQ Insurance acquisition, and the launch of Ambition 2030 - our refreshed strategy which outlines our commitment to delivering value for customers and stakeholders.

"In a year of elevated natural perils, our financial results reflect the deliberate strategic choices we have made to reduce volatility and deliver sustainable, growing shareholder returns. We are well positioned for growth and have a clear path to continue supporting customers through adversity and achieving our long-term financial targets."

IAG Managing Director and CEO, Nick Hawkins

Financial strength and resilience

Net Profit After Tax

$1,022m

FY25: $1,359m

Strong earnings despite elevated natural peril costs compared to FY25

FY25 benefited from a $330m pre-tax BI provision release and $195m favourable peril experience

Final dividend

20cps

FY25: 19.0cps

Full year dividend

32cps

FY25: 31.0cps

Sustainable and growing dividends

Franking increased to 80%

Underlying Insurance Profit

$1,578m

FY25: $1,542m

Consistently strong underlying profitability driven by improved underlying claims and expense ratios

Gross Written Premium

$18,412m

FY25: $17,106m

Strong growth in key customer channels and brands

Retail direct growth ~5% in Australia and NZ

Supporting customers and communities

Claims paid

$12.4bn

FY25: $10.2bn

Supporting customers when they need us most

Customer experience (tNPS)

54.7 AU

FY25: 45.1

63.0 NZ

FY25: 54.5

Demonstrating commitment to customer experience

Confidence in FY27 guidance[1]

Gross Written Premium Growth

5% to 8%

Reported Insurance Margin

14.5% to 16.5%

This release has been authorised by the IAG Board

Results Overview

IAG today announced its full-year 2026 financial results, reflecting momentum and progress towards its refreshed Ambition 2030 strategy.

Net profit after tax (NPAT) was $1,022m (FY25: $1,359m benefiting from a $330m pre-tax BI provision release and $195m favourable peril experience). Pre-tax insurance profit was $1,552m (FY25: $1,743m), primarily reflecting increased natural perils (FY25: $195m favourable, FY26: $114m unfavourable), with an improved performance in 2H26. The result was consistent with the guidance provided at the half-year results in February 2026.

The IAG Board declared an increased final dividend of 20.0 cents per share (cps) (FY25: 19.0cps) bringing the full year dividend to 32.0cps (FY25: 31.0cps). IAG's strong capital position remains above target ranges.

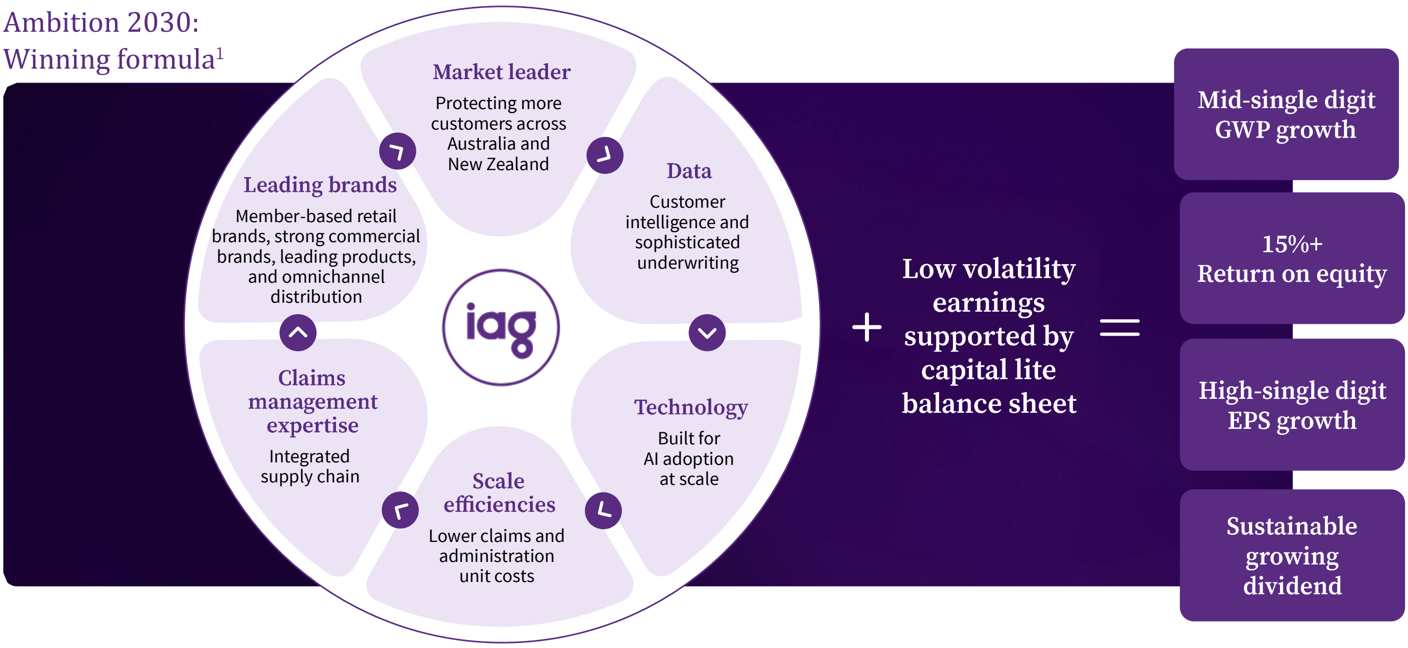
The underlying insurance profit of $1,578m (FY25: $1,542m) equates to an underlying insurance margin of 15.0%, 50bps lower than FY25. This reflects a combination of influences including an improvement in the underlying claims ratio and expense ratio, more than offset by a higher perils allowance, first year transitional impacts of RACQ Insurance (RACQI) and lower investment yield on technical reserves. Excluding the one-off impact of RACQI, the underlying insurance margin was 16.0%.

Reported gross written premium (GWP) increased by 7.6% to $18,412m. The Australian Retail business delivered GWP growth of 17.8% to $10,308m (FY25: $8,749m), including $1,272m from the acquired RACQI business. Underlying growth was approximately 4.5%, reflecting modest rate increases and improved volume momentum, with growth accelerating in 2H26 supported by higher new business in the direct motor and home portfolios.

The Australian Intermediated business achieved GWP growth of 1.1% to $4,600m (FY25: $4,550m). Underlying growth was approximately 2%, reflecting discipline in a competitive market.

New Zealand's GWP reduced by 8.0% to $3,504m (FY25: $3,807m), significantly impacted by a weakening New Zealand dollar. The results reflect different market conditions which are positive for retail and challenged for commercial segments. In local currency terms, GWP decreased by 2.7% to NZ$4,060m, reflecting solid growth and momentum in the direct home and motor portfolios, and continued discipline in Intermediated business.

Ambition 2030: Winning formula[1]



Nick Hawkins' comments on results and strategic priorities

"Our FY26 performance demonstrates strong progress against our renewed Ambition 2030 strategy.

"Throughout FY26, we actively managed our response to 65 severe weather events across Australia and 44 in New Zealand, demonstrating our strength, scale and technologically advanced operations. We paid more than $12.4 billion in claims over the year, supporting our customers and their communities to recover from adversity.

"We have a strong financial position and have good growth momentum in our Australian and New Zealand retail segments. Our trusted brands, underwriting expertise, technology platforms and data assets, supply chain, and financial strength provide us with considerable competitive advantages.

"Profitable growth continues to be a strategic priority. Operating in growing markets, we will continue to focus on organic opportunities to increase our market share. Our alliances with RACQ in Queensland and RAC in WA[2] are expected to deliver further scale.

"Our technology transformation has materially improved how we underwrite and distribute insurance. The successful migration of eight million policies to our Retail Enterprise Platform and the accelerated delivery of our Commercial Enterprise Platform are delivering customer benefits, simplification and improved productivity.

"Central to our transformation is AI for organisational efficiency, competitive positioning and customer service. More than 60% of our people use AI regularly, and we have more than 90 AI solutions in use throughout the business. Last month we announced a new partnership with OpenAI that will help our people deliver more effective customer service, particularly in claims handling during severe weather events.

"Across Australia and New Zealand, we are delivering on our promise to support customers when they need it most. This year we helped more than 25,000 customers who were experiencing vulnerability, while leveraging AI, real-time hazard intelligence and technology to improve customer response times. We expanded our partnership with AgGuard to provide specialist rural insurance solutions and invested in Sonder, giving more customers access to wellbeing and safety services.

"Our launch of Ambition 2030[1] set out a clear plan for IAG's next phase of growth. We are targeting more than 11 million customers and over $25 billion in premiums while maintaining industry-leading customer advocacy outcomes. Ambition 2030 clearly outlines our targets of 15% or higher ROE, high single-digit EPS growth, and top-quartile total shareholder returns, providing sustainable, growing dividends."

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[1] Refer to the important information section on page 4.

[2] The acquisition of RAC Insurance is subject to regulatory approvals and customary closing conditions.

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Important information

This announcement contains general information in summary form and should be read in conjunction with IAG's other announcements filed with the Australian Securities Exchange available at: www.asx.com.au. Guidance on future earnings and performance should be read in conjunction with the assumptions and other details set on page 86 of IAG's annual report.

This announcement contains forward-looking statements, opinions and estimates, including statements regarding IAG's strategy, guidance, targets, goals, ambitions and expectations regarding results. Such statements involve risks, uncertainties and assumptions, many of which are beyond IAG's control.

This may cause actual results to differ materially from those expressed or implied in those statements and, consequently, undue reliance should not be placed on those statements. IAG assumes no obligation to update those statements (except as required by law).

A number of IAG's 2030 ambitions assume successful completion of the acquisition of RAC Insurance Pty Limited which remains subject to regulatory approvals and customary closing conditions.

To the maximum extent permitted by law, IAG makes no representation, assurance or guarantee in connection with, and disclaims all responsibility for the accuracy, completeness or likelihood of fulfilment of any forward-looking statement or other representation, any outcome expressed or implied in any forward-looking statement or other representation, and any assumptions on which a forward-looking statement or other representation is based.

Members of IAG's management may also make forward-looking statements in connection with this announcement, whether spoken or written. These statements carry the same qualifications, limitations and assumptions as those included in this announcement. IAG's full disclaimer in relation to forward looking statements and other representations can be found on page 199 of its annual report.