Insurance Australia Group Limited
ABN 60 090 739 923

Preliminary final report for the year ended 30 June 2026

Results for announcement to the market

	2026 $m	2025 $m	Change	$m	%[1]
Revenue from ordinary activities	**21,299**	18,511	Up	2,788	15.1%
Net profit/(loss) after tax from ordinary activities attributable to shareholders of the Parent	**1,022**	1,359	Down	(337)	(24.8%)
Net profit/(loss) attributable to shareholders of the Parent	**1,022**	1,359	Down	(337)	(24.8%)

1. The percentage change is calculated by dividing the movement between the current and prior periods with the prior period amount and multiplying the result by 100.

Dividends – ordinary shares	Amount per security	Franked amount per security
2026 Final dividend	20.0 cents	16 cents
2026 Interim dividend	12.0 cents	3.0 cents

Final dividend date	
Record date	25 August 2026
Payment date	28 September 2026

The Company's Dividend Reinvestment Plan (DRP) has been suspended for the 2026 final dividend.

This Appendix 4E for the financial year ended 30 June 2026 is filed with the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A. Additional Appendix 4E disclosure requirements can be found in the Annual Report of Insurance Australia Group Limited for the year ended 30 June 2026 (Attachment A). This report is also to be read in conjunction with any public announcements made by Insurance Australia Group Limited during the reporting year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules. Information presented for the previous corresponding period is for the financial year ended 30 June 2025 (unless otherwise stated). This report is based on the consolidated financial statements which have been audited by KPMG.

Attachment A

Insurance Australia Group Limited
ABN 60 090 739 923

Insurance Australia Group Limited and Subsidiaries Annual Report 30 June 2026

Annual Report

2026

Insurance Australia Group Limited

ABN 60 090 739 923

About IAG

IAG is the largest general insurance company in Australia and New Zealand, selling insurance through a suite of brands. In Australia, we operate through two distinct divisions: Retail Insurance Australia and Intermediated Insurance Australia. In New Zealand, we are the leading general insurance provider across both the retail and intermediated insurance channels.

Retail Insurance Australia

56% of Group insurance revenue

We sell personal lines general insurance products, and some commercial lines, directly to customers through a range of distribution channels, such as branches, call centres and online. Products are sold under the brands of NRMA Insurance, Australia wide (excluding Victoria); RACV in Victoria (via a distribution relationship and underwriting joint venture with RACV); RACQ Insurance in Queensland (via a distribution relationship with the Royal Automobile Club of Queensland); and ROLLiN'. General insurance products are also distributed under third party brands by IAG's corporate partners, including financial institutions.

NRMA INSURANCE RACV[1] RACQ[2] ROLLiN'

Intermediated Insurance Australia

25% of Group insurance revenue

We provide commercial lines general insurance products, and some personal lines, through a network of intermediaries, such as brokers, agents, and authorised representatives. Its brands of CGU Insurance and WFI Insurance have a focus on small to medium enterprises and a leading market share in rural areas.

CGU wfi Insurance

New Zealand

19% of Group insurance revenue

We provide personal lines and commercial lines general insurance products directly to customers, primarily under the State and AMI brands, and indirectly through insurance brokers and agents, under the NZI and Lumley Insurance brands. General insurance products are also distributed under third party brands by IAG's corporate partners, including financial institutions.

ami STATE NZI

About this report

The 2026 Annual Report of Insurance Australia Group Limited and its subsidiaries (IAG, or the Group) includes IAG's full statutory accounts, along with the Directors' and Remuneration Reports for the financial year ended 30 June 2026. This year's corporate governance statement is available in the About Us area of our website (www.iag.com.au).

The financial statements are structured to provide prominence to the disclosures that are considered most relevant to the user's understanding of the operations, results and financial position of the Group.

This year's report continues to reflect our work to integrate our reporting into one comprehensive document. It includes the Chair and CEO combined review; information about how we create value for our key stakeholders and the outcomes we have achieved for them. It also includes our first mandatory Sustainability Report, prepared in accordance with the requirements of the Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and the *Corporations Act 2001* (Cth).

Content that formerly sat within a separate Investor Report now contributes to an expanded Operating and Financial Review, within the Directors' Report. Additionally, financial data relating to the Group's results is available in an Excel file which can be downloaded in the Investor Centre area of our website (select Financial Results).

If you would like to have a copy of the annual report mailed to you, contact IAG's Share Registry using the contact details on page 201.

Unless otherwise indicated, references to FY26 and 2026 and FY25 and 2025 in graphs and copy throughout this report refer to IAG's financial years ending 30 June 2026 and 2025 respectively. All figures are in Australian dollars unless otherwise stated.

Acknowledgement of Indigenous Peoples

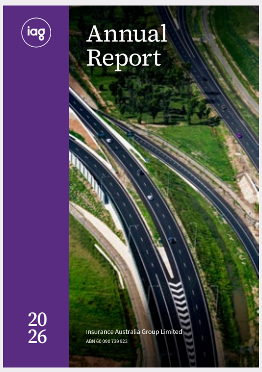
We acknowledge the Traditional Owners and Elders of the different Countries across Australia and how Country plays a significant role in the continuation of culture and connection to land, water and sky.

E kaha whakanui ana i ngā tangata whenua o Aotearoa, i tō rātau hononga whakapapa ki te whenua, e kaha tautoko ana hoki i te hirahiratanga o te reo Māori, o te tikanga Māori me te ao Māori.

In Aotearoa New Zealand, we acknowledge the people of the land, recognise their ancestral connections to the land, and support the enduring significance of the Māori language, Māori customs and protocols, and the Māori world (encompassing the culture and worldview of Māori).

1. IAG's short tail personal insurance products are distributed in Victoria under the RACV brand, via a distribution relationship and underwriting joint venture with RACV. These products are distributed by RACV and manufactured by Insurance Manufacturers of Australia Pty Limited (IMA), which is 70% owned by IAG and 30% owned by RACV.
2. RACQ Insurance's products are distributed under the RACQ brand, via a distribution relationship with RACQ. RACQ Insurance is ~90% owned by IAG and ~10% by RACQ.

FY26 Reporting Suite



FY26 Annual Report

The 2026 Annual Report of Insurance Australia Group Limited and its subsidiaries (IAG, or the Group) includes IAG's full statutory accounts, along with the Directors' and Remuneration Reports for the financial year ended 30 June 2026. This year's Annual Report includes our first mandatory Sustainability Report, prepared in accordance with the requirements of the Australian Sustainability Reporting Standard *AASB S2 Climate-related Disclosures* and the *Corporations Act 2001* (Cth).

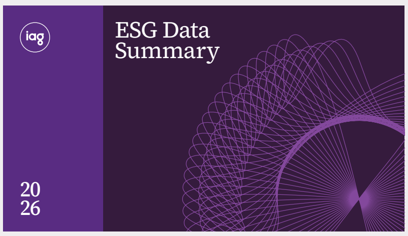
FY26 Corporate Governance Statement

The Corporate Governance Statement provides a description of IAG's corporate governance framework, policies and practices as at 13 August 2026, including details of our Non-Executive Directors' skills and experience. Details are reported against the ASX Corporate Governance Principles and Recommendations (4th Edition).

DISCLAIMER

This report contains forward-looking statements, opinions and estimates. 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. Please refer to page 199 for IAG's full disclaimer in relation to forward-looking statements and other representations.

Contents



FY26 Data Summary

Select IAG ESG performance metrics on Environment, People, Customer, Community, and Climate Performance including (where available) trend data over five years and segmentation by region. The summary accompanies the FY26 Sustainability Report in our FY26 Annual Report.

Climate Action Plan: Towards FY30

An overview of IAG's climate ambition, climate-related interim targets and transition plan activities. The Plan complements IAG's climate-related disclosures and provides new and updated climate interim targets.

2026 Annual General Meeting

The 2026 Annual General Meeting (AGM) of Insurance Australia Group Limited will commence at 9.30am on Thursday, 22 October 2026.

For more information, visit our website (www.iag.com.au).

Cover photo: Motorway, Western Sydney, New South Wales. Photo by Andrew Merry.

Chair & CEO review

"Our year was defined by strategic execution, including continued technology platform transformation, completion of the landmark RACQ Insurance acquisition, and the launch of Ambition 2030, which outlines our commitment to delivering exceptional value for customers and stakeholders."

Highlights

20.0cps
up 5% on FY25 final dividend

32.0cps
Full year dividend (up from 31.0cps in FY25)

$200m
on-market buy-back of 27.3m shares

20.3%
4-year annualised total shareholder return (FY23 – FY26)

Supporting our customers

Successfully completing the acquisition of RACQ Insurance on 1 September 2025 was an important milestone for the year.

Within just eight weeks and in the face of severe hailstorms, its members, employees and communities had a powerful opportunity to appreciate the service and financial benefits of our association. Our response demonstrated our market-leading capability to support communities in crisis.

A month later, a supercell that formed in northern New South Wales travelled more than 1,400 kilometres up the Queensland coast before dissipating near Mackay, bringing giant hail to parts of South East Queensland. Our newly combined teams efficiently managed over 43,000 claims from these two events, finalising 70% by year-end and delivering on our promise to support customers when they needed us most.

Throughout FY26, we actively managed our response to 65 weather events across Australia and 44 in New Zealand, showcasing the strength and scale of our response.

We paid more than $12.4 billion in claims over the year, supporting our customers and their communities to recover. These events reinforce our core purpose and demonstrate the essential role we play in the community. Our frontline teams and dedicated supply chain partners consistently deliver when it matters most, and their commitment to helping people rebuild is a source of immense pride and a key driver of our success.

This is a key reason our brands continue to earn the trust of millions of customers, and we acknowledge and thank all those who assisted.

Beyond our industry-leading disaster response, we are delivering innovative solutions to help customers proactively protect their assets. This year, we strengthened our customer commitment by appointing a Community Impact and Customer Advocate, ensuring customers continue to have a strong voice within our organisation. The role will provide clear, transparent reporting to our Managing Director and Chief Executive Officer, and the Board.

It enhances the engagement we already have with consumer groups through our CEO-chaired Consumer Advisory Board.

Our expert teams are dedicated to supporting all customers, and this year we successfully enabled 25,000 customers experiencing vulnerability to maintain their vital insurance cover.

Our extensive work to deliver improved customer experience is detailed in Customer outcomes, on pages 10–17 of this Annual Report.

Advocating for the benefits of insurance

We continue to focus on keeping insurance accessible and affordable for Australians and New Zealanders while responding to inflation, supply chain pressures and higher reinsurance costs.

To help our efforts, we are creating simplified, consolidated and cloud-based technology platforms that will unlock operational efficiencies.

Tom Pockett
Chair and Independent Non-Executive Director

Nick Hawkins
Managing Director and Chief Executive Officer

Our strategic focus on process efficiency aims to deliver transformative improvements to our customer experience, claims, sales and service.

AI is central to this transformation. More than 60% of our people now use AI regularly to support innovation and efficiency. Our AI activators have launched more than 90 AI agents across customer service, operations and corporate functions, while over 2,000 people are using customised AI tools to improve claims, fraud detection and customer service.

Building more resilient communities

We continue to advocate for stronger climate resilience, action on underinsurance and a safer, more sustainable future. We work with governments, regulators and industry partners for a system-wide approach. In FY26 this included:

- being the presenting partner of the *AFR Insurance Summit* in June, bringing together government, regulators and industry leaders to discuss climate change, affordability, cyber risk and changing customer expectations. These forums help us contribute to the national conversation on risk, resilience and the future of insurance;
- our executives appearing before the Small Business Insurance Inquiry, outlining our role in supporting Australian small businesses and proposing five reforms to help create a more resilient and efficient insurance market;
- advocating for fairer insurance taxes to improve affordability, including engagement with the NSW Government on a more equitable funding model for the Emergency Services Levy;
- engaging on the New Zealand Natural Hazards Commission's financial settings review and with the Ministry of Business, Innovation and Employment, which has prioritised NZ$100 million in co-funding for flood infrastructure through the Government's Regional Infrastructure Fund;
- continuing to participate in the Australian *Hazards Insurance Partnership,* supporting national collaboration on resilience. In March 2026, government and industry announced Guiding Principles for resilient investment to help improve household insurance affordability through risk reduction; and
- making a submission to the New Zealand Treasury's review of residential insurance affordability, recommending reforms to support insurance uptake, including greater investment in risk reduction and action to reduce construction inflation.

Advocating for risk reduction

We continue to share data and insights to support system-wide change and strengthen the resilience of our customers and communities. In November 2025, we released the third edition of *Severe Weather in a Changing Climate*, which draws on peer-reviewed research to show how climate change is influencing weather patterns.

In May, we launched the inaugural *IAG Resilient Futures Report* and *Risk Index*, exploring Australians' views on risk and preparedness. In New Zealand, our report *A long-term approach to natural hazard risk reduction* sets out a blueprint for building greater national resilience.

Ambition 2030

Across Australia and New Zealand, we have a responsibility to provide insurance to the community when it needs it most, supported by our scale, our brands and the platforms we have built.

This year, we unveiled Ambition 2030[1] to clearly define the metrics of our future success.

In terms of our customer aspirations, we want to continue to be the insurer of choice across Australia and New Zealand. By 2030 we aim to grow from the ~9.5 million customers we serve today to more than 11 million customers, with over $25 billion in premiums. We also want to create experiences that do more than satisfy customers; they should inspire them to recommend our brands to others. We measure this through the transactional net promoter score and are targeting a high outcome.

The markets we operate in are growing, driven by population increase, rising asset values, increasing awareness of underinsurance, climate risk, and the growing sophistication of how retail and commercial customers think about the protection we provide. Our ambition is to grow at least in line with the market, and we will seek opportunities to grow beyond that.

For our communities, we'll continue to play a leading advocacy role in risk reduction. This is already in our DNA, and we'll be focused on continuing to support Australians and New Zealanders to take action to better understand or mitigate their risks from natural hazards.

1. A number of IAG's Ambition 2030 targets assume completion of the acquisition of RAC Insurance which is subject to regulatory approvals and customary closing conditions. Refer to the forward-looking statements and other representations section on page 199 of this Annual Report.

Chair & CEO review (continued)

We want our people to thrive in a high-performing culture. We're delivering on this ambition every day, through the IAG Academy, our investments in capability, and by building a future-ready workforce.

And importantly for our shareholders, our ambition is to deliver a return on equity of 15% or above, high-single-digit Earnings Per Share growth, and top quartile Total Shareholder Returns.

Strategy and growth

We have adopted a growth oriented strategy: A stronger IAG helping more of Australia and New Zealand. We sharpened our strategic priorities to focus on customer obsession, insurance excellence, future fit operations, and exceptional people.

Our refreshed strategy and priorities support our Ambition 2030. They build on the success of our previous strategy, which has delivered a stronger, more resilient IAG where we:

- completed a strategic alliance with RACQ in Queensland in FY26, and announced a strategic alliance with RAC[1] in Western Australia in FY25;
- continued the roll-out of our retail technology platform – we now have over eight million retail policies on the platform while improvements to our website and mobile app continued to drive higher digital engagement in FY26, with 55.7% of Retail new business and renewal transactions completed through digital channels, up from 54.0% in FY25;
- accelerated the delivery of our commercial platform; and
- pioneered long-term reinsurance protections.

These results reflect deliberate strategic choices, and our management team is to be congratulated for its focus on delivery.

FY26 results

Our FY26 results reflect our successful pursuit of our strategy

We achieved net profit after tax of $1,022 million, affected by:

- a $191 million decrease in pre-tax insurance profit to $1,552 million (FY25: $1,743 million), primarily driven by a $309 million deterioration in natural perils experience relative to allowance (FY25: $195 million favourable, FY26: $114 million unfavourable). Underlying Insurance Profit increased by $36 million to $1,578 million;
- a nil corporate expense outcome compared to the $270 million pre-tax benefit in FY25 which primarily related to the business interruption provision release; and
- a modestly lower pre-tax investment income on shareholders' funds of $383 million (FY25: income of $403 million).

Our insurance profit of $1,552 million equates to a reported insurance margin of 14.7% and included:

- net natural perils experience of $1,579 million, which was $114 million above allowance;
- a net release of prior year reserves of $84 million; and
- a $4 million positive impact from the narrowing of credit spreads.

The perils outcome above allowance reflected claims within the RACQ Insurance portfolio in the first half of the financial year, before they were incorporated into IAG's reinsurance arrangements. Excluding the impact of RACQ Insurance, the insurance profit was $1,647 million, equating to a reported insurance margin of 16.7%.

The underlying insurance margin of 15.0% was 50 basis points lower than FY25. This reflects a combination of influences including an improvement in the underlying loss ratio and expense ratio, more than offset by a higher perils allowance, one-off impacts on RACQ Insurance and a lower investment yield on technical reserves. Excluding the impact of RACQ Insurance, the underlying insurance margin was 16.0%.

Reported gross written premium increased by 7.6% to $18,412 million.

The results were consistent with the guidance we provided in February 2026.

More information about our FY26 results, including divisional performance, and our capital position, is set out in the Operating and Financial Review on pages 76–86 of this Annual Report.

FY27 Guidance and outlook

IAG's confidence in the underlying business is reflected in guidance for FY27 which includes:

- GWP growth of '5% to 8%'. This reflects premium increases that cover claims inflation combined with direct customer and volume growth, along with:
  - Underlying growth in the Australia and New Zealand retail businesses of mid single-digits;
  - Underlying growth in the Australia and New Zealand intermediated businesses of low single-digits; and
  - Additional two months of RACQI premiums (~$300 million) and multi-year workers' compensation premiums (~$100 million) offset by exit of the Honey portfolio (~$150 million).
- Reported insurance margin of '14.5% to 16.5%'. This assumes:
  - FY27 natural perils allowance of $1,491 million, in line with attachment point of the long-term perils volatility cover;
  - no material prior period reserve releases or strengthening; and
  - no material movement in macro-economic conditions including foreign exchange rates or investment markets.

Refer to the forward-looking statements and other representations disclaimer on page 199 of this Annual Report.

Returns to shareholders

Dividend

IAG's financial performance allowed the Board to announce a final dividend of 20.0 cents per share, franked to 80%. This brings the full year dividend to 32.0 cents per share, a payout ratio of approximately 74% of reported net profit after tax.

The final dividend will be paid on 28 September 2026 to shareholders registered at 5pm Sydney time on 25 August 2026. The IAG's Dividend Reinvestment Plan has been suspended for the 2026 final dividend.

1. The acquisition of RAC Insurance Pty Ltd is subject to regulatory approvals and other conditions.

Sustainability

Reporting developments

This year's Annual Report includes our first mandatory Sustainability Report, prepared in accordance with the requirements of the Australian Sustainability Reporting Standard *AASB S2 Climate-related Disclosures* and the *Corporations Act 2001* (Cth). The Sustainability Report, on pages 37–65 of this Annual Report, includes our assessment of the material climate-related risks that may impact IAG over a long-term time horizon, as well as capturing our progress towards achieving the interim targets set out in our Climate Action Plan.

Climate action

We have also released an update to our *Climate Action Plan Towards FY30,* building on our climate ambition of *empowering better choices for a safer place.*

Our Climate Action Plan is our strategic guide to supporting the transition to a lower-carbon economy and building stronger, more resilient communities. Building on the successful achievement of several interim targets in FY25, we reviewed and updated our targets so they remain credible and impactful.

Supporting diversity

We are committed to building a diverse and inclusive leadership team, with a target of 40–60% gender representation at each level of senior management, which we define as CEO and three levels below. Our FY26 progress towards this is described in People outcomes on pages 22–25 of this Annual Report.

Our commitment to diversity extends to the Board, which has a gender diversity target of 40% women, 40% men and 20% of any gender. We successfully achieved our target, with female representation on the IAG Board 40% at 30 June 2026.

Our commitment to female leadership is demonstrated by the fact that three of our four standing Board Committee Chairs were female during FY26. The skills and experience of our Board are further detailed in the FY26 Corporate Governance Statement, available on our website (www.iag.com.au).

Reconciliation Action Plan

FY26 was the first year of our Reconciliation Action Plan (FY26–FY28), which includes a commitment to spend $10 million with Indigenous suppliers over three years.

We are already delivering on our commitment, having increased our spending with Indigenous businesses this year to $2.3 million.

Modern Slavery Statement

We continued to embed modern slavery risk management into governance processes and build capability across procurement and supplier-facing teams.

During the year, we implemented a refreshed Supplier Code of Conduct, strengthened supplier oversight through enhanced risk profiling and tracking metrics, and established new frameworks to support risk mitigation and remediation.

Executive changes

In March, we strengthened our leadership team by welcoming Phillip Gibson as Chief Executive of IAG New Zealand. Phil brings over 30 years of global insurance, advisory, and technology leadership experience from senior executive roles at Accenture, Aviva Canada, Allstate and Travelers. He brings deep insurance and technology leadership expertise, as well as a track record in successfully executing on business strategy to deliver to customers and brokers.

In conjunction with Phil's appointment, we announced that our former Chief Executive of IAG New Zealand, Amanda Whiting, was taking on a newly created role on the Group Leadership Team as Chief Strategy and Transformation Officer, leveraging her track record in driving growth and delivering results.

Independent Non-Executive Directors

Board renewal

Further to her advice at last year's Annual General Meeting that she would not stand for a further full term, Helen Nugent has advised that she will retire from the Board at the end of March 2027. We look forward to recognising Helen's achievements at this year's Annual General Meeting in October. We are in the process of seeking a new Director and will advise the market when an appointment has been made.

Director fees

There will be no increases to Directors' base fees in FY27, with the exception of the IAG New Zealand Board Chair following external benchmarking in the New Zealand market.

As noted at last year's Annual General Meeting, during FY26 fees paid to Directors changed as a result of increases made with reference to external market benchmarking and the establishment of fees for new regulated subsidiaries.

APRA expects key regulated subsidiaries to have Independent Non-Executive Directors on their boards. As a result, we have appointed more Independent Non-Executive Directors to our regulated subsidiary boards in recent years. The impact of these appointments is reflected in the Fee Pool.

Total fees remain within the Fee Pool approved by shareholders at the 2025 Annual General Meeting.

Conclusion

We will continue to pursue the ongoing transformation of IAG to meet the exciting future we have outlined in Ambition 2030.

We have some of the most trusted brands in Australia and New Zealand, and a unified platform across our brands which gives us data and insights to tailor offers and experiences for customers and members. Our enterprise technology investments will help ensure we remain relevant and competitive in the world of agentic search.

We serve all major customer groups: members, individuals and families, rural and regional customers, and small and commercial businesses in our target segments. And we reach them through a range of distribution channels, including clubs, digital, bank partners, brokers, and our own regional representative network.

Our aim is to be relevant and visible to customers wherever they choose to engage with insurance.

That way, we will help more customers prepare for and recover from adversity, and continue our leadership role in advocating for risk reduction, climate resilience and building a sustainable and insurable future for Australia and New Zealand.

Tom Pockett
Chair and Independent Non-Executive Director

Nick Hawkins
Managing Director and Chief Executive Officer

How we create value

THE IAG WAY

Our Purpose

We make your world a safer place

Our Mindset

Ready for anything

Our Values

Honest & upfront
Easier together
Act & own it
Reimagine today
Treat everyone fairly

OUR BUSINESS

Our business units

- Retail Insurance Australia
- Intermediated Insurance Australia
- New Zealand

Our activities

- Risk management
- Product design and pricing
- Underwriting expertise
- Portfolio management
- Service and claims management
- Sales and relationship management
- Customer experience
- Capital management

OUR APPROACH

Our strategy

A stronger IAG helping more of Australia and New Zealand

OUR PRIORITIES

- Customer Obsession
- Insurance Excellence
- Future Fit Operations
- Exceptional People

Sustainability approach

Creating sustainable value by focusing on:

- Supporting the climate transition
- Building climate and disaster resilience

OUR IMPACT AREAS

- People
- Customers and Communities
- Planet
- Shareholders
- Partners and value chain

OUR OUTCOMES

Customers

For more information, visit pages 10–17.

7.3m
Direct customers in Australia and New Zealand at 30 June 2026

AU:+54.7
Customer experience[1]
(AU: +45.1 in FY25)

$12.4bn
Claims paid in FY26

NZ:+63.0
Customer experience[1]
(NZ: +54.5 in FY25)

Shareholders

For more information, visit pages 18–21.

20.0cps
Final dividend
(up 5% on FY25 final dividend)

20.3%
4-year annualised total shareholder return (FY23 – FY26)

$200m
On-market buy-back of 27.3m shares

532,298
Shareholders at 30 June 2026

People

For more information, visit pages 22–25.

75%
Engagement score[2]
(up from 73% in FY25)

46 days
Group average days lost per Lost Time Injury[3]

Family
Friendly Workplace Reaccreditation

Silver
Tier Accreditation Australian Workplace Equality Index (second consecutive year)

Communities

For more information, visit pages 26–33.

$10.8m
Invested in community initiatives
(up by 22% from $8.8m in FY25)

10,000 people
Reached through Australian Red Cross EmergencyRedi™ workshops
(since November 2023 start)

9,000 hours
Volunteered by our people
(down from 9,227 hours in FY25)

Environment

For more information, visit pages 34–36.

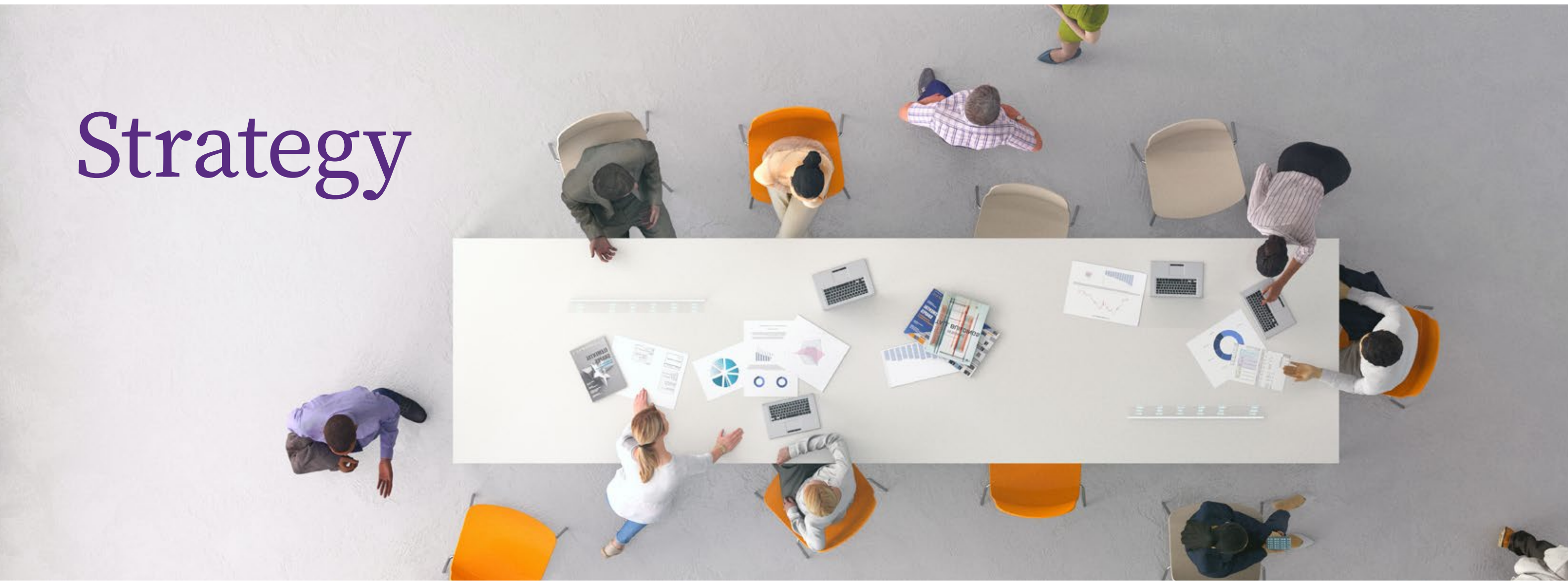
100%
Renewable Energy target achievement maintained[4]

83%
Tool of trade vehicles transitioned to low-emissions or EV[5]

67%
Scope 1 and 2 emissions reduction[6]
(compared to a FY24 baseline)

1. See Customer outcomes, page 10.
2. See People outcomes, page 22.
3. See People outcomes, page 22.
4. See Environment outcomes, page 34.
5. See Environment outcomes, page 34.
6. See Environment outcomes, page 34.

Strategy



In May 2026, we refreshed our strategy, and sharpened our strategic priorities.

Our purpose is unchanged: to make your world a safer place. We continue to act as the shock absorber at an individual, community and country level, supported by our scale, our brands and our technology platforms.

Our growth-oriented strategy is for a stronger IAG helping more of Australia and New Zealand as we leverage the investments we have made to help more people and businesses across our two countries.

We have four strategic priorities:

Customer Obsession – fixated on inclusive customer solutions, experiences and growth.

Insurance Excellence – data-driven insurance risk management, with an efficient capital strategy.

Future Fit Operations – harnessing innovation to re-imagine a scalable and resilient business.

Exceptional People – empowering our people with the skills and capabilities to deliver at pace.

Our refreshed strategy

Our Purpose	We make your world a safer place				
Our Strategy	A stronger IAG helping more of Australia and New Zealand				
Our Priorities	Customer Obsession	Insurance Excellence	Future Fit Operations	Exceptional People	
Our Values	Honest & upfront	Easier together	Act & own it	Reimagine today	Treat everyone fairly

Sustainability approach

Our approach to sustainability is important to our long-term business performance and how we help protect the customers and communities we serve. It aligns with our purpose, to make your world a safer place.

Our sustainability approach is informed by our annual assessment of material sustainability topics which consider the social and environmental risks and opportunities that are most important to our stakeholders and our business.

Our FY26 assessment reaffirmed that our existing material topics remain of high importance to our stakeholders, including: climate change; resilience and adaptation to extreme weather; affordability, availability and accessibility of insurance; trust and transparency; data security and technology advancement; and employee wellbeing and safety.

More information on our FY26 assessment process, approach, material topics and international reference frameworks can be found in the Sustainability section of our website (www.iag.com.au).

Our Group Sustainability Framework informs our enterprise-wide sustainability priorities, strategy setting and risk management processes.

Along with our Group Social and Environment Policy and Responsible Investment Policy, we seek to consistently assess and mitigate risks, invest responsibly, and make informed decisions that align with our long-term goals.

Given the impact of climate change and the increasing frequency and impact of severe weather on our customers, our Group Climate Ambition focuses on *Empowering better choices for a safer place* with three key pillars:

Innovate: Deliver solutions that incentivise risk reduction and accelerate the transition;

Educate: Use our expertise and insights to guide our people, customers and partners; and

Collaborate: Engage policymakers and inform communities to drive sustainable insurance markets and build resilient communities.

In addition to the Sustainability Report on pages 37–65 of this Annual Report, progress against our key social and environmental targets is outlined in our FY26 ESG Data Summary, available in the Sustainability section of our website (www.iag.com.au).

IAG's Sustainability Framework

DELIVERING OUTCOMES

Customers

Highlights

7.3m

Direct customers in Australia and New Zealand at 30 June 2026

$12.4bn

Claims paid in FY26

AU: +54.7
NZ: +63.0

Customer experience[1]
(AU: +45.1 in FY25)
(NZ: +54.5 in FY25)

1. Customer experience is measured by transactional net promoter score (tNPS). tNPS provides a measure of customer experience across IAG's key brands (excluding partner brands) that correlates to complaints, attrition, and gross written premium. RACQ Insurance is not included in the tNPS result.

Customer outcomes

Customer obsession is the first priority of our refreshed strategy and has guided us during FY26 to help customers and invest in technology and processes that improve the products and services we offer them.

Improved customer experience

Customer experience performance reached record highs in FY26, driven by substantial improvements in the areas of Renewal (+25) and Policy Review (+11.4). These gains were underpinned by improvements in pricing-related factors, particularly affordability and renewal pricing. Performance also improved across all Claims touchpoints, with the strongest uplift in Claim-Settlement (+6.8), driven by customers experiencing improved communication quality, including callbacks and follow-ups, as well as ease of the claims process, and claim outcomes.

Customer advocate

During the year, we formalised a Group-level Customer Advocate function, reinforcing our commitment to putting customers at the centre of our decision making.

The role of Executive Manager Community Impact and Customer Advocate is held by Jennifer Cobley and Georgia Whitbread in a job share arrangement.

It serves as an impartial voice for customers within the organisation, maintaining regular engagement with customers and providing clear, transparent reporting to our Chief Executive Officer and the Board.

This helps translate customer insights into meaningful action and reinforce fairness and accountability.

Insights gathered through the Customer Advocate function help drive improvements across customer experience, vulnerability support and financial inclusion outcomes, so we continue to meet the evolving needs of customers and communities.

Expanding Sonder support to customers

In June 2026, we invested in Sonder, Australia's leading people risk intelligence and prevention platform, enabling us to extend its services to customers during high-risk moments, including catastrophic weather events and major incidents.

Sonder delivers immediate 24/7 mental health, medical and safety support to help organisations identify and address risk before it escalates. We already use the platform within IAG to support our people.

The investment aligns with our purpose to make your world a safer place and is helping us to provide more holistic, immediate support to customers during some of the most challenging moments in their lives. It signals our intent to move beyond claims response to earlier intervention and prevention. Earlier support in these moments can improve mental health outcomes, helping reduce the broader cost of harm to individuals and communities.

The investment was made through IAG's corporate venture capital arm, Firemark Ventures.

Retail Insurance Australia

Supporting customers after major events

First to arrive and last to leave

During FY26 we managed 65 peril events across the country, which included cyclones, hail, earthquakes, flash flooding and storms. The Insurance Council of Australia (ICA) declared five of these to be either significant events or catastrophes. Our businesses received over 45,000 claims across these declared events, and had finalised 70% by 30 June.

Across all events, our response to customers involved:

- Activating 12 specialist hail repair sites across multiple states for rapid triaging and processing of hail damaged vehicles. RACQ Insurance also brought on board a new hail repair supplier, Hail.com.
- Helping more than 1,170 customers and members through 53 on the ground deployments to impacted communities. Teams supported customers from NRMA Help Response Vehicles, recovery centres, insurance hubs, specialist hail repair centres, an RACQ-owned and operated Mobile Member Centre, and ICA community consultations. We also co-located with Bunnings in West Gosford following the Koolewong Bushfires; at Bethania in Queensland following the Brisbane Hailstorm in November; and in Taree in New South Wales following the Mid North Coast Floods.
- Expanding our response to local severe events, such as to Exmouth in Western Australia following Tropical Cyclone Narelle, and Koolewong in New South Wales following the Central Coast Bushfires.
- Re-engaging with disaster affected communities in keeping with our commitment to provide support beyond the initial response. On average, teams are redeployed every eight weeks to re-visit the most impacted communities, ensuring ongoing face-to-face assistance and continuity throughout the claims process.
- Maintaining resource readiness with at least 150 skilled claims experts available to support customers during major events.
- Trialling the Spacecube rapid deployable temporary accommodation solution in the Victorian Bushfires. IAG is now partnering with Spacecube through our corporate venture capital arm, Firemark Ventures.
- Expanding our Mobile Claims Response Fleet to nine vehicles. Our teams use these mobile offices to perform all claims activities – lodge, settle, arrange assessments, make emergency payments and arrange accommodation. They enable us to get on the ground first in disaster-affected communities, and act as satellite command centres that provide insights direct from the disaster zone into our Major Event Command Centre in Hurstville.
- Using data driven insights to inform our response through our in-house custom-built Situational Awareness Maps. These identify damaged property and provide claims intelligence and policy in force data to guide and prioritise deployment and resources in hail, bushfire, cyclone and flood events.
- Activating our Major Event Command Centre to pre-plan our response to events before impacts occur, using insights from our Natural Perils team. This helps to ensure a 24/7 unified, rapid and scalable response to all events. IAG activated the 24/7 Major Event Command Centre 10 times across the year.
- Proactively contacting over 228,000 customers and members to offer immediate assistance and lodge a claim.
- Deploying additional claims support from across the retail division to our RACQ Insurance team at Eight Mile Plains in Brisbane, increasing claim lodgement capacity by lodging claims on its behalf to reduce member wait times during demand surges.

Improving customer outcomes online

Our retail insurance business is using digital tools and insights to enhance how we serve and support customers.

Our Retail Enterprise Platform is providing customers with a better experience when they search for and purchase insurance. Improvements to our website and mobile app continued to drive higher digital engagement in FY26, with 55.7% of Retail new business and renewal transactions completed through digital channels, up from 54.0% in FY25. We now have over eight million policies on the platform.

Our Major Event Command Centre, Hurstville, Sydney.

1. IAG's short tail personal insurance products are distributed in Victoria under the RACV brand, via a distribution relationship and underwriting joint venture with RACV. These products are distributed by RACV and manufactured by Insurance Manufacturers of Australia Pty Limited (IMA), which is 70% owned by IAG and 30% owned by RACV.
2. RACQ Insurance's products are distributed under the RACQ brand, via a distribution relationship with RACQ. RACQ Insurance is ~90% owned by IAG and ~10% by RACQ.

Customers (continued)

This year's major events

A severe Brisbane hailstorm on Sunday, 26 October 2025 produced supercells that brought golf-ball to tennis ball-sized hail, damaging wind gusts of up to 96 km/h, and flash flooding to South East Queensland. This event was the first ICA declared event we responded to in partnership with RACQ Insurance.

A long tracked supercell formed near Lismore in northern New South Wales and travelled more than 1,400 kilometres up the Queensland coast before dissipating near Mackay, producing giant hail in parts of South East Queensland. This system generated destructive wind gusts and caused significant power outages.

Victoria experienced its most significant bushfire emergency since Black Summer. A State of Disaster was declared as extreme heat and wind drove 100 fires across the state from 7 January 2026, covering more than 400,000 hectares and destroying over 1,500 structures.

Northern Territory floods were triggered by an active monsoon trough and severe weather. The Katherine River peaked at 19.2 meters on 7 March 2026. The floods caused mass evacuations, widespread power outages, and left significant property damage.

Tropical Low 29U delivered intense rain, damaging winds and flooding across Northern and South East Queensland between 2–9 March. While the Burnett River at Bundaberg peaked below the severe flood levels seen in 2010 and 2013, the system caused property damage.

Technology enhances services

Digitising the supply chain through connected partners

We continue to modernise our property claims supply chain through Crunchwork, a digital platform that connects IAG, assessors, repairers and suppliers through a shared ecosystem. By integrating our systems and partners, we are creating a more connected and transparent repair journey for customers.

The platform enables information to flow seamlessly between IAG and our supplier network, reducing manual processes, improving visibility of repairs and helping ensure customers receive timely updates throughout their claim.

Combined with the property intelligence and AI capabilities underpinning SAM, this digital connectivity helps us make better decisions, allocate resources more effectively and deliver faster outcomes for customers when they need them most. It also establishes the connected data, workflow and partner ecosystem required to support future AI-enabled and agentic capabilities, creating opportunities to further automate claims processes, improve customer experiences and enhance operational efficiency across the fulfilment network.

AI-powered insights help us support customers sooner

We continue to invest in artificial intelligence and advanced data capabilities to improve how we respond to major weather events and support customers when they need us most.

Our Situation Awareness Map (SAM) combines AI-driven impact modelling with IAG's property, policy and claims data, alongside real-time hazard intelligence from trusted external providers. The capability analyses information such as hail size, flood depth, wind intensity and bushfire damage indicators, helping us understand which properties are likely to be impacted and the severity of that impact. By combining these data sources, SAM can identify affected customers at a property level, prioritise emergency repairs and make-safe activity, and help our teams proactively engage customers who may not yet have lodged a claim. The intelligence is used within our Major Event Command Centre and by our on-the-ground response teams to direct resources to where they are needed most quickly and effectively.

The capability has been used across a range of severe weather events including hailstorms, floods, bushfires and cyclones, helping our teams make faster and better-informed decisions at times when customers are often experiencing significant disruption and uncertainty. More broadly, SAM demonstrates how we are increasingly using AI across our business, combining external intelligence with IAG's own data assets to improve customer outcomes, enhance operational decision-making and support a faster, more targeted response during major events.

Matching customers with the best repairer

This year we upgraded a motor allocation algorithm that uses real-time data to match customers to the best repairer.

Previously, customers were allocated to the repairer closest to their home or work. Now, if travelling a little further means their car can be repaired sooner, we can send them there instead. The results get them back on the road faster, without compromising quality repairs and convenience for our customers.

Using smarter insights to guide decisions is a big step forward in how we allocate motor repairs.

It delivers fast repairs, shorter wait time, convenient repair locations, fewer re-allocations, and a better repair experience for customers. For our teams, it means less manual work, reduced system complexity, and stronger foundations for future automation.

AI transformation for CTP

Our Compulsory Third Party (CTP) AI transformation program is using AI to improve the claims experience for customers and consultants.

CTP claims are complex, often involving hundreds of documents and remaining open for 12–18 months or longer. Consultants spend significant time reviewing information to make decisions about liability, treatment, entitlements and recovery support.

AI helps by quickly identifying relevant information, applying rules consistently, and presenting insights in a clear, structured way. This reduces time spent searching through documents and allows consultants to focus on supporting customers through their recovery.

The first AI tools are assisting with injury coding, fault assessments, threshold injury decisions and contributory negligence reviews. Over time, multiple AI agents will work together to provide consultants with an instant, up-to-date view of each claim.

Developed in-house by our AI and claims teams, these tools combine AI with technical expertise and are designed to support evidence-based decision-making.

Supporting customers

Partnership brings Roadside Assistance to South Australian motor insurance customers

In November 2025, we took steps to accelerate NRMA Insurance growth in South Australia by launching a new bundled motor insurance product that introduced NRMA Everyday Care Roadside Assistance to the state.

In partnership with NRMA (National Roads and Motorists' Association), NRMA Insurance bundled Roadside Assistance brings new and renewing motor insurance customers in South Australia the same trusted service long available in New South Wales and the Australian Capital Territory.

The partnership gives NRMA Insurance motor customers access to 24/7 roadside help, wherever and whenever they need it.

Financial inclusion and vulnerable customer support

We continue to advance our commitment to financial inclusion, and to supporting customers experiencing vulnerability. Our specialist customer care teams supported more than 25,000 customers experiencing vulnerability or financial hardship in Australia and New Zealand during FY26.

Initiatives included refreshing our Group Customer Equity Framework to add an Australian and New Zealand Customer Equity Policy.

We also continued to invest in financial wellbeing education sessions and workshops to help our people build their financial capability and resilience.

To support customers requiring additional care, we enabled vulnerability disclosures to be added during the online claims lodgement process. This improves early identification and tailored assistance. We refreshed the NRMA Insurance Help and Support website to provide clearer information and pathways for customers seeking financial assistance, and we updated our Policy on Supporting Customers Affected by Family and Domestic Violence.

Helping vulnerable customers through One Stop One Story

In Australia, we also continued to adopt One Stop One Story, building on our partnership with Thriving Communities Australia.

We have enabled the One Stop One Story Hub for NRMA Insurance policy holders, allowing customers experiencing vulnerability to share their story once and receive co-ordinated support across participating organisations. This reduces the need to repeatedly retell and relive distressing experiences, ensuring help is delivered faster and with care. Plans are now underway to expand the initiative into NRMA Insurance Claims.

Through our NRMA Insurance Customer Help Team, we were the first insurer to embed One Stop One Story into our ways of working and the impact has been significant. Since joining in July 2025, we have created 1,228 referrals and received 296 from other participants. Of those 296 incoming referrals, we contacted and supported 285 customers.

The main reason for referrals remains family and domestic violence, followed by health, unemployment, and cost of living. We are the second highest referring organisation on the platform. We have 16 trained Customer Help team members handling external and incoming referrals. In Claims, 90 of our people have completed training and focus on referrals to external organisations.

Customers (continued)

Using our knowledge to help keep customers safe

Monitoring repair quality with the IAG Quality Report

We released the latest edition of our annual Quality Report in November 2025, providing an update on repair performance across our national motor and property repair networks. The report covered FY25, during which we paid approximately $10.2 billion in claims and completed more than 108,000 motor and property inspections.

Motor repair network assessors and repairers completed 78,022 quality inspections, achieving an average repair quality score of 98%.

The FY25 report also highlighted our response to increasingly sophisticated vehicle theft methods, including relay attacks targeting keyless entry systems. We are training repairers to restore vehicles to manufacturer specifications while strengthening security features, checking electronic systems for vulnerabilities, calibrating immobilisers, and advising customers on secure key storage and signal protection.

Across our property repair network, builders completed 30,829 inspections and 4,856 quality reviews, around 2,500 more reviews than the previous year, with an average quality score of 92%. Supporting our focus on quality and technical excellence, more than 4,800 property repair professionals completed more than 330 hours of training across 139 sessions.

Raising awareness of rising insurance scams

During Fraud Awareness Week in November 2025, we encouraged Australians to be alert to insurance scams and opportunistic fraudsters. Some operators pose as insurers through online advertising, spoofed ads or doorknocking, targeting people after car accidents or natural disasters.

Some claims management companies and disaster chasers may take advantage of customers during vulnerable times by promising faster or easier claims outcomes. They can lead to higher costs, delays, poor communication and added stress.

We also warned customers about storm chasers, who may arrive uninvited at damaged properties, use high-pressure sales tactics, request upfront payments or falsely claim to represent an insurer. Legitimate insurers do not send assessors or repairers without first contacting the customer, and insurer-appointed builders or tradespeople will never ask for upfront payment.

We encouraged Australians to verify credentials and contact their insurer directly if they have any concerns. Customers can also access free, independent support from financial counsellors through the National Debt Helpline.

ROLLiN' customers and safe driver discounts

ROLLiN's Safe 'n Save helps customers better understand their driving habits such as phone use, speeding, harsh acceleration, braking and cornering and rewards safer driving with potential discounts on their insurance premiums.

With around half of all new ROLLiN' customers participating in Safe 'n Save, we are seeing a relationship between engagement with the ROLLiN' app, driving performance and claims outcomes. Highly engaged customers have better driving scores. Customers with better driving scores have a materially lower collision claims frequency. This safer driving behaviour is being rewarded with greater discounts.

As at 30 June 2026, 54% of Safe n' Save customers were receiving a premium discount.

Intermediated Insurance Australia

Technology enhances capability

We have accelerated delivery of our Commercial Enterprise Platform, which is modernising core systems, processes and ways of working across our commercial insurance business.

We have continued to roll-out CGU's PolicyCenter, a single policy administration platform that brings together policy management, underwriting and pricing automation. Teams also welcomed an enhanced Underwriting Workbench, which streamlines the underwriting experience by consolidating six separate screens into a single, integrated view.

In other developments, WFI Insurance can now offer its customers a tailored Padlock commercial property owner product. The Padlock product leverages features of the platform to provide flexible quoting and binding, automatic document generation and issuing, and lookup tools to support streamlined and efficient data entry.

ReClaim AI program helps streamline claims

Our Intermediated Claims Team has launched its first AI claims management agent, ReClaim, to support Motor and Property Lodgement. ReClaim can use available tools and information to make decisions and complete steps across the claims lodgement process. It can also refer work to a person for review when needed.

By handling claims lodgement, ReClaim gives our people more time to support customers and brokers and focus on higher-value work.

Since going live at the end of March, the ReClaim Motor Lodgement AI Agent has expanded automated claims lodgement, with 98% of claims received by email now in scope for auto-lodgement and around 50% of eligible claims successfully lodged by AI. The broker portal can now auto-lodge 98% of claims, significantly increasing automation and reducing manual handling. The ReClaim Property Lodgement AI Agent launched in June 2026 and has already achieved a 75% success rate across the 38% of claims currently in scope for auto-lodgement.

New team supports customer obsession priority

To support our customer obsession strategic priority, Intermediated Insurance Australia created a dedicated Customer Experience team.

The team's first priority was to research the needs of commercial insurance customers to understand how they view insurers, how they want to work with us, and the value they receive from their Broker and Authorised Representative relationships. This will inform the design of future customer journeys, starting with the customer and working through our operations. This work includes ensuring new capabilities and technologies are designed with customer needs at the core.

While CGU and WFI Insurance work primarily with brokers and authorised representatives, focusing on our end customers enables us to better support our intermediary partners to meet their clients' expectations.

Several foundational changes are already underway, including the creation of a new CGU Broker Marketplace, a redesign of the broker service model, and increased support for the growing WFI network of local Authorised Representatives.

CGU and WFI Insurance forge exclusive partnership with Ag Guard

Our Intermediated Insurance Australia business announced an exclusive partnership with specialist agricultural insurance agency Ag Guard in October 2025.

Ag Guard provides tailored insurance solutions for the agricultural sector in Australia and New Zealand, combining deep industry knowledge with technology to support efficient policy management and responsive claims handling.

The partnership strengthens our agricultural insurance offering for brokers, partners and customers by enhancing pricing, underwriting, risk selection and digital capability. It commenced in June 2026 and follows NZI's exclusive partnership with Ag Guard New Zealand, announced in April 2025.

Mental health support for farmers

In June 2025, WFI Insurance began offering farming clients and their families 24/7 mental health and safety support through Sonder, a leading people risk intelligence and prevention platform. Sonder is described in more detail on page 10.

The initiative responds to the growing mental health challenges facing farming communities.[1] One farmer dies by suicide every 10 days, and University of Canberra research found only one in seven farmers can easily access mental health support.

Extreme weather is increasingly affecting farmer wellbeing, with low wellbeing reported by 14.6% of farmers after one natural hazard event and 33.5% after four to five events.

As a member of the National Farmers' Federation Coalition for Mental Health and Wellbeing in Agriculture, WFI Insurance sees this initiative as an important step in supporting farmers and their families. It also builds on IAG's approach to leveraging the platform to support customers in major event response.

Growing WFI Insurance's authorised representative network

WFI Insurance is growing its authorised representative network by enabling corporate authorised representatives to expand their own businesses, and move into new geographic areas. This year, the number of authorised representatives has grown by 31 to 203 as we bring new capability into areas where there are opportunities for growth.

1. University of Canberra's Regional Wellbeing Survey.

Customers (continued)

New Zealand

In New Zealand, we are focused on simplifying products and services, and improving customer experiences. At the same time, we continued to strengthen our operational resilience to remain well-placed to support our customers.

We refined our customer care and support programs, and we remain focused on disciplined management of our own costs, including through simplification, automation and supply chain opportunities. This includes providing more than just insurance to our AMI Comprehensive Car customers, who now receive free AMI Roadside Rescue as part of their policy from renewal throughout FY26. This provides Kiwi drivers with more value at no extra cost, more support on the road, and more reasons to choose AMI.

Assisting New Zealand customers

In May 2026, AMI celebrated 100 years of stepping in and stepping up for our customers and communities across New Zealand.

We supported customers and communities to recover from weather events throughout FY26. Our New Zealand businesses received more than 500,000 claims and paid out more than NZ$2.24 billion to help New Zealanders get back on their feet.

Our operational commitment to readiness shapes how we prepare for and respond to severe weather events. Ahead of forecasted events, our New Zealand Major Events team uses historical event data and lessons, natural peril insights and external forecasts to prepare for potential impacts. We monitor conditions before, during and after the event to ensure customer claims are well managed, and proactively communicate with customers likely to be impacted. When events occur, our specialist assessors, repairers, claims consultants and support teams – including AMI HomeHub and AMI Roadside Rescue – work alongside councils, Civil Defence and emergency services to support customers and communities through recovery.

Offering customers more than insurance

Our AMI-branded Hub Services further evolved during FY26, offering customers more than insurance.

We opened two new standalone MotorHub Mechanical repair sites in Auckland and extended mechanical services into existing sites. We also began to upgrade existing AMI MotorHub sites to offer mechanical and Warrant of Fitness services. New Zealand now has ten AMI MotorHub and six AMI HomeHub sites. In FY26, over 14,000 non-insurance customers benefited from our Hub Services.

During FY26, we co-located our AMI Insurance Hubs with AMI MotorHubs in Hornby (Christchurch) and East Tāmaki (Auckland), creating more convenient one-stop locations for customers. Customers can access insurance advice, policy and claims support, vehicle repairs and servicing in a single location, making it easier to manage their insurance and recovery needs.

Our customer focus was recognised through various awards throughout FY26:

- State was named 2025 Canstar Car Insurer of the Year and Outstanding Value Car Insurance Award Winner, for the second year in a row.
- AMI won Claims Team of the Year at the 2025 New Zealand Insurance Industry Awards.
- AMI Roadside Rescue was ranked #1 roadside assistance provider by Consumer NZ.

Supporting customers experiencing vulnerability

We support customers experiencing vulnerability through our “Help in tough times” program, providing access to dedicated specialists and tailored support. In FY26, our Care Team supported more than 9,800 New Zealand customers experiencing financial hardship, family and domestic violence, ill health, and bereavement. Support includes tailored claims and settlement processes, payment plans, premium relief, and connections to external support services. Recognising that referrals to the program often follow the death of a loved one, we established a dedicated bereavement team to provide specialised support for customers, families and representatives navigating insurance during difficult times.

Supporting businesses

NZI supports New Zealand businesses with insurance and risk management solutions to meet their specific needs.

We held our second Partner Summit, Kāhui, in October 2025, bringing together key broker partners and industry leaders to discuss trends and strengthen relationships.

Ag Guard, powered by NZI, launched in December 2025 offering specialist rural insurance for commercial and personal customers, from lifestyle blocks to large-scale dairy operations. The digital platform enables brokers to move seamlessly from quote to cover wherever they and our customers are, at any time.

Recognising distinct customer needs, NZI launched its refreshed NZI Distinction product suite in February 2026, offering personal insurance protection for customers with premium, high-value assets.

NZI Blue was launched in late FY26, providing brokers and customers with a personal lines digital tool for Motor business. NZI Blue offers faster quoting, smarter pricing and simpler claims experience, and new NZI Select policy wordings.

Our Safe Driving Rewards program has been extended to light commercial fleets. The program uses telematics to recognise safer driving behaviours, giving more Kiwi businesses access to practical rewards for safe driving. More than $3 million has been returned to customers through waived excesses over the past 10 years.

Beyond insurance, our NZI Electrical Inspectors helped commercial property customers identify and reduce fire risks. In FY26, over 3,000 electrical defects were identified, with thousands more identified since the program started in 2022.

The business also operated its Fleet Fit program to help drivers stay safer on the road through expert training and smart technology, combined with claims assistance if required.

Through NZI Fleet Fit, we continued to support commercial customers with practical fleet safety, driver wellbeing and risk management programs designed to help reduce risk and improve safety outcomes. During FY26, our Fleet Risk Management team delivered more than 400 Fleet Fit programs across New Zealand.

Improving customer experiences through digital innovation

We continued to invest in technology and digital capabilities that support simpler, faster and easier customer experiences. Customers have choice in how and when they interact with us. More than 50% of AMI and State customers are registered for online access, around 30% of our customer base has registered to use our mobile apps to lodge claims, manage policies, renew cover, access Roadside Rescue services and receive personalised notifications, including weather alerts.

During the year, we completed the migration of all State and AMI policies, with the exception of AMI niche products, to the Retail Enterprise Platform. The platform provides streamlined products, simplified pricing and enhanced self-service capabilities that support customers to buy, manage and claim on their insurance digitally. Migration of Retail Bank Partner customers continues, with the majority of Bank Partner policies now supported by the platform.

We continued to make purchasing insurance faster and easier for customers. Automation and simplified underwriting processes have reduced manual referrals, while improvements to our online quote and buy experience have shortened quote times and increased straight-through processing. Around 90% of Retail personal insurance purchasing decisions are made automatically, reducing the time and effort required by customers.

We also expanded digital access for Retail Bank Partner customers. The majority of customers can purchase insurance directly through their existing banking apps and websites, enabling them to access cover through the digital channels they already use.

Enhanced SMS and app notifications have simplified renewals by bringing key policy and payment information to customers' attention, supporting them to review and renew their cover.

Technology enhancements improved the service experience across our contact centres, including customer self-authentication, automated payment options and AI-generated claims call summaries. These changes increased self-service options and enabled our people to spend more time supporting customers.

Our investment in digital claims capabilities is supporting faster customer claims handling and resolution. Improvements to processes and automation have reduced handling times for simple motor and property claims, while our migration to the Guidewire Cloud Platform has improved the resilience, security and scalability of our claims operations.

For commercial customers, NZI introduced an AI-enabled claims lodgement tool for brokers, helping accelerate claim submissions, handling and settlement. Broker integration initiatives are also simplifying interactions and improving service outcomes.

Behind these improvements, we continued to modernise our technology foundations, including expanding our cloud and data capabilities. These investments provide the foundation for improved digital experiences, more efficient customer service delivery, and faster implementation of product and service enhancements for customers.

DELIVERING OUTCOMES

Shareholders

Highlights

20.0CPS

Final dividend (up 5% on FY25 final dividend) Full year dividend of 32.0cps up from 31.0cps in FY25

20.3%

4-year annualised total shareholder return (FY23 – FY26)

$200m

On-market buy-back of 27.3m shares

532,298

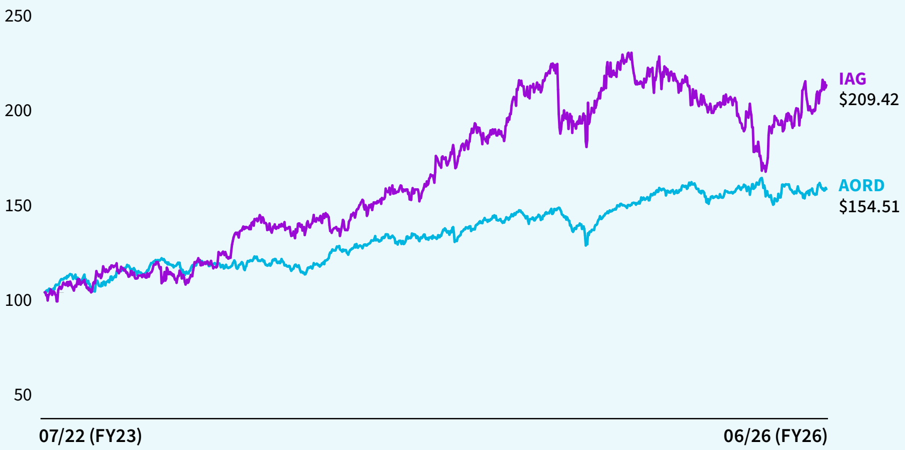
Shareholders at 30 June 2026

Well positioned to achieve sustainable top quartile shareholder returns

FY26 was a year of strong operational and financial performance for IAG. We continued to execute against our strategic priorities, delivering growth and an increased dividend while investing to support sustainable long-term growth. Our ambition is to deliver a sustainable return on equity of 15%, with Ambition 2030 outlining our strategy to achieve high-single-digit earnings per share growth and, ultimately, top quartile total shareholder returns.[1]

The Group achieved strong earnings and capital generation, supported by our customer focus, disciplined underwriting, and continued focus on operational effectiveness. Our performance demonstrates the benefits of the long-term strategic choices we have made over recent years. We have invested in technology, built long-term strategic alliances, used our global reinsurance relationships to protect earnings and strengthened our balance sheet. This has positioned IAG to capture growth opportunities while delivering strong, sustainable shareholder returns in a dynamic operating environment.

4-year share price vs ASX All Ordinaries Accumulation Index ($)



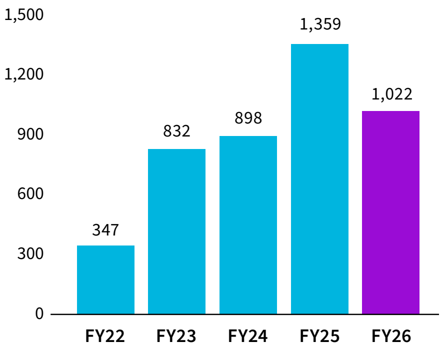
Share price (FY26 and 4-year comparison)

IAG has significantly outperformed the broader market over the past four years. In that period, IAG's share price is up 83% compared to the All Ordinaries increasing 33%. Assuming dividend reinvestment, this represents an annualised TSR for IAG of 20.3% compared to an annualised TSR for the All Ords Accumulation Index of 11.5%.

In FY26, however, insurance sector valuations came under pressure as investors became increasingly concerned about the prospect of heightened competition. Against this backdrop, IAG's share price declined 10.4% during the year but performed strongly following the Ambition 2030 Investor Day in May 2026 with a positive reaction to our longer-term strategy and financial outlook.

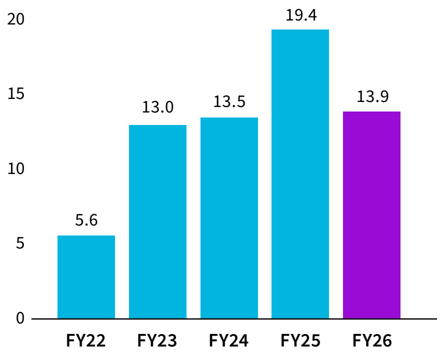
1. Refer to the forward-looking statements and other representations section on page 199 of this Annual Report.

Net profit after tax ($ million)



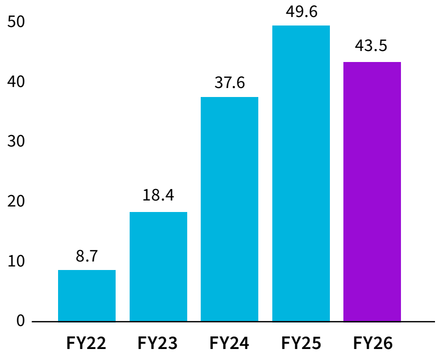
Net profit after tax of $1,022 million (FY25: $1,359 million) represents a basic EPS of 43.4 cents (FY25: 57.5 cents).

Return on equity (%)



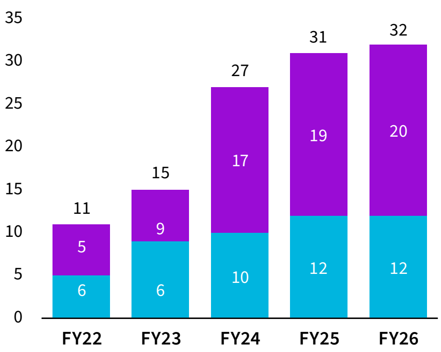
IAG's target is to deliver a through the cycle insurance margin of at least 15% and 15%+ return on equity. In FY26, we delivered a return on equity of 13.9%.

Earnings per share (Cash EPS)



Cash EPS in FY26 was 43.5 cents (FY25: 49.6 cents). Diluted cash EPS in FY26 was 42.9 cents (FY25: 48.9 cents).

5 year dividend (cps)



Dividends

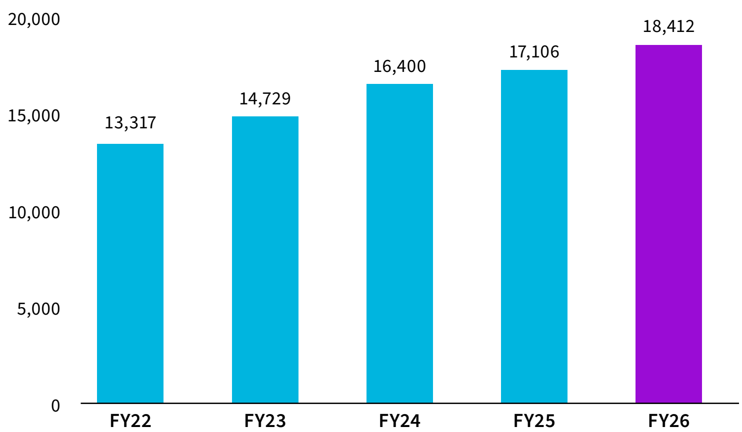
IAG's financial performance has allowed the Board to announce a final dividend of 20.0 cents per share, franked to 80%. This brings the full year dividend to 32.0 cents per share, which equates to a payout ratio of approximately 74% of reported net profit after tax.

The full year dividend payout ratio of approximately 74% is in line with our full year payout policy of 60-80% of net profit after tax. Franking for the final dividend increased to 80%, up from 25% for the interim dividend.

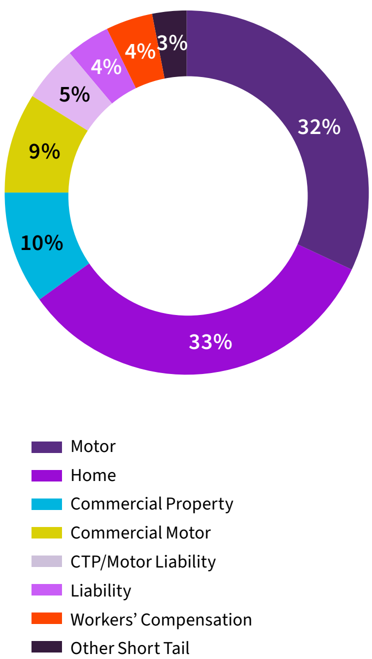
Gross written premium

The Group's reported FY26 GWP of $18,412 million increased by 7.6% on the prior period (FY25: $17,106 million). This growth was primarily driven by the RACQ Insurance strategic alliance with modest growth in Australian retail and intermediated markets. New Zealand growth was impacted by a weakening NZ$ and intense competition in commercial markets.

Gross written premium over the past 5 years ($m)



Gross written premium by product



Shareholders (continued)

FY26 business division performance

Retail Insurance Australia

NRMA INSURANCE RACV[1] RACQ[2] ROLLiN'

RIA delivered an insurance profit of $769 million in FY26 (FY25: $809 million) and a reported insurance margin of 13.3% (FY25: 15.9%). The result included the impact of significant natural perils experience in the RACQ Insurance portfolio in 1H26 prior to its integration into the Group's reinsurance program. Excluding RACQ Insurance, the reported insurance profit was $864 million, representing a reported insurance margin of 16.7% (FY25: 15.9%). The underlying insurance margin was 14.7%, improving by 80bps to 16.4% (FY25: 15.6%) on an ex-RACQ Insurance basis, driven by improved underlying loss and expense ratios.

Intermediated Insurance Australia

CGU WFI Insurance

IIA delivered an insurance profit of $316 million in FY26 (FY25: $328 million) and a reported insurance margin of 11.8% (FY25: 12.2%). The result featured $71 million in natural perils above the divisional allowance, impacted by the Victorian bushfires in January, and prior period reserve releases largely related to long tail classes and prior period perils events. The underlying insurance margin remained stable at 11.5% supported by an improvement in the expense ratio which offset a higher underlying loss ratio and lower investment income.

New Zealand

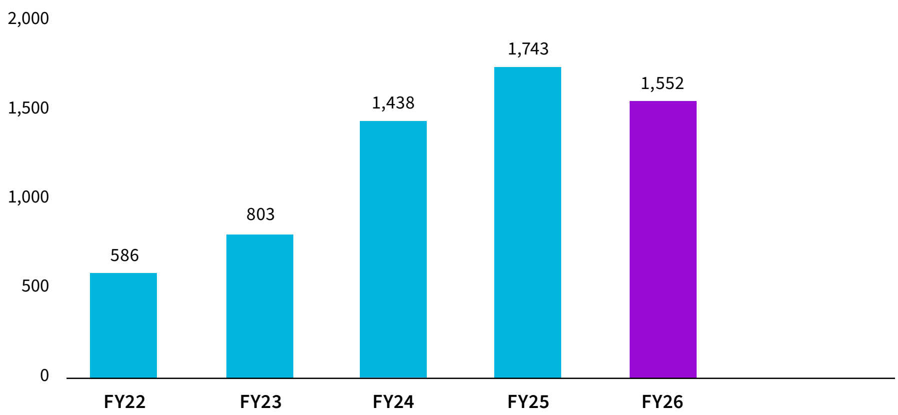
ami STATE NZI

New Zealand delivered an insurance profit of $467 million in FY26 (FY25: $606 million) and a reported insurance margin of 22.8% (FY25: 27.4%), following higher perils experience in FY26 ($179 million) relative to the benign conditions in FY25 ($82 million). The higher underlying insurance margin of 20.6% (FY25: 20.1%) was driven by an improved underlying loss ratio despite the impact of lower earned premium due to challenging commercial market conditions.

Reported insurance profit

The insurance profit of $1,552 million (FY25: $1,743 million) equates to a reported insurance margin of 14.7% (FY25: 17.5%). The reported insurance profit included net natural perils of $1,579 million, which was $114 million unfavourable to allowance, a net release of prior year reserves of $84 million and a $4 million positive impact from the narrowing of credit spreads. The unfavourable perils outcome relative to allowance was attributable to the outcome of the RACQ Insurance portfolio in the first half of the year. Excluding the impact of RACQ Insurance, the insurance profit was $1,647 million which equates to a reported insurance margin of 16.7%.

Reported insurance profit over the past 5 years ($m)



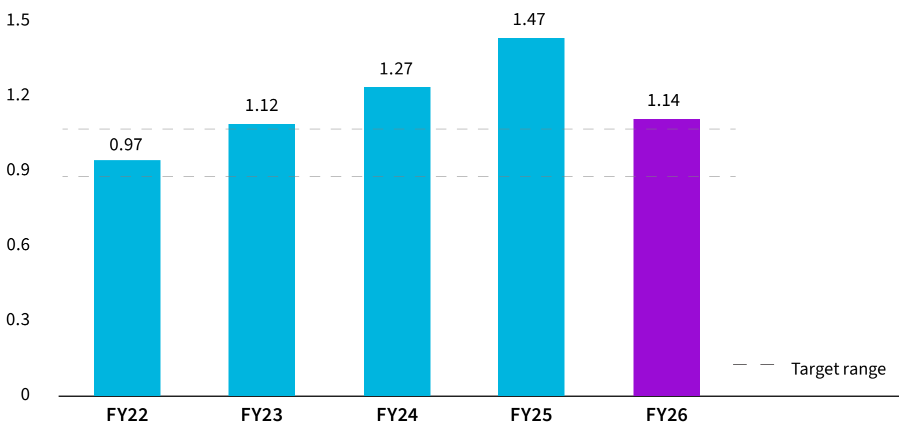
Capital strength

Our capital position remains strong, helping to ensure we will be there for our customers when they need us. Our capital ratios remain above regulatory requirements:

- Common Equity Tier 1 (CET1) capital of $3,337 million (FY25: $3,939 million), and
- Total regulatory capital of $6,216 million (FY25: $6,510 million) at 30 June 2026.

Our strong capital position enabled us to fund the RACQ strategic alliance from organic capital generation.

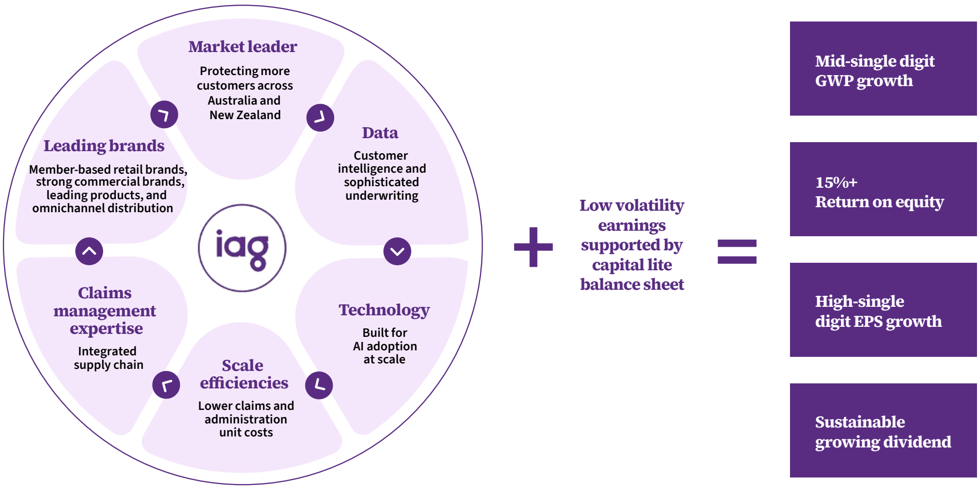
CET1 multiples (x PCA)



1. IAG's short tail personal insurance products are distributed in Victoria under the RACV brand, via a distribution relationship and underwriting joint venture with RACV. These products are distributed by RACV and manufactured by Insurance Manufacturers of Australia Pty Limited (IMA), which is 70% owned by IAG and 30% owned by RACV.
2. RACQ Insurance's products are distributed under the RACQ brand, via a distribution relationship with RACQ. RACQ Insurance is ~90% owned by IAG and ~10% by RACQ.

In May, we held an Investor Day at our Sydney offices, with plenary sessions featuring members of IAG's Group Leadership Team: (L to R) William McDonnell, CFO; Julie Batch, CEO Retail Insurance Australia; Nick Hawkins, Managing Director and Chief Executive Officer; Jarrod Hill, CEO Intermediated Insurance Australia; Phil Gibson, Chief Executive IAG New Zealand; and Neil Morgan, Chief Operating Officer to outline our Ambition 2030, and refreshed strategy.

IAG's winning formula

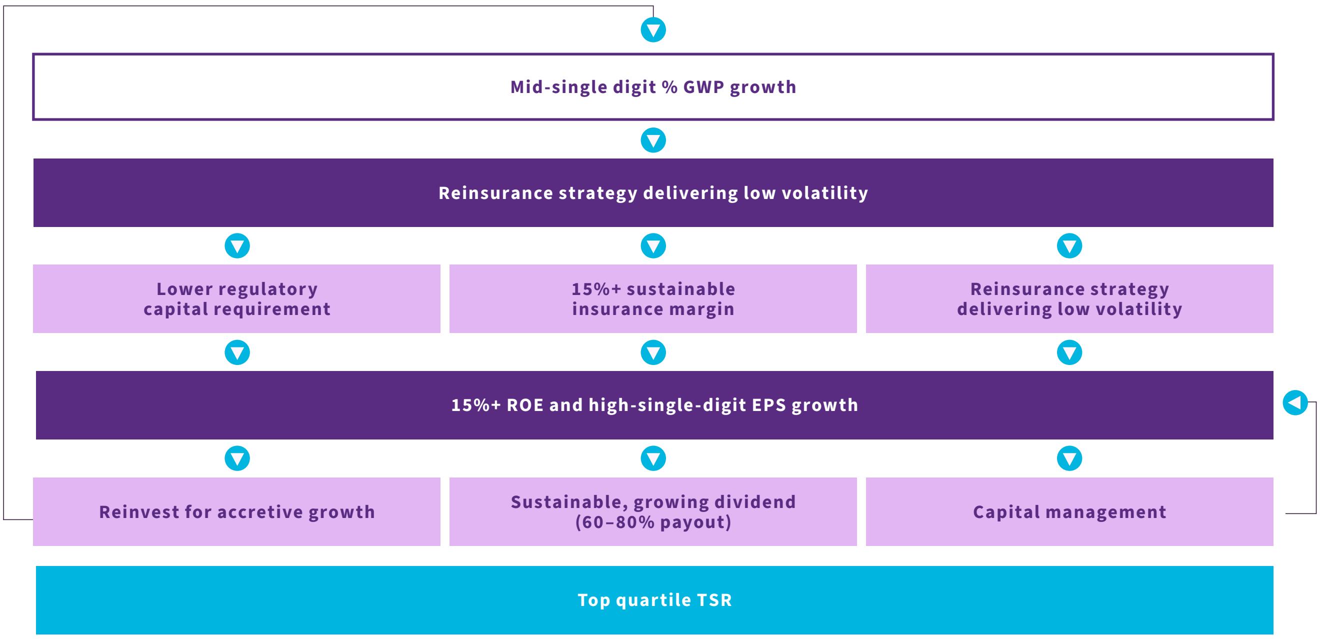


Ambition 2030

Our Ambition 2030 targets[1] are for over 11 million customers, over $25 billion in premiums, and a customer net promoter score of 55 as we continue to be the insurer of choice across Australia and New Zealand. It encompasses our ambition to grow at least in line with the market, and seek opportunities to grow beyond that, and to continue to play a leading advocacy role in risk reduction to support our communities.

IAG's financial model

At Investor Day, our Chief Financial Officer, William McDonnell, described IAG's financial model and how it supports our Ambition 2030.



1. A number of IAG's Ambition 2030 targets assume completion of the acquisition of RAC Insurance which is subject to regulatory approvals and customary closing conditions. Refer to the forward-looking statements and other representations section on page 199 of this Annual Report.

DELIVERING OUTCOMES

People

IAG's new offices at Parramatta, Sydney.

Highlights

75%

Engagement score[1] (up from 73% in FY25)

46 days

Group average days lost per Lost Time Injury,[2] well below IAG's FY26 threshold of ≤131 days

Family Friendly

Workplace Reaccreditation

Silver Tier Accreditation

Australian Workplace Equality Index (second consecutive year)

1. This is the FY26 Balanced Scorecard outcome for Employee Engagement. It is calculated by taking the average Employee Engagement Score from the People Pulse Survey and the Annual Culture Survey run in FY26.
2. From FY26, IAG adopted Average Days Lost per Lost Time Injury (LTI) as its primary lag safety indicator, replacing Lost Time Injury Frequency Rate. The metric measures injury severity by calculating the average number of workdays lost per LTI over a rolling 12-month period.

Our People Strategy

Delivering our People Strategy has enabled us to respond to a rapidly evolving environment shaped by advancements in technology, as well as changing customer expectations and workforce dynamics.

Progress against our four key objectives is reported below.

Build a high-performing workplace

Strengthening our culture

A strong, aligned culture supports superior customer outcomes, risk discipline, and sustainable performance. We assess the effectiveness of our culture and emerging risks through many feedback sources including our annual culture survey and pulse survey, and regular employee focus groups.

Results remained strong in FY26, with engagement improving from 73% to 75%[1] and inclusion improving from 72% to 75%. Over 90% of employees reported clear connection to strategy and purpose; customer focus remained a strength, with brand advocacy improving by two points to 67%. Improvement priorities include simplifying work, strengthening execution, and continuing to build capability in feedback, performance and risk management.

Flexibility

We offer a dynamic hybrid work model that balances customer needs with flexibility, collaboration and career development. In FY26, 86% of survey respondents[1] were satisfied with their flexibility to manage work and personal commitments, up from 83% in FY25.

Fostering a safe, inclusive and supportive workplace

In FY26, we included questions about psychosocial safety into our annual culture survey to enable stronger monitoring and benchmarking. We achieved a Group psychosocial safety score of 80%, establishing a positive baseline for tracking trends and progress over time.

Our people have access to Sonder, an employee assistance and safety support platform with 24/7 wellbeing, mental health and personal safety services. As at 30 June 2026, 32% of eligible employees had registered for the service.

Respect@IAG

This year, we added Upstander training to our Respect@IAG program to cultivate a culture that encourages active bystanders; reinforces proactive management of conduct and culture risk; and supports a safe, respectful and inclusive workplace.

Develop future-ready skills

Transforming our workforce for the future

We have started to reshape IAG's organisational design to support an adaptive, technology-enabled organisation. This framework will enable us to organise our workforce for the pace, flexibility and AI-enabled ways of working we need to achieve IAG's Ambition 2030.

We have reimagined our talent acquisition strategy using a candidate relationship management platform that assists in the recruitment journey.

Building capability for the future

Through our leadership and learning programs, we are building the capabilities we need to respond to changing customer expectations, technology and workforce demands.

The IAG Academy provides targeted learning through faculties aligned to: strategic priorities; strengthening human and customer capability; digital and AI capability; leadership effectiveness; sustainability; and core business capability.

In FY26, we expanded the number of courses and strengthened the annual Brilliant Me initiative, which supports internal mobility and employee ownership of career development.

Leadership and talent pipeline

Our leadership programs are strengthening enterprise thinking and human-centred leadership.

We enhanced our Executive Talent Framework during the year to improve succession planning and deepen our talent pipeline of future-ready leadership.

Emerging talent

We continued to develop our emerging talent pipeline in line with future workforce needs, employing 69 graduates across Australia and New Zealand in February 2026 in critical technical and digital roles. A further 76 graduates have accepted offers to join us in FY27. Key highlights of our FY26 recruitment for FY27 placement were:

- Over 7,000 applications (+69% year-on-year).
- 53.10% female representation at offer stage.
- Continued recognition as a leading graduate employer by Australian Association of Graduate Employers and the *Australian Financial Review.*

IAG Workforce

FY26 At a Glance

12,763
Total Headcount

11.98%
Part-time employment

Age distribution

12.13%
<30 years

60.99%
30–50 years

26.88%
> 50 years

Average
43.0 YRS

Talent and retention

11.45%
Total turnover

Inclusion and flexibility

6.03%
Employees identifying as having a disability

42.49%
Employees with a flexible working arrangement

95.02%
Parental leave return rate

Our regional presence

Employees

70.7%
29.3%

9,064
Australia

3,699
New Zealand

Gender representation

Women in our workforce

58.91%
Women

First Nations representation

1.06%

Culture and capability

75%
Engagement score[1]

99%
Mandatory learning completion

Safety

46 DAYS
Group average days lost per Lost Time Injury, well below IAG's FY26 threshold of ≤131 days[2]

Note: up to five years of comparable data (where available) is available in the ESG Data Summary.

People (continued)

AI-enabled people systems

This year, we enhanced our People support services with AI-powered capabilities that improve employee experiences.

These capabilities help streamline support interactions, reduce manual administration, improve response consistency, and enable faster resolution of employee enquiries.

Employees can also access guided self-service support at any time, providing quick and reliable access to information and assistance.

This investment is simplifying how support is delivered and accessed, improving service efficiency, and allowing employees and support teams to focus more time on supporting our customers and businesses.

In July, more than 400 people took part in the IAG Agent World Cup, a GenAI tournament designed to spark new ideas, build AI skills and showcase some of the best AI agents created across IAG.

Amplify the human in digital

Adopting AI is helping us transform our company. We are channeling our efforts in three areas:

- 'Deploy' puts AI in the hands of everyone. Today, more than 60% of our people are regular users of AI, through Microsoft, and other providers who have embedded AI in their products.
- 'Shape' has us tailoring AI to specific business problems and use cases. We now have more than 600 activators within the company who have published over 90 AI agents that are improving workflows in areas like customer service, operations and corporate functions.
- 'Compose' is where we are building higher value, more complex AI solutions at scale. Over 2,000 employees are using AI in claims, fraud and service teams.

Inspire sustainable action

Our commitments to gender equity and pay parity, Indigenous engagement, and accessibility and inclusion empower our people to create sustainable value, proactively build our reputation, and manage our risks.

Diversity, Equity and Inclusion Strategy

Year two of our three-year Group Diversity, Equity and Inclusion Strategy focused on inclusive workplaces, inclusive leadership, and inclusive outcomes for customers and communities. In March 2026, IAG's workplace inclusion measure score was 75% (up 3% from FY25), indicating that our people experience a sense of belonging at IAG.

Our Strategy is supported by our Group Diversity, Equity and Inclusion Policy.

Gender equity and pay parity

We continue to promote gender equity and improved outcomes for women and men across our workforce. Our work is supported by ongoing gender pay analysis, including gender pay equity and the gender pay gap, and transparent reporting to the Workplace Gender Equality Agency (WGEA) in Australia.

In FY26, in alignment with WGEA Gender Equality Targets legislation, the Board selected and approved targets to increase uptake of parental leave by men, enhance the representation of women in senior leadership, and improve the gender balance in graduate recruitment. These targets will be implemented in FY27.

Further information on IAG's gender diversity, including IAG's Gender Equality Indicators (as defined under the *Workplace Gender Equality Act 2012* (Cth)), is available in our 2024–2025 WGEA on the Diversity, Equity and Inclusion page of our website at www.iag.com.au. The website also includes our current publicly available gender pay gap detail in our IAG WGEA Employer Statement (for Australia) and Gender Pay Disclosure (for New Zealand).

Gender representation targets

We retain our Gender Representation Target of 40–60% at each level of senior management (CEO and three levels below). IAG's progress towards the target at June 2026 is outlined below:

Gender Representation	Women	Men	Target
Group Leadership Team	33.3%	66.7%	40-60%
Executive General Managers	34.0%	66.0%	40-60%
Direct Reports of Executive General Managers*	49.2%	50.4%	40-60%

* This data includes one employee who identifies as non-binary.

Indigenous engagement

We are committed to supporting Aboriginal and Torres Strait Islander peoples in Australia and Māori in Aotearoa New Zealand, with a focus on employment, economic participation and community resilience.

We continued building cultural capability, particularly in our frontline teams, via the Blackcard Cultural Awareness Program for Managers, and targeted e-learning for Team Leaders.

In Australia, work on our FY26–FY28 Reconciliation Action Plan commitments strengthened partnerships with First Nations organisations and delivered initiatives that support economic participation, education and community resilience. Our Reconciliation Action Plan includes a FY28 employment target of 1.2% representation for Aboriginal and Torres Strait Islanders; for FY26, this was 1.06%.

In FY26, we began a three-year partnership with First Nations Economics to support Aboriginal and Torres Strait Islander women pursuing careers in finance, economics and business through the Leah Armstrong Scholarship. The scholarship aims to reduce barriers to tertiary study and provide mentoring, leadership development and exposure to professional environments.

IAG will contribute $120,000 over three years to support two recipients from 2026 to 2028. Scholarship holders will also be offered paid internships and the opportunity to apply for IAG's Graduate Program after graduation.

Te Ao Māori

Following the launch of our Te Ao Māori visual identity, Ruaitewānanga (the vessel of learning), our Māori strategy will now be known by this name. The change reflects intent and encourages our people to engage with the strategy meaningfully.

Progress developing our Cultural Inclusion Learning Plan is further supporting our people to embrace Te Ao Māori, and enabling a systemic approach to capability uplift aligned to the Te Ao Māori Cultural Capability Framework.

We continue to foster Māori leadership through early career programs such as TupuToa, Workforce Experience Programme, First Foundation, and our partnership with Whatukura for our AMI MotorHub apprenticeships. In FY26, we supported 44 Māori employees through these programs.

Accessibility and inclusion

Accessibility and inclusion remains a priority, with 6% of employees identifying as living with a disability, and 8.5% identifying as neurodivergent.

IAG's Access and Inclusion Plan demonstrates a formal, organisation-wide commitment to accessibility and inclusion, providing a clear foundation for future action, accountability and continuous improvement.

To better understand our strengths and opportunities towards disability inclusion, IAG completed the Access and Inclusion Index 2025, which highlighted strengths in both the Employee Experience (63%) and Customer Experience (60%) dimensions.

For more information on IAG's Access and Inclusion Plan, see the Diversity, Access and Inclusion page on our website (www.iag.com.au).

Welcoming our RACQ Insurance colleagues

On 1 September, we welcomed around 840 new colleagues to IAG when we completed the acquisition of RACQ Insurance.

The strategic partnership with RACQ brings together the experience and strengths of both organisations, with a shared commitment to supporting members, customers and communities across Queensland.

We have transitioned RACQ Insurance colleagues onto IAG devices for a consistent employee experience, made substantial progress to align the Eight Mile Plains workplace with our technology and security, and fitted the Contact Centre with IAG's future-fit telephony solution.

Since 1971, RACQ Insurance has grown to become one of Queensland's leading insurers, helping members and communities recover and rebuild after natural disasters. Together, IAG and RACQ Insurance are better placed to support 1.7 million RACQ members and help make Queensland communities safer and more resilient.

RACQ local store representatives in Mackay, Queensland, photographed with Trent Sayers (Chief Executive, RACQ Insurance) centre right, Kelly Mulholland (Claims Management Officer, RACQ Insurance Property Claims) second right, and Bri Kennedy-Smith (Claims Resolution Specialist, RACQ Insurance Property Claims), right.

DELIVERING OUTCOMES

Communities

Highlights

$10.8m

Invested in community initiatives (up by 22% from $8.8m in FY25)

9,000 hours

Volunteered by our people (down from 9,227 hours in FY25)

10,000 people

reached though Australian Red Cross Emergency Redi™ workshops (since November 2023 start)

Community outcomes

Ambition 2030 restates our commitment to our communities to continue to play a leading advocacy role in risk reduction.

The commitment reinforces and extends our existing support for our customers to take preparedness action, and our work to engage with and educate communities and customers to increase their resilience.

IAG Resilient Futures Report

The inaugural *IAG Resilient Futures Report* was published in June 2026, including the *IAG Risk Index*. Drawing on insights from more than 2,400 consumers and small businesses, the report provides a national view of confidence, disruption and preparedness.

The findings show Australians remain cautiously optimistic, with 58% of consumers and 72% of small businesses confident about the future, despite around two-thirds experiencing a significant disruption in the past year.

Cost-of-living pressure is the leading concern for households and is affecting spending, financial security and preparedness.

Small businesses are also facing increasing risk. Almost half were affected by extreme weather in the past year, and many still have gaps in continuity planning, backup suppliers and regular insurance reviews.

These insights help guide our work to support individuals, businesses and communities to better anticipate, withstand and recover from disruption.

Researching safety

Aligned to our purpose to make your world a safer place, our Research Centre is exploring how emerging mobility technologies will affect operational and insurance risk in the future, and providing insights that support educational efforts to improve road safety. This year, we worked on two significant pieces of research.

Safety for battery-powered devices

We are working with Queensland University of Technology, EV FireSafe, Standards Australia and iMOVE to better understand lithium-ion battery risks, inform national standards and develop practical safety guidance.

Early research findings show fire risk can increase when these batteries are damaged, exposed to saltwater flooding, charged incorrectly or repeatedly impacted, common with e-bikes and e-scooters. Also, Australia's lithium-ion battery market is growing faster than safety standards and consumer education.

Smart car safety technology

A separate project is researching why smart car safety technology is not yet reducing road accidents. Smart car safety technology is designed to help prevent or reduce the severity of some of the most common crash types we see in NRMA Insurance claims data, including rear-end collisions, unsafe manoeuvres, lane departures and collisions with stationary objects.

We launched research into Advanced Driver Assistance Systems (ADAS) in November 2025, after our survey of 2,000 consumers revealed 60% of Australian drivers are actively turning off ADAS features in their cars. Additionally, only 36% of drivers have ADAS as the default setting in their vehicles, while 38% find ADAS features distracting.

We are working with the Queensland University of Technology and the iMOVE Co-operative Research Centre.

Retail Insurance Australia

Our Australian retail business continues to advance its community impact ambition of helping protect our customers, communities and championing a more climate-ready and financially inclusive Australia.

As A Help Company, our NRMA Insurance brand continued to support a range of initiatives that strengthen connection, resilience and wellbeing across Australia. Through these partnerships, we advocate for Australians and support practical actions that help individuals and communities to prepare for, respond to and recover from disruption.

A Help Company

Working with long-term community partners to strengthen preparedness

As A Help Company, NRMA Insurance continues to bring together individuals, communities and organisations to raise awareness of local risks, and support preparation for extreme weather.

We work in partnership with organisations including Australian Red Cross, Lifeline Australia, NSW Rural Fire Service, South Australian State Emergency Service, GIVIT and the Resilient Building Council, to deliver large-scale community engagement programs designed to strengthen preparedness for extreme weather events.

Understanding the impact of extreme weather on Australians' mental health

Through our partnership with Lifeline Australia, NRMA Insurance commissioned and launched the *Extreme Weather and Suicidality Report*, providing important insights into the growing mental health impacts of extreme weather on Australians and highlighting the need for emotional preparedness alongside physical disaster readiness.

The Extreme Weather and Suicidality Report launched in April, based on a national survey of more than 1,500 Australians found the emotional impacts of extreme weather are widespread and compounding.

The research reinforces the need to include accessible mental health support in weather preparedness activities, so people can manage stress and know where to seek help.

Since 2020, Lifeline Australia and NRMA Insurance have helped Australians mentally and emotionally prepare for, and recover from, extreme weather. Our partnership includes dedicated content in Lifeline Australia's Online Support Toolkit, giving at-risk communities practical tools to build resilience before, during and after disasters.

Expanding community preparedness in South Australia

In August 2025, NRMA Insurance and the South Australian State Emergency Service (SA SES) renewed their three-year partnership to strengthen extreme weather resilience and expand community preparedness programs across the state.

Continued support from NRMA Insurance helps strengthen SA SES's community education volunteer base and expand local education initiatives across South Australia.

To date, the partnership has supported the recruitment and training of over 180 additional community education volunteers.

In May 2026, we encouraged South Australians to wear orange on Wear Orange Wednesday (WOW) Day, to create a visible moment of appreciation for the over 1,800 SA SES volunteers.

Rundle Mall WOW Day 2025 advertising asked South Australians to wear orange on 20 May to say thank you to over 1,800 SA SES volunteers across the state.

Communities (continued)

Partnership highlights

Other NRMA Insurance community partnership highlights that helped build community preparedness this year included:

- Continuing as the National Principal Partner of **Australian Red Cross EmergencyRedi™ Workshop** program. Over 850 Australian Red Cross EmergencyRedi™ Workshops have been delivered with our support since the program began in November 2023, with 10,013 people attending, and 58% of attendees confirming they had reviewed their insurance after attending the workshop.
- Continuing our partnership with **GIVIT** and **RACV**, we supported GIVIT to develop and implement a purchasing automation project that saved an estimated 2,687 hours of manual effort, delivering approximately $116,295 in value and enabling GIVIT to expand its reach and support to more communities across Australia.
- Continuing our decade-long partnership with **Resilient Building Council**, supporting the continued development of its resilience ratings scheme, expanding from bushfire to multi-hazard.
- In January 2026, we committed $450,000 over three years to continue funding **McGrath Cancer Care** Nurse Kate Williams in Naracoorte, South Australia. The investment brings NRMA Insurance's total commitment over four years to more than $1.7 million, supporting three McGrath Cancer Care Nurse positions in South Australia and New South Wales and helping people and families affected by cancer access care closer to home.

Australian Red Cross EmergencyRedi™ Workshop

850
workshops delivered with our support since the program began in November 2023

10,013
people attending the workshops

58%
attendees confirming they had reviewed their insurance after attending the workshop

Being prepared

We supported partners with over 50,000 preparedness items, to help communities prepare for bushfire and storm season. Giveaways included NSW RFS and NRMA Insurance gutter gloves, to encourage people to clean their gutters before a bushfire or storm strikes.

Glow in the Dark Car Drive First Aid Kit

A customer gift for long-term customers to recognise 100 years of NRMA Insurance. Each kit also included access to an Australian Red Cross Driver First Aid online Course.

Sharing knowledge to build resilience

We believe collaboration and knowledge-sharing across communities, industries and local authorities is vital to building a more resilient Australia, and helping communities prepare for and recover from extreme weather.

Disaster Resilience Conference + Resilience Lane

This year, we again supported the Australian Disaster Resilience Conference and Resilience Lane, organised by the Australian Institute for Disaster Resilience in Perth in August 2025. The event brings together industry leaders, researchers, emergency management agencies and community organisations from across Australia to share knowledge, build connections, and support a more resilient Australia.

Help Fund initiative supports climate resilience

In October 2025, NRMA Insurance launched Help Fund, a multi-year, multi-million dollar initiative to support climate resilience in Australia. In its first year, Help Fund is providing $1 million across three key pillars:

- supporting climate tech innovation;
- sponsoring the development and education of climate leaders; and
- backing community-led resilience.

Supporting climate tech innovation

Five climate tech ventures were awarded grants of $100,000 each to help them implement community-based projects and demonstrate their potential for future scalability. The Help Fund's inaugural recipients were FloodMapp AUS, DNA Energy, VALAI, GeoNadir and Rainstick.

Spotlight on FloodMapp AUS

With support from NRMA Insurance Help Fund, Queensland residents in Douglas and Fraser Coast can now receive live flood alerts via select GPS navigation apps.

The innovative alert system is powered by an intelligent modelling tool developed by Brisbane-based start-up FloodMapp. The tool is currently being utilised by Douglas and Fraser Coast councils as part of the Queensland Flood Resilient Communities Program (QFRCP), a joint initiative designed to strengthen local disaster preparedness and reduce flood risk.

Developing climate leaders

Help Fund also supports climate resilience by developing climate leaders, and backing community-led resilience.

This year, it provided scholarships for climate resilience training to help increase the capability of local leaders. Twenty leaders participated in the *Climate Leadership Accelerator: Into the Arena* program delivered by Small Giants Academy, a not-for-profit organisation reimagining leadership for a more inclusive and regenerative future.

Help Fund inaugural climate tech innovation grant recipients.

Members of the Northern Rivers Community Alliance held a community-based participatory grant making process.

Community-led resilience

Help Fund also supports community-led plans and local solutions that strengthen climate resilience.

Its first project commits $800,000 over two years to establish a participatory grants program in the Northern Rivers region of New South Wales, delivered with the Northern Rivers Community Foundation to help locals shape solutions for extreme weather resilience.

The Foundation will work with the Northern Rivers Community Resilience Alliance to support community-led grant decisions, ensuring projects reflect local priorities and lived experience.

The first recipients are expected to be announced in late 2026.

The program builds on Monash University's Fire to Flourish model, piloted across four local government areas in New South Wales and Victoria from 2021 to 2025.

Communities (continued)

Supporting Indigenous communities

IAG was a key sponsor of the [National Indigenous Disaster Resilience Gathering] in Lakes Entrance, Victoria, in May 2026. The Gathering supports community-led research, advocacy and leadership to address the disproportionate impacts of natural hazards on Indigenous peoples. The 283 delegates who attended the Gathering travelled from across Australia, and were joined by some from New Zealand and Canada. Our support aligns with our FY26–28 Reconciliation Action Plan commitments to invest in Indigenous-led disaster preparedness projects and integrate Traditional Knowledge into business practices.

In May 2026, IAG announced a three-year partnership with **First Nations Foundation** to help strengthen financial literacy and economic resilience in Aboriginal and Torres Strait Islander communities. The partnership supports commitments in our Financial Inclusion Action Plan and Reconciliation Action Plan.

Through the partnership, First Nations Foundation will expand its culturally informed digital financial education programs and develop a general insurance module within its award-winning *My Money Dream* initiative, helping improve financial risk awareness and insurance knowledge.

We also extended our partnership with the **Aboriginal Carbon Foundation** for a further three years, continuing our support for Indigenous-led carbon abatement and cultural land management, including a fire forum focused on cultural burning as a preventative tool to help reduce bushfire risk. Our engagement is covered in more detail in the Environment pages 34–36 of this Annual Report, along with the 2nd edition of our *Climate Action Plan Towards FY30*.

We expanded our partnership with the **National Aboriginal Sporting Chance Academy**, supporting the 2026 CareersFit program with a workshop for 30 First Nations students. Students designed their ideal workplace using LEGO and practised professional skills through mock interviews.

IAG has announced a three-year partnership with First Nations Foundation.

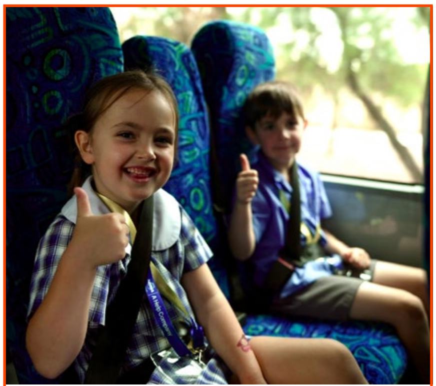
The program aims to increase Year 12 completion and pathways to university or employment for Aboriginal and Torres Strait Islander students.

Using our data to help build safer communities

This was the fifth year of our NRMA Insurance Wild Weather Tracker which releases reports after every season, to encourage people to take action to protect their properties, vehicles and the community from the impacts of wild weather. The reports identify risks based on our claims data, supplemented by external consumer research conducted on behalf of NRMA Insurance.

The Summer 2025-26 report revealed that wild weather accounts for 57% of all home claims, and 46% of Australians say they are more concerned about weather damaging their home than they were five years ago. Storms were the leading cause of damage, followed by hail events and floods.

In Autumn 2026, the report revealed 42% of Australians do not feel prepared for bushfires, with a developing El Niño climate cycle expected to bring increased bushfire risk across large parts of Australia this winter. Despite rising risk beyond the traditional fire season, just 6% of Australians typically think about preparing for bushfires during winter, highlighting the importance of households taking steps to prepare early.



Helping children travel safely by bus

In March 2026, NRMA Insurance marked 20 years of its annual Bus Safety Program, which helps kindergarten students in regional New South Wales learn how to travel safely by bus.

The program began in Wagga Wagga and has supported thousands of children across the Central West and Riverina.

NRMA Insurance Wagga Wagga representative Christine Hillis introduced the NRMA Insurance Bus Safety Program in 2006. She is now director of the Bus Safety Program, assisted by Bree Lyons, who first took part in the program as a kindergartener.

Intermediated Insurance Australia

Our Intermediated Insurance business has a strong business and community focus through its CGU and WFI Insurance brands.

Farm accident insights support National Farm Safety Week

WFI Insurance released its annual farm accident insights through the Farmsafe Australia 2025 Safer Farms Report during National Farm Safety Week in July 2025. We sponsor the report to raise awareness of farm safety risks and help reduce injuries and fatalities in farming communities.

The report highlighted the serious risks facing Australian farmers. In 2024, 72 people died on farms — the highest number in more than two decades. While WFI Insurance recorded an 8% reduction in farm-related claims, impact-related claims, which include vehicle accidents and crush injuries, rose 44% to their highest level in four years.

Farm vehicle accidents remained a key risk, with 1,800 claims involving vehicles such as quad bikes and side-by-side vehicles. Side-by-side vehicles were the leading cause of on-farm fatalities in 2024. The report also pointed to growing mental health pressures, with workers' compensation claims for anxiety and stress continuing to increase year-on-year.

Extreme weather and fire also continued to affect farming communities, with natural peril-related claims up 18% over three years and farm property fire claims up 28% over the same period.

Supporting agricultural communities

As extreme weather continues to increase in frequency and severity, WFI Insurance remains focused on supporting community organisations that help rural and regional communities build resilience and recover from natural disasters.

Rural Aid partnership

In January 2026, WFI Insurance announced a partnership with Rural Aid to support farming and rural communities before, during and after disasters. The partnership built on our $250,000 donation to Rural Aid in April 2025, which supported farmers affected by catastrophic flooding in Western Queensland.

$50,000 donation for Victorian Farmers Federation Disaster Relief Fund

Also in January, WFI Insurance donated $50,000 to the Victorian Farmers Federation Disaster Relief Fund, to provide immediate, farmer-led support to farmers impacted by the devastating bushfires in Victoria.

Championing rural and regional communities through Tour de Cure Signature Tour 2026

To support its commitment to rural and regional Australia, WFI Insurance was the proud presenting partner of Tour de Cure's 20th Signature Tour in 2026. The annual cycling event aims to raise $2 million in funds for cancer research, support and prevention programs and supports local cancer projects along the route.

Over 200 participants rode 1,408 kilometres from Canberra to Hobart in March, visiting schools, regional farming communities and towns including Jindabyne, Corryong, Ballarat, Geelong, Cradle Mountain, Launceston and Swansea.

Tour de Cure donated $10,000 each night to local cancer projects, helping support regional communities where access to cancer treatment can be more challenging.

200 participants rode in the Tour de Cure Signature Tour 2026

1,408 kilometres ridden from Canberra to Hobart

A small team of WFI Insurance employees took part in the ride, led by Executive General Manager Damien Gallagher. Each was driven by a strong personal purpose to take on the challenge and make a difference.

Communities (continued)

Podcast reveals rural crime statistics impacting Australian farmers

In December 2025, WFI Insurance released a rural crime podcast to help farmers better understand and reduce crime risks. The podcast drew on the National Rural Crime Survey by the University of New England Centre for Rural Criminology, which found:

- 90% of New South Wales farmers had experienced farm crime, with around 30% victimised seven or more times. Livestock theft is the most under-reported rural crime, with only around 50% to 60% of incidents reported to police due to low confidence that police could take action, and the difficulty of identifying when and where thefts occurred across large properties.
- Rural crime has mental health impacts, including feelings of vulnerability, isolation and ongoing concern about further incidents.

WFI Insurance also released cyber-crime statistics and a related podcast highlighting the growing cyber risks facing the agricultural sector. The research found only a quarter of Australian farmers are considering cyber insurance as a future need, compared to 70% of the broader business population. The findings suggest many farmers may not be aware of their increasing cyber exposure, with around 80% of farms using some form of agri-tech[1], increasing their risk of cyber-attacks.

CGU celebrates broker excellence

Through its ongoing sponsorship of the National Insurance Brokers of Australia (NIBA) Broker of the Year program, CGU continued to invest in broker capability and professional development across Australia during FY26.

CGU partnered with NIBA to deliver the national award program and five state award events. State winners participated in a leadership and cultural immersion experience through Jawun, while the national winner took part in an international executive education experience in New York.

Through these initiatives, CGU continues to recognise excellence in the broking profession while helping develop the industry's future leaders.

1. Roy Morgan Farmer AgTech Survey 2024.

New Zealand

Championing a more resilient New Zealand

During FY26, IAG New Zealand continued to champion stronger climate resilience, natural hazard risk reduction and long-term adaptation planning to help protect communities across Aotearoa New Zealand.

We use our claims experience and natural hazard insights to help New Zealanders better understand, prepare for and respond to severe weather. In April 2026, we released the eighth edition of the AMI, State and NZI Wild Weather Tracker, which showed storm-related claims had increased by 256% compared with the prior recorded year. Between autumn 2025 and summer 2026, our claims teams lodged 33,174 storm-related claims from 46 storms, compared with 9,324 claims from 29 storms in the year prior.

The Tracker also highlighted that, over a 15-year timeline, storms typically occurred once every 19 days, while in the most recent 12-month period this had more than doubled to once every eight days. These insights support our advocacy for natural hazard risk reduction and reinforce the importance of readiness, early action and insurance.

IAG New Zealand also published *A long-term approach to natural hazard risk reduction* in June 2026, calling for government to prioritise a clearer, more coordinated strategy to reduce risk. The report highlighted that New Zealand's natural hazard risk is growing in scale, complexity and consequence, identified 42 gaps and future needs that collectively limit New Zealand's ability to reduce natural hazard risk, and outlined a possible 15-year roadmap to strengthen national risk reduction capability.

Together, this work reflects our view that reducing natural hazard risk is both an economic and social imperative. It also reinforces our long-standing call for New Zealand to move from reactive disaster recovery towards proactive resilience planning, adaptation investment and practical action that helps protect homes, businesses and communities before events occur.

Growing employee volunteering

In FY26, New Zealand refreshed its Community Connection approach to strengthen partnerships and volunteering across Aotearoa New Zealand. The program enabled our employees to volunteer for over 5,600 hours in FY26, up from around 4,200 hours in FY25, with a focus on community resilience, housing, youth road safety, food security and nature restoration.

Across the year, our people volunteered with Habitat for Humanity, Road Safety Education Limited, Conservation Volunteers New Zealand and other organisations supporting activities including sorting goods for re-use with Habitat for Humanity; planting 280 plants and laying 300 metres of gravel with Silverstream Volunteers in Christchurch; sorting tonnes of donated food with New Zealand Food Network; and planting around 1,200 trees in a day; and helping with native plant propagation and nursery operations with Kaipātiki Project.

Improving housing outcomes

AMI's partnership with Habitat for Humanity continued to support their mission to help people into warm, safe, healthy and resilient homes.

In FY26, Habitat enabled 257 of our people to take part in 55 volunteering activities, contributing around 1,400 hours of support across programmes such as Home Repair paint days, ReStore donation drives and in-store volunteering.

Supporting road safety for our young drivers

We partnered with Road Safety Education Ltd to support the delivery of its Ryda Program nationwide. In one-day workshops, Ryda Facilitators, New Zealand Police, driving instructors and crash survivors take high school students through interactive learning sessions and real-life demonstrations. By combining practical experiences with ongoing learning, Ryda helps students to be risk aware and to make safer choices as drivers and passengers.

AMI also actively promoted road safety awareness during Road Safety Week, introducing the AMI Supporting Excellence Student Award to recognise young people demonstrating positive road safety behaviours. Between July 2025 and June 2026, Ryda held 131 workshops for 221 schools, supporting 20,916 students on their safe road user journey.

Protecting our communities

We pursued practical opportunities to engage directly with communities through established initiatives such as AMI Driver Reviver, NZI Truckie Rest Zones, AMI Tradie Risk Reduction Brekkies, Home Shows and Safer Plates sessions:

- AMI Driver Reviver roadside rest stops encouraged motorists to manage fatigue during busy travel. Working with community organisations and local partners, the stops promote safer driving through rest, refreshments and practical road safety conversations.
- NZI supported heavy vehicle drivers through Truckie Rest Zones, providing a place to stop, rest and refresh while sharing information on fatigue management and safer driving.
- AMI Tradie Risk Reduction Brekkie events supported tradespeople with practical tips and demonstrations on securing tools, preventing accidents and improving safety.
- We participated in Home Shows and Safer Plates sessions, sharing knowledge on home safety, vehicle security and risk reduction. Safer Plates sessions offered installation of tamper-resistant screws, aiming to help prevent theft and improve community safety.

Over 63 events, we helped customers and communities better understand the steps they can take to protect themselves, their whānau, homes, vehicles and businesses.

AMI supported key Chinese-speaking community events in FY26, including two Chinese New Year events, the Asia Festival, and – for the first time – title sponsorship of Channel 33's 'Stars of Glory' Children's Language Arts Competition. We have a specialist Chinese language team (below) that supports customers from China, Malaysia, Singapore and beyond, providing accessible service in a language customers best understand.

Supporting community-led festivals and events

AMI maintained its support for inclusive community events that bring people together and celebrate the diversity of Aotearoa New Zealand. This included ongoing engagement with rainbow and takatāpui communities, through AMI's support for the Auckland Rainbow Parade, Big Gay Out and Auckland Pride Festival, where our people participated as LGBTQIA+ community members and active allies.

AMI supported key Chinese-speaking community events in FY26, including two Chinese New Year events, the Asia Festival, and – for the first time – title sponsorship of Channel 33's *'Stars of Glory' Children's Language Arts Competition.*

The Channel 33 sponsorship supported national youth development and culturally relevant education.

AMI also strengthened our presence in Auckland's South Asian community through cultural and business engagements, such as Diwali activations, and sponsorship of the Indian Newslink awards and NZ Indian Business Association events.

AMI Driver reviver.

Participation in consulate and leadership forums helps position AMI as a trusted partner across migrant and business communities.

These activities reflect AMI's commitment to supporting community-led events that celebrate culture, identity and belonging across Aotearoa New Zealand. Through partnerships, culturally relevant education and community engagement, AMI contributes to a more inclusive society.

Environment

Highlights

100%

Renewable Energy target achievement maintained[1]

67%

Scope 1 and 2 Emissions reduction (compared to FY24 baseline)[2]

83%

Tool of trade vehicles transitioned to low-emissions or EV[3]

1. This target uses market contractural instruments.
2. Scope 1 GHG emissions are direct emissions from our owned and controlled sources. Scope 2 GHG emissions are indirect emissions from the generation of purchased energy. This result uses a Scope 2 market-based approach.
3. Tool of trade vehicles exclude salary sacrifice vehicles and major events response vehicles. Low emissions vehicles include hybrid and battery-electric vehicles. Additionally, target excludes First Rescue New Zealand Limited, Homehub Limited, IAG NZ Repairhub Limited, Loyaltyhub Limited, Motorserve Pty Limited, Vehicle Repairhub Pty Limited.

Our approach

Our approach to the environment focuses on managing climate-related risks and opportunities, reducing our operational impact, and supporting a more circular use of materials and resources.

It also focuses on enabling more climate-resilient communities, which is detailed in the Communities section on pages 26–33.

During FY26, we advanced our approach to climate action, delivering on existing commitments across our operations, suppliers and workforce, and setting updated and new targets for the future. Activities included updating our Climate Action Plan, piloting new approaches to carbon management, and building the capability of our people to embed sustainability considerations into everyday business decisions and support a lower carbon economy. These efforts support our broader purpose by helping reduce climate-related risks and enabling our customers and communities to better prepare for and recover from extreme weather events.

We are monitoring the environmental impacts associated with the use of emerging technologies, including artificial intelligence, as part of managing our operational footprint.

Piloting new approach to carbon management in our operations and supply chain

In FY26, we progressed pilot initiatives across our operations and supply chain to test practical approaches to emissions reduction and build capability in areas where solutions and technologies are still evolving.

Initiatives included:

Using recycled automotive parts

We expanded the use of recycled parts in motor repairs across NSW, ACT and metropolitan QLD following last year's pilot. We have used more than 60,000 high-quality recycled parts during FY26, which are sourced through trusted partners for our repair network.

In New Zealand, prioritising windscreen repair over replacement where appropriate helped keep more materials in use and reduced waste associated with replacement.

Optimising freight and logistics

We commenced an initiative to assess our motor parts procurement process and freight flows in New Zealand to identify opportunities to improve logistics efficiency, reduce costs and address freight-related emissions.

Improving plastics recovery from motor repairs

Initiatives focused on plastic waste reduction including:

- Continuing the bumper recycling introduced at AMI MotorHub East Tamaki.
- Incentivising collision repairers to recycle damaged bumpers where the service was available, keeping more than 3,900 bumpers out of landfill this year.
- Investing in plastic shredding equipment at AMI MotorHub Ngauranga to help increase local bumper-processing capacity and support better recycling outcomes.
- Recycling more than 700 child car seats recovered from damaged vehicles.

The practical insights we gain from these projects will inform future investment decisions and help prioritise initiatives to reduce emissions, improve the claims experience and deliver better outcomes for our customers.

Supporting suppliers on climate transition

In FY26 we designed a new sustainable supply chain engagement target that will help us to identify opportunities to support supply chain transition, while also contributing to our own decarbonisation efforts. The new target is captured in our *Climate Action Plan Towards FY30*.

We completed an engagement pilot with a small number of strategic suppliers to explore how we can collaborate to better understand climate-related impacts, risks and opportunities. We established a baseline view of supplier climate maturity, spanning emissions data and readiness to respond to evolving reporting expectations.

We are using these insights to refine our engagement approach and support more scalable engagement across our supply chain over time.

Advancing renewable energy and lower-emissions mobility

In Australia, we continued progressing the transition of our tool-of-trade fleet to low-emissions vehicles, building on our EV pilot and practical support for eligible employees adopting EVs, including access to charging options. At year end, 76% of our Australian tool-of-trade fleet comprised EV and hybrid vehicles.

We also commenced a major upgrade of our fleet of mobile claims units, with new, larger and refreshed units designed to reduce reliance on petrol generators through solar panels, lithium batteries, LED lighting and low-power connectivity. The upgrades provide more flexible, lower-emissions and weather-resilient mobile workspaces, with enhanced satellite internet connectivity helping our teams and repair partners remain operational in affected communities, helping our customers impacted by storm events.

In New Zealand, we are increasing the installation of onsite solar to reduce our reliance on grid electricity. Three AMI MotorHubs have onsite solar, following the installation of 185 solar panels at AMI MotorHub Hobsonville.

We transitioned 100% of our AMI MotorHub courtesy car fleet to hybrid and electric vehicles, giving customers the opportunity to experience low-emissions vehicles. With EV servicing now available at ten AMI MotorHub sites, we are helping customers maintain and repair their vehicles while supporting New Zealand's transition to a lower-emissions transport system.

Reducing emissions across our property footprint

We continued to reduce operational emissions across our property portfolio in FY26, benefitting from energy efficiency initiatives implemented in prior years. This included stronger-than-expected reductions from LED lighting upgrades completed in FY25.

Targeted, low-cost improvements identified through a climate risk assessment of our Burwood East data centre delivered additional emission reductions. Further reductions were supported through ongoing changes in our property footprint.

We strengthened our waste management approach by using a real-time digital tracking platform across our Australian and New Zealand offices. The data captured by the platform has increased visibility of waste streams and recycling performance, enabling more targeted interventions. Smart bins in selected locations have also improved recycling.

Platform insights have informed practical initiatives, including a disposable coffee cup recycling program in Australia that reduced contamination in recycling streams.

We continue to explore opportunities to improve waste outcomes and support lower-emissions operations across our workplaces, including electric vehicle charging infrastructure across selected sites.

Environment (continued)

Advancing our approach to nature and environmental risk

We progressed our Nature Roadmap in FY26, focusing on practical ways to embed nature-related considerations into existing risk management and decision-making frameworks.

Focus areas included:

- Improving our understanding of nature-related signals and triggers that may inform underwriting decision making.
- Piloting the Taskforce on Nature related Financial Disclosures (TNFD) approach of locate, evaluate, assess, and prepare (LEAP) across five customer farms to better understand nature-related dependencies, impacts, risks and opportunities.
- Continuing our collaboration with the United Nations Principles for Sustainable Insurance (PSI) to build knowledge and capability in nature-related risk.

This work is informing how we can integrate nature considerations into existing processes and frameworks.

Shaping the sustainable finance agenda

We have strengthened our engagement with the Australian Sustainable Finance Institute (ASFI), supporting efforts to mobilise capital towards resilience and adaptation. Through ASFI, we engage with government, regulators and financial institutions to contribute to the development of nationally consistent, investment ready approaches to resilience finance. Our CFO, William McDonnell, was appointed as Chair of the ASFI Board in April 2026.

In March we partnered with ASFI to host a Climate Action Week Sydney event on financing adaptation and resilience, bringing together stakeholders from across the financial system, government and industry. We also contribute to global discussions through our participation in the United Nations Forum for Insurance Transition to Net Zero (UNFIT).

Continuing our partnership with the Aboriginal Carbon Foundation

Our partnership with the Aboriginal Carbon Foundation (AbCF) was extended for a further three years, continuing our support for Indigenous-led approaches to carbon abatement and cultural land management. We worked with AbCF to drive stakeholder discussions on the role of cultural land management in strengthening community resilience and reducing disaster risk. This included a dedicated fire forum focused on cultural burning practices and their role as a preventative tool in mitigating bushfire risk.

As part of our broader Reconciliation Action Plan commitments, we continue to learn about the role of cultural knowledge in climate and disaster resilience, while supporting broader economic, environmental and social outcomes for Indigenous communities.

During the year, our cultural burning work with AbCF was also referenced by Alphinity Investment Management in its Dhawura Ngilan Business and Investor Initiative pilot progress report as a case study of caring for Country and culture.

Building capability for the long term

Ensuring our people have the skills and knowledge required to support the transition to a lower carbon and more climate-resilient economy remains a critical enabler of our environmental ambitions. We have included a capability uplift target in our Climate Action Plan Towards FY30. Examples of how we built capability in FY26 include:

- Piloting a Sustainability foundations learning module as part of the Sustainability Faculty in the IAG Academy to enhance understanding of sustainability and climate issues.
- Participating in external initiatives, including Small Giants climate capability programs and the Cambridge Institute for Sustainability Leadership (CISL).

These initiatives support us becoming a more informed and capable organisation, so we are better positioned to respond to changing environmental risks and to capture opportunities in a lower carbon and climate-resilient economy.

Cultural burning.

Sustainability report

Climate-related statements

This section contains IAG's first set of climate-related statements prepared in accordance with the Australian Sustainability Reporting Standards *AASB S2 Climate-related Disclosures* (AASB S2), as set by the Australian Accounting Standards Board (AASB).

This report is structured as a series of climate-related statements and supporting notes to the climate-related statements, which taken as a whole constitute our climate-related sustainability report to fulfil our mandated sustainability reporting obligations under the *Corporations Act 2001* (Cth) that apply to IAG from this financial reporting period.

IAG has elected to prepare this report on a consolidated group basis, as described in supporting note 5.C. This includes RACQ Insurance (RACQI) which is consolidated from the date of acquisition on 1 September 2025.

Important Notice

This report contains forward-looking statements and other forward-looking representations relating to ESG issues, including but not limited to climate change, climate and disaster resilience and other sustainability related statements, commitments, goals, targets, projections, scenarios, assessments, forecasts and expectations. These are subject to risks (both known and unknown), and there are significant uncertainties, limitations and assumptions in the metrics and modelling on which these statements rely.

To the maximum extent permitted by law, IAG provides no assurance, guarantee, or warranty (express or implied) in connection with the likelihood of fulfilment of any forward-looking statement, any outcome expressed or implied in any forward-looking statement, and any assumptions on which a forward-looking statement is based.

In particular, the metrics, methodologies and data relating to climate and sustainability may be impacted by various factors including the inherent limits in the current scientific understanding of climate change and its impacts, the rapidly evolving and maturing nature of methodologies to capture and record emissions, inconsistent data, availability and quality of historical emissions data, reliance on assumptions and future uncertainty (including in relation to energy stability, technology development (and its affordability) and socio-economic changes), effectiveness of internal controls relating to management of climate-related risks and opportunities, ability to influence upstream Scope 3 emissions and the uncertainty around future climate and sustainability related policy, market practice, regulation and legislation. These factors may also impact IAG's ability to meet commitments and targets or cause IAG's results to differ materially from those expressed or implied in this report. These commitments and targets, and the scenarios included in this report, may themselves change in future reporting periods.

There are also limitations with respect to the scenario analysis which is discussed in this report, and it is difficult to predict which, if any, of the scenarios might eventuate. Scenario analysis is not an indication of probable outcomes and relies on assumptions that may or may not prove to be correct or eventuate. Climate-related frameworks often differ across industries, and the language, definitions and concepts tied to climate science and decarbonisation strategies continue to evolve. These inconsistencies and ongoing changes can complicate efforts to assess and compare climate goals and performance across organisations. Parts of this report are based on modelling, data or scenarios provided by third parties which IAG has not independently verified. To the maximum extent permitted by law, IAG provides no assurance, guarantee, or warranty (express or implied) in connection with materials prepared by entities or persons other than IAG or matters (express or implied) contained in, or derived from, any such statements. Please refer to page 199 for IAG's notice in relation to forward-looking statements contained in IAG's annual report, including this report.

Further information is provided in this report in relation to specific climate-related uncertainties, limitations and assumptions. These include:

- The assumptions, considerations and dependencies underpinning our transition plan, noted in section 1.2;
- The significant uncertainties in the assessment of future climate-related business impacts, noted in section 1.3;
- The significant measurement uncertainty in relation to the estimate of potential future financial effects in section 1.4;
- The significant judgements in relation to the identification and assessment of climate-related risks and opportunities and determining the climate-related scenario inputs including guidance sources, as noted in section 1.6C; and
- The measurement uncertainties and significant measurement judgements, as noted in section 2.4.

Given the risks and uncertainties associated with forward-looking statements relating to ESG issues you are cautioned not to place undue reliance upon such forward-looking statements. The information provided in this report may not be suitable for your specific needs and is not a substitute for obtaining independent advice.

The proposed strategic alliance that IAG has announced with The Royal Automobile Club of Western Australia (RAC), subject to regulatory approvals and other conditions, may create future period adjustments to the information provided in this report. This includes but is not limited to the revision of target baselines and our assessment of the potential future impacts of material climate-related risks and opportunities. Please refer to section 6.5 of the Financial Statements for further information regarding this strategic alliance.

Climate-related strategy

1. Climate-related strategy

Section introduction

This section provides a summary of the key aspects of our climate-related strategy, including by sub-section:

1.1 – Our assessment of material climate-related risks or opportunities and their potential impacts on our business model and value chain

1.2 – Our response to climate-related risks and our current transition plans including climate-related targets and initiatives

1.3 – Our climate-related scenarios and assessment of our strategy and business model resilience

1.4 – An estimate of current and potential future financial effects arising from our material climate-related risks and opportunities

1.5 to 1.6 – Resourcing impacts and supporting information including climate-related scenario assumptions, sources, and significant judgements applied to assessing our climate-related risks and opportunities

1.1 Material climate-related risks and opportunities

The effects of climate change can impact our customers, communities, partners, and people. Our business model enables us to identify potential risks and to design, price, offer and fulfil insurance products to help protect the individuals and businesses we serve. Key elements embedded in our business model that underpin the provision of these products and services while generating returns to our investors include:

- Underwriting procedures including risk-based pricing, supported by our climate-risk modelling capabilities and historical claims data.
- Reinsurance arrangements as part of our capital platform to manage natural perils claims volatility.
- Regional scale and geographic and product diversification that further assists in balancing climate-related and other risks.
- Claims management experience including specialised processes to manage major claims events and support our customers to recovery.
- Climate-risk advocacy, including working with government and industry, to enhance perils resilience.

As future climate changes could have a range of social, economic and political implications that create risks as well as opportunities for our business operations and value chain, we have undertaken climate-related scenario analysis to evaluate the effectiveness of our current business model in managing potential risks or alignment to potential opportunities. Details regarding this process are provided in section 1.3. Our assessment is undertaken on an inherent basis considering the elements embedded in our business model to manage the climate-related risks that we provide cover for. Uncertain, planned or future mitigations are not considered in our assessment.

Our climate-related scenario assessment is based on the timeframes and reliant on the external scenario sources outlined in section 1.6 including the core *Network for Greening Financial Sector (NGFS) Climate Scenarios*, and subject to the uncertainties, limitations and assumptions noted in the Important Notice to this report. On this basis, and utilising available information, we have assessed that our current business model is expected to remain effective in managing climate-related risks in the future climate scenarios and timeframes considered apart from the Hot House Scenario[4] in the long term to 2050. Under this scenario two material climate-related physical risks may arise, as outlined below. On the same basis, other potential risks and opportunities considered through our climate-related risks and opportunities process (see section 3) were assessed as not material.

Management of climate-related physical risk is core to our business model, with the majority of our revenue derived from portfolios which actively measure, price and accept transfer of peril risk to physical assets (see physical-risk metric in section 2.2). Climate changes are impacting the severity, frequency and geographical distribution of weather events[1], leading to increasing peril claims and reinsurance costs. Our assessment across the future climate scenarios and timeframes considered (on the same basis noted above) is that our embedded monitoring and repricing practices will remain effective and reinsurance capacity will remain available though at increased cost (see resilience assessment in section 1.3). However, in the long term Hot House Scenario repricing arising from the increased input costs may result in a reduction in the size of IAG's addressable market for insurance in climate-related natural peril zones, either through affordability pressures or through government intervention in these markets. A summary of the two material climate-related physical risks assessed as having a potential material effect on IAG is set out in the table below.

Summary and category	Description	Potential effects, concentration, links to business model, and planned mitigations	Time Horizon[3]
Increasing natural perils costs *Physical risk*	Ongoing climate change is anticipated to continue to increase the cost of natural peril claims and reinsurance[2]. As it is standard insurance practice to reprice for increased input costs, it is assumed this would lead to higher insurance premiums. Significant premium price increases could lead to a reduction in the size of IAG's addressable market due to affordability pressures.	**Potential effects on business model and value chain** • Pressure on premium pricing from higher input costs • A reduction in the addressable insurance market • Earnings impact from reduced ability of some customers to pay the full risk price **Risk concentration by value chain** • Property insurance portfolios in acute natural peril zones (floodplains, bushfire hazard zones) • Product and pricing; Claims management and fulfillment; Capital management **Links to business model** • Capital management including reinsurance program • Processes to reprice policies in response to changes in risk • Internal process guardrails for aggregate underwriting exposure, which consider climate risks including geographic concentration • Managing within reinsurance risk appetite **Planned mitigations** • Continue to work with government and industry on potential perils mitigation	Long Term (Hot House Scenario[4])

Summary and category	Description	Potential effects, concentration, links to business model, and planned mitigations	Time Horizon[3]
Government intervention in insurance markets *Physical risk*	Significant premium price increases arising from increasing natural perils costs could increase political pressure on governments to intervene in insurance markets. Government intervention may reduce the size of IAG's addressable markets and impact our profitability.	**Potential effects on business model and value chain** • A reduction in the addressable insurance market • Earnings impact from inability to fully price for risks • Impacts of government imposed product constraints **Risk concentration by value chain** • Property insurance portfolios in acute natural peril zones (floodplains, bushfire hazard zones) • Product and pricing; Claims management and fulfillment; Capital management; Regulatory management and corporate affairs **Links to business model** • Advocacy with government and through industry bodies • Sharing climate-related capabilities with governments and industry to support large scale mitigation projects **Planned mitigations** • Continue to work with government and industry on potential perils mitigation	Long Term (Hot House Scenario[4])

1. Severe Weather in a Changing Climate - 3rd Edition (2025), IAG with the U.S. National Center for Atmospheric Research (NCAR).
2. On the basis of our climate-related scenario assessment process and reliant on the external scenario sources outlined in section 1.6, subject to the uncertainties, limitations and assumptions noted in the Important Notice to this report.
3. The time horizon over which the effects of climate-related risks and opportunities could reasonably be expected to occur. Short Term: 2026–2028; Medium Term: 2029–2035; and Long Term: 2036–2050.
4. The Hot House Scenario means a future scenario where warming well exceeds 2°C compared to pre-industrial times by 2050. See section 1.3 and section 1.6B for further details of the three climate scenarios assessed.

1.2 Response to climate-related risks

A key element of our inherent strategic response to the increasing natural perils risks is the continued development of our capital platform, including the reinsurance program. From FY24, as part of our resilience strategy, we added further climate-risk protection for our capital and customer premiums through entering a five-year strategic reinsurance arrangement to provide up to $4 billion of volatility protection for natural perils losses in conjunction with our whole-of-account quota share arrangements. In FY26, we extended our natural perils reinsurance coverages to include the RACQ Insurance (RACQI) portfolio and increased our whole-of-account quota share arrangements by 2.5%. The agreement provides greater certainty over the cost of natural perils cover for our customers, and greater earnings stability for IAG.

A. Transition Plans

The IAG Climate Action Plan (CAP) outlines our approach to transition towards a lower-emissions economy, while actively enhancing climate resilience and capturing opportunities through the transition. The CAP has been updated, with three new targets added (targets 5, 6 and 7 below) and RACQI included within the target measure scope.

The CAP describes two key action areas with specific interim targets and their associated initiatives, as summarised in the table below, with the key assumptions, considerations and dependencies shown in the following table (see also the Important Notice to this report).

CAP interim targets in the table below categorised under the *Innovate* action area have a climate change mitigation objective, and CAP interim targets categorised under the *Educate* action area have a climate change adaptation objective to help reduce the negative impacts of climate change. Current performance towards our CAP interim targets is shown in section 2.3 of the Metrics and Targets section of this report.

I. Climate Action Plan (CAP): Summary of action areas, interim targets, and key initiatives

CAP action areas	Interim targets / sub-targets	Key initiatives include	Target Reference
Innovate *Deliver solutions that incentivise risk reduction and support the economy-wide transition.*	Net Zero Scope 1 and Scope 2 (market-based) emissions [1,2,3] by FY30, *from an FY24 baseline* *Greenhouse gas (GHG) emission sources included in this target are outlined in section 1.2A II below*	• Procurement of and increased use of renewable energy • Transitioning to a low-emissions tool of trade fleet • Optimise our property portfolio through energy efficiency upgrades and property consolidation • Exploring fuel switching opportunities to alternative fuel sources (eg, use of biofuels in our owned motor repair centres) • Executive performance outcomes linked to decarbonisation and climate resilience • Purchase carbon removal offsets to cover residual emissions in FY30[3]	Target 1
	Scope 1 and 2 emissions sub-targets: • Continue to procure the equivalent of 100% of our direct Australian and New Zealand electricity demand from renewable energy	• Maintain our energy provider partnerships in Australia and New Zealand and purchase renewable energy certificates	Target 1.1
	• Transition to 100% low emissions (including hybrid and electric) tool of trade vehicles by FY30 except for major event response vehicles	• Where possible, update our tool of trade fleet to low emissions vehicles as leases expire to manage resource consumption	Target 1.2

Climate-related strategy (continued)

CAP action areas	Interim targets / sub-targets	Key initiatives include	Target Reference
	Reduce select gross Scope 3 emissions[1,4] by 50% by FY30, *against an FY24 baseline* *GHG emission sources included in this target are outlined in section 1.2A II below*	• Transitioning to a low-emissions tool of trade fleet, to reduce Scope 3 emissions associated with upstream fuel extraction and processing • Supporting renewable energy uptake by employees (eg, by partnering with energy providers to offer employees access to climate positive certified electricity for home use) • Reducing our paper consumption • Executive performance outcomes linked to decarbonisation and climate resilience	Target 2
	Reduce our listed equity investments (AU, Global) Scope 1 and 2 (a) normalised carbon footprint, and (b) weighted average carbon intensity by 50% by FY30 against relevant FY20 index baselines[5]	• Continue to align our investments to our interim target and Responsible Investment Policy	Target 3
	Maintain our $200 million investment in green bonds	• Continue to align our investments to our interim target and Responsible Investment Policy	Target 4
Educate *Use of our expertise and insights to guide our people, customers and partners.*	Have sustainability included as a core organisational capability and in our employee experience, by FY30[6]	• Ongoing development of the Sustainability Faculty in the IAG Academy, an internal learning and resource hub for employees • Integrating sustainability into key touchpoints of our employee experience (eg onboarding, learning and development) • Tracking of sustainability measure in IAG's annual culture survey • Sustained engagement and communications	Target 5
	Support Australians and New Zealanders in taking 2 million actions to understand or mitigate their risk from natural hazards, by FY30	• NRMA Insurance preparedness programs • Natural hazard risk education and awareness (eg, sharing weather-related claims insights with customers and communities) • Further IAG Australia and New Zealand initiatives designed to accelerate resilience to natural hazards and encourage individuals to act • Delivery through existing customer initiatives communications and programs	Target 6
	Engage 220 of our strategic supply chain partners on climate action or transition planning, by FY30	• Communication with suppliers on matters related to climate action or transition planning • May include initiatives such as contract renewals, sourcing events, sharing of education materials or information, and/or participation in forums	Target 7

1. The emissions reduction targets and the methodology for setting the emissions reduction targets have not been validated by a third party. No targets were derived using a sectoral decarbonisation approach (see Glossary on page 56).
2. Target 1 aligns with a 1.5ºC pathway, in line with the Paris Agreement, and is focussed on reducing emissions from our direct operations.
3. The gross emissions reduction target underlying Target 1 is a 90% reduction from an FY24 baseline.
4. We consider that our Scope 3 interim target aligns with the current pathway required to limit global warming to 1.5ºC. Our view is based on the reduction pathway set by the SBTi Target Setting Tool and does not rely on any third party advice, assessment or validation. The target covers those emission sources that IAG can control or in relation to which IAG can support emissions reduction (see below). The target does not include supply chain and virtual data centres emissions or downstream emissions sources such as emissions from IAG's investments.
5. Relevant baselines refer to the ASX200 (excluding IAG) for Australian equities and the MSCI World for Global Listed equities, as of June 2020.
6. Excludes First Rescue New Zealand Limited, Homehub Limited, IAG NZ Repairhub Limited, Loyaltyhub Limited, Motorserve Pty Limited, Vehicle Repairhub Pty Limited.

II. GHG emissions categories and sources included in our CAP targets

The GHG emissions categories and emissions sources included in relevant CAP target are outlined below:

Target 1: Net Zero Scope 1 and Scope 2 (market-based) emissions

- Scope 1 – company vehicles (corporate fleet); natural gas; stationary LPG; and refrigerant gases
- Scope 2 – purchased electricity, market-based (see Glossary on page 56)

Target 2: Reduce select gross Scope 3 emissions

- Category 1 – purchased goods and services (print and office paper, outsourced data centre services)
- Category 3 – fuel and energy related activities (transmission and distribution losses)
- Category 5 – waste generated in operations
- Category 6 – business travel (including air and taxi travel, rental cars, staff mileage)
- Category 7 – employee commuting (including employees working from home)

Note these are a subset of the measures included in our overall GHG emissions performance reporting (in section 2.1), which are summarised in section 2.4D) including definitions, assumptions, and emission factors utilised for each measure.

III. Assumptions, considerations and dependencies supporting the CAP

The initiatives and targets outlined in our CAP are set on the basis of several underlying assumptions and considerations, and reliant on certain dependencies. The selection of such assumptions and other factors requires judgement that draws on internal expertise as well as consideration of the external factors that can reasonably be taken to remain relevant and applicable into the future including the level of social and government support for continuing decarbonisation of the broader economy.

The table below provides details of the assumptions, considerations and dependencies for each of the CAP targets, linked by the Target Reference to the CAP targets summarised in the table above. Our CAP interim targets are expected to be updated in response to internal and external factors such as changes in our business, government policy settings, external frameworks, methodologies, data and best practice.

Climate Action Plan (CAP): Key assumptions, considerations and dependencies

Target Reference	Assumptions and Considerations	Key Dependencies
Target 1	• The interim target covers all operating entities consolidated within this Sustainability Report • Other assumptions and considerations are noted for sub-targets 1.1. and 1.2 below	• Internal policies that support the shift to alternate fuel sources, such as biofuels in our owned motor repair centres • Internal initiatives to support sustainable property practices • External availability and cost of alternative fuel sources • External availability and cost of technology to support decarbonisation such as electrification of repair network paint booths • Other key dependencies are noted for sub-targets 1.1 and 1.2 below
Target 1.1	• Maintenance of electricity supply contracts and continued purchase of energy certificates to meet this sub-target to enable 100% of electricity demand to be sourced from the local market	• Changes to our business or operations, such as acquisitions, may require additional renewable energy procurement • Availability and ability to enter, renew or extend existing energy contracts at a commercial price • Having a sufficient supply of renewable energy into future periods
Target 1.2	• Tool of trade vehicles exclude salary sacrifice vehicles (see Glossary on page 56) • Excludes major events response vehicles • Excludes New Zealand courtesy car fleet	• Internal policies that support the shift to low emissions tool of trade vehicles • Expiry profile of existing vehicle leases • External availability and cost of vehicles that meet the requirements of, and perform a similar service to, our current fleet • Accessibility of public charging infrastructure
Target 2	• The interim target covers all operating entities consolidated within this Sustainability Report • The target includes select gross Scope 3 emissions, as defined in section 1.2A II above • The interim target does not rely on offsets	• Internal policies to reduce waste and encourage maintenance or re-use • Staff behavioural change, such as choosing low emissions commuting to work • External availability and cost of technology such as sustainable transport • Government policy and infrastructure to influence staff low emission transport • The economic availability of sustainable aviation fuel certificates, which allow the purchase of credits representing cleaner jet fuel used elsewhere • Australian regulatory changes to allow digital delivery of customer notices
Target 3	• We expect to refine our measurement methodologies in alignment with emerging industry best practice and standards	• Subject to ongoing internal Strategic Asset Allocation settings • Subject to external availability of suitable investments • Provision of target performance information from a third party
Target 4	*There are no key assumptions or considerations for the green bond investment target*	• Subject to ongoing internal Strategic Asset Allocation settings • Subject to external availability of suitable investments
Target 5	• Measured using a combination of two structural and two behavioral indicators to evidence capability uplift • Structural indicators (core capability and people experience) are assessed using a qualitative approach that considers maturity embedment over time • Behavioural indicators (learning completion and culture survey response) are trend-based, assessed annually against an FY26 baseline, with performance defined as maintaining or increasing results over time	• Internal availability and maintenance of the IAG Academy and Sustainability Faculty • Continued inclusion of a sustainability question in our internal culture survey • Internally, sustainability is formally defined as one of the six IAG core capabilities
Target 6	• An action is counted when an individual takes a step to improve their understanding of options to mitigate natural hazard risk, or to implement, enable, or maintain an initiative that mitigates that risk • Actions represent an active engagement or intervention, rather than passive exposure • The same action performed over multiple years will be counted each year and there are no RACQI-led initiatives that will be counted towards this target	• Continued internal investment in initiatives, community partnership and marketing amplification to scale • External community partners are able deliver on programs and initiatives
Target 7	• Strategic suppliers are those identified through IAG's supply chain segmentation approach, considering governance and oversight of spend, geography of the supplier and their importance to our business operations • Scope of the target includes select suppliers in the general procurement, motor and property claims supply chain • RACQI claims supply chain has not been evaluated as part of the target setting for this measure in FY26	• Progress may be influenced by market shifts, regulatory changes, changes to supplier arrangements and/or supplier business models

A copy of the IAG Climate Action Plan is available from the Sustainability section of the IAG website (www.iag.com.au).

Climate-related strategy (continued)

1.3 Climate-related scenarios and assessment of resilience

Supporting the assessment of our climate-related risks and opportunities, three future climate-related scenarios have been developed and used to help test the resilience of our strategy and business model against future climate-related uncertainty (additional information regarding the scenario process is provided in section 1.6).

The table below summarises IAG's assessment of the climate-related risk considerations and strategy and business model resilience under these three scenarios (as undertaken in FY26 and applicable on 30 June 2026). This assessment is based on the timeframes and reliant on the external scenario sources outlined in section 1.6, and subject to the uncertainties, limitations and assumptions noted in the Important Notice to this report. Further supporting notes to the resilience assessment are outlined in section 1.3 I.

	Orderly – Net Zero 2050	Disorderly – Delayed Transition	Hot House World – Current Policies
Scenario Narrative	A strategic globally coordinated system wide transition, limiting global warming to +1.5°C through enforced climate policies, behavioural change and investment into innovation such as carbon removal technologies, reaching global net zero CO2 emissions circa 2050.	A period of inaction drives pressure for climate action. Sudden and uncoordinated policy responses from 2030 increase the transition costs for society and hastily drafted regulation leads to unintended consequences. However, temperature increases are limited to below +2.0°C by 2050.	Current policy settings continue, leading to uncontrolled warming of above 2.0°C by 2050 (and continuing post-2050) breaching tipping points and rapidly increasing physical risks. Cumulative damages erode productivity and degrade global economies. Social divides worsen, and food and water crises and a rise in climate refugees lead to global tension.
Climate-related Risk Considerations	• Rapid changes in retail customer assets • Shifts in business sectors, with impacts to agriculture, manufacturing and aviation • Direct political market intervention and an increasing regulatory framework	• Policy response driving higher costs of business • Greater regulatory and legislative risks	• Storms become more severe at lower latitudes, and long dry spells increase bushfire risk • Cumulative damages erode productivity and degrade global economies • Economic, demographic, and supply chain disruptions • Greater regulatory and legislative risk from increased physical risk
Strategy and Business Model Implications	• Business processes and procedures to manage perils remain effective • Increased disclosure requirements and litigation risks • Increased need to adapt products to meet new customer needs and technologies	• Perils risk growth is faster to 2035, and slower after due to global decarbonisation • Existing controls against perils volatility and profit impacts remain within tolerance • Risk of government intervention increases • Medium-term Government policy changes could occur with limited lead time, driving profit impacts and litigation risks	• Perils growth continues, becoming material to IAG in the longer term • Potential recession-driven and affordability-driven reductions to addressable market • Government intervention could reduce profitability • Supply chains face increasing strain in managing perils
Resilience Assessment[1]	Summary: **High resilience** • Financial Resilience: **High** • Processes & Procedure Resilience: **High** • Operational Resilience: **High**	Summary: **High resilience** • Financial Resilience: **High** • Processes & Procedure Resilience: **High** • Operational Resilience: **Moderate**	Summary: **Moderate resilience** • Financial Resilience: **Moderate** • Processes & Procedure Resilience: **Moderate** • Operational Resilience: **Moderate**

[1]Resilience is measured on a High | Moderate | Low basis for each scenario, using a time-horizon weighted approach across the short to long term.

The assessment considers the effectiveness of several aspects of our business model and value chain under each scenario. These aspects are:

- *Financial Resilience: The effectiveness of our financial instruments under each scenario (eg, reinsurance, capital structures)*
- *Processes and Procedure: The effectiveness of our standard practices, policies and operating guidelines (eg, pricing, underwriting limits)*
- *Operational Resilience: The effectiveness of IAG's value chain and partners (e.g. suppliers).*

I. Supporting notes to the resilience assessment

The table below provides additional information supporting the summary resilience assessment above. The table outlines an assessment of the potential capacity of our existing financial resources, assets, and embedded business model to adjust when tested against the three climate-related scenarios over different time horizons.

	Orderly – Net Zero 2050	Disorderly – Delayed Transition	Hot House World – Current Policies
Existing financial resource availability and flexibility	• IAG investments are mostly in fixed income assets and government bonds which are expected to have low climate exposure • Reinsurance networks are able to adjust pricing and structure to manage additional perils exposure	• IAG investments are mostly in fixed income assets and government bonds which are expected to have low climate exposure • Reinsurance networks are able to adjust pricing and structure to manage additional perils exposure	• Investments are exposed over the longer term to valuation shock from potential economic degradation, though our current practices (e.g. defensive asset balance, ongoing reinvestment flexibility, and asset-liability management) are expected to hold • Reinsurance networks able to adapt in the short term, with larger price increases medium term • Reinsurance remains available in the long term, however increased perils may result in higher reinsurance rate increases and poorer contract terms for insurers

	Orderly – Net Zero 2050	Disorderly – Delayed Transition	Hot House World – Current Policies
Existing asset redeployment or repurposing	• Government decarbonisation policies (eg carbon pricing) may cause supply disruption short term • Existing capabilities could be applied to enter emerging insurance markets over medium to long term	• Abrupt government policy changes over medium term may strain insurance supply chain and internal operations • Existing capabilities could be applied to emerging insurance markets long term	• Increased perils activity medium term may strain claim networks, though current load demand practices (e.g. surge pricing to secure resources and labour during major events) expected to hold • Increased perils frequency and severity in the long term may result in an increase to claim settlement time
Existing embedded business model effectiveness	• Reinsurance markets are expected to remain resilient • Reinsurance program limits natural perils exposure in the short term • IAG's ability to identify, assess and price insurance based off underlying risk should remain effective • Monitoring enables underwriting response to adverse experience in litigation-exposed portfolios	• Reinsurance markets are expected to remain resilient • Reinsurance program limits natural perils exposure in the short term • IAG's ability to identify, assess and price insurance based off underlying risk should remain effective • Monitoring enables underwriting response to adverse experience in litigation-exposed portfolios	• Reinsurance, repricing and underwriting practices remain effective • Across the longer term, increased perils may have a material impact on affordability of insurance which could reduce the size and profitability of the addressable market

II. Significant uncertainties in the assessment of future climate-related resilience

Significant uncertainties are present in the assessment of the future climate-related resilience of our business model and value chain, including:

- The type and timing of potential government intervention into the insurance market or any other market is very difficult to assess into the future, as government actions may take place in response to many factors including economic, social and ideological.
- The extent of future growth in natural perils costs.
- The estimate of future global economic impacts arising from the Hot House Scenario, given economic analysis of this scenario is still maturing, with a wide range of potential outcomes in published papers ranging from negligible to substantial economic impacts[1].
- Reinsurance has been assessed as likely to remain available under all future scenarios, though at an increased cost. The level of cost increase will be dependent on many factors including global reinsurance demand and supply, as well as the actual rise in global perils costs.
- Future changes in consumer perception of the value of insurance are difficult to assess and have been assumed to remain constant in our assessment of the impact of affordability stress on insurance penetration.
- Our climate scenarios are designed to capture broad divergence in both climate and macroeconomic drivers and stresses across our value chain. They are not an exhaustive inventory of all possible future events.

1. Source: *Handbook of the Economics of Climate Change - Critical perspectives on climate change economics (Vol 2)*, 2026, Barrage and Hsiang editors.

1.4 Current and potential future financial effects

The tables below outline the estimated effects of the material climate-related risks identified in section 1.1 on IAG's financial performance, financial position and cashflow in the current financial year as well as anticipated impacts under potential future scenarios. The assessment is based on the timeframes and reliant on external scenario sources in conjunction with internal peril risk modelling as outlined in section 1.6 and subject to the uncertainties, limitations and assumptions noted in the Important Notice to this report. The estimates should be read in conjunction with the information about significant judgements in section 1.6C and the additional notes provided in section 1.4 II & III below.

As noted in section 1.1, our assessment across all three climate-related scenarios considered is that in response to increased climate-related perils our embedded monitoring and repricing practices will remain effective and reinsurance capacity will remain available though at increased cost. However, in the long term Hot House Scenario repricing arising from the increased input costs may result in a reduction in the size of IAG's addressable market in natural peril zones. The financial effects outlined below relate to a material reduction in the size of IAG's addressable market in natural peril zones, either through affordability pressures or through government intervention in these markets.

	Reference	Profit and loss $m	Balance sheet $m	Cash flow $m	Profit and loss $m	Balance sheet $m	Cash flow $m
		FY 2026			Short Term		
Climate-related risks	Section 1.1						
Addressable market reduction arising from increasing natural perils costs		*No material effects*			*No material effects*		
Addressable market reduction arising from insurance market intervention		*No material effects*			*No material effects*		
		Medium Term			Long Term (Hot House Scenario)		
Addressable market reduction arising from increasing natural perils costs		*No material effects*			~60	~60	~60
Addressable market reduction arising from insurance market intervention		*No material effects*			~60	~60	~60

Climate-related strategy (continued)

Additional notes to the assessment of current and anticipated financial effects:

I. Current financial effects

There are no material current financial impacts assessed for the potential future climate-related risks identified in section 1.1 regarding a reduction in the size of IAG's addressable market due to affordability pressures or to government intervention in the market.

II. Future financial effects

Potential future financial impacts have been assessed for each of the climate-related risks identified and listed in the table above. These estimates represent the annual net impact of foregone insurance margin (against an FY26 baseline) due to a modelled reduction in domestic property portfolios in high-risk natural peril zones, either driven by affordability pressures or government intervention in these markets. Potential material impacts are assessed to emerge towards the end of the long-term horizon in the Hot House Scenario, presented in the table above as the annual impact in FY 2050. Supporting information related to the assessment of material financial impacts is provided below.

Addressable market reduction arising from increasing natural perils costs

- Potential future financial effects from this risk arise under the climate-related Hot House Scenario in the Long Term time horizon.
- The impact estimate assumes that the in-place mitigation measures (refer section 1.1) continue to be effective.
- Reinsurance capital is considered likely to remain available to the local market, though with reduced capacity and at higher cost.
- Rational insurance re-pricing practices are assumed to continue locally, preserving margin however increasing insurance prices.
- The resultant effects are estimated to be an increase in policy lapse rates in areas with high climate-related peril risks.

Addressable market reduction arising from insurance market intervention

- Potential future financial effects from this risk arise under the climate-related Hot House Scenario in the Long Term time horizon.
- The impact estimate assumes that the in-place mitigation measures (refer section 1.1) continue to be effective.
- The likelihood of government intervention in the insurance market is assumed to be linked to the proportion of homes estimated to suffer medium-extreme insurance affordability stress under each future scenario.
- The resultant effects are estimated to be a decrease in the private general insurance addressable market.

Beyond the long-term time horizon to 2050 considered in our assessment, under a Hot House Scenario to 2080 – 2100 where there is a lack of action in response to climate change, there could be potential increasingly adverse macro-economic impacts across the economy, including to insurance, resulting from lower rates of economic growth than would otherwise have been attained[1].

III. Measurement uncertainty

The estimates of future financial impacts are subject to a high degree of measurement uncertainty, particularly over medium- to long-term time horizons. Some simplifying assumptions were adopted to allow a reasonable impact assessment to be undertaken without undue additional cost or effort, though there is a low likelihood that any given future scenario in reality will fully accord with such simplifications.

Certain key input variables have material influence on the financial impact estimates for both climate-related risks, and these include:

- The underlying inputs provided by the external climate-scenario sources adopted. Information regarding the primary and secondary climate scenario sources that support our climate-related scenario analysis are shown in section 1.6B below.
- The estimate of future global economic impacts arising from the Hot House Scenario, given economic analysis of this scenario is still maturing, with a wide range of potential outcomes in published papers ranging from negligible to substantial economic impact[2].
- The estimate of insurance affordability stress undertaken through internal analysis. Simplifying assumptions were made to allow a reasonable impact assessment without undue additional cost or effort. These include an assumption that insurance policy lapses due to affordability will apply to households but that commercial customers will continue to take out insurance, and that multi-policy holders will lapse both home and motor policies if subject to affordability pressures. The NZ portfolio is assumed to face similar affordability pressures as the Australian portfolio. The relationship between affordability stress level and policy retention is assumed to follow current observations.
- The estimates of natural perils average annual loss (AAL) change impacts under each of the future climate scenarios.
- The likelihood that a proportion of households facing high levels of affordability pressure will lead to insurance market intervention.

1. *Network for Greening Financial Sector (NGFS) Climate Scenarios for Central Banks and Supervisors*.
2. *Handbook of the Economics of Climate Change - Critical perspectives on climate change economics (Vol 2)*, Chapter 6, Moore, F. and Rising, J.

1.5 Resourcing impacts

Our activities in response to the material climate-related risks identified in section 1.1 are primarily managed and funded through business-as-usual activities, including the embedded elements of our business model noted in the same section. Resources are drawn for this purpose across the Group including actuarial and climate science, pricing and underwriting, reinsurance and capital, risk management, sustainability, technology operations, legal, and government, industry, and community relations. Additional external resources are sourced as required though managed through business-as-usual activities including climate risk data, insurance catastrophe models, and climate expertise.

Delivery of the GHG emissions reduction targets in our CAP is supported through procurement of renewable electricity contracts and energy attribute certificates (Large-scale Generation Certificates and New Zealand Energy Certificates), procurement of low emissions tool of trade vehicles and any other non-BAU resourcing to support achievement of CAP targets.

1.6 Settings and significant judgements

A. Time horizons utilised

The following settings have been applied to the time horizons referred to in this report:

- Short Term: 2026–2028
- Medium Term: 2029–2035
- Long Term: 2036–2050

Short Term aligns with our 3-year financial planning processes, and Medium Term and Longer Terms with our broader strategic considerations.

B. Climate-related risks and opportunities process (CRR&O Process) inputs and parameters

A climate-related risks and opportunities assessment process (CRR&O Process) is utilised to assess those climate-related risks and opportunities that are material to the organisation as evaluated over short, medium and longer-term time horizons referred to above. The following inputs and parameters apply to this CRR&O Process, including the settings applicable to the climate-related scenario analysis undertaken:

- The identification and assessment processes are undertaken on a consolidated entity basis. Refer to supporting note 5.C.
- The materiality assessment process adopts a quantitative-first approach, utilising a materiality threshold of the projected percentage of Net Profit After Tax (NPAT), with the impact assessment undertaken on the basis of our current embedded business model considered across all stated climate-related scenarios and time horizons.
- Guidance from the AASB regarding financial materiality was used to inform our quantitative approach.
- The time horizons adopted for short, medium and longer term are as defined above.
- Significant judgements connected with this assessment are summarised in 1.6C below, and the process is described in more detail in section 3.

A summary of the key scenario selection criteria, parameters and input assumptions for each of the three scenarios is laid out in the table below.

The core future scenario sources that our assessment is reliant on were developed by the Network for Greening Financial Sector (NGFS), which provide a common reference framework for cross-industry climate-scenario assessments. The NGFS modelled future warming projections and certain scenario narrative elements underpinning our assessment, along with other external scenario sources and assumptions in conjunction with internal perils risk modelling, as noted below. Our scenario assessment is subject to the uncertainties, limitations and assumptions noted in the Important Notice to this report.

	Orderly – Net Zero 2050	Disorderly – Delayed Transition	Hot House World – Current Policies
Basis for scenario selection			
Three climate-related scenarios were selected to provide a broad range of future outcomes against which to test potential impacts on our business model. They also address legislative scenario requirements and alignment to global agreements.	The Orderly scenario provides a medium transition risk and low physical risk scenario to test against our business model. This scenario meets the legislative requirement for a scenario limiting warming to 1.5ºC, aligned to the Paris Agreement ambition.	The Disorderly scenario provides a medium physical risk and high transition risk scenario to test against our business model. This scenario is aligned to the Paris Agreement target.	The Hot House World scenario provides a high physical risk and low transition risk scenario to test against our business model. This scenario meets the legislative requirement for a scenario that well exceeds 2.0ºC by 2100.
Scenario parameters and input assumptions:			
Primary climate and macroeconomic scenario source	Network for Greening Financial Sector (NGFS) Climate Scenarios for Central Banks and Supervisors Phase IV. - NGFS informs: Warming pathways (as below); Scenario narrative elements; a downscaled GCAM6.0 Carbon Price		
Global Warming by 2100, vs Pre-industrial Times	1.5ºC	1.8ºC	3.9ºC
Global Warming by 2050 *(our scenario Long Term time horizon)*	1.7ºC[1]	<2.0ºC	>2.0ºC
Representative Concentration Pathway (RCP)	1.9	2.6	7 (Increased from RCP 4.5 to 7.0)[2]
Physical Risk Changes	The projections applied internal peril risk modelling for the warming scenarios above, based on IAG's Severe Weather in a Changing Climate 3ed (2025) and internal subject matter expertise		
Future fleet scenario assumptions: Electric Vehicle (EV) Fleet Share – 2035 Electric Vehicle Fleet (EV) Share – 2050	*EV fleet share ranges for AU – NZ* 46% – 47% 95% – 100%	*EV fleet share ranges for AU – NZ* 19% – 37% 80% –100%	*EV fleet share ranges for AU – NZ* 13% – 24% 69% – 69%
Future fleet scenario sources	*Quantified inputs are derived from Commonwealth Scientific and Industrial Research Organisation – Electric Vehicles Projection (2023) and Climate Change Commission – Scenarios dataset for the Commission's Draft Advice for Consultation (2021)*		
Energy Mix	AEMO Integrated System Plan 2024 "Green Energy Exports" Scenario	AEMO Integrated System Plan 2024 "Step Change" Scenario	AEMO Integrated System Plan 2024 "Progressive Change" Scenario
Future technology development scenario assumptions[3]	The scenario narrative assumes strong growth in emission and carbon friendly technologies (for example, renewable energy grids and electric vehicles).	The scenario assumes limited growth in emission and carbon friendly technologies until 2030–2035, leading to higher prices and lower economies of scale.	The scenario assumes that technological change is largely limited to a shift to electric vehicles, with a greater focus on resilience measures (for example, large scale perils mitigation such as flood levees).

Climate-related strategy (continued)

	Orderly – Net Zero 2050	Disorderly – Delayed Transition	Hot House World – Current Policies
Future climate-related policy scenario assumptions	The scenario assumes rapid, stringent and coordinated government policy to limit emissions, leading to a rapid growth in the carbon price. It assumes that intervention in the insurance market is co-ordinated with the insurance sector.[3]	The scenario assumes policies are delayed until the 2030s, driving uncertainty across the medium term. It assumes that intervention in the insurance market is less co-ordinated with the insurance sector.[4]	The scenario assumes no further emission reduction policies are introduced, with most government policy focused on resilience. It assumes that intervention in the insurance sector is sweeping and not co-ordinated with the insurance sector.[3]

1. The NGFS *Net Zero 2050* scenario aligns with a global temperature limited to +1.5ºC above pre-industrial by 2100, though rising to +1.7ºC in the earlier 2050 period.
2. Differs from the NGFS guidance for RCPs under the Hot House Scenario. Increased to RCP 7.0 to capture a broader range of potential physical impacts within our business model testing.
3. Scenario narratives are derived from NGFS, with quantification inputs derived from the sector-based sources noted above.
4. Scenario narratives are primarily derived from NGFS. The insurance market intervention narratives were overlaid based on internal IAG subject matter expertise.

C. Significant judgements

I. Identification and assessment of climate-related risks and opportunities

The identification and assessment of climate-related risks and opportunities that could reasonably be expected to affect our future prospects requires several aspects of judgment. These include judgement as to how the potential future macro-system, competitor and internal organisational factors may interact under each climate-related scenario, using reasonable and supportable information available without undue cost or effort – including information about past events, current conditions and forecasts.

II. Application of materiality to the climate-related risks and opportunities

The development of a suitable materiality assessment approach requires judgement as to which embedded elements in our business model can be assumed to be relevant under the various future time horizons and climate-related scenarios being assessed. Those relevant business model elements are outlined against each material climate-related risk in section 1.1 of this report.

The primary materiality threshold approach referred to in section 1.6B above is broadly consistent with the financial materiality approach adopted in financial reporting and therefore considered relevant for a climate-related financial disclosure. The future impact assessments were conducted on a present-value basis, with non-climate related macro factors (eg, future inflation and population assumptions) not included in the scenario impact modelling to minimise the effect that such modelling assumptions can have in obscuring the influence of climate-related factors.

III. Determining climate-related scenario inputs including guidance sources

The determination of climate-related scenario inputs and parameters requires judgement, including which sources of external scenario guidance to apply. The scenario sources adopted are noted in the table in section 1.6B above. The primary climate scenario source adopted (NGFS) was selected as it is designed for the financial sector to drive comparability, is frequently updated to allow for timely analysis, provides country-specific variables to drive quantification efforts, and captures both physical and transition aspects.

Climate-related metrics and targets

2. Climate-related metrics and targets

Section introduction

This section provides a summary of our overall emissions profile and progress against our climate-related targets as outlined in our Climate Action Plan. This includes by sub-section:

2.1 – A breakdown of our current period emissions, in total and by Scope and category of emissions

2.2 – A summary of other cross-industry metrics as applicable to IAG

2.3 – Our performance in progressing towards our climate-related transition plan targets

2.4 – Supporting notes relating to our emissions profile and target performance

2.1 Cross-industry metrics: Greenhouse gas (GHG) emissions

The table below outlines IAG's emissions, expressed in tonnes of carbon dioxide equivalent (tCO2e), during the financial year.

	Notes	2026 tCO2e	Entity Scope
Greenhouse Gas (GHG) Emissions	1		
Scope 1	LA	7,100	Group[6]
Scope 2 – Location based	LA	13,328	Group[6]
Scope 3 categories:	2		
1 – Purchased goods and services	Upstream, LA	551	Group[6]
3 – Fuel and energy related activities	Upstream, LA	2,995	Group[6]
5 – Waste generated in operations	Upstream, LA	1,441	Group[6]
6 – Business travel	Upstream, LA	4,824	Group[6]
7 – Employee commuting	Upstream, LA	9,991	Group[6]
Total Scope 3		19,802	
Total Gross GHG emissions		40,230	
Scope 2 – Market based	4, LA	-	Group[6]
Carbon credits	5	-	Group[6]
Net GHG emissions	3	26,902	

Notes to GHG emission metrics:

1. Refer to section 2.4D for information regarding our emissions categories and sources.
2. Scope 3 emissions are disclosed on a voluntary basis to maintain similar coverage of GHG emissions to our previous sustainability reporting and to support CAP Target 2.
3. Scope 2 Market based emissions are used instead of Scope 2 Location based emissions in calculating the Net GHG emissions figure.
4. Reported Scope 2 (market-based) emissions are measured after accounting for contractual arrangements in place for renewable electricity. This includes Power Purchase Agreements (PPAs) and voluntary purchases of Large-scale Generation Certificates (LGCs) or New Zealand Energy Certificates (NZECs). LGCs purchased and retired in Australia were 3,530 in FY26. NZECs purchased and retired in New Zealand were 900 in FY26.
5. IAG did not procure carbon credits in 2026.
6. RACQI is included in the FY26 emissions measures, from the date of acquisition on 1 September 2025.

LA Limited Assurance over this metric has been provided by KPMG. Refer to section 5D for more information regarding KPMG assurance reports in relation to these metrics.

2.2 Other cross-industry metrics

The table below provides a summary of the other cross-industry metrics in AASB S2 as applicable to IAG, for the current reporting period.

	Note	Units	2026 Amount	%
Business activities vulnerable to climate-related physical risk	1	GWP $m	**16,201**	**88%**
Capital deployed towards climate-related risks and opportunities	2	$m	**254**	
Internal carbon price / tonne CO_2	*There is currently no internal carbon price*			
Executive remuneration linked to climate-related considerations	3			**1.7%**

Notes to the other cross-industry metrics:

1. Amount of GWP from policy portfolios with exposure to climate-related physical risk and % share of total IAG GWP for the period. Policy portfolios covered by this metric include Home/Landlords/Domestic Strata, Agriculture, Industrial Special Risks, Motor/Caravan, Construction/Engineering, and Material Damage/Business Interruption.

Climate-related metrics and targets (continued)

2. Capital invested in green bonds for the current reporting period. A green bond is a fixed-income instrument designed to finance specific climate-related or environmental projects in alignment with the International Capital Market Association (ICMA) or the Climate Bonds Initiative (CBI) or EU Green Bond Standards.
3. The weighted Executive Short Term Incentive (STI) remuneration linked to climate-related considerations through Executive Balanced Scorecards as a % of total Statutory Executive remuneration. For more information regarding our overall Executive remuneration structure refer to section B.I. in the Remuneration Report. In addition to STI measures, climate-related considerations are relevant to other aspects of Executive remuneration which cannot be directly traced to remuneration outcomes for this measure.

2.3 Performance to transition plan targets

The table below outlines our performance against the climate-related targets that were set as part of our current Climate Action Plan, as summarised in the Transition Plan overview in section 1.2A of this report. All targets apply to the consolidated Group entity unless otherwise noted.

				Performance	Interim Target Settings		
Target Metric	Target Reference	Notes	Units	**2026**	Interim Target	Target Year	Baseline Year
Net Zero Scope 1 and Scope 2 (market-based) emissions	Target 1	1	tCO2e	**7,100**	Net zero	FY30	FY24
Direct electricity renewable energy procurement	Target 1.1	2, LA	%	**100%**	100%	Ongoing	
Transition to low emissions tool of trade vehicles	Target 1.2	3, 9, LA	%	**83%**	100%	FY30	
Reduce select gross Scope 3 GHG emissions	Target 2	4, 5	%	**18%**	50%	FY30	FY24
Reduce Scope 1 & 2 normalised carbon footprint of our equity portfolio *(Australian (AU) and Global equities)*	Target 3	AU, 6	%	**60%**	50%	FY30	FY20
	Target 3	Global, 6	%	**69%**	50%	FY30	FY20
Reduce Scope 1 & 2 weighted average carbon intensity of equity portfolio *(Australian (AU) and Global equities)*	Target 3	AU, 6	%	**40%**	50%	FY30	FY20
	Target 3	Global, 6	%	**63%**	50%	FY30	FY20
Maintain green bond investments	Target 4	7, LA	$m	**304**	200	Ongoing	
Sustainability as a core organisational capability	Target 5	8, 9	Status	*New target*	Met	FY30	
Support natural hazard risk actions (AU/NZ)	Target 6	8	Count	*New target*	2m	FY30	
Engage strategic supply chain partners for climate action	Target 7	8	Count	*New target*	220	FY30	

Notes to target performance:
1. Performance against our gross Scope 1 and Scope 2 market-based emissions reduction target of 90% in FY26 is a 67% decrease from an FY24 baseline.
2. This target utilises market contractual instruments, as noted in section 2.4D. Refer to footnote 4 to section 2.1 above for further information.
3. Low emissions vehicles include hybrid and battery-electric vehicles. Tool of trade vehicles exclude salary sacrifice vehicles (see Glossary on page 56). Major events response vehicles are excluded from this target, as noted in section 1.2A III.
4. The sources covered by "select gross Scope 3 emissions" are as outlined in section 1.2A II, which is a subset of our total reported Scope 3 emissions in section 2.1.
5. The FY24 baseline used to calculate Target 2 FY26 performance has been updated following a reporting boundary reassessment to include RACQI, First Rescue New Zealand Limited, Homehub Limited, IAG NZ Repairhub Limited, Loyaltyhub Limited, Motorserve Pty Limited, and Vehicle Repairhub Pty Limited. Key drivers of FY26 performance are reductions in Category 6 Business travel and Category 7 Employee commuting.
6. Measurement is based on data obtained from MSCI Inc.* and may change over time. Normalised carbon footprint is measured as GHG emissions tCO2e / $USD million invested. Weighted average carbon intensity is measured as GHG emissions tCO2e / $USD million sales. The relevant baselines are the ASX200, excluding IAG, for Australian equities, and the MSCI World for Global Listed equities, as of June 2020.
7. Investments in green bonds are valued as at 30 June 2026.
8. These CAP targets were established in FY26, and performance will be first reported from FY27.
9. Targets exclude First Rescue New Zealand Limited, Homehub Limited, IAG NZ Repairhub Limited, Loyaltyhub Limited, Motorserve Pty Limited, Vehicle Repairhub Pty Limited.

LA Limited Assurance over this metric has been provided by KPMG. Refer to section 5D for more information regarding KPMG assurance reports in relation to these metrics.

* MSCI notice: Although IAG information providers, including without limitation, MSCI ESG Research Inc. and its affiliates (the 'ESG Parties'), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. ©2026 MSCI ESG Research Inc. Reproduced by permission.

2.4 Metrics and targets supporting notes

A. Currency and emissions values

Where monetary values are presented, the Sustainability Report is presented in Australian dollars, which is the functional currency of the Company, unless otherwise stated. For historic amounts, foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions, in accordance with the methodology used in the accompanying Financial Report. All monetary values are rounded to the nearest million dollars, unless otherwise stated, in accordance with the principles applied to the accompanying Financial Report.

Greenhouse gases are expressed in metric tonnes of carbon dioxide equivalents, which is denoted as tCO2e. Where emissions are generated by greenhouse gases other than carbon dioxide, they are converted to carbon dioxide equivalents (tCO2e) utilising externally sourced emission factors. The emission factors and sources are outlined in section 2.4D.

B. Measurement uncertainties

Areas of measurement uncertainty	Reference
Scope 1, 2, and 3 emissions measurement is subject to uncertainty arising from limitations in data inputs and use of emission factors. Specific limitations in data are noted where relevant for the emission sources outlined in section 2.4 D below.	2.1, 2.3
Equity portfolio data is subject to measurement uncertainty given variations in maturity and completeness of corporate reporting of GHG emissions.	2.3
Target 3 carbon footprint and emissions intensity – reliance on third party data and estimations methodology.	2.3

C. Significant measurement judgements

In the process of preparing this report judgements have been made that effect the information presented. The measurement judgements and related assumptions are based on experience and other factors that are considered to be reasonable. Details of the material judgements are set out within the relevant note, as outlined below:

Areas of significant measurement judgements	Reference
Judgement is exercised in the choice of emission factors utilised for calculating Scope 3 emissions, and in the emission measurement methodologies adopted (a summary of our emissions measurement approach is provided in the section below).	2.1, 2.3
Judgement is exercised in the choice of input data utilised in our emissions measurement, including the source of the data, the granularity of the data, and the frequency and latency of data acquisition.	2.1, 2.3
Other cross-industry metrics: Determination of vulnerable to, aligned to, and deployed towards.	2.2

D. Greenhouse gas (GHG) emissions measurement approach

We have measured our GHG emissions estimates using the financial control approach, which is aligned with the entity consolidation of this Sustainability Report (see Section 5.C Basis of consolidation). Measurements are based on relevant activity data and standard emission factors, supported by assumptions that reflect our operational boundaries and data availability.

Our emission accounting methodology has been developed in accordance with the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard Revised Edition, including the Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Scope 2 Guidance. All seven greenhouse gases of the GHG Protocol (see Glossary on page 56) are included in our GHG emissions estimates. Emissions associated with RACQI have been incorporated into the consolidated Group's emissions from 1 September 2025, the date of acquisition.

Summarised below are the emissions sources within each Scope and category of emissions captured in our reporting and target setting, and the emission factor sources that were utilised for each source of emissions, with any difference in application by region noted.

Emissions Source	Definition	Emission Factor Sources	CAP Target
Scope 1 – direct emissions			
Company vehicles (corporate fleet)	Petrol, diesel, and ethanol consumed by vehicles that are owned by IAG including corporate vehicle fleet and salary packaged fleet vehicles. - Where quantity of petrol, diesel or ethanol consumed is not available, emissions are calculated based on estimations.	NGA[1]	Target 1
Natural gas/Stationary LPG	Natural gas consumption and bottled liquified petroleum gas (stationary LPG) used in specific sites or buildings.	NGA	Target 1
Refrigerant gases	Leakage of synthetic gases such as hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) from air conditioning and refrigeration equipment in buildings under IAG's financial control.	NGA	Target 1
Scope 2 – indirect emissions			
Electricity (location-based)	Electricity used in buildings under IAG's financial control.	NGA (AU), MfE[2] (NZ)	N/A
Electricity (market-based)	Measured after accounting for contractual arrangements in place for renewable electricity. This includes Power Purchase Agreements (PPAs) and voluntary purchases of Large-scale Generation Certificates (LGCs) or New Zealand Energy Certificates (NZECs).	Supplier[3]	Target 1 Target 1.1
Scope 3 – indirect emissions[6]			
Category 1 – purchased goods and services	Limited to emissions associated with: Office paper purchased (including office printing, envelopes, product brochures and product disclosure statements); and Electricity used from externally hosted data centres that are under managed service arrangements by IAG. - Where quantity of paper consumed is not available, emissions are calculated based on estimations.	DEFRA[4] (AU) MfE (NZ) NGA (AU), MfE (NZ)	Target 2 (exc. data centres[7])
Category 3 – fuel and energy related activities (transmission and distribution losses)	Upstream emissions from vehicle fuel use, electricity used in operations, natural gas and heating and cooling.	NGA	Target 2
Category 5 – waste generated in operations	Emissions from non-hazardous waste for delivery to landfill that excludes recyclables separately collected from the sites under IAG's financial control. Where quantity of non-hazardous waste for delivery to landfill is not available, emissions are calculated based on estimations.	NGA (AU), MfE (NZ)	Target 2

Climate-related metrics and targets (continued)

Emissions Source	Definition	Emission Factor Sources	CAP Target
Category 6 – business travel (including air and taxi travel, rental cars, staff mileage)	Emissions from employee business travel by air, car hire, taxi travel and staff mileage calculated on distance travelled or an estimation of distance travelled based on cost.	DEFRA (AU) DEFRA, MfE (NZ)	Target 2
Category 7 – employee commuting, including employees working from home (WFH)	Employee commuting emissions are estimated using survey data on employee travel patterns, internally derived estimations, independent studies, combined with swipe-card data to determine office occupancy.	NTC[5] (AU), MfE (NZ)	Target 2
	Working from home emissions estimated using a standardised per-employee metric based on typical Australian household appliance energy use and incremental space heating or cooling during working hours.	NGERS (AU) MfE (NZ)	

1. NGA – National Greenhouse Accounts factors, 2025.
2. MfE – NZ Ministry for the Environment emission factors, 2026.
3. Factor provided by Supplier: CleanPeak (AU) and Ecotricity (NZ).
4. DEFRA – UK Department for Environment, Food and Rural Affairs conversion factors, 2026.
5. NTC – National Transport Commission emission factors, 2025.
6. Scope 3 emissions are disclosed on a voluntary basis to maintain similar coverage of GHG emissions to our previous sustainability reporting and to support CAP Target 2.
7. CAP Target 2 Scope 3 emissions reduction does not include emissions from the electricity used in external data centres.

Note that the excluded Scope 3 emissions categories 2, 4, 8, 9, 10, 11, 12, 13 and 14 are not material for IAG. Category 15 (investment emissions) and supply chain and general procurement emissions within Category 1 are material for IAG but are not currently reported as we have elected to exercise transitional relief as noted in Section 5.B.

Additional details regarding the methodology and emission factors for each emissions source are available in our FY26 ESG Data Summary available on our website (www.iag.com.au).

Climate-related risk management

3. Climate-related risk management

Section introduction

This section provides a summary of the key processes that are used to identify, assess, prioritise and monitor our climate-related risks and opportunities, and where and how these processes are integrated into our overall risk management process.

This page shows an overview of our climate-related risk and opportunity management processes, with following notes by sub-section:

3.1 and 3.2 – Notes to processes within our Risk Management Framework and Strategy (RMFS) and other relevant Group processes

3.3 – Notes to a specific Climate Related Risk & Opportunity Process (CRR&O Process)

3.4 – Notes regarding changes in risk management processes relative to prior periods

The table below summarises our climate-related risk management approach, which has two distinct elements:

- Processes integrated within our Risk Management Framework and Strategy (RMFS) covering all risks including climate-related risks, and
- A complementary specific climate-related risks and opportunities process (CRR&O Process), which focusses on a prioritised assessment of those risks and opportunities that are material to the organisation as evaluated over short, medium and longer-term time horizons.

Activity	Processes integrated within our core RMFS, and other Group policies	Specific CRR&O Process
Climate-related risks		
Identify	• The Risk Event Management process supports the ongoing identification and management of unplanned occurrences in a systematic manner. All risk classes can be captured including climate-related risks. • The Strategic Opportunities and Risk Profile (SORP) process identifies strategic risks and opportunities present for IAG, including climate-related risks, and is refreshed annually. Emerging strategic risks are managed through the year. • The Major Events Management processes, for events including climate-related perils, are part of our Group Claims Policy.	• The CRR&O Process helps to identify our potential climate-related physical and transition risks. It is informed by subject matter expertise from across the Group and supported by climate scenarios relevant to IAG's operations and value chain. • The identification process is both qualitative and quantitative in nature and is considered across short, medium and long-term time horizons.
Assess	• The Risk Impact Matrix (RIM) guide helps to assess the severity of all risks, including climate-related risks, to support risk escalation and action processes. • The Group Risk Appetite Statement (RAS) sets the risk boundaries that management must operate within. The RAS includes a statement integrating climate risks into the principles supporting strategic planning. • Our risk logging and tracking systems provide trend reports that help inform of any changes in risk materiality.	• The CRR&O Process adopts a quantitative-first assessment approach to determine the materiality of the potential set of climate-related risks that were identified. The assessment is undertaken on an inherent basis as noted in section 1.1. • A qualitative materiality view is applied where quantitative assessment is uncertain or where other qualitative considerations indicate materiality.
Prioritise	• The SORP is a mechanism for identifying a prioritised set of risks and opportunities including climate-related risks within IAG's broader enterprise-level strategic risks, informed by external trend analysis, internal risk data and divisional insights across IAG's operations and value chain. • Prioritisation considers materiality, alignment to strategic objectives and time horizon, with responses to this set of prioritised strategic risks recorded in the annually updated, rolling Divisional Business Plans.	• Any relevant climate-related risks identified through the CRR&O Process are prioritised at a divisional level. • As with the SORP process, responses to the relevant climate-related risks are recorded within the annual updated, rolling Divisional Business Plans.
Monitor	Monitoring of all risk classes including climate-related risks includes: • Annual reviews of the SORP help to monitor changes in the macro risk environment. • Geographical aggregate concentration exposure monitoring. • Maintenance of an enterprise risk dashboard that facilitates monitoring of risk events, risk responses and controls. • The RAS monitoring the proximity of all risks to their respective tolerances, which assists in prioritising actions towards the risks accordingly. • The monitoring of risks that is embedded within our risk management Three Lines of Accountability model.	• Monitoring occurs as part of the annual business planning cycle process, in combination with the RMFS.
Climate-related opportunities		
Identify Assess Prioritise Monitor	• Strategic opportunities are identified through the SORP process noted above. • Opportunities are considered through the SORP assessment of strategic themes and emerging external trends. • Prioritisation occurs through the annual Corporate Plan and Divisional Business Plans, informed by SORP outcomes. • Delivery of opportunity-related initiatives is monitored through the business planning cycle and divisional Quarterly Business Review (QBR) processes.	• The Identify and Assess processes apply as with the climate-related risks above. • Any climate-related opportunities are prioritised via the business planning cycle with the Corporate Plan and Divisional Business Plans outlining opportunities that have planned initiatives in response. • The divisional QBR process enables the monitoring and tracking of delivery progress of any initiatives planned in response to climate-related opportunities.

Climate-related risk management (continued)

3.1 Processes within our Risk Management Framework and Strategy (RMFS)

The key risk management processes noted in the table above that sit within our Group Risk Management Framework and Strategy (RMFS) apply to all risk classes including climate-related risks. The RMFS is applicable to all entities within the consolidation boundary of this report with the exception of Insurance Manufacturers of Australia Pty Limited (IMA), IAG New Zealand Limited (NZ) and RACQI. IMA and NZ maintain their own risk management frameworks, which are consistent with the requirements of the Group RMFS, including climate-related risk management. In FY26 RACQI maintained their own Risk Management Framework and Risk Management Strategy, with ESG as a material risk class. From FY27 RACQI will be managed within our Group RMFS.

An outline of our broader RMFS is provided within the Financial Report in this Annual Report (refer Note 3 on page 151). Aspects of the RMFS that have a direct connection to climate-related risk management are highlighted below.

A. Management of climate-related risks within the IAG risk architecture

Climate-related physical and transition risks are managed within the IAG risk class and category architecture as outlined below:

- **Financial Risk** includes Reinsurance Coverage risk.
- **Insurance Risk** includes Pricing, Claims Management Practices, Portfolio Strategy, and Insurance Concentration Management risks.
- **Organisational Conduct and Customer Risk** includes Customer Needs and Disclosures.
- **Operational Risk** includes Business Disruption risk.
- **Regulatory Risk and Compliance** includes Regulatory Change and Compliance Obligations risk.
- **Strategic Risk** includes Environmental Social and Governance and Climate Change* risk.

* Additionally, Climate Change is noted as a causal factor which increases risks inherent in other risk classes including Insurance Risk.

B. Strategic Opportunities and Risk Profile (SORP)

The SORP process is an annual strategic review of changes in the internal and broader external environment that may create opportunities and risks for IAG's business model, which may include CRR&O. Responses to any prioritised strategic opportunities and risks identified though the SORP are recorded in Divisional Business Plans. The FY26 SORP included climate-related risks around Insurability and Government intervention in markets.

C. Group Risk Appetite Statement (RAS)

The RAS supports the assessment and monitoring of risks including climate-related risks through financial, insurance and other underlying risk categories to ensure they remain within agreed thresholds. The RAS includes a qualitative statement on integration of climate-related physical and transition risks into strategic planning and operations.

D. Group Social and Environmental Policy (GSEP)

The GSEP sets enterprise-wide expectations for managing IAG's broader social and environmental commitments. This includes management of climate-related risks by setting expectations for short-, medium- and long-term climate-risk management, scenario analysis and environmental-impact oversight, consistent with the RMFS.

E. Aggregate Concentration Monitoring

Business Divisional Licences (BDLs) require that aggregate exposure by geographical location is monitored. This is managed through exposure modelling and reporting (which considers climate risk and reporting).

F. Group Risk Event Management (REM)

Identified risk events, including climate-related risk events, are managed according to the guidelines of a Group REM Standard where they meet the minimum risk impact threshold outlined in the Risk Impact Matrix (RIM). Given risks may occur at any time, risk event identification along with the linked risk impact assessment (utilising the RIM) is an ongoing process.

3.2 Other relevant Group processes

A. Group Claims Policy – Major Events Management

Major Events Management processes, for natural events including climate-related perils events, are a requirement of our Group Claims Policy. Each Division must have a plan for determining major events, a response plan for effectively managing claims, identifying responsible stakeholders, and ensuring effective and timely aggregate exposure and loss monitoring.

3.3 Specific Climate Related Risks and Opportunities Process (CRR&O Process)

A specific CRR&O Process (as outlined in the page above) has been developed to identify and assess potential climate-related risks and opportunities that could have a material impact on IAG over the short-, medium- and longer-term, supported by climate scenarios relevant to IAG's operations and value chain. Further information regarding this process including inputs and parameters can be found in the strategy section 1.6.

3.4 Changes relative to prior periods

Risk management processes outlined in this section that have been added or updated from those used in the previous period include:

- Climate-related risk monitoring was enhanced with the addition of climate metrics to support ongoing monitoring of climate risks.
- The GSEP was updated in August 2025 and includes additional commitments for the management of climate-related risks.
- The CRR&O Process was refreshed in FY26 to include RACQI within the assessment.

Climate-related governance

4. Climate-related governance

Section introduction

This section provides a summary of IAG's governance of climate-related risks and opportunities, which sits within our overall governance framework as detailed in the FY26 Corporate Governance Statement (see the Corporate Governance section of our website (www.iag.com.au).

This page shows an overview of our climate-related governance, with the following page providing supporting governance notes relating to informing the Board and Committees; target setting and performance monitoring; strategy and decision making; and review of skills and competencies.

The diagram below illustrates the key stakeholders, and their relevant responsibilities involved in supporting our climate-related governance framework. The full responsibilities of the Board and Board Committees are set out in their Charters, which are available in the *About us* section of our website (www.iag.com.au).

BOARD

Approve:

- the Annual Report, including the Sustainability Report;
- the annual reinsurance renewal program;
- the Climate Action Plan including climate-related goals and targets, the Group Social and Environment Policy;
- the budget, including any climate-related capital deployment; and
- any climate-related measures in executive incentive plans.

Review:

- our approach to and integration of climate-related risks and opportunities; and
- integration of climate-related risks into risk frameworks.

Monitor:

- progress against material climate-related goals, metrics and targets; and
- periodic climate-related updates including assessments of our material climate-related risks and opportunities.

AUDIT COMMITTEE

Reviews and makes recommendations to the Board in relation to the Group's Annual Report, which incorporates the Group's Sustainability Report.

RISK COMMITTEE

Provides oversight of the adequacy and effectiveness of the Group Risk Management Framework and strategy in identifying, assessing, managing and monitoring all material risks of the Group, including climate-related risks.

PEOPLE & REMUNERATION COMMITTEE

Makes recommendations to the Board in relation to the IAG Remuneration Framework, including any climate-related measures within incentive plans.

NOMINATION COMMITTEE

Provides oversight that the Board comprises individuals with an appropriate mix of skills, knowledge, experience and diversity, including experience identifying risks and opportunities arising from climate change.

MANAGEMENT

- The Group CEO has responsibility for overall management and performance of IAG and implementing and overseeing the strategic plans approved by the Board. The Group CEO oversees integration of climate-related risk and opportunity management into the Group strategy.
- Group Executives integrate climate-related risk and opportunity management into their divisional plans and strategies.
- The Group Leadership Team (GLT) Climate Advisory Committee provides advice on the development of IAG's climate-related strategies, plans, metrics and targets.
- The CFO is responsible for preparing the budget including climate-related capital deployment; the reinsurance program which helps to moderate climate-related earnings risks; Group strategy including climate-related strategy; and the Annual Report including the Sustainability Report.
- The Group CRO is responsible for the Strategic Opportunities and Risk Profile and Risk Appetite Statement and maintaining our overall Risk Management Framework and Strategy.
- The Group Executive People, Performance & Reputation (GE PP&R) chairs the GLT Climate Advisory Committee and is responsible for the development of the Climate Action Plan, enterprise-wide climate-related strategy, stakeholder engagement and communication.

In addition to these specific responsibilities, the members of the Group Executive have accountability for integrating the response to climate-related risks and opportunities into divisional strategies and plans, which are operationally exercised through the annual corporate planning process that covers the following 3-year planning and budgeting cycle.

Management's role in monitoring climate-related risks and opportunities is also exercised through the Group Leadership Team (GLT) Climate Advisory Committee (CAC). The CAC provides advice on the development of IAG's climate-related strategies, plans, metrics and targets, including updates to the Climate Action Plan (CAP).

Climate-related governance (continued)

4.1 Informing the Board and Committees

The Board and Board Committees are kept informed about climate-related risks and opportunities. Topics in FY26 included:

- annual reinsurance program renewal;
- annual review of the Strategic Opportunity and Risk Profile, including any climate-related risks;
- a sustainability update, including climate-related update;
- a review and approval of the Group Social and Environmental Framework;
- an update to the CAP;
- annual review of the Risk Appetite Statement, including climate-related risks; and
- three updates to the Board Audit Committee on our preparation for mandatory sustainability reporting.

4.2 Target setting and performance monitoring

The Audit Committee reviews CAP target updates (see section 1.2 A) which are approved by the Board. Board monitoring of our progress against the goal and targets set out in the CAP is provided through twice yearly sustainability (including climate-related) Board updates.

Management is accountable for delivery against our interim targets in the CAP. Monitoring of progress against the CAP interim targets to drive performance is supported by dedicated tracking against the CAP implementation plans. The Climate Steering Committee meets a minimum of four times a year and makes recommendations to the Climate Advisory Committee (CAC) including on CAP progress monitoring.

As part of their role in approving Executive and CEO remuneration arrangements and variable remuneration outcomes, the Board approves the Group Balanced Scorecard and reviews the performance measures within Group Executive (Divisional level) Scorecards annually. In FY26, the prior-period emissions reduction measure in the Group BSC was replaced with a broader set of climate- and resilience-related measures in relevant Group Executives' Divisional Balanced Scorecards.

4.3 Strategy and decision making

The Board approves the annual reinsurance program renewal. As noted in section 1.2, the continued development of our capital platform, including the reinsurance program, is a key element of our inherent strategic response to increasing natural perils risks. In FY26 the reinsurance program renewal included the catastrophe reinsurance renewal strategy following the RACQI acquisition.

The Risk Committee conducts an annual review of the Group Strategic Opportunities and Risk Profile (SORP, see section 3.1B) and the SORP is presented to inform the Board. Actions planned in response to priority risks and opportunities, including any relating to climate, are included in each Division's strategic business plan. These plans are then presented back to the full Board for consideration prior to CEO endorsement.

In FY26, the Audit Committee reviewed our mandatory sustainability reporting preparation including our assurance phasing plan against the mandatory reporting and assurance phasing requirements issued by the AASB and the AUASB respectively.

4.4 Skills and competencies

The Board annually reviews its performance, including its efficiency and effectiveness, and that of the Board Committees and each Director. The Board Nomination Committee has the specific accountability for identifying competencies and any gaps or opportunities to maintain an appropriate mix of skills, knowledge, experience, independence and diversity.

The Directors' competencies are assessed across a range of skill categories that are essential to the effective oversight of IAG's existing and emerging strategic, business and governance issues. The assessment matrix includes an Environment and Social category (as defined in our Corporate Governance Statement), which relates to experience in understanding and identifying risks and opportunities arising from environmental and social issues including, amongst others, climate change.

Further information regarding the Directors' skills and competencies is provided in the FY26 Corporate Governance Statement which can be found in the Corporate Governance section of our website (www.iag.com.au).

Supporting notes to the climate-related statements

5. Supporting notes to the climate-related statements

A. Corporate information

Insurance Australia Group Limited (Company or Parent), the ultimate parent entity in the Group, is a for-profit company, incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange (ASX). Its registered office and principal place of business is Level 9, Tower Two, Darling Park, 201 Sussex Street, Sydney, NSW 2000, Australia. This Sustainability Report covers the consolidated climate-related disclosures for the Company and its subsidiaries (IAG or Group) for the financial year ended 30 June 2026.

A description of the nature of IAG's operations and its principal activities is included in the Directors' Report.

The financial statements to which this sustainability report relates are those included in this Annual Report, in relation to Insurance Australia Group Limited.

B. Basis of preparation

The climate disclosures and accompanying notes have been prepared in accordance with the requirements of the Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* issued by the Australian Accounting Standards Board on 20 September 2024 and the *Corporations Act 2001* (Cth).

We have elected to exercise the transition relief available in the AASB S2 standard during the first annual reporting period for the requirement to disclose Scope 3 GHG emissions. While we have maintained disclosure of any previously reported Scope 3 GHG emission categories, we are not making additional applicable Scope 3 category disclosures in the FY26 reporting period.

We have elected to exercise the transition relief available in the AASB S2 standard during the first annual reporting period for the requirement to disclose prior year comparative information.

C. Basis of consolidation

The climate disclosures have been prepared on a consolidated Group basis for IAG. The entities covered by the reporting boundary are those operational entities listed in the Financial Report consolidated entity disclosure statement on pages 181–182 of this Annual Report. Where an entity either began or ceased to be controlled during a financial year, the results are included from the date control commenced or up to the date control ceased. The relevant financial and nonfinancial information included from subsidiaries is prepared for consolidation for the same reporting year as the Parent.

D. Assurance

KPMG has provided two limited assurance reports covering select disclosures including in this Sustainability Report which are available following the Director's Declaration:

- A mandatory Independent Auditor's Review Report on page 58.
- A voluntary Independent *Practitioner's Limited Assurance Report* on page 62.

Each KPMG report outlines the information subject to limited assurance for the year ended 30 June 2026.

Climate-related glossary

The table below provides a glossary of climate-related terms used in this Sustainability Report.

Term	Definition
AASB S2	AASB S2 *Climate-related disclosures* is the standard developed by the AASB that sets out the requirements for an entity to disclose information about its climate-related risks and opportunities.
Carbon credits	An emissions unit that is issued by a carbon crediting programme and represents an emission reduction or removal of greenhouse gases. Carbon credits are uniquely identified, issued, tracked, and cancelled through an electronic registry.
Carbon removal offsets	Tradable rights or certificates linked to activities that lower the amount of carbon dioxide (CO2) in the atmosphere.
Climate change	The long-term shift in global temperatures and weather patterns, mainly due to human activities.
Climate change adaptation	Taking action to prepare for and adjust to the current and projected impacts of climate change.
Climate change mitigation	Actions or activities that limit emissions of greenhouse gases (GHGs) from entering the atmosphere and/or reduce their levels in the atmosphere.
Climate-related physical risks	Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk).
Climate-related risks and opportunities	Climate-related risks refer to the potential negative effects of climate change on an entity. These risks are categorised as climate-related physical risks and climate-related transition risks. Climate-related opportunities refer to the potential positive effects arising from climate change for an entity.
Climate-related scenario analysis	A process for systematically exploring the effects of a range of possible future events.
Climate-related targets	Part of a broader climate-related transition plan that an entity prepares to manage climate-related risks.
Climate-related transition risks	Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks.
Climate resilience	Capacity to adjust to climate-related changes, developments or uncertainties.
Decarbonisation	The process of reducing carbon dioxide (CO2) emissions through the implementation of initiatives such as energy efficiency, fleet transition, and using low-carbon or renewable power sources.
ESG (environment, social and governance)	A set of criteria used to measure an organisation's impact on environmental and social issues as well as governance practices.
GHG Protocol	The GHG Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
Greenhouse gases (GHGs)	The seven greenhouse gases listed in the Kyoto Protocol—carbon dioxide (CO2); methane (CH4); nitrous oxide (N2O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF3); perfluorocarbons (PFCs); and sulphur hexafluoride (SF6).
Low emissions vehicles	Low emissions vehicles used by IAG include battery electric and hybrid electric vehicles.
Net Zero Scope 1 and Scope 2 (market-based) emissions	The balance between the amount of GHGs emitted and the amount removed from the atmosphere, achieved by reducing Scope 1 and Scope 2 (market based) emissions and implementing measures to offset remaining emissions through carbon removals.
Normalised carbon footprint	An investment metric that measures greenhouse gas (GHG) emissions relative to the market value of a portfolio or investment, allowing comparability across portfolios. In our reporting this is measured as tCO2e / $USD million invested.
Paris Agreement	The Paris Agreement under the United Nations Framework Convention on Climate Change.
Scope 1 GHG emissions	Direct GHG emissions that occur from sources that are owned or controlled by an entity.
Scope 2 GHG emissions	Indirect GHG emissions resulting from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Scope 2 is disclosed as either: **location-based** (reflecting the average emissions intensity of grids on which energy consumption occurs); or **market-based** (deriving emission factors from contractual instruments).
Scope 3 GHG emissions	Indirect GHG emissions (not included in Scope 2) that occur in the value chain of an entity. Scope 3 GHGs include emissions in the 15 categories described in the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).*
Sectoral Decarbonisation Approach	An industry sector based target setting methodology for entities to set GHG emissions reduction targets that align to the goal of limiting global temperature rises to 2°C above pre-industrial levels.
Tool of trade vehicles	Our tool of trade vehicles are used by in-house assessors for claims and sales. They exclude salary sacrifice vehicles.
Transition plan	An aspect of an entity's strategy that lays out targets, actions or resources for the transition towards a lower-emission economy. This includes actions to reduce greenhouse gas emissions or adaption of activities to manage physical climate risks.

Director's declaration

1. In the opinion of the Directors of Insurance Australia Group Limited, the Group has taken reasonable steps to ensure that the substantive provisions of this Sustainability Report are in accordance with the *Corporations Act 2001* (Cth), including:
   (a) section 296C (compliance with sustainability standards etc); and
   (b) section 296D (climate statement disclosures).

Signed at Sydney this 13th day of August 2026 in accordance with a resolution of the Directors.

Nick Hawkins
Director

Independent Auditor’s Review Report

KPMG

Independent Auditor’s Review Report

To the Shareholders of Insurance Australia Group Limited

Report on specified Sustainability Disclosures of Insurance Australia Group (IAG) Limited presented in the Sustainability Report prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of IAG Limited for the year ended 30 June 2026 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosures	*Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)*	*Locations in Sustainability Report*
Governance disclosures	Paragraph 6	Section 4. Climate-related governance on pages 53 and 54
Strategy (risk and opportunities) disclosures	Subparagraphs 9(a), 10(a) and 10(b)	Subsection 1.1. Material climate-related risks and opportunities – *Summary and category and Description* on pages 38 and 39
Scope 1 greenhouse gas emissions	Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)	2026 Scope 1 emissions: 7,100 tCO2e • Subsection 2.1. Cross-industry metrics: Greenhouse gas (GHG) emissions on page 47 • Subsection 2.4 D. Greenhouse gas (GHG) emissions measurement approach on page 49
Scope 2 greenhouse gas emissions		2026 Scope 2 emissions (location-based): 13,328 tCO2e 2026 Scope 2 emissions (market-based): 0 tCO2e • Subsection 2.1. Cross-industry metrics: Greenhouse gas (GHG) emissions on page 47 • Subsection 2.4 D. Greenhouse gas (GHG) emissions measurement approach on page 49

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

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We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information

The Directors of IAG Limited are responsible for the other information. The other information comprises the financial and non-financial information included in IAG's Annual Report 2026, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report, Remuneration Report and our respective audit reports as well as the Select Sustainability Information and our respective limited assurance report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Review Report (continued)

Responsibilities for the specified Sustainability Disclosures

The Directors of IAG Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depends on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with relevant IAG Limited personnel to understand the governance structures and reporting process;
- Enquired with relevant IAG Limited personnel to understand the process for developing the climate governance, strategy and metrics disclosures;
- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks, and basis of preparation documents;
- Reviewed IAG's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the Specified Sustainability Disclosures;
- For Scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled the Specified Sustainability Disclosures to underlying information.

KPMG.

KPMG

Brendan Twining
Partner

Sydney
13 August 2026

Independent Practitioner’s Limited Assurance Report

Independent Practitioners’ Limited Assurance Report

To the Directors of Insurance Australia Group Limited

Report on Select Sustainability Information presented within the Sustainability Report section of the 2026 Annual Report and the Group FY26 Environmental, Social and Governance (ESG) Data Summary (collectively, “Report”)

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the following Sustainability Information of Insurance Australia Group (IAG) Limited which has been prepared in accordance with the Reporting Criteria for the year ended 30 June 2026.

The Select Sustainability Information comprised the following quantitative information presented in the Report.

Select Sustainability Information	*Unit of Measurement*	*Amount Assured*	*Criteria used as the basis of reporting (Reporting Criteria)*
Scope 3, Category 1 – purchased goods and services (print and office paper, outsourced data centre services)	tCO2e	551	The Company’s Basis of Preparation and included in the ‘Definition and Methodology’ section with IAG’s FY26 ESG Data Summary accessible via the Sustainability reporting section of IAG’s website www.iag.com.au The Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
Scope 3, Category 3 – fuel and energy related activities (transmission and distribution losses)		2,995	
Scope 3, Category 5 – waste generated in operations		1,441	
Scope 3, Category 6 – business travel (including air and taxi travel, rental cars, staff mileage)		4,824	
Scope 3, Category 7 – employee commuting (including employees working from home)		9,991	
Direct electricity renewable procurement	%	100	The Company’s Basis of Preparation and included in the ‘Definition and Methodology’ section with IAG’s FY26 ESG Data Summary accessible via the Sustainability reporting
Transition to low emissions tool of trade vehicles	%	83	
Transactional Net Promoter Score (tNPS)	#	56.9	
Total community investment	$AUD million	10.8	
Group Average Days Lost per Lost Time Injury	#	46	

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Employee Engagement	%	75	section of IAG's website www.iag.com.au
Green Bonds	$AUD million	304	
Normalised carbon footprint of listed equity portfolio (Australia)	tCO2e per $US million	73.1	The Company's Basis of Preparation and included in the 'Definition and Methodology' section with IAG's FY26 ESG Data Summary accessible via the Sustainability reporting section of IAG's website www.iag.com.au
Normalised carbon footprint of listed equity portfolio (Global)		34	
Weighted average carbon intensity of listed equity portfolio (Australia)		134.1	
Weighted average carbon intensity of listed equity portfolio (Global)		55.1	

The Select Sustainability Information needs to be read and understood together with the Reporting Criteria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the accompanying Select Sustainability Information presented in the Report for the period ended 30 June 2026 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Australian Standard on Sustainability Assurance (ASSA) 5000 *General Requirements for Sustainability Assurance Engagements* issued by the Australian Auditing and Assurance Standards Board (AUASB).

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ASSA 5000 are further described in the "Practitioner's Responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements,* issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independent Practitioner's Limited Assurance Report (continued)

Other Information

The Directors of IAG Limited are responsible for the other information. The other information comprises the financial and non-financial information included in IAG Limited's Report but does not include the Select Sustainability Information and our assurance report thereon.

Our limited assurance conclusion on the Select Sustainability Information does not cover the other information and we do not express any form of assurance conclusion thereon, with the exception of the Financial Report, Remuneration Report and our respective audit reports, and the Specified Sustainability Disclosures in the Sustainability Report that are subject of a separate review engagement and our respective review report thereon.

In connection with our limited assurance engagement on the Select Sustainability Information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Select Sustainability Information, or our knowledge obtained in the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this Assurance Report

This report has been prepared solely for the Directors of IAG Limited, who have voluntarily requested independent assurance over the Select Sustainability Information of IAG Limited. Accordingly, this report may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of IAG Limited, or for any other purpose than that for which it was prepared.

Responsibilities for the Select Sustainability Information

Management of IAG Limited are responsible for:

- The preparation of the Select Sustainability Information in accordance with the Reporting Criteria; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of the Select Sustainability Information in accordance with the Reporting Criteria that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the Select Sustainability Information may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Practitioner's Responsibilities

Our objectives are to plan and perform the engagement to obtain limited assurance about whether the Select Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of intended users taken on the basis of the Select Sustainability Information.

As part of limited assurance engagements in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement due to fraud is higher than for one due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Select Sustainability Information. The nature, timing and extent of procedures selected depends on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our limited assurance engagement, we:

- Enquired with relevant IAG Limited personnel to obtain an understanding over key systems and processes to capture, collate, calculate and report the Select Sustainability Information;
- Assessed the suitability and application of the Reporting Criteria in respect of the Select Sustainability Information;
- Tested the underlying Select Sustainability Information, on a sample basis, to source documentation;
- Reconciled the Select Sustainability Information to underlying information; and
- Reviewed the Select Sustainability Information in its entirety to ensure it is consistent with our overall knowledge of IAG Limited and our observation and understanding of its operations.

KPMG

Brendan Twining
Partner

Sydney
13 August 2026

Group Leadership Team

Nick Hawkins
Managing Director and Chief Executive Officer
BCom, FCA

Julie Batch
Chief Executive Officer, Retail Insurance Australia
MCIStratInn, MAppFin, ANZIIF (Fellow)

Robert Cutler
Group General Counsel
BA, LLB

Phil Gibson
Chief Executive, IAG New Zealand
BSc Finance, MBA

Jarrod Hill
Chief Executive Officer, CGU and WFI

William McDonnell
Chief Financial Officer
BA, ACA

Neil Morgan
Chief Operating Officer
BSc (Hons) Management Sciences

Christine Stasi
Group Executive, People Performance and Reputation
BA, Master of Industrial Relations

Peter Taylor
Group Chief Risk Officer
B Commerce, (Finance and Economics), GAICD

Amanda Whiting
Chief Strategy and Transformation Officer
GradCertBizMgmt, GAICD

Governance

At IAG, corporate governance is guided by the framework of systems, policies and processes that support IAG to operate its business to deliver on its purpose and strategy. At IAG, this framework includes:

- IAG's purpose and strategy, which provide clarity on our objectives and the value we bring;
- our customer focus, including through IAG's policies, procedures, models, programs and forums;
- our Values and Behaviours (The IAG Way) and the Code of Ethics & Conduct and the way we apply them to guide our people to behave ethically and legally;
- our culture, being one in which our people are empowered and accountable for making decisions that positively impact IAG's business and enable our people to strive to deliver personalised service when customers need it most;
- IAG's risk frameworks, policies and practices;
- IAG's remuneration policies and practices;
- the way we report to all our stakeholders, including our shareholders, regulators, the Australian Securities Exchange (ASX) and our people; and
- IAG's continuous improvement approach, including our commitment to examine and strengthen corporate governance. We are committed to continuously improving IAG's governance practices in a way that is aligned with our business and stakeholders' needs.

This Corporate Governance Statement has been prepared in respect of the reporting period ended 30 June 2026. We comply with the ASX Corporate Governance Principles and Recommendations (4th Edition) (the ASX Recommendations), which are reflected in this statement, as well as in our Appendix 4G (which summarises our compliance with the ASX Recommendations).

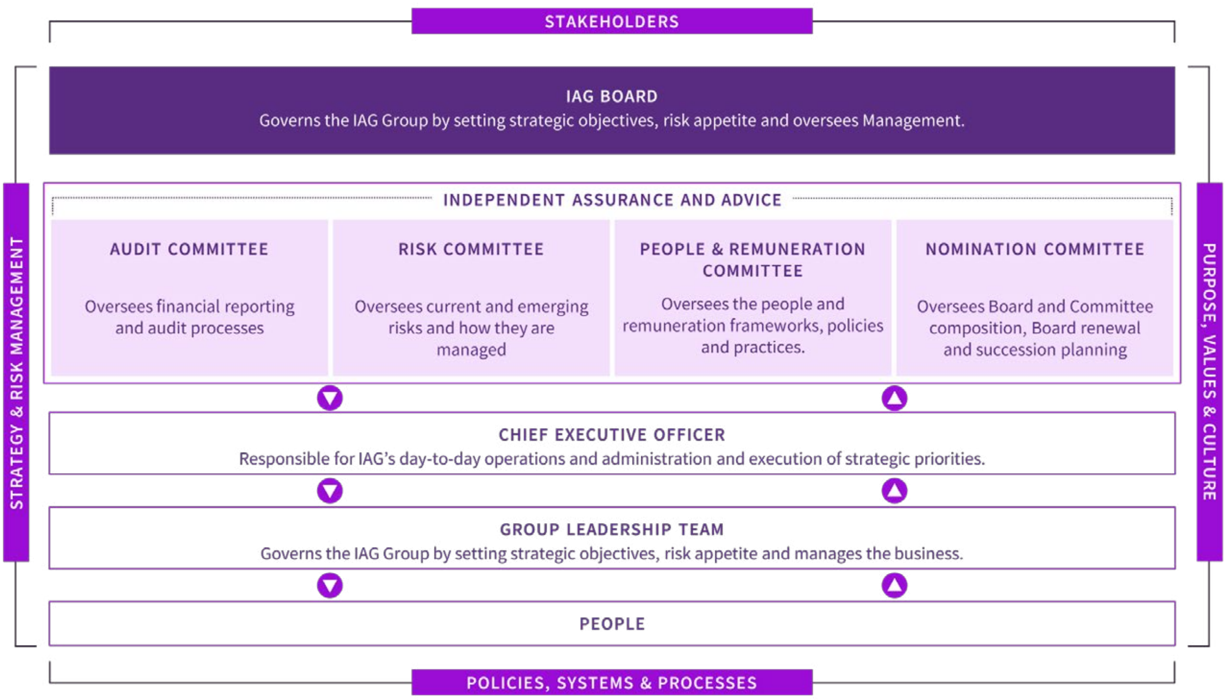
Governance framework

IAG's governance framework establishes the roles and responsibilities of the Board, Board Committees, Management, employees and suppliers. The governance framework is based on accountability, effective delegation, adequate oversight and independent assurance and advice to support sound decision making.

The Board delegates certain powers to its standing Board Committees to help it fulfil its roles and responsibilities. In addition to the Board's standing Committees, the Board establishes ad hoc Committees as and when required.

The Board also delegates certain responsibilities to the Chief Executive Officer (CEO) who in turn is assisted by Executives and other members of Management under delegations of authority. The CEO is accountable to the Board for the exercise of those delegated powers and Management's performance.

Governance framework



Board of Directors

Directors of Insurance Australia Group Limited

The names and details of the Company's Directors in office at any time during, or since the end of, the financial year are set out below. Directors were in office for the entire period unless otherwise stated.

Thomas (Tom) W Pockett

Chair and Independent Non-Executive Director

BCom, CA, FAICD

Insurance industry experience

Tom Pockett was appointed as a Director of the Company on 1 January 2015 and became Chair on 22 October 2021. He has been the Chair of our Nomination Committee (since 22 October 2021) and attends all other Board Committee meetings in an ex-officio capacity. Tom is also Chair of Insurance Manufacturers of Australia Pty Limited and was appointed as an Independent Non-Executive Director of CGU Australia Pty Ltd on 8 April 2025.

Other business and market experience

Tom was previously Chief Financial Officer and then Finance Director with Woolworths Limited, retiring in July 2014. He has also held senior finance roles at Commonwealth Bank, Lendlease Corporation and Deloitte. Tom is the Chair and a Non-Executive Director of Stockland Corporation Limited and a Non-Executive Director of O'Connell Street Associates.

Directorships of other listed companies held in the past three years

- Stockland Corporation Limited (since September 2014)

Nicholas (Nick) B Hawkins

Managing Director and Chief Executive Officer, Executive Director

BCom, FCA

Insurance industry experience

Nick Hawkins was appointed Managing Director and Chief Executive Officer of IAG on 2 November 2020. Nick previously held the role of Deputy Chief Executive Officer, accountable for the management and performance of IAG's day to-day operations. He previously spent 12 years as IAG's Chief Financial Officer, responsible for the financial affairs of the Group. Prior to this, Nick was Chief Executive Officer of IAG New Zealand and has also held a number of roles within finance and asset management since joining the Group in 2001. Nick completed a two-year term as President of the Insurance Council of Australia in January 2025 and remains a member of the Board.

Other business and market experience

Before joining IAG, Nick was a Partner at KPMG. Nick is a graduate of the Harvard Advanced Management Program.

Simon C Allen

Independent Non-Executive Director

BCom, BSc, CFInstD, DFInFinNZ

Insurance industry experience

Simon Allen was appointed as a Director of IAG on 12 November 2019. He is a member of our People and Remuneration Committee and our Risk Committee. Simon has been a Non-Executive Director of IAG New Zealand Limited since 1 September 2015 and was appointed as its Chair on 22 November 2019.

Other business and market experience

Simon is currently a Non-Executive Director of Ampol Limited. He has over 40 years' commercial and governance experience in the New Zealand and Australian capital markets and was Chief Executive of investment bank BZW/ABN AMRO in New Zealand for 21 years. Simon is a former Trustee of the New Zealand Antarctic Heritage Trust, a former Chair of Z Energy Limited, and was Chair of Channel Infrastructure NZ Limited (previously known as The New Zealand Refining Company Limited). He was also the inaugural Chair of NZX Limited, Financial Markets Authority, Auckland Council Investments Limited, and Crown Infrastructure Partners Limited (previously known as Crown Fibre Holdings Limited). Simon is a Chartered Fellow of the New Zealand Institute of Directors and a distinguished Fellow of The Institute of Finance Professionals New Zealand Inc. (INFINZ).

Directorships of other listed companies held in the past three years

- Ampol Limited (since September 2022)

Helen M Nugent AC

Independent Non-Executive Director

BA (Hons), PhD, MBA (Dist), HonDBus, HonDUniv

Insurance industry experience

Helen Nugent was appointed as a Director of IAG on 23 December 2016. She is a member of our Audit Committee, Nomination Committee and Risk Committee.

Helen was appointed as an Independent Non-Executive Director of RACQ Insurance Limited on 1 September 2025.

Other business and market experience

Previously, Helen was Chairman of Swiss Re (Australia) and Swiss Re (Life and Health) Australia, and a Non-Executive Director of Mercantile Mutual.

Helen has extensive financial services experience, having been Chairman of Funds SA and Veda Group and a Non-Executive Director of Macquarie Group and the State Bank of New South Wales.

She also served on Westpac Banking Corporation's executive team as Director of Strategy, and prior to that specialised in the financial services sector as a Partner at McKinsey & Company.

Helen's experience as a Non-Executive Director extends to the energy sector and telecommunications. Currently, she is Chairman of Ausgrid and previously was a Non-Executive Director of Origin Energy.

She is also the Senior Independent Director at TPG Telecom and is on the Global Advisory Board of the digital transformation company UST. Helen has given back extensively to the community in the arts, education, health and disability. In the arts, she was Chairman of the National Portrait Gallery of Australia, the National Opera Review, the Major Performing Arts Inquiry, and the Major Performing Arts Board of the Australia Council. In education, she was Chancellor of Bond University and President of Cranbrook School. In disability and health, she was Chairman of the National Disability Insurance Agency, and a former Non-Executive Director of the Garvan Institute for Medical Research. She was made a Companion of the Order of Australia (AC) in January 2022, having previously received an AO and a Centenary Medal. Helen has been Chairman of the Order of Australia Association Foundation Limited since 2022. She has also been awarded Honorary Doctorates from the University of Queensland and Bond University and has received an Order of Merit from the Australian Olympic Committee.

Directorships of other listed companies held in the past three years

- TPG Telecom (since July 2020)

Scott J Pickering

Independent Non- Executive Director

ANZIIF

Insurance industry experience

Scott Pickering was appointed as a Director of IAG on 1 November 2021 and is a member of our Audit Committee. He was appointed as a Non-Executive Director of IAG New Zealand Limited and IAG (NZ) Holdings Limited on 8 February 2024 and the Independent Non-Executive Chair of CGU Australia Pty Ltd on 8 April 2025.

Scott has been a Chief Executive and is a senior leader in the global insurance industry with over 35 years of experience in the sector. He is the Chair of Fidelity Life Assurance Company Limited (since 1 January 2025) and a former Non-Executive Director for Chubb Insurance in Australia and New Zealand.

Scott was formerly regional Chief Executive Officer for one of the world's largest insurance brokers, Willis Towers Watson, for Central and Eastern Europe, the Middle East and Africa. Prior to Willis Towers Watson, Scott worked for Royal & Sun Alliance Insurance as Regional Chief Executive Officer for Asia and the Middle East. He has also held senior regional leadership and Chief Executive roles at ACE Insurance and CIGNA in the Asia Pacific region and South Africa.

Scott previously held the position of Chief Executive of the Accident Compensation Corporation, which provides comprehensive, no fault personal injury cover for all New Zealanders. He stepped down from the role at the end of June 2021. Scott is a member of the Australian and New Zealand Institute of Insurance and Finance.

Other business and market experience

Scott is the Chair of Evolution Healthcare and a Non-Executive Director of state-owned Kiwi Group Capital Limited and Bowls New Zealand Aotearoa. He is an advisor for Bain International Inc. and a Director in Engage Consulting Limited.

Directorships of other listed companies held in the past three years

- None

George D Sartorel

Independent Non-Executive Director

MBA from Heriot-Watt University

Insurance industry experience

George Sartorel was appointed as a Director of IAG on 1 September 2021. He is a member of our People and Remuneration Committee and Risk Committee. George was appointed as an Independent Non-Executive Director of CGU Australia Pty Ltd on 8 April 2025.

George is a globally proven insurance Chief Executive Officer, with extensive operational, business and technology experience spanning property, casualty, health, life insurance and asset management. In an extensive career at Allianz, George worked across a large variety of roles and within those roles has led countries and regions of scale and formed strategic alliances.

George began his career as Chief General Manager of Allianz Australia. Before becoming the Asia Pacific Chief Executive Officer of Allianz, George was Chief Executive Officer of Allianz Italy and Allianz Turkey. He is the former Chair of Allianz Asia Advisory Council and a member of the Allianz Australia Group. He was also a member of the Allianz International Executive Committee and the founding member of Allianz X, the corporate venture capital company that invested in innovative digital start-ups. George was considered one of Allianz's most technologically oriented and innovatively minded leaders. George is also a Non-Executive Director of Prudential plc and previously served as a Director of BIMA.

Other business and market experience

George has served as a member of the Financial Centre Advisory Panel (Monetary Authority of Singapore).

Directorships of other listed companies held in the past three years

- Prudential plc (since January 2022)

Board of Directors (continued)

George Savvides AM

Independent Non-Executive Director

BEng (Hons), MBA, FAICD

Insurance industry experience

George Savvides was appointed as a Director of IAG on 12 June 2019. He is a member of our People and Remuneration Committee, Risk Committee and Nomination Committee. George was appointed as the Independent Non-Executive Chair of RACQ Insurance Limited on 1 September 2025.

George has extensive executive experience, serving as Chief Executive Officer of leading health insurer Medibank for 14 years (2002 – 2016) and Chief Executive Officer of Sigma Company (now Sigma Healthcare) (1996 – 2000).

Other business and market experience

George is a Non-Executive Director of BuildXACT Software Limited (since July 2021) and Chair of the I-MED Radiology Network (since September 2022) and Chair of Faith Values Ltd (since September 2024). George was Non-Executive Chair of the Australian Securities Exchange (ASX) listed biotech company Next Science (2018 – 2021) and Non-Executive Director of New Zealand's Exchange (NZX) listed entity, Ryman Healthcare (2013 – 2023). He is also a former Deputy Chair (2017 – 2020) and Chair (2020 – 2025) of the Special Broadcasting Service Corporation (SBS), a former Non-Executive Chair of Kings Transport, Non-Executive Chair of Macquarie University Hospital, and served for 18 years on the Board of World Vision Australia, including six years as the Chair, retiring in 2018.

Directorships of other listed companies held in the past three years

- None

JoAnne Stephenson

Independent Non-Executive Director

BCom, LLB (Hons)

Insurance industry experience

JoAnne Stephenson was appointed as a Director of IAG on 12 May 2025. She is Chair of our Audit Committee (since 13 September 2025) and a member of our Risk Committee. JoAnne was appointed as an Independent Non-Executive Director of RACQ Insurance Limited on 1 September 2025. She is a Non-Executive Director of Helia Group Limited.

Other business and market experience

JoAnne is also a Non-Executive Director of Qualitas Limited and Lifestyle Communities Limited. Other roles include being a director of Estia Investments Pty Ltd. JoAnne was previously the Chair and Non-Executive Director of Myer Holdings Ltd, Chair of the Major Transport Infrastructure Board (Victoria) and a Non-Executive Director of Asaleo Care Limited and Japara Healthcare Limited. She brings over 25 years of executive experience across a range of industries. She was a partner with KPMG for more than 15 years. JoAnne has extensive expertise in finance, accounting, risk management and governance.

Directorships of other listed companies held in the past three years

- Qualitas Limited (since November 2011)
- Lifestyle Communities Limited (since July 2024)
- Helia Group Limited (since July 2024)
- Challenger Limited (October 2012 – June 2025)
- Myer Holdings Ltd (November 2017 – November 2023)

Wendy Thorpe OAM

Independent Non-Executive Director

BA, BBus, Grad Dip Applied Finance & Investment, FFin, FCSI, Harvard AMP, GAICD

Insurance industry experience

Wendy Thorpe was appointed a Director of IAG on 1 July 2023. She is Chair of the People and Remuneration Committee (since 1 September 2024), Deputy Chair of the Nomination Committee (since 28 April 2025) and a member of the Audit Committee. Wendy was appointed as an Independent Non-Executive Director of RACQ Insurance Limited on 1 September 2025.

Wendy served as an Independent Non-Executive Director of Tower Limited (March 2018 – March 2023), where she served as Chair of the Risk Committee in the latter part of her tenure. Wendy was previously a senior executive at AXA and AMP, leading technology and operations in Chief Information Officer and Chief Operations Officer roles.

Other business and market experience

Wendy is Chair of Epworth Healthcare and Online Education Services and a Non-Executive Director of People First Bank, Warakirri Asset Management and Rest Agriculture.

Wendy also serves as an external member on the Nomination Committee of auDA having previously served as a Director from November 2022 to November 2025.

She is a former Non-Executive Director of AMP Bank, Ausgrid, Data Action and Very Special Kids and is a former member of the Council of Swinburne University of Technology.

Wendy has over 30 years' experience in Financial Services across Insurance, Investment Management, Banking and Wealth management at AXA, ANZ and AMP.

She is also a member of Chief Executive Women.

Directorships of other listed companies held in the past three years

- None

Michelle K Tredenick OAM

Independent Non-Executive Director

BSc, FAICD, F Fin

Insurance industry experience

Michelle Tredenick was appointed as a Director of IAG on 13 March 2018. She is Chair of our Risk Committee (since 1 September 2023) and a member of our People and Remuneration Committee. Michelle was appointed as an Independent Non-Executive Director of RACQ Insurance Limited on 1 September 2025.

Michelle has held a number of senior executive roles in major Australian companies, including National Australia Bank, MLC and Suncorp. She has over 25 years' experience in financial services with roles spanning Chief Information Officer, Head of Strategy and Corporate Development and senior leadership roles in corporate superannuation, insurance and wealth management businesses.

Other business and market experience

Michelle was appointed as Non-Executive Director of First Sentier Group Limited in June 2020 and Lead Independent Director in January 2024 and chairs the Audit and Risk Committee. Michelle is a Non-Executive Director of IDP Education and Hub24 Limited. She is a former Chair of the IAG & NRMA Superannuation Fund (2012 – 2018) and former Director of Cricket Australia (November 2015 – October 2022), as well as the Ethics Centre (November 2013 – May 2022) and Bank of Queensland (February 2011 – December 2020). Michelle is a former Non-Executive Director of Zafin Labs Americas Incorporated, where she chaired the Human Resources and Governance Committee (May 2021 – February 2024) and Urbis Pty Ltd (September 2016 – June 2025). She was also previously a member of the Senate of the University of Queensland (February 2014 – December 2021).

Directorships of other listed companies held in the past three years

- Hub 24 Limited (since June 2024)
- IDP Education Limited (since September 2022)

Directors who ceased during the financial year

David H Armstrong retired from the Board of Directors on 12 September 2025.
Mr Armstrong had been a Non-Executive Director of the Company since 1 September 2021 and the Chair of the Audit Committee since October 2021.

Directors' report

The Directors present their report together with the Financial Report of Insurance Australia Group Limited and its subsidiaries and the Auditor's Report for the year ended 30 June 2026 (FY26). This report covers the reporting period 1 July 2025 to 30 June 2026 and where appropriate, references events that have occurred since the end of this period, but before publication.

The following terminology is used throughout this report:

Company or Parent	Insurance Australia Group Limited
IAG or Group	The consolidated group consists of Insurance Australia Group Limited and its subsidiaries

Directors of Insurance Australia Group Limited

The Company's Directors in office at any time during, or since the end of, the financial year are set out below. Directors were in office for the entire period unless otherwise stated.

Thomas (Tom) W Pockett (Chair)
Nicholas (Nick) B Hawkins (Managing Director)
Simon C Allen
Helen M Nugent AO
Scott J Pickering
George D Sartorel
George Savvides AM
JoAnne Stephenson
Wendy Thorpe OAM
Michelle K Tredenick OAM
David H Armstrong AM (retired on 12 September 2025)

Qualifications and experience of Directors

The qualifications and experience of each Director are set out on pages 68 to 71 of this Annual Report.

Company Secretaries of Insurance Australia Group Limited

Penelope (Penny) MacRae

BA (Hons), LLB (Hons), GAICD, FGIA

Penny MacRae joined IAG and was appointed as Group Company Secretary in February 2025. Penny was previously a Senior Corporate Lawyer and Company Secretary at National Australia Bank. Prior to that she was a Senior Lawyer at Freshfields Bruckhaus Deringer in London and Middletons Lawyers (now K&L Gates) in Australia. Penny has over 25 years of experience in a wide range of corporate, legal, governance, risk and regulatory matters. Penny holds an Honours degree in Law, an Honours degree in Arts, is a Graduate of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Andrew S Collings

BCom, LLB (Hons), FAICD, FGIA

Andrew Collings joined IAG as Deputy Group General Counsel in December 2018 and now leads IAG's Corporate & Commercial Legal team. He was appointed Company Secretary in November 2023. Prior to joining IAG, Andrew was a senior lawyer with Mallesons, led a legal team at Macquarie Group for a number of years, before establishing his own legal consulting practice, Collings Legal, with clients including IAG. Andrew holds an Honours degree in Law, a Bachelor of Commerce, is a Fellow of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Meetings of Directors

The Board of IAG met nine times during the year ended 30 June 2026. In addition, the Directors attended Board Strategy and Education Sessions during the year.

The following table includes:

- Names of the Directors who held office at any time during, or since the end of, the financial year.
- The number of Board and Board Committee meetings held during the financial year for which each Director was a member of the Board or Board Committee and eligible to attend, and the number of meetings attended by each Director.

All Directors may attend all Board Committee Meetings even if they are not a member of the relevant Committee. The table excludes the attendance of those Directors who attended meetings of Board Committees of which they are not a member.

Total number of Meetings held	Board of Directors 9		Board Sub Committee 3		Audit Committee 5		Nomination Committee 3		People and Remuneration Committee 5		Risk Committee 5	
	Required to attend	Attended	Required to attend	Attended	Required to attend	Attended	Required to attend	Attended	Required to attend	Attended	Required to attend	Attended
Current Directors												
Tom Pockett	9	8	3	3	-	-	3	3	-	-	-	-
Nick Hawkins	9	9	3	3	-	-	-	-	-	-	-	-
Simon Allen	9	9	-	-	-	-	-	-	5	5	5	5
Helen Nugent	9	9	-	-	5	5	3	3	-	-	5	5
Scott Pickering	9	8	-	-	5	5	-	-	-	-	-	-
George Sartorel	9	9	-	-	-	-	-	-	5	5	5	5
George Savvides	9	9	-	-	-	-	3	3	5	5	5	5
JoAnne Stephenson	9	9	1	1	5	5	-	-	-	-	5	5
Wendy Thorpe	9	9	-	-	5	5	3	3	5	5	-	-
Michelle Tredenick	9	9	-	-	-	-	-	-	5	5	5	5
Former Directors												
David Armstrong[1]	3	3	1	1	2	2	-	-	-	-	1	1

1. David Armstrong retired as a Director of the Company on 12 September 2025.

Principal activity

The principal continuing activity of IAG is the underwriting of general insurance risks and investment management.

IAG is the largest general insurance company in Australia and New Zealand, selling insurance through a suite of brands. In Australia, IAG is a leading personal lines insurer, offering short-tail products across the country, as well as long-tail offerings. IAG also sells a range of commercial insurance products across Australia, with an emphasis on small to medium sized enterprises and a leading market share in rural areas. In Australia, IAG's operations are separated into two distinct divisions, being Retail Insurance Australia (RIA) and Intermediated Insurance Australia (IIA). In New Zealand, IAG is the leading general insurance provider across both the retail and intermediated insurance channels. All of these divisions benefit from access to a variety of distribution channels and an array of leading and well established brands.

The Group reports its financial information under the following business division headings:

Division	Overview	Products
Retail Insurance Australia 57% of Group insurance revenue	Personal lines general insurance products, and some commercial lines, are sold directly to customers through a range of distribution channels, such as branches, call centres and online, including under the following brands: • NRMA Insurance brand Australia wide (excluding VIC); • RACV brand in Victoria, via a distribution relationship and underwriting joint venture with RACV; • RACQI brand in Queensland, via a distribution relationship with the Royal Automobile Club of Queensland; and • ROLLiN' Insurance. General insurance products are also distributed under third party brands by IAG's corporate partners, including financial institutions.	**Short-tail insurance:** • Motor vehicle • Home and contents • Lifestyle and leisure, such as boat, veteran and classic car and caravan • Pet • Business packages • Farm • Commercial motor **Long-tail insurance:** • Professional indemnity • Compulsory Third Party (motor injury liability)
Intermediated Insurance Australia 24% of Group insurance revenue	Commercial lines general insurance products, and some personal lines, are provided through a network of intermediaries, such as brokers, agents, and authorised representatives, including under the brands of CGU Insurance and WFI Insurance.	**Short-tail insurance:** • Motor vehicle • Home and contents • Lifestyle and leisure, such as boat • Business packages • Farm and crop • Commercial property • Construction and engineering • Commercial motor and fleet motor **Long-tail insurance:** • Workers' compensation • Professional indemnity • Directors' and officers' • Public and products liability
New Zealand 19% of Group insurance revenue	Personal lines and commercial lines general insurance products are provided directly to customers, primarily under the State and AMI brands, and indirectly through insurance brokers and agents, under the NZI brand. General insurance products are also distributed under third party brands by IAG's corporate partners, including financial institutions.	**Short-tail insurance:** • Motor vehicle • Home and contents • Commercial property, motor and fleet motor • Construction and engineering • Niche insurance such as pleasure craft, boat and caravan • Rural • Marine **Long-tail insurance:** • Professional indemnity • Commercial liability
Corporate and other	Corporate and other comprises other activities, including corporate services, capital management activity, shareholders' funds investment activities, legacy run-off reinsurance activity from previously held associates, investment in associates, and other businesses that offer products and services that are adjacent to IAG's insurance business.	

Operating and financial review

The operating and financial review section includes the information below as well as the information in the FY27 Guidance and outlook section on page 86, Review of financial condition section on pages 86 to 87, and Strategy and risk management section on pages 87 to 91.

The discussion of operating performance in the operating and financial review section of this report is presented on a management reported (non-IFRS) basis unless otherwise stated.

The management reported results differ in some respects from the statutory results, however IAG's FY26 reported profit is the same under the statutory and management basis.

Reconciliations between the management and statutory reporting formats are provided in this section. The management reporting format is non-IFRS financial information, and the guidance provided in Australian Securities and Investments Commission (ASIC) Regulatory Guide 230 'Disclosing non-IFRS financial information' has been followed.

Non-IFRS financial information has not been reviewed by the external auditor but has been sourced from the Financial Report.

Further detailed information on the management result, in Excel format, is available on the IAG website.

Reconciliation between the FY26 statutory result (IFRS) to FY26 management result (non-IFRS)

The FY26 statutory result has been re-presented as a management view in a format that has been previously disclosed and is well understood by users of IAG's financial information. The management result of profit before income tax (PBT) of $1,739 million is unchanged from the statutory result.

The re-presentation of the line items is outlined in a further reconciliation on page 78. Reinsurance cash flows that are not contingent on claims such as exchange and fixed reinsurance commission are presented in the 'reinsurance held expense' line in the statement of comprehensive income. Reinsurance cash flows that are considered as contingent on claims such as claims recoveries and profit commission are presented in the 'reinsurance held income' line in the statement of comprehensive income. Reinsurance cash flows that IAG expects to receive under all circumstances (regardless of whether an insured event occurs) are excluded from both the reinsurance held expense and reinsurance held income in the statement of comprehensive income.

RACQ Insurance Limited acquisition

On 1 September 2025 the Company completed its acquisition of 90% of the shares in RACQ Insurance Limited (RACQI). The FY26 reported results include 10 months' results for RACQI from that date, and forms part of the Retail Insurance Australia segment. Refer to Note 6.4 for further details.

30 June 2026	Statutory result IFRS $m	Reclassification $m	Other adjustment[1] $m	Management result Non-IFRS[2] $m
Insurance revenue	18,666	(18,158)	(508)	-
Insurance service expense	(15,726)	15,214	512	-
Reinsurance held expense	(3,223)	7,635	(4,412)	-
Reinsurance held income	1,730	(4,607)	2,877	-
Insurance service result	**1,447**	**84**	**(1,531)**	**-**
Insurance finance income/(expense)	(298)	298	-	-
Reinsurance finance income/(expense)	157	(145)	(12)	-
Insurance operating result	**1,306**	**237**	**(1,543)**	**-**
Analysed as:				
Gross written premium	**-**	**18,412**	**-**	**18,412**
Gross earned premium	-	18,158	-	18,158
Reinsurance expense	-	(7,635)	-	(7,635)
Net earned premium	**-**	**10,523**	**-**	**10,523**
Net claims expense	-	(6,836)	-	(6,836)
Commission expense	-	(1,426)	480	(946)
Administration expense	-	(2,498)	1,063	(1,435)
Underwriting profit/(loss)	**-**	**(237)**	**1,543**	**1,306**
Investment income on assets backing insurance liabilities, net of expenses	246	-	-	246
Insurance profit	**1,552**	**-**	**-**	**1,552**
Net other operating income/(expense)	187	-	-	187
Profit/(loss) before income tax	**1,739**	**-**	**-**	**1,739**
Income tax expense	(522)	-	-	(522)
Profit/(loss) after income tax	**1,217**	**-**	**-**	**1,217**
Non-controlling interests	(195)	-	-	(195)
Profit/(loss) attributable to IAG shareholders	**1,022**	**-**	**-**	**1,022**

1. Other adjustment relates to reinsurance reclassifications and business acquisition.
2. Represents the *AASB 17* results reclassified to be consistent with the management presentational basis.

FY25 statutory result to FY25 management result reconciliation

30 June 2025	Statutory result IFRS $m	Reclass-ification $m	Re-insurance cashflows $m	Statutory result (re-presented) Non-IFRS[1] $m	BI provision reclass-ification $m	Manage-ment result Non-IFRS[1] $m
Insurance revenue	16,776	(16,774)	(2)	-	-	-
Insurance service expense	(12,986)	12,991	(5)	-	-	-
Reinsurance held expense	(2,342)	6,790	(4,448)	-	-	-
Reinsurance held income	445	(3,435)	2,990	-	-	-
Insurance service result	**1,893**	**(428)**	**(1,465)**	**-**	**-**	**-**
Insurance finance income/(expense)	(602)	602	-	-	-	-
Reinsurance finance income/(expense)	318	(282)	(36)	-	-	-
Insurance operating result	**1,609**	**(108)**	**(1,501)**	**-**	**-**	**-**
Analysed as:						
Gross written premium	**-**	**17,106**	**-**	**17,106**	**-**	**17,106**
Gross earned premium	-	16,774	-	16,774	-	16,774
Reinsurance expense	-	(6,790)	-	(6,790)	-	(6,790)
Net earned premium	**-**	**9,984**	**-**	**9,984**	**-**	**9,984**
Net claims expense	-	(5,996)	-	(5,996)	(330)	(6,326)
Commission expense	-	(1,351)	442	(909)	-	(909)
Administration expense	-	(2,529)	1,059	(1,470)	-	(1,470)
Underwriting profit/(loss)	**-**	**108**	**1,501**	**1,609**	**(330)**	**1,279**
Investment income on assets backing insurance liabilities, net of expenses	464	-	-	464	-	464
Insurance profit	**2,073**	**-**	**-**	**2,073**	**(330)**	**1,743**
Net corporate expense	(60)	-	-	(60)	330	270
Net other operating income/(expense)	200	-	-	200	-	200
Profit/(loss) before income tax	**2,213**	**-**	**-**	**2,213**	**-**	**2,213**
Income tax expense	(678)	-	-	(678)	-	(678)
Profit/(loss) after income tax	**1,535**	**-**	**-**	**1,535**	**-**	**1,535**
Non-controlling interests	(176)	-	-	(176)	-	(176)
Profit/(loss) attributable to IAG shareholders	**1,359**	**-**	**-**	**1,359**	**-**	**1,359**

1. Represents the *AASB 17* results reclassified to be consistent with the management presentational basis.

Reconciliation of the statutory to management re-presentation

A reconciliation of the re-presentation from management to statutory view has been provided below to assist the users of the financial statements.

	Net earned premium		Net claims expense		Commission expense		Administration expense		Investment income[1]		Statutory Total	
For the year ended 30 June	**2026 $m**	**2025 $m**	**2026 $m**	**2025 $m**	**2026 $m**	**2025 $m**	**2026 $m**	**2025 $m**	**2026 $m**	**2025 $m**	**2026 $m**	**2025 $m**
Insurance revenue	18,158	16,774	508	2	-	-	-	-	-	-	18,666	16,776
Insurance service expense	-	-	(11,802)	(9,106)	(1,426)	(1,351)	(2,498)	(2,529)	-	-	(15,726)	(12,986)
Reinsurance held expense	(7,635)	(6,790)	2,869	2,947	480	442	1,063	1,059	-	-	(3,223)	(2,342)
Reinsurance held income	-	-	1,730	445	-	-	-	-	-	-	1,730	445
Insurance service result	**10,523**	**9,984**	**(6,695)**	**(5,712)**	**(946)**	**(909)**	**(1,435)**	**(1,470)**	**-**	**-**	**1,447**	**1,893**
Net insurance finance income/(expense)	-	-	(141)	(284)	-	-	-	-	-	-	(141)	(284)
Insurance operating result	**10,523**	**9,984**	**(6,836)**	**(5,996)**	**(946)**	**(909)**	**(1,435)**	**(1,470)**	**-**	**-**	**1,306**	**1,609**
Investment income[1]	-	-	-	-	-	-	-	-	246	464	246	464
Insurance profit	**10,523**	**9,984**	**(6,836)**	**(5,996)**	**(946)**	**(909)**	**(1,435)**	**(1,470)**	**246**	**464**	**1,552**	**2,073**

1. On assets backing insurance liabilities, net of expenses.

Key Metrics

Key results	1H25	2H25	1H26	2H26	FY25	FY26	FY26 vs FY25 Mvt
Net profit/(loss) after tax ($m)	**778**	**581**	**505**	**517**	**1,359**	**1,022**	**(24.8%)**
Insurance profit/(loss) ($m)	**957**	**786**	**724**	**828**	**1,743**	**1,552**	**(11.0%)**
Underlying insurance profit/(loss) ($m)	**747**	**795**	**804**	**774**	**1,542**	**1,578**	**+2.3%**
Gross written premium (GWP) ($m)	**8,426**	**8,680**	**8,929**	**9,483**	**17,106**	**18,412**	**+7.6%**
Net earned premium (NEP) ($m)	4,930	5,054	5,348	5,175	9,984	10,523	+5.4%
Reported insurance margin (%)	**19.4%**	**15.6%**	**13.5%**	**16.0%**	**17.5%**	**14.7%**	**(280bps)**
Underlying insurance margin (%)	**15.1%**	**15.8%**	**15.1%**	**15.0%**	**15.5%**	**15.0%**	**(50bps)**
Earnings per share (cents per share)	32.88	24.59	21.37	22.03	57.49	43.40	(24.5%)
Diluted earnings per share (cents per share)	31.31	24.28	21.06	21.75	56.14	42.81	(23.7%)
Return on equity (ROE) (% pa)	22.7%	16.2%	13.8%	14.2%	19.4%	13.9%	(550bps)
Cash earnings ($m)	**640**	**533**	**507**	**518**	**1,173**	**1,025**	**(12.6%)**
Cash earnings per share (cents per share)	27.05	22.56	21.46	22.07	49.61	43.52	(12.3%)
Diluted cash earnings per share (cents per share)	26.15	22.40	21.13	21.78	48.86	42.91	(12.2%)
Cash return on equity (ROE) (% pa)	18.7%	14.9%	13.9%	14.2%	16.8%	14.0%	(280bps)
Dividend (cents per share)	**12.0**	**19.0**	**12.0**	**20.0**	**31.0**	**32.0**	**+3.2%**
Prescribed Capital Amount (PCA) multiple	2.40	2.43	2.18	2.12	2.43	2.12	(31pts)
Common Equity Tier 1 Capital (CET 1) multiple	1.42	1.47	1.18	1.14	1.47	1.14	(33pts)
Net tangible assets per ordinary share ($)	1.35	1.44	1.24	1.22	1.44	1.22	(15.3%)

The Group's profit after tax for the full year was $1,022 million (FY25: $1,359 million). This result was impacted by:

- a $191 million decrease in pre-tax insurance profit to $1,552 million (FY25: $1,743 million), primarily driven by a $309 million deterioration in natural perils experience relative to allowance (FY25: $195 million favourable, FY26: $114 million unfavourable). Underlying Insurance Profit increased by $36 million to $1,578 million;
- a nil corporate expense outcome compared to the $270 million pre-tax benefit in FY25 which primarily related to the business interruption provision release; and
- a modestly lower pre-tax investment income on shareholders' funds of $383 million (FY25: income of $403 million).

The reported insurance profit of $1,552 million (FY25: $1,743 million) equates to a reported insurance margin of 14.7% (FY25: 17.5%). The reported insurance profit included net natural perils experience of $1,579 million, which was $114 million unfavourable to allowance, a net release of prior year reserves of $84 million and a $4 million positive impact from the narrowing of credit spreads. The unfavourable perils experience was attributable to extreme Queensland events in 1H26 impacting the RACQI portfolio prior to its integration into the IAG reinsurance program. Excluding the impact of RACQI, the reported insurance profit was $1,647 million which equates to a reported insurance margin of 16.7%.

The underlying insurance profit of $1,578 million (FY25: $1,542 million) 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 loss ratio and expense ratio, more than offset by a higher perils allowance, one-off impacts on RACQI and a lower investment yield on technical reserves. Excluding the impact of RACQI, the underlying insurance margin was 16.0%.

Detailed Management Profit & Loss and Ratios

Group Results	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Gross written premium	**8,426**	**8,680**	**8,929**	**9,483**	**17,106**	**18,412**
Gross earned premium	8,366	8,408	9,063	9,095	16,774	18,158
Reinsurance expense	(3,436)	(3,354)	(3,715)	(3,920)	(6,790)	(7,635)
Net earned premium	**4,930**	**5,054**	**5,348**	**5,175**	**9,984**	**10,523**
Net claims expense	(3,039)	(3,287)	(3,506)	(3,330)	(6,326)	(6,836)
Commission expense	(453)	(456)	(477)	(469)	(909)	(946)
Administration expense	(708)	(762)	(731)	(704)	(1,470)	(1,435)
Underwriting profit	**730**	**549**	**634**	**672**	**1,279**	**1,306**
Investment income on technical reserves	227	237	90	156	464	246
Insurance profit	**957**	**786**	**724**	**828**	**1,743**	**1,552**
Net corporate expense	200	70	-	-	270	-
Interest	(92)	(100)	(90)	(100)	(192)	(190)
Profit/(loss) from fee-based business	(3)	(5)	(3)	-	(8)	(3)
Investment income on shareholders' funds	217	186	186	197	403	383
Profit before income tax and amortisation	**1,279**	**937**	**817**	**925**	**2,216**	**1,742**
Income tax expense	(381)	(297)	(252)	(270)	(678)	(522)
Profit after income tax (before amortisation)	**898**	**640**	**565**	**655**	**1,538**	**1,220**
Non-controlling interests	(118)	(58)	(58)	(137)	(176)	(195)
Profit after income tax and non-controlling interests (before amortisation)	**780**	**582**	**507**	**518**	**1,362**	**1,025**
Amortisation and impairment	(2)	(1)	(2)	(1)	(3)	(3)
Profit/(loss) attributable to IAG shareholders	**778**	**581**	**505**	**517**	**1,359**	**1,022**

Insurance Ratios	1H25	2H25	1H26	2H26	FY25	FY26
GWP growth	6.0%	2.7%	6.0%	9.3%	4.3%	7.6%
Loss ratio	61.6%	65.0%	65.6%	64.3%	63.4%	65.0%
Immunised loss ratio	61.3%	64.1%	66.8%	64.7%	62.7%	65.8%
Expense ratio	23.6%	24.1%	22.6%	22.7%	23.8%	22.6%
Commission ratio	9.2%	9.0%	8.9%	9.1%	9.1%	9.0%
Administration ratio	14.4%	15.1%	13.7%	13.6%	14.7%	13.6%
Administration ex-levies ratio	11.9%	12.5%	11.7%	11.5%	12.2%	11.6%
Combined ratio	85.2%	89.1%	88.2%	87.0%	87.2%	87.6%
Immunised combined ratio	84.8%	88.2%	89.4%	87.4%	86.5%	88.4%
Reported insurance margin	19.4%	15.6%	13.5%	16.0%	17.5%	14.7%
Underlying insurance margin	15.1%	15.8%	15.1%	15.0%	15.5%	15.0%

Directors' report (continued)

Premiums

The Group's reported FY26 GWP of $18,412 million increased by 7.6% on the prior corresponding period (FY25: $17,106 million). Divisional premium trends are as follows:

Retail Insurance Australia (RIA)

RIA delivered GWP growth of 17.8% to $10,308 million (FY25: $8,749 million) which included $1,272 million from the acquired RACQI business. Underlying GWP growth was approximately 4.5% and increased in 2H26 supported by improved new business flows in the direct motor and home portfolios.

- Motor GWP increased by 16.6% to $4,867 million with approximately 2% underlying growth reflecting modest rate increases and improved volume momentum in 2H26, particularly in NSW. Renewal rates are strong at around 90%.
- Home GWP increased by 24.5% to $4,137 million. Underlying growth of approximately 8% was primarily rate-driven with volume growth broadly in line with system across most states. Renewal rates are strong at around 95%.
- Long-tail (CTP) GWP increased 4.8% to $869 million, with rate-driven growth of 9% in NSW partly offset by volume reduction in the ACT and SA, following very strong volume growth in FY25.
- Direct SME GWP decreased by 26.8% to $186 million reflecting the farm portfolio transfer to the WFI brand in IIA. Underlying GWP growth of approximately 2% was primarily attributable to an increase in volumes.

Intermediated Insurance Australia (IIA)

IIA achieved GWP growth of 1.1% to $4,600 million (FY25: $4,550 million). Normalising for the impact of multi-year workers' compensation premium written in the prior period and the farm portfolio transfer from RIA, underlying growth was approximately 2%.

- Commercial short-tail GWP grew 4.7% to $2,723 million, with underlying growth of approximately 3%. Growth was driven by the strong performance in SME packages and rural products, with the WFI portfolio growing over 10%. This was partially offset by an over 20% decline in strata premium, as underwriting discipline was maintained in a fiercely competitive market.
- Commercial long-tail GWP decreased by 3.4% to $1,207 million. Underlying growth of approximately 2% reflected wage growth, rate increases and strong new business in workers' compensation, with volume declines in professional risks and liability aligned to underwriting actions.
- Personal lines GWP decreased by 4.0% to $670 million following two years of double-digit growth. The result reflected a disciplined approach to increased market competition with ongoing rate increases more than offset by lower home volumes.

New Zealand

New Zealand's GWP reduced by 8.0% to $3,504 million (FY25: $3,807 million), significantly impacted by a weakening New Zealand dollar. In local currency terms, GWP decreased by 2.7% to NZ$4,060 million.

- Direct GWP increased 5.1% in local currency to NZ$1,834 million, with both the homeowner and private motor portfolios delivering solid growth primarily from higher volumes reflecting an improvement in new business and stable or improving retention.
- Bank partner channel GWP was broadly flat in local currency at NZ$614 million, with targeted rate increases across the key personal lines portfolios offset by lower volumes.
- NZI GWP decreased 11.0% in local currency to NZ$1,612 million, impacted by challenging market conditions. The business remains focused on exercising disciplined underwriting, leveraging NZI's strong brand and value-added propositions.

Insurance margin

The underlying insurance margin is the reported insurance margin adjusted for prior year reserve releases or strengthening, natural perils claim costs above or below related allowances and credit spread gains or losses.

Insurance margin impacts – Group	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Reported insurance profit	**957**	**786**	**724**	**828**	**1,743**	**1,552**
Reserve releases/(strengthening)	3	29	66	18	32	84
Natural perils	(426)	(662)	(870)	(709)	(1,088)	(1,579)
Natural peril allowance	641	642	718	747	1,283	1,465
Credit spreads	(8)	(18)	6	(2)	(26)	4
Underlying insurance profit	**747**	**795**	**804**	**774**	**1,542**	**1,578**
Reported insurance margin	**19.4%**	**15.6%**	**13.5%**	**16.0%**	**17.5%**	**14.7%**
Reserve releases/(strengthening)	0.1%	0.6%	1.2%	0.3%	0.3%	0.8%
Natural perils	(8.6%)	(13.1%)	(16.3%)	(13.7%)	(10.9%)	(15.0%)
Natural peril allowance	13.0%	12.7%	13.4%	14.4%	12.9%	13.9%
Credit spreads	(0.2%)	(0.4%)	0.1%	0.0%	(0.3%)	0.0%
Underlying insurance margin	**15.1%**	**15.8%**	**15.1%**	**15.0%**	**15.5%**	**15.0%**

Underlying insurance profit increased $36 million to $1,578 million in FY26 with a modest decrease in the underlying margin from 15.5% in FY25 to 15.0% reflecting a combination of influences:

- a 50bps improvement in the immunised underlying loss ratio;
- a 120bps improvement in the expense ratio; which were more than offset by
- a 100bps increase in the perils allowance relative to NEP; and
- a decrease in the underlying investment yield on technical reserves to 4.8% (FY25: 5.3%).

On an ex-RACQI basis, the underlying margin increased to 16.0% (FY25: 15.5%) driven by improved underlying claims (50bps) and expense (110bps) ratios, partially offset by the lower underlying investment yield and a discount rate timing impact. All RACQI acquisition, distribution asset amortisation and integration costs have been included in the insurance result. This, combined with the underlying profitability impacts associated with the severe perils experience, resulted in a nil outcome (1H26: $24 million loss, 2H26: $24 million profit).

The FY26 reported insurance profit of $1,552 million equated to a 14.7% reported insurance margin (FY25: 17.5%). In addition to the underlying margin influences outlined above, this included:

- natural perils experience of $114 million unfavourable to allowance, compared to favourable experience of $195 million in FY25;
- a $84 million positive impact from prior year reserve releases, compared to a release of $32 million in FY25; and
- a favourable impact from the narrowing of credit spreads of $4 million (FY25: $26 million negative impact).

Divisional insurance margins

Divisional insurance margins	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Retail Insurance Australia						
Insurance profit	476	333	215	554	809	769
Underlying insurance profit	384	407	400	446	791	846
Reported insurance margin	19.0%	13.0%	7.4%	19.1%	15.9%	13.3%
Underlying insurance margin	15.2%	15.8%	13.8%	15.4%	15.6%	14.7%
Intermediated Insurance Australia						
Insurance profit	171	157	241	75	328	316
Underlying insurance profit	152	156	160	148	308	308
Reported insurance margin	12.8%	11.6%	17.5%	5.8%	12.2%	11.8%
Underlying insurance margin	11.5%	11.5%	11.7%	11.5%	11.5%	11.5%
New Zealand						
Insurance profit	311	295	268	199	606	467
Underlying insurance profit	212	231	244	180	443	424
Reported insurance margin	28.6%	26.1%	25.1%	20.3%	27.4%	22.8%
Underlying insurance margin	19.5%	20.5%	22.9%	18.4%	20.1%	20.6%

RIA delivered an insurance profit of $769 million in FY26 (FY25: $809 million) and a reported insurance margin of 13.3% (FY25: 15.9%). The result reflected the significant natural perils experience in the RACQI portfolio in 1H26 prior to its integration into the Group's reinsurance program. Excluding RACQI, the reported insurance profit was $864 million, representing a reported insurance margin of 16.7% . The underlying insurance margin was 14.7% (FY25: 15.6%). On an ex-RACQI basis, RIA delivered an 80bps improvement in the underlying insurance margin to 16.4%, driven by improved underlying loss and expense ratios.

IIA delivered an insurance profit of $316 million in FY26 (FY25: $328 million) and a reported insurance margin of 11.8% (FY25: 12.2%). The result featured $71 million in natural perils above the divisional allowance, impacted by the Victorian bushfires in January, and prior period reserve releases largely related to long-tail classes and prior period perils events. The underlying insurance margin remained stable at 11.5% supported by an improvement in the expense ratio which offset a higher underlying loss ratio and lower investment income.

New Zealand delivered an insurance profit of $467 million in FY26 (FY25: $606 million) and a reported insurance margin of 22.8% (FY25: 27.4%), which included the impact of a $97 million increase in natural perils experience (FY26: $179 million, FY25: $82 million). The higher underlying insurance margin of 20.6% (FY25: 20.1%) was driven by an improved underlying loss ratio despite the impact of lower earned premium due to challenging commercial market conditions.

Directors' report (continued)

Reinsurance expense

The total reinsurance expense includes the cost of all covers purchased, including catastrophe, casualty, facultative and proportional protection. It does not reflect the economic benefit of fixed and profit commission arrangements on quota-shares and the stop-loss protection. The fixed commission is reflected in the administration expense and the profit commission is reflected in the net claims expense.

Reinsurance Expense	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Quota-share reinsurance expense	2,810	2,821	3,039	3,259	5,631	6,298
Non quota-share reinsurance expense	626	533	676	661	1,159	1,337
Total reinsurance expense	**3,436**	**3,354**	**3,715**	**3,920**	**6,790**	**7,635**

Quota-share related reinsurance expense of $6,298 million (FY25: $5,631 million) increased 11.8%, reflecting gross earned premium growth and the 2.5% increase in the whole-of-account quota-share ceded portion from 1 January 2026.

Non quota-share reinsurance expense increased by 15.4% to $1,337 million (FY25: $1,159 million) largely reflecting costs in relation to specific covers for the RACQI portfolio including reinstatement premiums, as well as a doubling in costs associated with the Cyclone Reinsurance Pool. Excluding these impacts, the non quota-share reinsurance expense reduced around $50 million.

Claims

Immunised loss ratio – Group	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Reported net claims expense	**3,039**	**3,287**	**3,506**	**3,330**	**6,326**	**6,836**
Discount rate adjustment	(19)	(46)	67	18	(65)	85
Reserving and perils effects	(423)	(633)	(804)	(691)	(1,056)	(1,495)
Immunised underlying net claims expense	**2,597**	**2,608**	**2,769**	**2,657**	**5,205**	**5,426**
Reported loss ratio	**61.6%**	**65.0%**	**65.6%**	**64.3%**	**63.4%**	**65.0%**
Discount rate adjustment	(0.4%)	(0.9%)	1.3%	0.3%	(0.7%)	0.8%
Reserving and peril effects	(8.6%)	(12.5%)	(15.0%)	(13.4%)	(10.6%)	(14.2%)
Immunised underlying loss ratio	**52.6%**	**51.6%**	**51.9%**	**51.2%**	**52.1%**	**51.6%**

Divisional underlying claims trends

Immunised loss ratio – Retail Insurance Australia	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Reported net claims expense	**1,660**	**1,844**	**2,200**	**1,899**	**3,504**	**4,099**
Discount rate adjustment	(9)	(20)	31	11	(29)	42
Reserving and perils effects	(269)	(428)	(657)	(395)	(697)	(1,052)
Immunised underlying net claims expense	**1,382**	**1,396**	**1,574**	**1,515**	**2,778**	**3,089**
Reported loss ratio	**66.0%**	**71.7%**	**75.8%**	**65.5%**	**68.9%**	**70.6%**
Discount rate adjustment	(0.4%)	(0.8%)	1.1%	0.4%	(0.6%)	0.7%
Reserving and peril effects	(10.7%)	(16.6%)	(22.6%)	(13.6%)	(13.7%)	(18.1%)
Immunised underlying loss ratio	**54.9%**	**54.3%**	**54.3%**	**52.3%**	**54.6%**	**53.2%**

RIA's immunised underlying loss ratio improved by 140bps to 53.2% in FY26 (FY25: 54.6%). The underlying performance reflected:

- Ongoing benefits from the claims modernisation program including fraud and supply chain improvements;
- Low single-digit motor claims inflation;
- Slightly lower motor frequency in 2H26 attributable to macroeconomic factors;
- Home non-perils claims inflation of around 15% due to increasing severity of water claims including the impact of changes to building repair standards and a higher frequency of large fire claims; and
- CTP experience broadly in line with expectation.

Immunised loss ratio – Intermediated Insurance Australia	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Reported net claims expense	**844**	**879**	**756**	**896**	**1,723**	**1,652**
Discount rate adjustment	(7)	(27)	38	11	(34)	49
Reserving and perils effects	(138)	(150)	(70)	(216)	(288)	(286)
Immunised underlying net claims expense	**699**	**702**	**724**	**691**	**1,401**	**1,415**
Reported loss ratio	**63.5%**	**64.9%**	**54.9%**	**69.2%**	**64.2%**	**61.8%**
Discount rate adjustment	(0.5%)	(2.0%)	2.8%	0.9%	(1.3%)	1.8%
Reserving and peril effects	(10.4%)	(11.1%)	(5.1%)	(16.7%)	(10.7%)	(10.7%)
Immunised underlying loss ratio	**52.6%**	**51.8%**	**52.6%**	**53.4%**	**52.2%**	**52.9%**

IIA's immunised underlying loss ratio was 52.9% in FY26, a modest increase relative to FY25 (52.2%). This includes:

- Adverse medium-sized commercial property claims experience;
- Ongoing embedment of claims transformation initiatives leveraging automation and process simplification, which have supported improvements in claim finalisation rates and complaint resolution outcomes; and
- Long-tail experience broadly in line with expectation.

Immunised loss ratio – New Zealand	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m
Reported net claims expense	**533**	**566**	**550**	**535**	**1,099**	**1,085**
Discount rate adjustment	(3)	1	(2)	(4)	(2)	(6)
Reserving and perils effects	(16)	(55)	(77)	(80)	(71)	(157)
Immunised underlying net claims expense	**514**	**512**	**471**	**451**	**1,026**	**922**
Reported loss ratio	**49.1%**	**50.1%**	**51.6%**	**54.5%**	**49.6%**	**53.0%**
Discount rate adjustment	(0.3%)	0.1%	(0.2%)	(0.4%)	(0.1%)	(0.3%)
Reserving and peril effects	(1.5%)	(4.9%)	(7.2%)	(8.1%)	(3.2%)	(7.7%)
Immunised underlying loss ratio	**47.4%**	**45.3%**	**44.2%**	**46.0%**	**46.3%**	**45.0%**

New Zealand experienced an improved immunised underlying loss ratio of 45.0% in FY26 (FY25: 46.3%), reflecting the net effect of:

- Reduced frequency levels compared to the prior year primarily in the home contents portfolio;
- Mid single-digit increase in personal lines average claims costs, assisted by benefits from claims handling and supply chain initiatives; and
- Higher profit commission on reinsurance arrangements.

Reserve releases/strengthening

Prior period reserve releases of $84 million occurred in FY26, compared to the release of $32 million in FY25. The outcome in FY26 included significant releases from prior period perils costs, mostly related to FY25 events, as well as releases from long-tail commercial claims. This was partially offset by strengthening of home and motor reserves in Australia and trade credit costs associated with the Greensill Bank legal settlement.

The outcome in FY26 also included an $8 million reduction in the net onerous contract liability as at 30 June 2026.

The net prior period reserve release of $84 million in FY26 comprised $78 million in IIA and $22 million in New Zealand, partially offset by a strengthening of $16 million in RIA. 2H26 delivered prior period reserve releases of $18 million, compared to $66 million in 1H26.

Directors' report (continued)

Natural perils

Net natural perils claims costs in FY26 were $1,579 million (FY25: $1,088 million) which was $114 million above allowance. The outcome was attributable to the severe perils experience in the RACQI portfolio during 1H26 and included $22 million of associated reinsurance reinstatement costs incurred in 2H26. The net perils outcome did not include any reinsurance recoveries under the perils stop-loss cover.

FY26 net natural perils costs by event	Total $m
NSW Low Pressure System (July 2025)	18
South East Severe Weather Maryborough Hail (September 2025)	40
NT/QLD/NSW Thunderstorms (Urunga Hail) (October 2025)	16
South East QLD Front Complex Hail (AU/NZ) (October 2025)	20
VIC Deep Low Damaging Winds (AU/NZ) (October 2025)	38
VIC Complex Low and South West Brisbane Storms (AU/NZ) (October 2025)	97
Eastern QLD/NSW Severe Storms Pratten Supercell (October 2025)	71
Port Pirie Hail and Brisbane Giant Hail and Supercells (November 2025)	231
NSW/QLD Southern Ocean Complex and Destructive Windstorms (November 2025)	67
VIC (Longwood & Northern VIC) Bushfires (January 2026)	143
Upper Cut Off Low (Otways & Sydney Flash Flood AU/NZ) (January 2026)	66
NZ Tropical Low To East (February 2026)	18
NSW Upper Cold Pool (Penrith Hail) (March 2026)	33
AU/NZ Strong Front & Upper Cold Pool (NSW East Coast Low) (March 2026)	16
AU/NZ Stationary Cold Pool (Wellington Flash Floods) (April 2026)	21
Deep Polar Low (Southwest WA Severe Winds) (May 2026)	20
Other events (<$15m)	642
Total	**1,557**

Expenses

Expenses	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m	FY26 vs FY25 Mvt
Administration expense	708	762	731	704	1,470	1,435	(2.4%)
Commission expense	453	456	477	469	909	946	4.1%
Total net expenses	**1,161**	**1,218**	**1,208**	**1,173**	**2,379**	**2,381**	**0.1%**

Administration Expenses	1H25 $m	2H25 $m	1H26 $m	2H26 $m	FY25 $m	FY26 $m	FY26 vs FY25 Mvt
Administration expense	708	762	731	704	1,470	1,435	(2.4%)
Net levies	133	143	117	119	276	236	(14.5%)
Administration expense ex-levies	**575**	**619**	**614**	**585**	**1,194**	**1,199**	**0.4%**
Administration expense ex-levies ratio	**11.9%**	**12.5%**	**11.7%**	**11.5%**	**12.2%**	**11.6%**	**(60bps)**

Administration expenses of $1,435 million decreased 2.4% due to efficiency gains from technology investments and a reduction in levies, partly offset by the broader inflationary environment. The levies decrease of 14.5% reflects a lower expense related to the transitional excess profits and excess losses (TEPL) provision, related to the capped profitability of the new NSW CTP scheme. The administration expense ratio on an ex-levies basis improved 60bps to 11.6% in FY26 (FY25: 12.2%).

Commission expenses of $946 million increased 4.1% due to the top-line growth and business mix changes, however earned premium growth resulted in the commission ratio improving to 9.0% in FY26 (FY25: 9.1%).

Net investment income/loss on assets backing insurance liabilities

Net investment income on technical reserves contributed $246 million in FY26 (FY25: $464 million). Key components of the investment return in FY26 were:

- an underlying income of $378 million representing an annualised return of approximately 4.8%;
- $4 million in gains from a net narrowing in credit spreads; and
- a negative impact of $136 million from the movement in risk free rates.

The portfolio is aligned with the average weighted duration of IAG's claims liability of around two years.

Net corporate expense

A nil expense was recorded in FY26. This compares with a $270 million benefit recorded in FY25, which primarily related to the business interruption provision release.

Fee-based business

There was a modest loss of $3 million in fee-based businesses in FY26, an improvement on the $8 million loss in FY25.

Net investment income on shareholders' funds

Net investment income on shareholders' funds was a profit of $383 million in FY26, compared to a profit of $403 million in FY25, reflecting:

- a return of $153 million from fixed interest and cash (FY25: $262 million);
- a return of $220 million from equities (FY25: $139 million);
- a return of $27 million from alternatives (FY25: $25 million);
- a $4 million fair value gain in the ventures fund; partially offset by
- $21 million in management fees.

At 30 June 2026, the weighting to growth assets (equities and alternatives) in the shareholders' funds was approximately 28%, comparable to approximately 25% at 30 June 2025.

Tax expense

IAG reported a tax expense of $522 million in FY26, a decrease on the $678 million in FY25. IAG's effective tax rate (pre-amortisation and impairment) was approximately 30%.

Non-controlling interests

Profit after tax attributable to non-controlling interests in FY26 was $195 million (FY25: $176 million).

Non-controlling interests are principally represented by RACV's 30% interest in Insurance Manufacturers of Australia Pty Limited (IMA), whose short-tail business lines in NSW, VIC and the ACT form a significant part of RIA. IMA posted a higher profit in FY26 driven by a strong insurance result. Non-controlling interests also includes RACQ's approximately 10% interest in RACQI, which reported a loss for the period from acquisition on 1 September 2025.

Acquired intangible amortisation and impairment

Amortisation and impairment expense of $3 million was recorded in FY26, equivalent to FY25.

Net profit after tax and earnings per share (EPS)

Net profit after tax of $1,022 million (FY25: $1,359 million) represents a basic EPS of 43.40 cents (FY25: 57.49 cents) and diluted EPS of 42.81 cents (FY25: 56.14 cents).

Cash earnings of $1,025 million were down 12.6% (FY25: $1,173 million). Cash earnings reflect the net profit after tax adjusted for $3 million in acquired intangible assets amortisation and unusual items. There were no unusual items in FY26.

Cash EPS was 43.52 cents (FY25: 49.61 cents) with Diluted Cash EPS of 42.91 cents (FY25: 48.86 cents).

Diluted EPS calculations were based on 2,518 million shares, which includes the potential equity issuance from hybrid and debt conversion.

During the period IAG completed a $200 million on-market share buyback which resulted in a reduction of approximately 27.3 million shares on issue.

Dividends

As noted in 'Events subsequent to reporting date' and in Note 7.2, the Board has determined to pay a final dividend of 20 cents per share, franked to 80% (2025 final dividend: 19.0 cents per share, franked to 40%). The final dividend is payable on 28 September 2026 to shareholders registered as at 5pm Sydney time on 25 August 2026.

This brings the full year dividend to 32 cents per share, which equates to a payout ratio of approximately 74% of reported net profit after tax (NPAT). IAG's dividend policy is to pay out 60% to 80% of NPAT.

As of 30 June 2026, IAG had a consolidated franking account balance of $505 million. The holding company had $55 million of franking credits available for distribution.

The Company's Dividend Reinvestment Plan has been suspended for the 2026 final dividend.

FY27 Guidance and outlook

IAG's confidence in the underlying business is reflected in guidance for FY27 which includes:

- GWP growth of '5% to 8%'. This reflects premium increases that cover claims inflation combined with direct customer and volume growth, along with:
  - Underlying growth in the Australia and New Zealand retail businesses of mid single-digits;
  - Underlying growth in the Australia and New Zealand intermediated businesses of low single-digits; and
  - Additional two months of RACQI premiums (~$300 million) and multi-year workers' compensation premiums (~$100 million) offset by exit of the Honey portfolio (~$150 million).
- Reported insurance margin of '14.5% to 16.5%'. This assumes:
  - FY27 natural perils allowance of $1,491 million, in line with attachment point of the long-term perils volatility cover;
  - no material prior period reserve releases or strengthening; and
  - no material movement in macro-economic conditions including foreign exchange rates or investment markets.

Refer to the forward-looking statements and other representations disclaimer on page 199 of this report.

Review of financial condition

A. Financial position

Total assets of the Group as at 30 June 2026 were $27,599 million compared to $26,309 million as at 30 June 2025. The net increase of $1,290 million includes:

- $771 million increase in reinsurance contract held assets primarily attributable to the inclusion of RACQI's reinsurance recoverable following the acquisition;
- $466 million increase in goodwill and intangible assets, reflecting the recognition of an intangible asset (representing the distribution arrangements) of $313 million after amortisation relating to RACQI, $131 million of goodwill on acquisition of the RACQI business, and continued investment in capitalised software;
- $390 million increase in investments, driven by the inclusion of RACQI's investments; partially offset by
- $198 million decrease in trade and other receivables, driven by a decrease in investment related receivables largely due to timing differences in settlement of outstanding trades.

The total liabilities of the Group as at 30 June 2026 were $19,755 million compared with $18,523 million as at 30 June 2025. The net increase in liabilities of $1,232 million includes:

- $1,060 million increase in insurance contract liabilities, primarily driven by the inclusion of RACQI's insurance liabilities; and
- $312 million increase in interest bearing liabilities driven by the issuance of Tier 2 subordinated term notes during the financial year, partially offset by the depreciation of the New Zealand dollar.

IAG shareholders' equity (excluding non-controlling interests) decreased from $7,329 million as at 30 June 2025 to $7,232 million mainly reflecting the combined effect of:

- current year net profit attributable to shareholders of $1,022 million;
- $733 million payments in respect of the 2025 final dividend and 2026 interim dividend;
- the on-market share buy-back of $200 million; and
- $189 million decrease in foreign currency translation reserve driven by the depreciation of the New Zealand dollar against the Australian dollar.

B. Cash from operations

Net cash inflows from operating activities for the year ended 30 June 2026 were $1,042 million, compared with $1,352 million for the year ended 30 June 2025. The $310 million decrease primarily reflects the net impact of:

- $1,674 million increase in claims and other expenses paid, largely driven by the inclusion of the RACQI business and higher claims payments across the short-tail portfolio;
- $417 million increase in reinsurance held premiums paid, net of ceding commission, primarily reflecting the inclusion of the RACQI business;
- $197 million increase in income tax payments, driven by higher profits in IAG New Zealand and the utilisation of prior-year tax losses (in FY24); partially offset by
- $1,213 million increase in premiums received, primarily reflecting the contribution of the RACQI business; and
- $708 million increase in reinsurance recoveries received, driven mainly by the inclusion of the RACQI business, with the remainder broadly consistent with the increase in claims and other expenses paid.

C. Investments

The Group's investments as at 30 June 2026 totalled $13,894 million compared to $13,504 million at 30 June 2025. IAG's overall investment allocation is defensively positioned, with approximately 88% of total investments in fixed interest and cash as at 30 June 2026. IAG applies distinct investment strategies to its two pools of investment assets:

- technical reserves, which back insurance liabilities, are wholly invested in fixed interest and cash; and
- a more diversified approach is taken to shareholders' funds, comprising a mix of fixed interest and cash, and growth assets (equities and alternatives). IAG's allocation to growth assets (equities and alternatives) was approximately 28% of shareholders' funds at 30 June 2026 (25% as at 30 June 2025).

D. Capital mix and position

Under the Australian Prudential Regulation Authority's (APRA) Prudential Standards, IAG's Common Equity Tier 1 (CET1) capital was $3,337 million (FY25: $3,939 million) and total regulatory capital was $6,215 million (FY25: $6,510 million) at 30 June 2026. IAG has set the following related targeted benchmarks:

- a CET1 target range of 0.9 to 1.1 times the PCA, compared to a regulatory requirement of a minimum of 0.6 times; and
- a total capital position equivalent to 1.6 to 1.8 times the PCA, compared to a regulatory requirement of a minimum of 1.0 times.

At 30 June 2026, IAG had a CET1 multiple of 1.14 (FY25: 1.47) and a PCA multiple of 2.12 (FY25: 2.43).

Please refer to Note 6.5 on page 176 of this report for further information regarding this transaction.

Strategy and risk management

A. Strategy

Helping customers manage risk has been IAG's business for over 160 years, forming the heart of IAG's purpose: to make your world a safer place.

Our trusted brands, underwriting expertise, technology platforms and data assets, supply chain, and financial strength are key attributes, providing competitive advantage.

IAG's long term objective remains: the delivery of top quartile Total Shareholder Return, with a sustainable growth profile. To realise this, IAG's strategy is a 'stronger IAG helping more of Australia and New Zealand'.

Four priorities provide focus, inform IAG's operating model and underpin IAG's strategy:

- Customer Obsession
- Insurance Excellence
- Future Fit Operations
- Exceptional People

IAG's strategy balances strengthening the fundamentals of insurance while evolving to be a digital leader and creating an organisation that is stronger, more resilient with increased customer reach. For further information refer to the FY26 strategy section on page 8 of this report.

B. Business risk and risk management

IAG recognises that every business opportunity carries both potential reward and inherent risk. IAG's approach is to balance these elements thoughtfully, in pursuit of its strategic objectives and to meet expectations of its stakeholders, including customers, regulators and industry. IAG clearly articulates the levels, boundaries and nature of risk it is willing to accept, actively manage or avoid in pursuit of the Group's strategic objectives.

IAG uses an enterprise-wide approach to risk management, and its Risk Management Framework and Strategy (RMFS) is a core part of the governance structure, which includes internal risk policies, key risk management processes, and risk culture. The RMFS articulates the strategy to manage risks at IAG and describes the key elements necessary to implement this strategy.

The RMFS is reviewed annually, or more frequently as required, by the Board Risk Committee before being recommended for approval by the Board.

Regular reporting is provided to the Board Risk Committee on the operation of, and any changes to, IAG's RMFS, the status of material risks, the control environment, risk and compliance events and issues, risk trends, IAG's risk profile, and risk culture.

Roles and responsibilities of the Board and its standing committees, the Risk Committee, the Audit Committee, the People and Remuneration Committee and the Nomination Committee, are set out in the Corporate Governance section of our website (www.iag.com.au).

IAG also uses the Three Lines of Accountability model to structure risk management responsibilities across the organisation:

- The First Line owns the risks arising from its business activities and manages them within risk appetite. It also owns, develops and maintains certain frameworks, policies, and standards that support IAG's RMFS.
- The Second Line is the risk management function (Group Risk) which develops and maintains the frameworks, policies, and standards for safely taking and managing risk at IAG; manages relationships with regulators; develops and maintains IAG's Risk Architecture and risk systems; oversees and gives assurance over how the First Line manages risk, challenging and advising as needed; and reports to the Group Leadership Team and IAG risk committees on how IAG is managing risk as a Group.
- The Third Line is Group Internal Audit (GIA) which gives independent assurance over First and Second Line control effectiveness and reports on significant audit findings and other audit-related matters to the Audit Committee.

Material risks

IAG is exposed to multiple risks relating to its businesses and pursuit of its strategic objectives. The risks noted in the table below are not exhaustive, but outline the material risks faced by the Group as identified in the RMFS.

Material risk	Risk description	Key actions
Capital	The risk of IAG having insufficient capital to support business plans, inadequate capital allocation to support business activity, inaccessible capital sources (debt, equity and reinsurance markets) and/or these capital sources acting as a drag on strategy. This risk may arise due to inadequate understanding of underlying potential amount and volatility of loss, misalignment of capital with underlying risks and inability to source new borrowings or refinance leading to higher cost of capital, inability to meet its obligations to its stakeholders and curtailed business strategy.	IAG has a capital management strategy that seeks to create shareholder value whilst maintaining an adequate level and cost of capital to protect customers and meet regulatory requirements. The capital strategy is regularly reviewed to ensure it remains relevant considering changes to business strategy and availability or access to capital. Capital risk is managed through IAG's Internal Capital Adequacy Assessment Process (ICAAP), which includes a capital risk appetite and associated capital targets for both IAG and each of its licenced entities. IAG maintains a level of fungible capital to meet the needs of its subsidiaries in times of capital stress. Capital positions and risks are regularly monitored, stress tested and reported on, including to the Board.
Credit	The risk arising from a counterparty's failure to meet its obligations in accordance with agreed terms. This risk may arise due to failure to monitor exposures, catastrophes, unclear contractual provisions and a counterparty holding a lower credit rating than IAG's benchmark leading to financial loss and increased potential for non-recovery. This could also give rise to Liquidity Risk or Market Risk (see below).	To manage credit risk IAG maintains a credit risk appetite and credit policy that establish exposure limits and minimum credit quality requirements for counterparties. IAG's key exposure arises from its investment activities and reinsurance recoveries which is regularly monitored and reported on.
Reinsurance coverage	This risk includes the adequacy or availability of reinsurance capacity, reinsurance regulatory compliance and reinsurance claims recoveries. This risk may arise due to an insufficient assessment of required coverage, lack of availability of market capacity, misaligned portfolio strategy, poor data/models, reinsurer issue or contractual non-compliance, leading to breach of IAG's Reinsurance Management Strategy (ReMS). This may potentially be reportable to the Board and/or APRA, cause volatility in IAG's customer pricing and/or profitability, create risk to operating capacity, and/or financial loss.	IAG has a comprehensive reinsurance program that is used to limit exposure to large single claims as well as an accumulation of claims that arise from the same or similar events to stabilise earnings and protect capital resources. IAG utilises a mix of annual and multi-year arrangements in protecting the Group's capital position. IAG uses a centralised reinsurance operating structure to facilitate the reinsurance process, provide reinsurance underwriting expertise, manage counterparty exposure and create economies of scale. To manage reinsurance credit risk, IAG monitors reinsurers' credit ratings and controls total exposures to limit counterparty default risk.
Market	The risk of incurring losses on imperfect hedging, debt instruments, unhedged currency exposure, equity-like securities or interest rate mismatch. This risk may arise due to adverse market movements (eg equities, credit, derivatives, interest rates and foreign exchange) leading to financial losses, losses in investment portfolio, and/or impact on IAG's financial performance, position and creditworthiness.	IAG's Strategic Asset Allocation defines the approach to managing IAG's investment portfolios. The approach is set within the bounds of risk appetite limits and key risk indicators, policy settings, regulatory requirements and investment principles to manage the level of market risk that IAG is exposed to. Investment performance and risk is monitored regularly and reported through to management committees and the Board.

Material risk	Risk description	Key actions
Liquidity	The risk of IAG not meeting its financial commitments in a timely manner. This risk may arise due to inadequate liquid funds, loss of access to funding, or illiquid asset portfolio (including investments, reinsurance and trade assets) leading to potential liquidity implications, financial loss through penalties and/or reputational damage.	IAG manages liquidity risk through risk appetite limits and policies which ensure that all entities within IAG maintain enough liquid assets to meet financial commitments as they fall due, including during stressed conditions.
Insurance	This risk includes the way IAG underwrites and manages its concentrations, designs, manages and prices its products, and manages and reserves for its claims. It is the risk of unintended financial loss as a result of: • inadequate or inappropriate underwriting, • inadequate or inappropriate product design and pricing, • unforeseen, unknown, or unintended liabilities that may eventuate from insurance products, • inadequate or inappropriate claims management including reserving, or • insurance concentration risk (ie by locality, segment factor, or distribution).	Insurance is IAG's core business. Managing insurance risk effectively is critical to realising its purpose and delivering its strategy. If the management of insurance risk is not effective, IAG may not be able to meet its obligations to customers or the expectations of its shareholders. The level of insurance risk accepted by IAG is formally documented in its Business Division Licences, which are issued to each operating division. A Business Division Licence is prepared annually by the Group Chief Underwriting Officer in consultation with the customer facing divisions and is approved by the Group CEO.
Organisational conduct and customer	The risk that our conduct, behaviours and decisions affect the ability of IAG to achieve its strategic and commercial objectives. Includes risks arising from remuneration arrangements and structures, as well as those throughout the product, pricing, distribution, complaints and claims lifecycle.	IAG manages conduct risk through customer-focused claims and complaints handling, strong product governance and the systematic use of customer insights. Dedicated teams oversee fair and timely resolution of customer issues, including matters escalated to external dispute resolution, with learnings used to improve internal processes. Products, sales practices and distribution arrangements are regularly reviewed to ensure they remain fit for purpose and support good customer outcomes. Customer insights inform ongoing improvements and key transformation initiatives across the business.
Operational	The failure to achieve objectives due to inadequate or failed internal processes, people and systems or from external events. This can include failures in third party suppliers, service providers and/or partners as well as operational impacts arising from a disruption in critical operations or extreme natural disasters.	IAG's focus on operational risk and resilience involves a process view of risk across critical operations and a corresponding understanding of process level controls. Supporting this are material risk types referenced below (cyber, technology, data and business disruption; fraud, corruption and financial crime; and suppliers and service providers). As part of this focus, IAG continues to strengthen its understanding, monitoring and management of emerging risks associated with AI-enabled capabilities, while leveraging AI to enhance operational resilience and risk management capability.

Directors' report (continued)

Material risk	Risk description	Key actions
Cyber, technology, data and business disruption	The risk of loss of confidentiality, integrity or availability of IAG information assets as well as ineffective management of data and systems. This also includes the risk of software, database, hardware and network infrastructure failure which can lead to disruptions in business operations and potential inability to recover or maintain critical functions within acceptable timeframes. This risk may arise from information security and controls deficiencies, omissions or errors in data handling, lack of governance, and unavailable/unsuitable data. This risk may also arise from inadequate operational resilience and disaster recovery planning leading to loss of stakeholders' trust (including regulators), legal and compliance issues, financial loss as well as negative impacts on critical operations, IAG's reputation, customer satisfaction, decision making, resource allocation and the ability to deliver essential products or services.	IAG has governance and risk management frameworks designed to manage these risks, which apply to each business division. These frameworks are supported by underlying policies, standards, procedures, guidelines, training and periodic security awareness campaigns. IAG continues to evolve its related governance and risk management framework, perform controls self-assurance for assessing overall effectiveness and conduct remedial actions for managing identified risk exposures. This includes strengthening cyber risk management practices to address increasingly sophisticated threats, including those enabled by AI, while leveraging AI to enhance cyber defence and resilience capabilities. In addition, IAG undertakes a range of operational security and resilience activities, including monitoring of cyber threats, use of threat intelligence, testing of incident response and recovery arrangements, and workforce awareness exercises such as phishing simulations, to support its broader cyber security and technology risk management strategy. IAG also conducts annual Business Continuity Plan and Disaster Recovery testing to ensure its plan remains suitable and continues to serve its purpose.
Fraud, corruption and financial crime	The risk of financial loss, reputational damage and erosion of trust arising from fraud, corruption and financial crime. This risk may arise due to internal or external fraudulent activity, corruption, non-compliance with sanctions requirements, or exploitation of IAG's systems and processes, leading to financial loss, regulatory action and adverse impacts to customers and stakeholders.	IAG manages fraud, corruption and financial crime risk through its Fraud Risk Management Strategy, supported by the Code of Ethics and Conduct and enterprise-wide people, data, and technology frameworks. Dedicated teams oversee the management of fraud, corruption and financial crime risks, including sanctions compliance obligations, and are supported by fraud detection and sanctions monitoring technology including application of AI. Fraud, corruption and financial crime risks are regularly monitored and reported through established governance forums to support the ongoing effectiveness of the control environment.
Suppliers and service providers	The risk of third parties (ie suppliers, service providers, related bodies corporate or distributors) not meeting IAG or its customers' needs, ineffective engagement with or over-reliance on third parties, misaligned partnership and inappropriate sponsorship arrangements. This risk may arise due to third parties failing to meet their obligations, lack of governance and oversight, inability to manage relationships, poor planning/engagement/documentation and/or inability to identify and attract suitable sponsors (through poor data collection), leading to process/business disruption, increased risk of error, unsatisfactory performance, undesirable customer experience, reputational damage, financial loss, missed growth opportunities or loss of market share, negative media exposure and breach of contract.	The Service Provider Management Framework at IAG defines the principles and minimum requirements for conducting procurement activities and the effective management of service providers and their associated risks. The framework incorporates a comprehensive service provider management lifecycle that includes due diligence, risk assessments, contracting, governance and performance monitoring, contingency planning, and offboarding.

Material risk	Risk description	Key actions
Regulatory and compliance	The risk of adverse legal outcomes, regulatory or reputational impacts arising from failure to manage compliance obligations, or failure to anticipate and prepare for changes in the regulatory environment.	IAG manages Regulatory and Compliance risk through active engagement with regulators and continuous monitoring of regulatory developments to support timely and effective compliance outcomes. IAG maintains a comprehensive framework of policies, standards, mandatory training, and established controls, systems and compliance monitoring programs that enables IAG to identify, assess and mitigate Regulatory and Compliance risks and deliver regulatory change on an ongoing basis.
Strategic	Risk that internal or external factors disrupt the assumptions underpinning IAG's strategy or compromise its ability to set or execute an appropriate strategy. Risks are summarised within the Strategic Opportunity and Risk Profile (SORP) which is refreshed annually with Board review and approval. Causes and impacts are determined via desktop research, engagement with senior leaders and review by the Group Leadership Team (GLT) and Board.	All identified strategic opportunities and risks are assessed for potential impact to IAG. The impact assessment considers the timeframe and nature of IAG's response, ensuring that IAG is prepared for both near- and longer-term impacts. IAG's annual strategy and business planning activities support business alignment to, and monitoring of, strategic risks and opportunities. Responses to these risks are considered as part of the annual strategic and business planning cycle and reflected in Group-wide and divisional business plans. Strategic risks are monitored through regular Board and GLT strategy forums, supported by performance reporting. Group Risk provides independent oversight and challenge throughout the process.

IAG aims to have a disciplined approach to risk management and believes this approach will help to provide the greatest long-term likelihood of being able to meet the objectives of stakeholders.

Details of IAG's overall RMFS are set out in Note 3.1 within the financial statements and in the Corporate Governance Statement, which is available on our website: www.iag.com.au/about-us/corporate-governance.

Management of climate-related and ESG risks

We recognise that climate-related risks and broader environment, social and governance (ESG) risks are material to our business and the communities we serve. These risks are integrated into our Risk Management Framework and Strategy to support long-term value.

Our approach is guided by key documents including the Group Social and Environmental Framework, the Climate Action Plan: Towards FY30, the Financial Inclusion Action Plan and the Reconciliation Action Plan.

Further details regarding our material climate-related risks are available in our Group Sustainability Report on pages 37 to 65, and further details regarding our broader ESG risks are in the Sustainability section of our website (www.iag.com.au).

The Company remains a climate-reporting entity under Part 7A of the New Zealand Financial Markets Conduct Act 2013 (NZ FMCA). On the basis of 'no action' relief announced by the New Zealand Financial Markets Authority (NZ FMA) with respect to proposed changes to the New Zealand climate-related disclosures regime, the Company has not prepared and lodged a Group climate statement in New Zealand under Part 7A of the NZ FMCA in respect of the financial year ended 30 June 2026, nor has it relied on the Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024 as it has done in previous financial years.

Significant changes in state of affairs

During the financial year, the following changes became effective:

- On 1 September 2025, the Company completed its acquisition of 90% of the shares in RACQI for a consideration of $855 million. The consideration paid was for the initial 90% of shares in RACQI and comprises net tangible asset value and entry into an exclusive 25-year distribution agreement. The Company has the option to acquire the remaining shares after two years on consistent terms. The transaction was funded from surplus capital. Refer to Note 6.4 for further details.
- On 24 September 2025, the Company issued $350 million of subordinated notes. The subordinated notes qualify as Tier 2 Capital under APRA's capital adequacy framework for general insurers.

Events subsequent to reporting date

Detail of matters subsequent to the end of the financial year are set out below and in Note 7.2.

- On 13 August 2026, the Board determined to pay an 80% franked final dividend of 20 cents per share. The dividend will be paid on 28 September 2026. The Company's Dividend Reinvestment Plan has been suspended for the 2026 final dividend.

Non-audit services

During the financial year, KPMG performed certain other services for IAG in addition to its statutory duties.

The Directors have considered the non-audit services provided during the financial year by KPMG and, in accordance with written advice provided by resolution of the Audit Committee, are satisfied that the provision of those non-audit services by IAG's auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit assignments were approved in accordance with the process set out in the IAG framework for engaging auditors for non-audit services; and
- the non-audit services provided did not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants* of the Chartered Accountants Australia and New Zealand and CPA Australia, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The level of fees for total non-audit services amounted to approximately $996,000 in FY26 (refer to Note 8.3 for further details of costs incurred on non-audit assignments).

Indemnification and insurance of Directors and Officers

The Company's constitution contains an indemnity in favour of every person who is or has been:

- a Director of the Company or a subsidiary of the Company; or
- a Secretary of the Company or of a subsidiary of the Company; or
- a person making or participating in making decisions that affect the whole or a substantial part of the business of the Company or of a subsidiary of the Company; or
- a person having the capacity to affect significantly the financial standing of the Company or of a subsidiary of the Company.

The indemnity applies to every liability incurred by the person in the relevant capacity (except a liability for legal costs). In respect of legal costs, the indemnity applies to all legal costs incurred in defending or resisting (or otherwise in connection with) certain legal proceedings in which the person becomes involved because of that capacity.

The indemnity does not apply where the Company is forbidden by statute to indemnify the person against the liability or legal costs or, if given, would be made void by statute.

In addition, the Company has entered into deeds of indemnity in favour of certain current and former Directors and Secretaries and members of senior management of the Company and its subsidiaries.

Under these deeds, the Company:

- indemnifies, to the maximum extent permitted by law, the relevant person against liabilities incurred by that person in the relevant capacity; and
- is also required to maintain and pay the premiums on a contract of insurance covering the relevant person against liabilities incurred in respect of the relevant office to the maximum extent permitted by law. The insurance is maintained until the seventh anniversary after the date when the relevant person ceases to hold office (or until proceedings commenced before that date are finally resolved).

The Company has purchased Directors' and Officers' liability insurance, which insures against certain liabilities (subject to exclusions) in respect of current and former Directors and Secretaries and other officers of the Company and its subsidiaries. Under the contract of insurance all reasonable steps must be taken by the insured and the Company not to disclose the insurance premium and the nature of liabilities covered by such insurance.

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 121 and forms part of the Directors' Report for the year ended 30 June 2026.

Rounding of amounts

The Company is of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* issued by ASIC. Amounts in the Financial Report and Directors' Report have been rounded to the nearest million dollars unless otherwise stated, in accordance with that instrument.

Remuneration report

Abbreviations used in the Remuneration Report are outlined in the table below.

CPS 511	APRA Prudential Standard CPS 511 Remuneration
DARs	Deferred award rights
EPRs	Executive performance rights
FAR	Financial Accountability Regime
Group BSC	Group balanced scorecard
Group CRO	Group Chief Risk Officer
GWP	Gross written premium
KMP	Key management personnel
LTI	Long term incentive
NARs	Non-Executive Director award rights
NPAT	Net profit after tax
PARC	People and Remuneration Committee
RACQ Insurance	RACQ Insurance Limited
ROE	Return on equity
STI	Short term incentive
tNPS	Transactional net promoter score
Trading window	Periods during which KMP may trade in the Company's securities
TSR	Total shareholder return
VWAP	Volume weighted average price
WACC	Weighted average cost of capital

Currency and foreign exchange

All figures in the Remuneration Report are in Australian dollars (AUD) unless otherwise stated. Where remuneration values were denominated in New Zealand dollars (NZD), conversion to AUD has been undertaken using the average exchange rate for the year ended 30 June 2026 of 1 NZD = 0.86316 AUD, unless otherwise stated.

Aligning remuneration with performance to create a stronger IAG helping more of Australia and New Zealand.

Wendy Thorpe OAM
Chair, People and Remuneration Committee

Dear Shareholders,

It is my privilege on behalf of the People and Remuneration Committee (PARC) and the Board, to present the 2026 Remuneration Report.

Alignment of FY26 remuneration outcomes with business results

During FY26, Management delivered a stronger, more resilient business, successfully combining strong in-year financial results with investment in the future. Sound strategic choices and a focus on delivery enabled the following key outcomes:

- GWP growth of 7.6% following continued growth across the Group, and the contribution from the RACQ Insurance portfolio
- Increased underlying insurance profit of $1,578 million, supported by disciplined underwriting and an experienced and strong claims capability
- An increased final dividend and ongoing sustainable returns for shareholders through a comprehensive reinsurance program which provides protection against earnings volatility
- ROE of 13.9%, lower than last year, impacted in the first half by RACQ Insurance's natural perils experience, which was $152 million adverse to allowance prior to integration into IAG's comprehensive reinsurance program.

Positive progress on strategic Group initiatives also included:

- Completion of the strategic alliance with The Royal Automobile Club of Queensland (RACQ) and integration of RACQ Insurance into the IAG reinsurance program from 1 January 2026 to deliver targeted synergies
- Progress in the strategic alliance with The Royal Automobile Club of Western Australia which remains subject to regulatory approvals
- Successful technology delivery with completion of planned FY26 retail enterprise platform migrations and accelerated delivery of the commercial technology platform, while improving customer tNPS by nine points on FY25
- Increased investments in technology, data, artificial intelligence and simplification, delivering material benefits in annual claims and expenses.

FY26 remuneration outcomes

There were no changes in IAG's framework for FY26.

FY26 STI

When determining FY26 STI outcomes for Executives, the Board considered the following factors:

- IAG's financial and non-financial performance, assessed through the Group Balanced Scorecard (BSC) informed by the Board's STI pool calculation principles
- For the Group CEO, the Group BSC outcome reflecting continued progress towards delivery of IAG's strategy
- For other Executives, assessment of their performance against their Divisional BSC and their contribution to Group performance.

Key FY26 outcomes were:

- In line with the Group BSC result of 3.75/5, the Board approved a FY26 Executive STI pool of 79% of maximum opportunity
- In assessing the financial measures in the Group BSC, the Board applied the STI calculation principles and reduced NPAT by $28 million for the benefit associated with releases from the business interruption provision
- The Group CEO's STI outcome at 79% of maximum, was in line with the Group BSC result, while the STI outcome for other Executives ranged from 78% to 81% of maximum opportunity.

FY26 LTI

FY23 LTI awards with performance measures of Return on Equity (ROE) and Total Shareholder Return (TSR) were assessed at the end of their four-year performance period on 30 June 2026, specifically:

- The FY23 ROE performance hurdle was fully met, with the Board determining the award would vest at 100%
- The FY23 TSR performance hurdle was fully met, with the Board determining the award would vest at 100%.

Consistent with the application of the LTI calculation principles in prior years and previous feedback from shareholders, the Board included all one-off items in calculating ROE performance.

Seven current Executives including the Group CEO, participated in the FY23 LTI award. Further information is available in Section C.III.

Consideration of material risk and conduct events

In addition to Executives' overall risk management performance, the Board considers conduct and material risk issues across IAG when determining Executive remuneration.

No risk or conduct events requiring a remuneration consequence were identified through the Board's FY26 review.

Effectiveness review of remuneration framework

IAG's remuneration framework has remained consistent since the start of FY24 when refinements were made to meet CPS 511 requirements and improve alignment with shareholder outcomes.

During FY26, IAG completed the Group's first independent triennial effectiveness review of the remuneration framework introduced in FY24, as required by CPS 511.

The framework was assessed as effective with limited opportunities identified for improvement. The PARC considered the findings and is satisfied that the framework continues to support the Group's purpose, business strategy and remuneration principles, including alignment with shareholder outcomes. No material changes were made to the framework as a result of the review. IAG will continue to work to ensure all stakeholders understand our remuneration framework.

FY27 Executive and Non-Executive Director remuneration

Executives

FY27 fixed pay

The Board regularly reviews Executive remuneration arrangements to assist IAG to attract and retain high quality talent and drive performance.

As part of this year's annual review of Executive remuneration, the Board approved a fixed pay increase of 4% for the Group CEO and an average fixed pay increase of 4.7% for other Executives.

In determining the fixed pay increases, the Board considered:

- The need to retain key talent critical to support delivery of Ambition 2030
- Relativities against other financial services companies.

FY27 incentives

No material changes have been made to Executive variable remuneration arrangements for FY27.

The Board approved Group BSC measures for FY27 that support Ambition 2030 and IAG's desired performance culture. In setting FY27 performance measures and targets, the Board approved:

- continuation of the existing weighting of 60% financial and 40% non-financial measures;
- no change to individual performance objective weightings; and
- targets that, in addition to our strong focus on delivery, will deliver a heightened focus on benefits realisation.

The Board approved FY27 LTI awards for the CEO and other Executives. Vesting of these awards will be subject to meeting performance hurdles tested at the end of the performance period in June 2030 and restriction periods. The CEO's FY27 LTI award of $3.0675 million, equivalent to 150% of fixed pay, will be submitted to shareholders as a resolution at the 2026 Annual General Meeting.

Non-Executive Directors

The Board reviewed the Insurance Australia Group Limited's (IAGL) Board and Committee fees to ensure fees remain competitive. For FY27, the Board determined:

- to increase the IAG New Zealand Board Chair fee to NZ$250,000 effective 1 September 2026 following external benchmarking in the New Zealand market; and
- not to increase any other Board and Committee fees for IAGL or its regulated subsidiaries.

In determining fees for FY27, the Board considered the following changes made during FY26:

- The establishment of fees for Non-Executive Directors of two new regulated entities, CGU Australia Pty Ltd and RACQ Insurance
- The 4% increase for IAGL and other regulated subsidiaries' Board and Committee fees effective 1 September 2025
- The $4.7 million per annum aggregate limit of Non-Executive Director fees (fee pool) approved by shareholders at the 2025 Annual General Meeting.

I am pleased to provide this report to you. As in past years, we welcome your feedback.

Wendy Thorpe OAM
Chair, People and Remuneration Committee

A. KMP covered by this report

This Remuneration Report sets out the remuneration details for IAG's Key Management Personnel (KMP). KMP is defined as persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. For the purpose of this report, the term Executive is used to refer to KMP who are executives. Although the Non-Executive Directors are disclosed in this report, they do not have management responsibility. IAG's KMP for FY26 are shown in the table below.

If an individual did not serve in a KMP role for the full financial year, all remuneration is disclosed for the period they served in a KMP role.

Name	Position	Term as KMP
Executives		
Nick Hawkins	Managing Director and Chief Executive Officer (Group CEO)	Full year
Julie Batch	CEO, NRMA Insurance	Full year
Robert Cutler	Group General Counsel	Full year
Phil Gibson	CEO, IAG New Zealand	Commenced 23 February 2026
Jarrod Hill	CEO, CGU & WFI	Full year
William McDonnell	Chief Financial Officer	Full year
Neil Morgan	Chief Operating Officer	Full year
Christine Stasi	Group Executive, People Performance & Reputation	Full year
Peter Taylor	Group Chief Risk Officer (Group CRO)	Full year
Amanda Whiting	CEO, IAG New Zealand	Ceased 22 February 2026
	Chief Strategy & Transformation Officer	Commenced 23 February 2026
Non-Executive Directors		
Tom Pockett	Chair, Independent Non-Executive Director	Full year
Simon Allen	Independent Non-Executive Director	Full year
Helen Nugent	Independent Non-Executive Director	Full year
Scott Pickering	Independent Non-Executive Director	Full year
George Sartorel	Independent Non-Executive Director	Full year
George Savvides	Independent Non-Executive Director	Full year
JoAnne Stephenson	Independent Non-Executive Director	Full year
Wendy Thorpe	Independent Non-Executive Director	Full year
Michelle Tredenick	Independent Non-Executive Director	Full year
Former Non-Executive Director		
David Armstrong	Independent Non-Executive Director	Ceased 12 September 2025

B. Executive remuneration structure and overview of FY26 outcomes

I. Alignment of Executive reward to IAG's purpose and strategy in FY26

The diagram below provides an overview of the FY26 Executive remuneration framework, aligned with the Group's strategy and strategic priorities that were in place for the majority of FY26 as reflected in the FY26 Group BSC. The framework meets both CPS 511 and FAR requirements.

Our purpose: We make your world a safer place

OUR BUSINESS STRATEGY: CREATE A STRONGER, MORE RESILIENT IAG

- Grow with our customers
- Build better businesses
- Create value through digital
- Manage our risks

Our purpose, along with our strategy, guides our remuneration

OUR REMUNERATION PRINCIPLES

- Support IAG's purpose and alignment to shareholder outcomes
- Promote accountability and effective risk management
- Be simple, fair and equitable
- Support attraction and retention of talent
- Reduce non-financial risk
- Provide flexibility

Objective	Delivery: YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Fixed pay To attract high quality talent and remunerate Executives for performing their ongoing work. **Refer to Section D.I for further information.**	Cash and superannuation paid over the year					
STI To reward annual performance across a range of financial and non-financial measures to support delivery of IAG's strategy. • Maximum opportunity of 100 – 150% of fixed pay • Based on assessment of: – performance against Group and Divisional balanced scorecards (as applicable) using financial and non-financial measures – demonstration of IAG's values and behaviours – risk management performance, including compliance with IAG's Code of Ethics and Conduct. **Refer to Section D.II for further information.**	Cash 50%	Group CEO DARs 50%	Portion may be deferred out to year six to meet CPS 511			
		Other Executives DARs 25%	DARs 25%			
LTI To create a direct link between Executive reward and the return experienced by shareholders through performance hurdles aligned to IAG's strategic targets. • Maximum opportunity of 100 – 150% of fixed pay • Assessed on ROE, TSR and Customer Experience (tNPS), measured over a four-year performance period. **Refer to Section D.III for further information.**	Group CEO			EPRs 33.3%	EPRs 33.3%	EPRs 33.3%
	Other Executives			EPRs 50%	EPRs 50%	

Consideration of material risk and conduct events

All variable remuneration may be subject to risk adjustment to ensure remuneration outcomes are aligned with sound risk management. The Board retains the discretion to adjust downwards in-year STI awards as well as the unvested portion of any deferred STI or LTI awards, including to zero. The Board has the discretion to clawback any performance based variable remuneration earned for performance periods starting from 1 July 2023.

Mandatory shareholding requirement

The Group CEO is expected to accumulate and hold shares or vested rights equal to 200% of base pay over a four-year accumulation period. Other Executives are expected to accumulate and hold shares or vested rights equal to 100% of base pay over a four-year accumulation period, except for the Group CRO who has a five-year accumulation period.

II. Overview of FY26 performance and remuneration review outcomes

The following diagram shows the outcomes of the FY26 performance and remuneration review.

Fixed pay

- Increase to Group CEO fixed pay: **4.0%**
- Average increase to other Executives' fixed pay: **4.7%**

Increases consider external benchmarking against other financial services companies

STI

- Group CEO FY26 STI outcome: **79%** of maximum
- Other Executives' FY26 STI outcomes: **78-81%** of maximum

Outcomes are aligned with the Group BSC result of 3.75 and the Executive STI pool of 79%

LTI

LTI awards **100%** vesting of the FY23 award

- ROE: **100%**
- TSR: **100%**

Outcome reflects performance exceeding stretch targets over the period 1 July 2022 to 30 June 2026

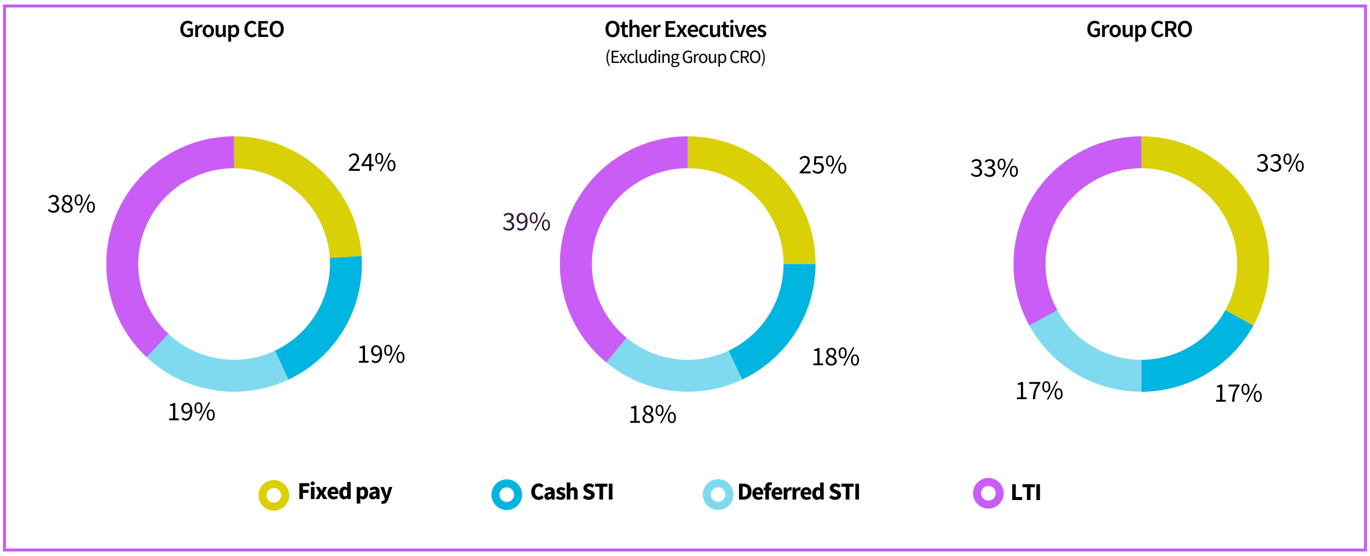
Further detail regarding these outcomes is available in Section C for FY26 STI and LTI outcomes and Section D.I for fixed pay increases.

III. Maximum potential remuneration mix for FY26

The following diagram illustrates the FY26 maximum potential remuneration mix for Executives across the elements of fixed pay, STI and LTI.

The maximum opportunity is based on fixed pay, and STI and LTI maximum opportunity as at 30 June 2026.

Information on actual remuneration received by the Executives for FY26 is provided in Section C.IV.



C. Aligning Executive reward with IAG's performance and shareholder outcomes

This section details how short and long term Executive reward aligns with IAG's strategy execution, business performance, and shareholder outcomes over time. STI outcomes for FY26 are described in Sections C.I and C.II, while FY26 LTI outcomes are described in Section C.III. Section C.IV sets out the actual remuneration received by each Executive in FY26 and FY25. Section C.V provides information on IAG's historical performance based on a range of measures and Executive remuneration outcomes over the same period.

I. Linking Executive reward with IAG's short-term performance

3.75/5

FY26 Group BSC outcome

IAG's FY26 performance

The Board approved FY26 Group BSC objectives and targets supported the delivery of IAG's strategic priorities and drove sustainable value for shareholders. The Group BSC consists of a balance of financial and non-financial objectives. The financial objectives present a holistic view of earnings and underlying profitability and reflect how effectively IAG uses its capital. The non-financial objectives assess performance relating to customer, people, digital and risk.

In FY26, IAG delivered strong financial performance with positive customer growth. The focus on strategic delivery resulted in a stronger more resilient business. Notable outcomes included:

- Completion of the strategic alliance with the RACQ
- Completion of planned FY26 retail enterprise platform migrations and accelerated delivery of the commercial technology platform
- Continued long-term reinsurance protection, including the integration of RACQ Insurance into IAG's main catastrophe cover, reducing earnings volatility and supporting sustainable shareholder returns.

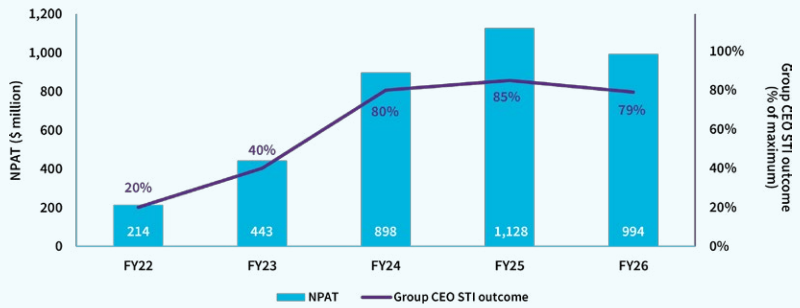
The Group BSC result was 3.75/5, against a target outcome of 3.00/5. The Board also considers the quality of the Group BSC outcomes and any other relevant factors when determining STI outcomes. In assessing the financial measures, the Board applied the STI calculation principles and reduced the NPAT result for business interruption provision releases. Details of the Group BSC result are set out on the following page.

79%

FY26 Group CEO STI outcome
% of maximum

Group CEO STI outcome

The Group CEO's performance is assessed against: the Group BSC, and values and behaviours, and risk management. The Board determined to reward the Group CEO an FY26 STI outcome of 79% of maximum reflecting the Group BSC result and progress made on execution of the business strategy. The Group CEO's STI outcomes over the last five years have been strongly tied to IAG performance, particularly against financial performance as shown below.



Note: NPAT excludes the impact of adjustments to the business interruption provision.

79%

FY26 Executive STI pool outcome
% of maximum

Executive STI pool

The Executive STI pool is the total amount of funding available to reward Executives for FY26 outcomes. The Group BSC result is the primary determinant in setting the size of the STI pool.

Considering performance for FY26, the Board approved an Executive STI pool of 79% of maximum. This was above the target pool of 67% of maximum, reflecting performance above the target Group BSC outcome of 3.00.

78–81%

FY26 STI outcomes for other Executives
% of maximum

STI Outcomes for other Executives

Performance for Executives (other than the Group CEO) is measured against their Divisional scorecard which contains objectives relevant to the individual Executive's role that support delivery of IAG's strategy as well as an assessment of the Executive's values and behaviours and risk management. Each Executive's contribution to Group performance is also considered.

In line with performance outcomes, the Board determined FY26 STI outcomes for the other Executives that range from 78% to 81% of maximum (see Section C.II). The average STI for Executives was 79% of maximum STI opportunity. The total STI awarded to other Executives was within the approved STI pool.

Remuneration report (continued)

Overall FY26 Group balanced scorecard outcome

		Overall Result (Low / Target / High)	Performance highlights
Group BSC outcome	The Board determined a Group BSC outcome of 3.75/5 which was above the target performance of 3.00/5.	3.75	The scorecard outcome of 3.75 reflects stable performance across Financial, Customer, Risk and Engagement measures and the successful delivery of IAG's strategic programs, including a meaningful uplift in customer satisfaction (tNPS) during the year.

FY26 Group balanced scorecard results

Objective	Weight	Target / Target range	Result (Low / Target / High)	Performance highlights
Financial objectives	**60%**			
NPAT NPAT measures profit and is strongly aligned to shareholder outcomes.	30%	$960 million to $1,011 million[1]	$994 million	NPAT was in the upper half of the target range at $994 million with adverse RACQ Insurance perils experience in the first half partially offset by higher returns on shareholders' funds. The result excludes a $28 million benefit associated with releases from the business interruption provision.
Underlying insurance profit Underlying insurance profit presents a normalised view of the performance of IAG's underwriting businesses.	30%	$1,530 million to $1,611 million[1]	$1,578 million	Underlying insurance profit was in the upper half of the target range, supported by strong underlying performance in New Zealand. This was partially offset by slightly lower than anticipated performance in Australian retail and intermediated businesses, and lower investment income on technical reserves.
Non-financial objectives	**40%**			
Organic customer growth[2] Organic customer number growth assesses IAG's ability to attract new customers with compelling product and service offerings.	10%	Above market share net customer growth	+108,015	Customer growth was within target range, with strong new business rates in New Zealand. Modest Australian growth was impacted by a disciplined response to increased competitor marketing and pricing activity. Strong retention rates in Australia and New Zealand have supported the result.
Delivery of Strategic Programs Delivery of Strategic Programs measures IAG's progress towards digitally transforming the business to support growth and to reduce complexity.	15%	Delivery of material Enterprise Platform (EP) portfolios plus completion of RACQ Insurance acquisition[1]	All EP portfolios enabled, RACQ Insurance acquisition completed and tNPS improved	IAG successfully delivered its strategic program roadmap for FY26. All Enterprise Platform milestones were met, and the acquisition of RACQ Insurance was completed. Additionally, customer tNPS results improved nine points on FY25, demonstrating IAG's ability to maintain customer experience throughout transformation.
Risk Culture Risk Culture measures IAG's progress towards its desired risk culture, with clear accountability and governance, to enable IAG's strategy.	10%	Risk Culture assessed as Sound and within (the Board's) target range[3]	Sound	IAG's Risk Culture was assessed as Sound and made steady progress toward target Risk Culture state in FY26. Targeted cultural initiatives drove positive uplift across a range of performance indicators. This focus will continue throughout FY27.
Employee engagement Employee engagement measures IAG employees' levels of positivity and commitment towards their work at IAG.	5%	70% to 74% employee engagement[1]	75%	IAG's Employee Engagement score of 75% exceeded the target range. The relative stability of IAG's engagement scores in recent years indicates a resilient culture with low volatility that is supported by a committed and engaged workforce.

1. Inclusive of RACQ Insurance from September 2025. Financial targets adjusted for certain one-off natural peril impacts.
2. Insurance customers only – brand scope includes RIA (NRMA, CGU Direct, Swann, ROLLiN', SGIO, SGIC excluding SA CTP, RACV Insurance and Lumley Special Vehicles) and New Zealand Direct (AMI and State).
3. Risk Culture assessment is internally assessed, led by Group Risk, and ultimately determined by the IAG Board Risk Committee.

II. FY26 STI outcomes

The Board awarded the Group CEO's STI at 79% of maximum reflecting the Group BSC result, with the outcome for other Executives ranging from 78% to 81% of maximum. The following table outlines the FY26 STI outcomes awarded to each Executive.

	FY26 Maximum STI	FY26 STI Awarded	FY26 STI awarded	FY26 STI forgone	FY26 Cash STI[1]	FY26 Deferred STI[2]
			% of maximum STI			
Nick Hawkins	2,927,449	2,312,685	79%	21%	1,156,342	1,156,343
Julie Batch	1,319,542	1,029,243	78%	22%	514,621	514,622
Robert Cutler	1,185,818	948,654	80%	20%	474,327	474,327
Phil Gibson[3]	429,073	338,968	79%	21%	169,484	169,484
Jarrod Hill	1,319,542	1,029,243	78%	22%	514,621	514,622
William McDonnell	1,229,610	971,392	79%	21%	485,696	485,696
Neil Morgan	1,286,813	1,042,318	81%	19%	521,159	521,159
Christine Stasi	1,183,266	934,780	79%	21%	467,390	467,390
Peter Taylor	944,092	736,392	78%	22%	368,196	368,196
Amanda Whiting[4]	1,206,523	953,153	79%	21%	476,576	476,577

1. FY26 cash STI will be paid to Executives in September 2026. The minimum amount is nil and the maximum amount is the amount shown.
2. FY26 deferred STI will be allocated in DARs to Executives in October 2026 and will be deferred up to five years for the Group CEO and up to two years for the other Executives. Refer Section D.II.
3. Phil Gibson received a pro rata FY26 STI for the period he was employed during FY26 (from 23 February 2026).
4. Amanda Whiting's performance has been assessed on a pro-rated basis, between her former role as CEO, IAG New Zealand, and her role as Chief Strategy & Transformation Officer.

III. FY26 LTI outcomes – linking Executive reward with IAG's long-term performance

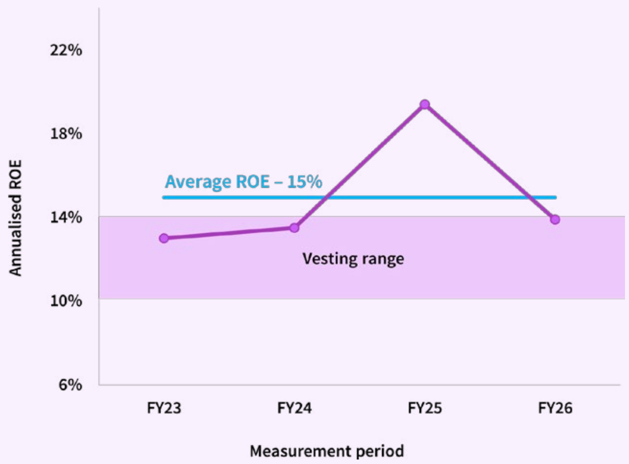
The LTI links Executive remuneration to IAG's long-term performance and shareholder outcomes. On 30 June 2026, the FY23 LTI awards with ROE and TSR performance hurdles reached the end of their four-year performance period and were tested. The following section summarises the LTI testing and vesting outcomes for these awards.

ROE

100% vesting

For the FY23 ROE performance hurdle, the average Reported ROE over the performance period was 15.0%. Average Reported ROE must be at least 10% to achieve vesting with maximum vesting at 14% ROE. Based on performance against the ROE vesting scale, the Board determined that 100% of the awards would vest.

The Board used the LTI calculation principles established by the Board in FY22 in response to shareholder feedback and included all one-off items. The following graph illustrates IAG's average Reported ROE performance over the performance period.

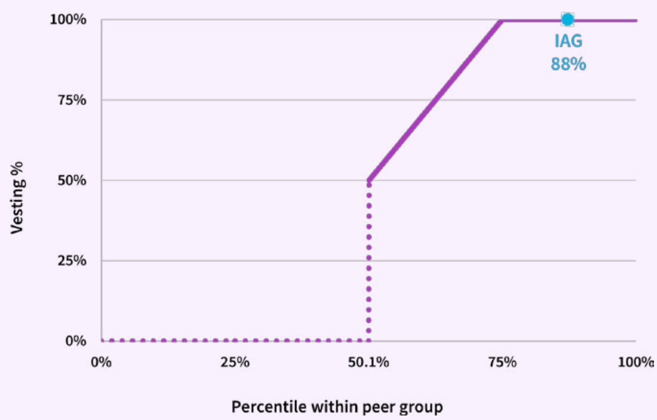


Relative TSR

100% vesting

For the FY23 relative TSR performance hurdle, the Company's TSR was ranked at the 88th percentile of the peer group. The Company's TSR must be ranked at or above the 50.1th percentile of the peer group to achieve vesting. Based on performance against the relative TSR vesting scale, the Board determined that 100% of the awards would vest.

The following graph illustrates the Company's relative TSR against that of the top 50 industrial companies in the S&P/ASX 100 Index for the FY23 LTI awards.



Total vesting outcome for the FY23 LTI awards	**100%**

IV. Actual remuneration received by Executives

The table below presents remuneration paid or vested for Executives in relation to FY26 which includes:

- fixed pay and other benefits paid during the financial year;
- the value of cash STI awards earned in relation to the financial year;
- the value of STI deferred from previous years that vested during the financial year; and
- the value of LTI awards with a performance period ending 30 June 2026.

The LTI values presented exclude the value of LTI awards granted during FY26.

For remuneration details provided in accordance with the Australian Accounting Standards, refer to Section G.

	Financial year	Fixed pay $000[1]	Other benefits and leave accruals $000[2]	Cash STI $000[3]	Deferred STI $000[4]	LTI $000[5]	Total actual remuneration received $000
Nick Hawkins	**2026**	**1,952**	**(45)**	**1,156**	**1,543**	**4,944**	**9,550**
	2025	1,873	54	1,194	602	3,409	7,132
Julie Batch	**2026**	**977**	**5**	**515**	**489**	**2,060**	**4,046**
	2025	936	14	550	252	1,421	3,173
Robert Cutler	**2026**	**879**	**31**	**474**	**-**	**-**	**1,384**
	2025	850	27	482	-	-	1,359
Phil Gibson[6]	**2026**	**295**	**251**	**169**	**-**	**-**	**715**
Jarrod Hill	**2026**	**977**	**28**	**515**	**480**	**2,060**	**4,060**
	2025	936	40	518	362	1,421	3,277
William McDonnell	**2026**	**911**	**28**	**486**	**166**	**-**	**1,591**
	2025	850	16	470	-	-	1,336
Neil Morgan	**2026**	**953**	**2**	**521**	**478**	**2,015**	**3,969**
	2025	916	(2)	507	246	1,389	3,056
Christine Stasi	**2026**	**877**	**10**	**467**	**442**	**1,832**	**3,628**
	2025	832	18	461	230	1,263	2,804
Peter Taylor	**2026**	**944**	**1**	**368**	**822**	**1,282**	**3,417**
	2025	910	26	373	553	-	1,862
Amanda Whiting	**2026**	**896**	**295**	**477**	**436**	**1,845**	**3,949**
	2025	874	100	486	206	1,263	2,929

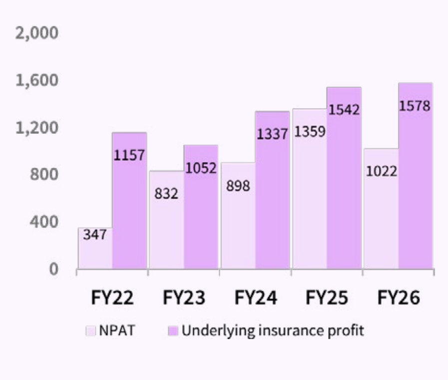
1. Includes amounts paid in cash, superannuation contributions plus the portion of IAG's superannuation contribution that was paid as cash instead of superannuation. Fixed pay also includes salary sacrifice items such as cars and parking as determined in accordance with *AASB 119 Employee Benefits*.
2. Includes annual leave and long service leave accruals, and relocation support for Phil Gibson, William McDonnell and Amanda Whiting. This amount may be negative where the Executive has taken more leave during the financial year than the annual leave accrued.
3. Cash STI earned for the year ended 30 June 2026, to be paid in September 2026 (representing 50% of the STI award made for the financial year).
4. The following awards vested on 15 August 2025 (100% vested), valued using the five-day VWAP of $8.519: deferred rights granted on 3 November 2022 as compensation for incentives forgone by Peter Taylor's previous employer and deferred STI granted on 7 November 2023 and 6 November 2024 to other eligible Executives.
5. LTI for FY26 includes the FY23 TSR and ROE hurdled tranches of LTI granted on 3 November 2022, which reached the end of their performance period on 30 June 2026. The Board determined 100% vesting. Robert Cutler, William McDonnell and Phil Gibson did not participate in the LTI awards with performance periods ending 30 June 2026 or 30 June 2025. Peter Taylor did not participate in the LTI award with a performance period ending 30 June 2025. LTI values were determined using the 30 day VWAP as at 30 June of the relevant vesting year.
6. 2026 remuneration reflects part year service for Phil Gibson (from 23 February 2026).

Remuneration report (continued)

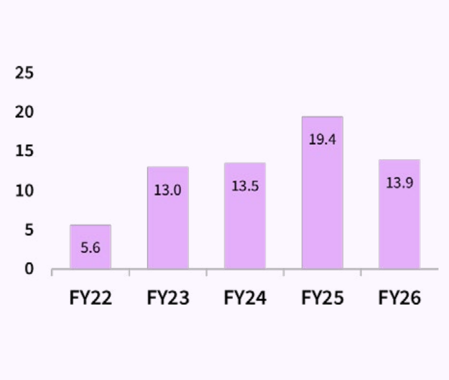
V. Five-year performance

The following graphs present the performance IAG delivered to shareholders for the last five financial years on key measures.

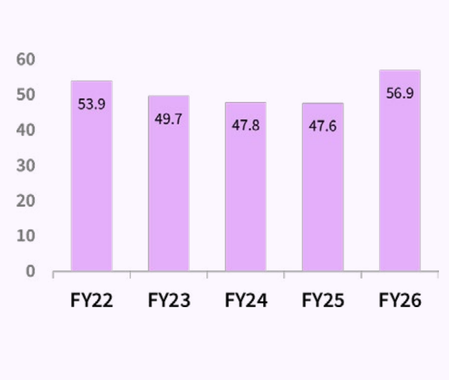
NPAT[1] and underlying insurance profit ($ million)



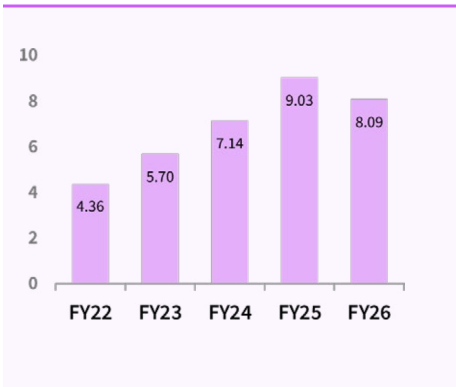
Reported ROE (%)



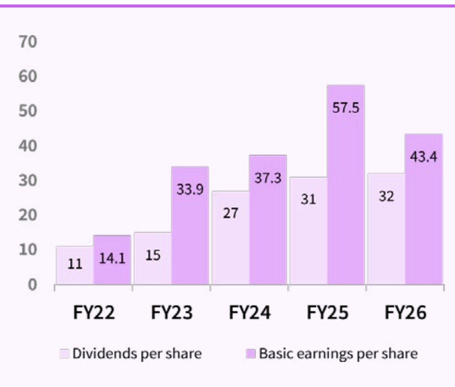
tNPS[2]



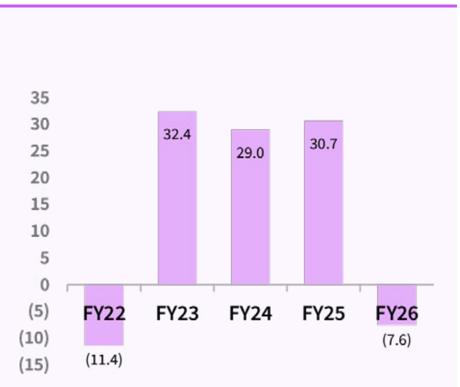
Closing share price[3] ($)



Dividends and basic earnings per share (cents)



Annual TSR[4] (%)



1. NPAT attributable to shareholders of the Company.
2. Group Customer Experience (tNPS) result, excluding RACQ Insurance.
3. The closing share price on 30 June 2021 was $5.16. The closing share price is the same as the opening share price on 1 July of the same year.
4. Annualised TSR represents the total return delivered to shareholders over the financial year.

The table below summarises the variable remuneration outcomes for the Group CEO and other Executives over the last five years, including vesting of LTI awards relating to prior periods.

	Year ended 30 June 2022	Year ended 30 June 2023	Year ended 30 June 2024	Year ended 30 June 2025	Year ended 30 June 2026
Group CEO STI outcome (% of maximum opportunity)	20%	40%	80%	85%	79%
Other Executives STI outcome (% of maximum opportunity)	17%-22%	38%-42%	80%-82%	82%-87%	78%-81%
LTI vesting outcome (% of total award)	0%	0%	0%	72.8%	100.0%

D. Overview of Executive remuneration elements

I. Fixed pay

Overview	Fixed pay comprises cash salary and superannuation (or KiwiSaver in New Zealand where applicable).
Benchmarking approach	Fixed pay is set with reference to the median pay for comparable roles in the external market, the size and complexity of the role, and the skills and experience of the individual, and to ensure it is sufficient to attract and retain talent. The Board considers two market comparator groups – a primary group of the financial services (ie Banking and Insurance) companies in the S&P/ASX 100 Index and a secondary group of ASX 100 financial services companies excluding the large banks. In reviewing the benchmarking data, the Board takes into account the significant market capitalisation and complexity of the large banks and positioning of IAG's direct insurance peers.
Review outcomes	Based on a review of Executive remuneration in 2026, the Board determined to apply a fixed pay increase of 4.0% for the Group CEO and an average fixed pay increase of 4.7% for the other Executive KMP. The increases become effective in September 2026.

II. STI

The table below outlines key features of the FY26 STI plan for Executives.

<table>
<tr><th>Design feature</th><th>Approach</th></tr>
<tr><td>Objective</td><td>STI is a performance based, at risk, component of remuneration designed to motivate and reward Executives for financial and non-financial performance in the financial year.</td></tr>
<tr><td>Participants</td><td>All Executives who meet minimum service requirements.</td></tr>
<tr><td>STI maximum</td><td>
<table>
<tr><th>Role</th><th>FY26 maximum STI (% of fixed pay)</th><th>FY26 maximum STI (% of total remuneration)</th></tr>
<tr><td>Group CEO</td><td>150%</td><td>38%</td></tr>
<tr><td>Other Executives (excluding Group CRO)</td><td>135%</td><td>35%</td></tr>
<tr><td>Group CRO</td><td>100%</td><td>33%</td></tr>
</table>
The minimum STI for all Executives is nil. FY27 STI opportunities are unchanged from FY26.</td></tr>
<tr><td>Gateways</td><td>To be eligible for an STI, Executives must meet a conduct gateway which assesses adherence to IAG's Code of Ethics and Conduct.</td></tr>
<tr><td>Funding</td><td>Funding for the STI pool is guided by the Group BSC outcome, subject to a review of financial and risk performance. The Executive STI pool target is set at 67% of maximum for Group BSC target outcome.</td></tr>
<tr><td>Performance measures and assessment</td><td>Performance was measured against the Group BSC for the Group CEO. For other Executives, performance was measured against Divisional scorecards and overall contribution to Group.

Performance measures comprised financial and non-financial objectives aligned to IAG's strategic objectives. Further information regarding the FY26 Group BSC outcomes is set out in Section C of this report.

The Board assessed the risk management performance and behaviours of Executives and considered whether to apply any adjustment to individual STI outcomes to ensure outcomes appropriately reflected performance (including any events from prior years that may have come to light in the current year). No adjustment by the Board was applied to FY26 STI outcomes.</td></tr>
<tr><td>Delivery</td><td>Half the STI award will be paid in cash in September 2026 (following the end of the financial year). For the Group CEO, the other half of the STI award will be deferred for at least one year, with extended deferral up to a maximum of five years applied as required to meet CPS 511 requirements. For other Executives, the other half of the STI award is deferred for up to two years unless longer deferral is required to meet regulatory requirements.

Deferred STI is typically paid in the form of DARs at no cost to the Executive. DARs are rights that entitle participants to receive one share in the Company. No dividend is paid or payable on any unvested, or vested and unexercised DARs. DARs are scheduled to be granted in October 2026. The number of DARs issued is calculated based on the VWAP of the Company's ordinary shares over the 30 days up to and including 30 June 2026.

DARs will vest and become exercisable at the end of the relevant deferral period, subject to continued service and minimum performance criteria. Any vested DARs may be exercised up until the expiry date.</td></tr>
</table>

Design feature	Approach
Forfeiture	Unvested DARs will generally lapse if an Executive resigns prior to the vesting date, except in special circumstances (redundancy, retirement, death, or total and permanent disablement). When an Executive ceases employment in special circumstances, any unvested DARs may be retained, subject to Board discretion. Any DARs retained will remain subject to the existing terms and conditions of the award. Vested and unexercised DARs will be automatically exercised at the next trading window at least 60 days after the Executive ceases employment (unless exercised earlier). In cases where an Executive ceases employment for serious misconduct, all DARs will lapse whether exercisable or not.
Clawback	May be applied to any paid or vested STI for up to two years after payment or vesting.
Expiry date	DARs expire seven years from the grant date, or on any other expiry date determined by the Board. DARs that are not exercised before the expiry date will be automatically exercised on or by the expiry date.

III. LTI

The table below outlines key features of the FY26 LTI plan that was granted to Executives during the year ended 30 June 2026.

Design feature	Approach
Objective	LTI is a performance-based, long-term value dependent, and at-risk component of remuneration. It links Executive reward to shareholder outcomes through performance hurdles aligned to IAG's strategic objectives.
Participants	Eligible Executives where there is a reasonable expectation of ongoing employment through the performance period.
LTI maximum	All Executives were granted LTI awards during FY26. These awards were based on the percentages in the table below and the Executive's fixed pay at the time of the award. For details of the number of EPRs granted to each Executive refer to Section G.V.

Role	FY26 maximum LTI (% of fixed pay)	FY26 maximum LTI (% of total remuneration)
Group CEO	150%	38%
Other Executives (excluding Group CRO)	150%	39%
Group CRO	100%	33%

FY27 LTI will be determined using the same maximum LTI opportunities as set out above, calculated using each Executive's fixed pay at the time of the award. The minimum LTI is zero if performance hurdles are not met.

Design feature	Approach
Instrument	LTI awards are determined annually by the Board and granted in the form of EPRs at no cost to the Executive. EPRs are rights that entitle participants to receive one share in the Company (or cash equivalent, where determined by the Board), subject to achieving performance hurdles.
Allocation methodology	The number of EPRs issued is calculated by dividing the Executive's maximum LTI by the Company's share price (30-day VWAP up to and including 30 June 2025).
Dividend entitlements	No dividend is paid or payable on any unvested, or vested and unexercised, EPRs.
Performance period	Four years. The FY26 LTI will reach the end of its performance period on 30 June 2029.

Design feature	Approach			
Performance measures	There are three equally weighted performance measures which are tested separately.			
		ROE	Relative TSR	Customer Experience (tNPS)
	Description	Reported ROE focuses on the return delivered on shareholders' funds and is a direct reflection of the Company's performance, without being impacted by the performance of other companies.	Relative TSR provides a measure of the return the Company delivers to shareholders relative to a peer group. Relative TSR is measured against the TSR of the top 50 industrial companies in the S&P/ASX 100 Index. Industrial companies include all companies other than those in the energy sector and the metals & mining industry.	tNPS provides a measure of customer experience across IAG's key brands (NRMA Insurance, SGIO, SGIC, RACV (via our distribution relationship and underwriting joint venture with RACV), CGU (excluding partners), WFI, AMI and State) that correlates to complaints, attrition and GWP. tNPS is measured by an independent external company. tNPS is determined by a question that asks customers their "Likelihood to Recommend" following an assisted or digital interaction with one of our brands.
	Definition	Reported ROE is calculated by dividing NPAT by weighted average equity attributable to shareholders of the Company.	TSR measures the return a shareholder would obtain from holding a company's share over a period, taking into account factors such as changes in the market value of shares and dividends paid over that period.	The tNPS score is calculated by subtracting the % of detractors from the % of promoters, equally weighted by survey volumes across the tNPS brand scope.
	Testing	The ROE vesting outcome is based on the average Reported ROE across the performance period (the four 12-month financial year periods). The Board will also consider other factors when determining vesting outcomes, including quality of earnings and guided by the LTI calculation principles.	Relative TSR performance is determined from 1 July of the base year to 30 June of the test year. The relative TSR performance is determined using the opening and closing share price for the TSR calculation for the Company and peer group companies, and a three-month VWAP up to and including 30 June for both the base and test years.	The tNPS vesting outcome is based on an average tNPS score across the performance period (the four 12-month financial year periods).

Vesting

The performance targets and level of vesting is:

Performance hurdle	Weighting	Performance targets		Vesting outcome	
		Threshold	Stretch	Threshold	Stretch
Reported ROE	33.3%	11%	15%	20%	100%
Relative TSR	33.3%	50.1th percentile	75th percentile	50%	100%
tNPS	33.3%	47	55	20%	100%

Straight-line vesting applies between threshold and stretch for each performance hurdle.

Vesting schedule

If a performance hurdle is fully or partially met at the end of the four-year performance period, the vesting schedule for the portion of each performance hurdle that vests is:

Role	End year 4	End year 5	End year 6
Group CEO	33.3%	33.3%	33.3%
Other Executives	50%	50%	-

Design feature	Approach
Exercising	Any EPRs that vest (and are not cash settled where determined by the Board) will become exercisable. On exercise, Executives will receive one ordinary share in the Company per vested EPR at no cost to them. Any vested EPRs may be exercised up until the Expiry date.
Retesting	No retesting. If the performance hurdles are not met, the awards are forfeited.
Forfeiture	Unvested EPRs will generally lapse if an Executive resigns prior to the vesting date, except in special circumstances (redundancy, retirement, death, or total and permanent disablement). When an Executive ceases employment in special circumstances, any unvested EPRs may be retained, subject to Board discretion. Any EPRs retained will remain subject to the original performance conditions and existing terms and conditions of the award. Vested and unexercised EPRs will be automatically exercised at the next trading window at least 60 days after the Executive ceases employment (unless exercised earlier). In cases where an Executive ceases employment for serious misconduct, all EPRs will lapse whether exercisable or not.
Clawback	May be applied to any vested LTI (including any cash settled amount) for up to two years after vesting.
Expiry date	EPRs expire seven years from the grant date, or on any other expiry date determined by the Board. EPRs that are not exercised before the expiry date will be automatically exercised on or by the expiry date.

E. Non-Executive Director arrangements

I. Remuneration policy

The principles that underpin IAG's approach to fees for Non-Executive Directors are that fees should:

- be sufficiently competitive to attract and retain a high calibre of Non-Executive Director; and
- create alignment between the interests of Non-Executive Directors and shareholders through the mandatory shareholding requirement.

II. Fee structure

Non-Executive Director remuneration comprises:

- IAGL Board and Committee fees; and
- regulated subsidiary Board and Committee fees.

Fees are paid as cash, superannuation and/or Non-Executive Director Award Rights. Directors can elect the portion of fees contributed into their nominated superannuation fund, provided minimum legislated contribution levels are met. Non-Executive Directors do not receive any performance-related remuneration or termination payments.

III. Fee pool and Board and Committee fees

As outlined in the 2025 Remuneration Report, the Board approved an increase of 4% to IAGL's Board and Committee fees effective 1 September 2025. The current aggregate Non-Executive Director fee pool of $4.7 million per annum was approved by shareholders at the 2025 Annual General Meeting. The total of Non-Executive Directors fees, including superannuation and subsidiary board and committee fees, is within the approved limit. A summary of the annual Board and Committee fees paid to IAG Non-Executive Director KMP for the Company and its regulated subsidiaries applying across FY26 is set out in the table below. The Board and Committee fees in the table below are inclusive of superannuation.

		Prior to 1 September 2025		From 1 September 2025	
Entity	Board/Committee[1]	Chair	Director/Member	Chair	Director/Member
Insurance Australia Group Limited[2]	Board	$605,950	$202,000	$630,200	$210,100
	Committee	$52,500	$26,250	$54,600	$27,300
IAG New Zealand Limited[3]	Board	$210,000	$120,000	$218,400	$124,800
	Committee	$30,000	$10,000	$31,200	$10,400
Insurance Manufacturers of Australia Pty Limited	Board	$194,050	N/A	$201,800	N/A
CGU Australia Pty Ltd	Board	$80,000	$60,000	$80,000	$60,000
	Committee	$10,000	N/A	$10,000	N/A
RACQ Insurance Limited[4]	Board			$60,000	$35,000
	Committee			$10,000	N/A

1. Committee fees apply to the Audit Committee, Risk Committee and People and Remuneration Committee of each entity as appropriate. No fees are paid to the IAGL Nomination Committee Chair or Members.
2. Fees are inclusive of Non-Executive Director services undertaken for the Insurance Australia Limited Board and Committees.
3. IAG New Zealand Limited Board and Committee fees are shown in NZD.
4. On 1 September 2025 IAG acquired 90% of the shares in RACQ Insurance. The business of RACQ Insurance is being integrated into IAG. Following full integration, it is expected that the RACQ Insurance Board will no longer be required.

IV. Changes to Non-Executive Director fees

The Board regularly reviews the fees paid to Non-Executive Directors. As part of this year's fee review, the Board determined:

- to increase the IAG New Zealand Board Chair fee to NZ$250,000 from NZ$218,400 effective 1 September 2026 following external benchmarking in the New Zealand market; and
- not to increase any other Board and Committee fees for IAGL or for its other regulated subsidiaries.

In reviewing Board and Committee fees, the Board considered the fees paid to comparable companies, companies of similar market capitalisation and major peers.

V. Mandatory shareholding requirement for Non-Executive Directors

Non-Executive Directors are required to accumulate and hold ordinary shares in the Company with a value equal to their annual base Board fee. The Non-Executive Directors have three years from the date of their appointment to the Board to meet their required holding.

The mandatory shareholding requirement for Non-Executive Directors is based on either the value of shares and vested rights at acquisition or the market value at the testing date, whichever is higher. This allows Non-Executive Directors to build a long-term shareholding in the Company without being impacted by short-term share price volatility. Compliance with this requirement is assessed at the end of each financial year, using the 30-day VWAP leading up to and including 30 June or the value of shares at acquisition, and the Non-Executive Director's base Board fee from the start of the accumulation period.

All Non-Executive Directors with a testing date of 30 June 2026 have met the applicable mandatory shareholding requirement.

VI. Non-Executive Director Award Rights Plan (NARs Plan)

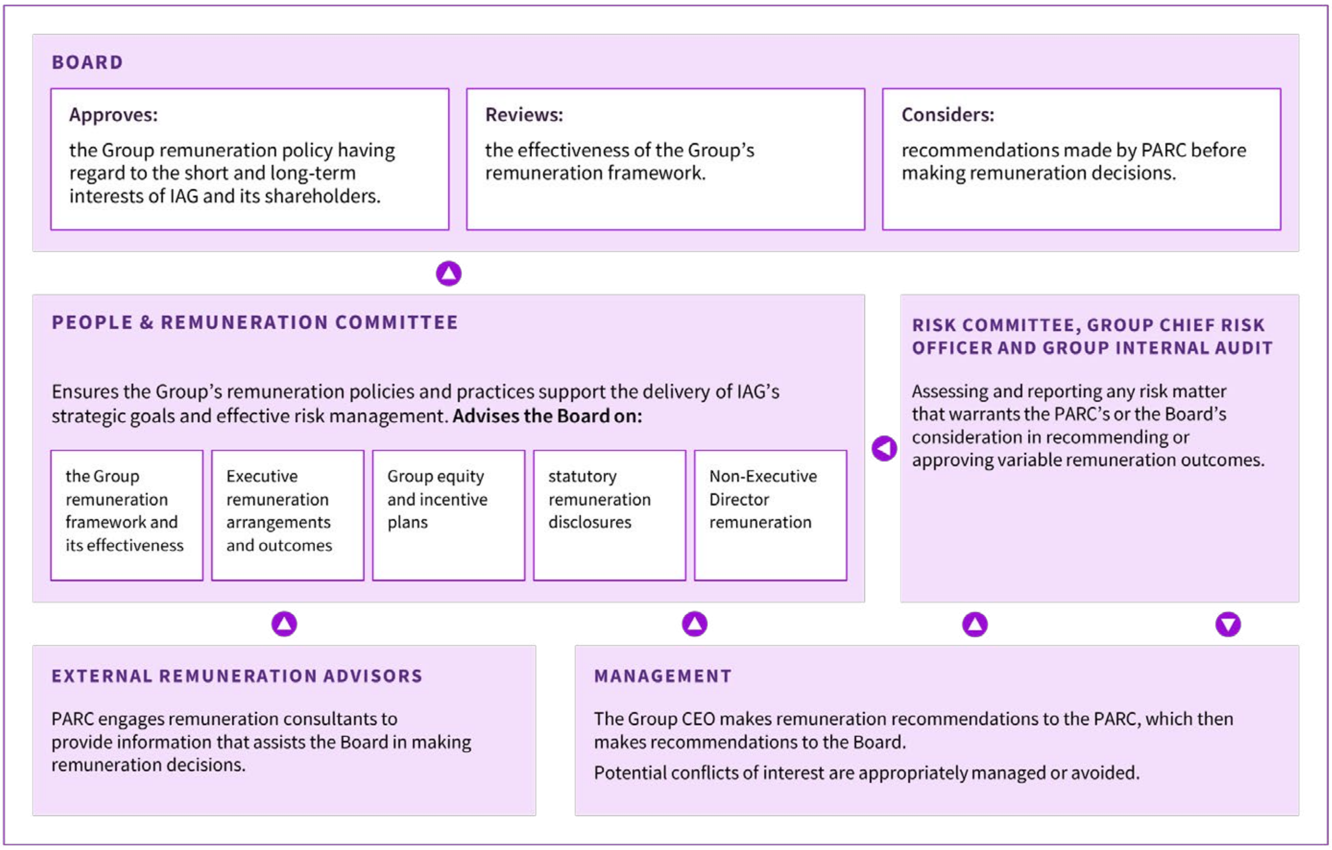
Non-Executive Directors may agree with IAG to receive some of their IAGL Board fees in rights over shares in the Company (NARs). Structuring Non-Executive Director fees in this manner supports Non-Executive Directors to build their shareholdings in the Company. This enhances the alignment of interest between Non-Executive Directors and shareholders as well as facilitating the achievement of mandatory shareholding requirements.

Design feature	Approach
Participation	Each Non-Executive Director may agree with IAG to have a proportion of their base Board fee provided as NARs. Participation in the NARs Plan is voluntary.
Vesting conditions	A service condition is attached to the vesting of the NARs. NARs are divided into 12 equal tranches. Vesting of each tranche is subject to continuous engagement as a director from the allocation date until that tranche vests. On vesting, NARs become exercisable. The full annual allocation of unvested NARs is issued at the grant date, with tranches fully vesting each month to align the vesting of NARs with the payment of Non-Executive Director fees. No performance conditions are attached to the NARs plan.
Instrument	Grants under the NARs Plan are in the form of rights over ordinary shares in the Company. Each NAR entitles the Non-Executive Director to receive on exercise of each right one ordinary share in the Company at no cost to the Non-Executive Director.
Allocation methodology	The number of NARs offered during FY26 was determined by dividing the amount of the base Board fee the Non-Executive Director nominates to receive as NARs, by the five-day VWAP over the five trading days from 21 October 2025, rounded up to the nearest NAR.
Voting rights	NARs do not carry voting rights until they are exercised, and the Non-Executive Director holds shares in the Company.
Expiry date	NARs expire 15 years from the grant date, or on any other expiry date determined by the Board. NARs that are not exercised before the expiry date will lapse.
Forfeiture conditions	In the event a Non-Executive Director ceases service with the Board, any vested NARs may be exercised for shares in the Company in the subsequent trading window. Any unvested NARs will lapse. Under certain circumstances (eg change of control), the Board also has sole and absolute discretion to deal with the NARs, including waiving any applicable vesting conditions and/or exercise conditions by giving notice or allowing a Non-Executive Director affected by the relevant event to transfer their NARs.

F. Executive remuneration governance

I. IAG's approach to remuneration governance

A robust governance framework is in place to carefully manage remuneration and any associated risks. The diagram below illustrates the key stakeholders involved in supporting IAG's remuneration governance framework. The responsibilities of the People and Remuneration Committee are set out in its Charter. The Charter is available in the Board and Committees section of our website (www.iag.com.au).



II. Risk management and governance mechanisms

The following outlines key mechanisms within IAG's risk management and remuneration governance frameworks.

Board discretion	Variable remuneration reinforces behaviours and supports outcomes aligned to IAG's purpose and strategic objectives. It encourages both prudent risk taking and risk mitigation that protects the long-term sustainability, financial soundness, and reputation of the Group and is aligned with shareholder outcomes. The Board has overriding discretion to adjust all forms of variable remuneration (upwards, downwards and to nil if appropriate) for any employee or group of employees in response to material risk events or conduct (subject to any legal constraints and applicable regulatory requirements), including: • misconduct leading to material adverse outcomes; • a material failure of financial or non-financial risk management; • a material failure or breach of accountability, fitness and propriety, or compliance obligations; • a material error or a material misstatement of criteria on which the variable remuneration was based; • material adverse outcomes for customers, beneficiaries or counterparties; and • any other circumstances the Board determines are relevant.

STI pool and LTI calculation principles – introduced from FY22

The Board has the discretion to adjust upwards and downwards:

- the size of the Group STI pool under the STI plan, and to award different STI allocations to different segments of employees; and
- LTI vesting outcomes to ensure the performance of the Group and individuals are aligned to shareholder outcomes and expectations.

As an overarching principle, all one-off, unusual items, or financial statement adjustments during the financial year, will be included when measuring financial performance. Performance adjustments may be made in limited circumstances for items that meet the Group materiality threshold, either individually or collectively, during the performance period.

When considering whether an adjustment is to be made, the following calculation principles will be used to guide decision making to ensure stakeholder interests are fairly balanced and to support consistent application of Board discretion year on year. Any adjustment decisions will consider:

- alignment with shareholder, market, regulator and community expectations;
- shareholder outcomes;
- the impact on IAG's reputation;
- the purpose and integrity of the STI or LTI plan;
- the circumstances surrounding the item;
- whether the item was within the Executive team's control or influence;
- whether the item resulted from conduct contrary to the Group's risk appetite;
- actions taken (or not taken) by management to mitigate risk or reduce the impact of the one-off item;
- the extent to which the matter has been reflected in outcomes for other incentive schemes and/or risk adjustment decisions;
- whether the performance assessment and/or outcomes reflect the impact of unforeseen events on the business and shareholder value; and
- the level of performance expected when the original targets were set.

Where possible, adjustments to LTI will be made at the time of vesting.

Risk adjustment

The Board's assessment of identified risk events and determination of risk related adjustments to variable remuneration is outlined below.

1. Assessment of risk events

To support the Board in making a risk adjustment, the Group CRO and the Executive General Manager, Group Internal Audit identify and assess material risk events and individuals involved in each event and present their recommendations on which events may warrant an adjustment to variable remuneration to the Board Risk Committee for consideration.

The Board Risk Committee assesses the severity of the impact of an event and the level of accountability or responsibility of the individuals involved.

The Board Risk Committee will determine whether a risk event warrants consideration of a risk adjustment.

2. Determination and application of adjustment

The PARC supports the Board in determining the quantum of risk adjustments for employees in specified roles with reference to the Board Risk Committee's assessment. Judgement will be applied to ensure the adjustment is reasonable and proportionate to the severity of the event.

The Board approved adjustments (to nil if appropriate) may be applied using the following levers:

a. reductions to in-year STI awards;
b. adjustments to unvested, vested or exercised LTI awards and/or deferred STI; and/or
c. clawback of variable remuneration already paid or vested for certain executive roles.

Adjustments may be applied to the individual, to a collective or Group-wide.

The Board Risk Committee considered risk events that arose or were identified during the year (including where new information was brought to light in relation to past events). It determined that there were no material matters requiring risk adjustments to be made.

Remuneration report (continued)

Clawback	Clawback applies to performance-based variable remuneration earned for performance periods starting from 1 July 2023. The Board may: • determine that vested DARs and EPRs and/or shares allocated on exercise of DARs or EPRs lapse or are forfeited (as appropriate); or • require payment or repayment to the Company as a debt, any variable cash payment or, cash payments received in connection with the DARs and EPRs (including cash sale proceeds received upon the sale of shares that have arisen from vested DARs and EPRs, dividends received in respect of shares that have arisen from vested DARs and EPRs or any cash equivalent payment made instead of an allocation of shares), for a period of up to two years from the date on which the cash is paid, or DARs and EPRs vest (as applicable). The relevant Executive must take any action required to comply with the Board's determination. Clawback applies to Executives and some other specified roles as required by CPS 511.
Hedging	Executives may not enter into transactions or arrangements that operate to limit the economic risk of unvested entitlements to securities in the Company.
Mandatory shareholding requirement for Executives	The mandatory shareholding requirement allows Executives to build a long-term shareholding in the Company. The mandatory shareholding requirement for Executives is based on either the value of shares and vested rights at acquisition or the market value at the testing date, whichever is higher. This allows Executives to build a long-term shareholding in the Company without being impacted by short-term share price volatility. Compliance with this requirement is assessed at the end of each financial year, using the 30-day VWAP leading up to and including 30 June or the value of shares at acquisition, and the Executive's base pay from the start of the accumulation period. All Executives with a testing date of 30 June 2026 have met the applicable mandatory shareholding requirement.

	Ordinary shares to accumulate and hold	Period to accumulate
Group CEO	2 x base pay	Four years
Executives (other than Group CRO)	1 x base pay	Four years
Group CRO	1 x base pay	Five years

III. Use of remuneration advisors

During the year external remuneration advisors were engaged to:

- provide Executive and Non-Executive Director remuneration benchmarking;
- provide market insights and assistance with the remuneration framework; and
- conduct the CPS 511 triennial effectiveness review.

The remuneration data provided was used as an input to remuneration decisions by the Board only. The Board considered the data provided together with other factors, in setting the level and structure of Executives' remuneration. No remuneration recommendations, as defined in the *Corporations Act 2001* (Cth), were provided by the remuneration advisors.

G. Other statutory disclosures

I. Executive statutory remuneration

Statutory remuneration details for Executives as required by Australian Accounting Standards are set out in the table below. For actual remuneration received by Executives in relation to FY26, refer to Section C.IV.

	Short-term employment benefits				Post-employment benefits	Other long-term employment benefits	Share-based payments		Total statutory remuneration	At-risk remuneration
	Base pay $000[1]	Cash STI $000[2]	Non-monetary benefits $000[3]	Other benefits $000[4]	Super-annuation $000	Long service leave accruals $000[5]	Value of deferred STI $000[6]	Value of LTI $000[6]	Total value $000[7]	As a % of total reward %[8]
Nick Hawkins										
2026	**1,922**	**1,156**	**-**	**(74)**	**30**	**29**	**973**	**2,020**	**6,056**	**69**
2025	1,843	1,194	-	26	30	28	1,296	1,445	5,862	67
Julie Batch										
2026	**947**	**515**	**-**	**(10)**	**30**	**15**	**474**	**1,025**	**2,996**	**67**
2025	906	550	-	-	30	14	563	734	2,797	66
Robert Cutler										
2026	**849**	**474**	**-**	**18**	**30**	**13**	**314**	**434**	**2,132**	**57**
2025	820	482	-	14	30	13	179	244	1,782	51
Phil Gibson[9]										
2026	**295**	**169**	**169**	**82**	**-**	**-**	**29**	**81**	**825**	**34**
Jarrod Hill										
2026	**947**	**515**	**-**	**13**	**30**	**15**	**463**	**1,025**	**3,008**	**67**
2025	906	518	-	26	30	14	543	722	2,759	65
William McDonnell										
2026	**881**	**486**	**5**	**9**	**30**	**14**	**380**	**778**	**2,583**	**64**
2025	820	470	3	-	30	13	320	604	2,260	62
Neil Morgan										
2026	**923**	**521**	**-**	**(12)**	**30**	**14**	**460**	**1,001**	**2,937**	**67**
2025	886	507	-	(16)	30	14	539	718	2,678	66
Christine Stasi										
2026	**847**	**467**	**-**	**(3)**	**30**	**13**	**417**	**913**	**2,684**	**67**
2025	802	461	-	6	30	12	494	653	2,458	65
Peter Taylor										
2026	**914**	**368**	**-**	**(13)**	**30**	**14**	**365**	**632**	**2,310**	**59**
2025	880	373	-	12	30	14	518	496	2,323	60
Amanda Whiting										
2026	**873**	**477**	**210**	**75**	**23**	**10**	**430**	**931**	**3,029**	**61**
2025	874	486	15	85	-	-	500	656	2,616	63

1. Base pay includes amounts paid in cash, the portion of IAG's superannuation contribution that is paid as cash instead of superannuation, and salary sacrifice items such as cars and parking, as determined in accordance with *AASB 119 Employee Benefits*.
2. Cash STI earned for the year ended 30 June 2026, to be paid in September 2026 (representing half of the STI award made for the financial year).
3. Non-monetary benefits include costs met by IAG for relocation.
4. Annual leave accruals and other short term employment benefits as agreed and provided under specific conditions.
5. Long service leave accruals as determined in accordance with *AASB 119 Employee Benefits*.
6. Details of deferred STI (DARs) and LTI (EPRs) awards expensed over FY26 are provided in Section G.II.
7. No termination benefits were provided in FY26.
8. At risk remuneration is dependent on a combination of the financial performance of IAG, the Executive's performance against individual measures (financial and non-financial) and continuing employment. At risk remuneration typically includes STI (cash and deferred remuneration) and LTI.
9. 2026 remuneration reflects part year service for Phil Gibson (from 23 February 2026).

Remuneration report (continued)

II. Overview of equity awards expensed in FY26

Details of awards made to Executives that were partially expensed during the year ended 30 June 2026 are shown in the table below. All awards are subject to continued employment, Board risk adjustment and malus. Awards earned with performance periods starting from 1 July 2023 are also subject to clawback. Details of awards granted in prior years, including details of eligible Executives, minimum and maximum potential values, are available in previous Annual Reports available in the Financial results section of our website (www.iag.com.au).

Award	Participants	Grant date	Start date[1]	End date[2]	Measures and terms
FY26 DARs	Group CEO	October 2026	01/07/2025	August 2031	Four tranches – 82% vesting one year after grant, 18% vesting equally three, four and five years after grant.
FY25 DARs	Group CEO	29/10/2025	01/07/2024	August 2030	Four tranches – 73% vesting one year after grant, 27% vesting equally three, four and five years after grant.
FY24 DARs	Group CEO	06/11/2024	01/07/2023	August 2029	Four tranches – 79% vesting one year after grant, 21% vesting equally three, four and five years after grant.
FY26 DARs	Other Executives	October 2026	01/07/2025	August 2028	Two tranches – 50% deferred for at least one year and 50% for at least two years.
FY25 DARs	Eligible Other Executives	29/10/2025	01/07/2024	15/08/2027	
FY24 DARs	Eligible Other Executives	06/11/2024	01/07/2023	15/08/2026	
FY23 DARs	Eligible Executives (includes Group CEO)	07/11/2023	01/07/2022	15/08/2025	
FY23 DARs	Group CRO	03/11/2022	03/11/2022	15/08/2025	Three tranches provided as compensation for incentives forgone from his previous employer – 39% vested in August 2025; 43% vested in August 2024 and 18% vested in August 2023.
FY26 EPRs	CEO, IAG New Zealand	29/05/2026	01/07/2025	30/06/2029	Three tranches with performance measured over four years: • 33.3% Reported ROE – vesting commences when Reported ROE is 11% with full vesting at 15% or more • 33.3% IAG's TSR ranking relative to top 50 industrial S&P/ASX 100 Index – vesting commences at the 50.1th percentile and full vesting at the 75th percentile or more • 33.3% tNPS – vesting commences when tNPS is 47 with full vesting at 55 or more. For the Group CEO vesting occurs 33.3% at the end of year 4, 33.3% at the end of year 5 and 33.3% at the end of year 6. For other Executives 50% vests at the end of year 4 and 50% at the end of year 5.
	Other Executives	29/10/2025			
FY25 EPRs	Eligible Executives	06/11/2024	01/07/2024	30/06/2028	
FY24 EPRs	Chief Financial Officer	28/06/2024	01/07/2023	30/06/2027	
	Eligible Other Executives	07/11/2023			
FY23 EPRs	Eligible Executives	03/11/2022	01/07/2022	30/06/2026	Two tranches with performance measured over four years: • 50% Reported ROE – vesting commences when Reported ROE is 10% with full vesting at 14% or more • 50% IAG's TSR ranking relative to top 50 industrial S&P/ASX 100 Index – vesting commences at the 50.1th percentile and full vesting at the 75th percentile or more.
FY22 EPRs	Eligible Executives	04/11/2021	01/07/2021	30/06/2025	Two tranches with performance measured over four years, with any vesting occurring at the end of the performance period: • 50% ROE – vesting commences when ROE is 1.4 times WACC with full vesting when ROE is 1.9 times WACC or more • 50% IAG's TSR ranking relative to top 50 industrial S&P/ASX 100 Index – vesting commences at the 50th percentile and full vesting at the 75th percentile.

1. The date the performance period commences or grant date.
2. The date that is the end of the last restriction or performance period.

III. Non-Executive Director statutory remuneration

Statutory remuneration details for Non-Executive Directors as required by Australian Accounting Standards are set out in the table below. Performance-based payments and termination benefits are not provided to Non-Executive Directors. No non-monetary benefits have been provided in 2025 or 2026.

	Short-term employment benefits		Post-employment benefits	Share-based payments	Total statutory remuneration
	IAGL Board and Committee fees[1] received as cash $000	Regulated subsidiary Board and Committee fees received as cash[2] $000	Superannuation[3] $000	Value of NARs[4] $000	Total value $000
Non-Executive Directors					
Tom Pockett					
2026	**620**	**199**	**8**	**-**	**827**
2025[5]	601	192	-	-	793
Simon Allen					
2026	**235**	**187**	**28**	**-**	**450**
2025[5]	227	181	26	-	434
Helen Nugent					
2026	**236**	**26**	**30**	**-**	**292**
2025[5]	227	-	26	-	253
Scott Pickering					
2026	**213**	**187**	**29**	**-**	**429**
2025[5]	203	128	23	-	354
George Sartorel					
2026	**239**	**55**	**30**	**-**	**324**
2025[5]	227	-	26	-	253
George Savvides					
2026	**238**	**45**	**30**	**-**	**313**
2025[5]	230	-	26	-	256
JoAnne Stephenson					
2026	**259**	**34**	**30**	**-**	**323**
2025[5]	32	-	4	-	36
Wendy Thorpe[6]					
2026	**239**	**29**	**5**	**47**	**320**
2025[5]	202	-	-	73	275
Michelle Tredenick					
2026	**283**	**37**	**8**	**-**	**328**
2025[5]	276	-	2	-	278
Former Non-Executive Director					
David Armstrong[7]					
2026	**64**	**-**	**8**	**-**	**72**
2025[5]	250	-	29	-	279

1. Fees are inclusive of Non-Executive Director services undertaken for the Insurance Australia Limited Board and Committees.
2. Fees received in the KMP's capacity as a non-executive director on the applicable regulated Boards and Committees of controlled entities of the Company (being CGU Australia Pty Ltd, IAG New Zealand Limited, RACQ Insurance Limited and Insurance Manufacturers of Australia Pty Limited). These Boards are regulated by APRA or the Reserve Bank of New Zealand. Details of individual memberships on these Boards are provided in the Directors of Insurance Australia Group section of the Annual Report.
3. Superannuation contributions are provided to the KMP in accordance with legislative requirements on all fees received as cash.
4. NARs are equity settled.
5. 2025 comparative figures have been represented in line with current year presentation.
6. Cash fees paid to Wendy Thorpe reflect Board fees sacrificed in respect of NARs awarded. The NARs granted to Wendy Thorpe in FY26 100% vested during FY26.
7. David Armstrong retired from the Board effective 12 September 2025.

IV. Executive employment agreements

The table below provides details of the contractual arrangements for the Group CEO and Executives.

Item	Details
Contract type and term	Ongoing, permanent contract.
Termination of employment with notice or payment in lieu of notice	The Group may terminate employment of an Executive at any time by providing 12 months' notice or payment in lieu of notice. Executives are required to provide six months' notice of resignation, with the exception of Group CEO, Nick Hawkins who is required to provide 12 months' notice. Subject to relevant legislation in the various jurisdictions, termination provisions may include the payment of annual leave and/or long service leave.
Termination of employment without notice and without payment in lieu of notice	An Executive's employment may be terminated without notice and without payment in lieu of notice in some circumstances. Generally, this would occur where the Executive: • is charged with a criminal offence that could bring the organisation into disrepute; • is declared bankrupt; • breaches a provision of their employment agreement; • is guilty of serious and wilful misconduct; or • unreasonably fails to comply with any material and lawful direction given by the relevant company.
Redundancy arrangements	Executives are entitled to a redundancy payment of up to 12 months' fixed pay. Legacy arrangements apply for Group CEO, Nick Hawkins, who has a redundancy entitlement of 66 weeks of fixed pay, and CEO, NRMA Insurance, Julie Batch, who has a redundancy entitlement of 54 weeks of fixed pay.

V. Movement in equity plans within the financial year

Changes in each Executive's holding of DARs and EPRs and each Non-Executive Director's holdings of NARs during the year ended 30 June 2026 are set out in the table below. The DARs granted during the year ended 30 June 2026 were in relation to the FY25 STI plan. The EPRs granted during the year ended 30 June 2026 were in relation to the FY26 LTI plan. The NARs granted during the year ended 30 June 2026 represent the total number of rights the Non-Executive Director has agreed to receive as part of the payment of their base Board fees.

		Rights on issue at 1 July 2025	Rights granted		Rights exercised		Rights lapsed		Rights on issue at 30 June 2026	Rights vested during the year	Rights vested and exercisable at 30 June 2026
		Number	Number	Value $000[1]	Number	Value $000[2]	Number	Value $000[2]	Number	Number	Number[3]
Executives											
Nick Hawkins	DAR	215,750	135,410	1,013	(181,070)	1,543	-	-	170,090	181,070	-
	EPR	2,100,340	334,440	1,879	(386,568)	3,355	(144,432)	1,136	1,903,780	386,568	-
Julie Batch	DAR	94,550	62,360	472	(57,410)	495	-	-	99,500	57,410	-
	EPR	953,520	167,550	959	(161,106)	1,389	(60,194)	474	899,770	161,106	-
Robert Cutler	DAR	-	54,660	413	-	-	-	-	54,660	-	-
	EPR	194,880	150,540	862	-	-	-	-	345,420	-	-
Phil Gibson	EPR	-	162,960	906	-	-	-	-	162,960	-	-
Jarrod Hill	DAR	93,530	58,780	445	(56,390)	486	-	-	95,920	56,390	-
	EPR	953,520	167,550	959	(161,106)	1,406	(60,194)	474	899,770	161,106	-
William McDonnell	DAR	38,920	53,360	404	(19,460)	170	-	-	72,820	19,460	-
	EPR	434,070	157,350	901	-	-	-	-	591,420	-	-
Neil Morgan	DAR	92,450	57,480	435	(56,130)	484	-	-	93,800	56,130	-
	EPR	932,410	163,320	935	(157,539)	1,359	(58,861)	463	879,330	157,539	-
Christine Stasi	DAR	84,950	52,260	395	(51,930)	448	-	-	85,280	51,930	-
	EPR	847,620	150,540	862	(143,197)	1,235	(53,503)	421	801,460	143,197	-
Peter Taylor	DAR	123,919	42,340	320	(96,499)	842	-	-	69,760	96,499	-
	EPR	467,790	107,760	617	-	-	-	-	575,550	-	-
Amanda Whiting	DAR	85,460	55,080	417	(51,150)	446	-	-	89,390	51,150	-
	EPR	857,090	154,800	886	(143,197)	1,235	(53,503)	421	815,190	143,197	-
Non-Executive Directors											
Wendy Thorpe[4]	NAR	9,689	5,902	47	(9,689)	84	-	-	5,902	5,902	5,902

1. The value of the rights is the fair value at grant date. The minimum possible value of rights is nil if the award is fully forfeited or lapsed. The maximum possible value of rights is subject to meeting service and performance conditions and the Company's five-day VWAP, up to and including the date any vested rights are exercised.
2. The value of the rights exercised is based on the five-day VWAP up to and including the exercise date. The value of the rights lapsed is based on the annual VWAP for the year ended 30 June 2026, which was $7.867. The EPRs that lapsed during the financial year are in respect of the LTI awards granted in FY22 that were 27.2% forfeited in August 2025.
3. All rights that vested during FY26 have been exercised, except for Wendy Thorpe.
4. The fair value of each NAR granted to Wendy Thorpe on 29 October 2025 was $7.897.

VI. Details of awards granted during the year ended 30 June 2026 to Executives

The table below provides details as required by Australian Accounting Standards. The number of rights granted to eligible Executives in FY26 is shown in the table in Section G.V. All rights are issued by the Company. The fair value for DARs and EPRs, with an ROE or tNPS performance measure, have been calculated using a Black-Scholes valuation model. The fair value for EPRs with a TSR performance measure was calculated using a Monte Carlo simulation method.

Award	Grant date	Performance measure	Weighting	Fair value[1] $	Assessment period end	Scheduled vesting[2]	Expiry date
FY25 DARs (Group CEO)	29/10/2025	Service	73%	7.709	N/A	August 2026	29/10/2032
			27%	7.142		August 2028	
				6.874		August 2029	
				6.617		August 2030	
FY25 DARs (Eligible Other Executives)	29/10/2025	Service	50%	7.709	N/A	August 2026	29/10/2032
			50%	7.420		August 2027	
FY26 EPRs (Group CEO)	29/10/2025	Reported ROE	33.3%	6.919	30/06/2029	August 2029	29/10/2032
				6.660		August 2030	
				6.410		August 2031	
		tNPS	33.3%	6.919		August 2029	
				6.660		August 2030	
				6.410		August 2031	
		TSR	33.3%	3.664		August 2029	
				3.526		August 2030	
				3.394		August 2031	
FY26 EPRs (CEO, New Zealand)	29/05/2026	Reported ROE	33.3%	6.777	30/06/2029	August 2029	29/05/2033
				6.513		August 2030	
		tNPS	33.3%	6.777		August 2029	
				6.513		August 2030	
		TSR	33.3%	3.457		August 2029	
				3.322		August 2030	
FY26 EPRs (Eligible Other Executives)	29/10/2025	Reported ROE	33.3%	6.919	30/06/2029	August 2029	29/10/2032
				6.660		August 2030	
		tNPS	33.3%	6.919		August 2029	
				6.660		August 2030	
		TSR	33.3%	3.664		August 2029	
				3.526		August 2030	

1. Fair value is used for expensing of share-based payments in accordance with Australian Accounting Standards.
2. Scheduled to occur two days after the Company's annual financial results are announced for the relevant financial year. Rights are exercisable from the vesting date.

VII. Related party interests

In accordance with the Corporations Act Regulation 2M.3.03, the Remuneration Report includes disclosure of related parties' interests. Related parties include (i) a close member of the family of a KMP; or (ii) an entity over which the KMP or the family member has, either directly or indirectly, control, joint control or significant influence.

I. Movements in total number of ordinary shares held

The table below discloses the relevant interests of each KMP and their related parties in ordinary shares in the Company for FY26. No ordinary shares in the Company or other equity instruments were granted during FY26 as remuneration.

	Shares held at 1 July 2025[1]	Shares received on exercise of DARs	Shares received on exercise of EPRs	Shares received on exercise of NARs	Net movement of shares due to other changes[2]	Total shares held at 30 June 2026[3]	Shares held nominally at 30 June 2026[3,4]
	Number	Number	Number	Number	Number	Number	Number
Non-Executive Directors							
Tom Pockett	113,571	-	-	-	2,488	116,059	-
Simon Allen	50,000	-	-	-	-	50,000	50,000
Helen Nugent	38,167	-	-	-	-	38,167	38,167
Scott Pickering	33,222	-	-	-	-	33,222	33,222
George Sartorel	25,000	-	-	-	-	25,000	-
George Savvides	46,917	-	-	-	-	46,917	46,917
JoAnne Stephenson	-	-	-	-	10,000	10,000	10,000
Wendy Thorpe	14,731	-	-	9,689	534	24,954	22,262
Michelle Tredenick	37,815	-	-	-	-	37,815	24,294
Former Non-Executive Director							
David Armstrong	45,650	-	-	-	-	45,650	-
Executives							
Nick Hawkins	590,194	181,070	386,568	-	(300,000)	857,832	267,638
Julie Batch	180,241	57,410	161,106	-	-	398,757	252,636
Robert Cutler	-	-	-	-	-	-	-
Phil Gibson	-	-	-	-	-	-	-
Jarrod Hill	176,643	56,390	161,106	-	(22,904)	371,235	301,046
William McDonnell	-	19,460	-	-	-	19,460	19,460
Neil Morgan	291,007	56,130	157,539	-	(287,909)	216,767	216,593
Christine Stasi	150,179	51,930	143,197	-	(130,000)	215,306	136,469
Peter Taylor	74,929	96,499	-	-	(35,000)	136,428	136,428
Amanda Whiting	109,123	51,150	143,197	-	(199,840)	103,630	65,137

1. Opening number of shares represents the balance as at the later of the date of appointment to a KMP role or 1 July 2025.
2. Net movement of shares relates to acquisition and disposal transactions by the KMP and their related parties during the year.
3. For former Non-Executive Director, David Armstong, the amount represents his holdings at the date he ceased to be KMP.
4. Shares nominally held are included in the column headed 'Total shares held at 30 June 2026' and include those held directly, indirectly or beneficially by the KMP's related parties or held on behalf of the KMP in a custodial arrangement.

II. Movements in total number of Capital Notes 2 and 3 held

No KMP had any interest directly or nominally in Capital Notes 2 or 3 during the financial year (2025: nil).

III. Related Party Transactions

No KMP or their related parties had any "non-arm's-length" transactions with IAG.

This report meets the remuneration reporting requirements of the *Corporations Act 2001* (Cth) and Accounting Standard *AASB 124 Related Party Disclosures*. The term remuneration used in this report has the same meaning as compensation as prescribed in *AASB 124*.

Director's signature to the Directors' report

The Directors' Report is signed at Sydney this 13th day of August 2026 in accordance with a resolution of the Directors.

Nick Hawkins
Director

Lead Auditor's Independence Declaration

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Insurance Australia Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the review of specified sustainability disclosures in the sustainability report of Insurance Australia Group Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG.

KPMG

Brendan Twining
Partner
Sydney
13 August 2026

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Financial report

Consolidated statement of comprehensive income

For the financial year ended 30 June 2026

	Note	2026 $m	2025 $m
Insurance revenue	2.2.2	**18,666**	16,776
Insurance service expense	2.2.2	**(15,726)**	(12,986)
Reinsurance held expense	2.2.3	**(3,223)**	(2,342)
Reinsurance held income	2.2.3	**1,730**	445
Insurance service result		**1,447**	1,893
Insurance finance expense	2.2.2, 2.5	**(298)**	(602)
Reinsurance finance income	2.2.3, 2.5	**157**	318
Investment income on assets backing insurance liabilities, net of expenses	2.5	**246**	464
Insurance profit		**1,552**	2,073
Investment income on shareholders' funds, net of expenses	2.5	**383**	403
Fee and other income		**70**	65
Finance costs		**(190)**	(192)
Fee-based, corporate and other expenses		**(76)**	(136)
Profit before income tax		**1,739**	2,213
Income tax expense for the year	5.2	**(522)**	(678)
Profit for the year		**1,217**	1,535
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Net movement in foreign currency translation reserve, net of tax		**(189)**	18
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans, net of tax		**9**	10
Other comprehensive income, net of tax		**(180)**	28
Total comprehensive income for the year, net of tax		**1,037**	1,563
Profit for the year attributable to			
Shareholders of the Parent		**1,022**	1,359
Non-controlling interests		**195**	176
Profit for the year		**1,217**	1,535
Total comprehensive income for the year attributable to			
Shareholders of the Parent		**842**	1,387
Non-controlling interests		**195**	176
Total comprehensive income for the year, net of tax		**1,037**	1,563
Earnings per share			
Basic earnings per ordinary share (cents)	4.3	**43.40**	57.49
Diluted earnings per ordinary share (cents)	4.3	**42.81**	56.14

The above consolidated statement of comprehensive income should be read in conjunction with the notes to the financial statements.

Consolidated balance sheet

As at 30 June 2026

	Note	2026 $m	2025 $m
Assets			
Cash held for operational purposes	8.1	**623**	703
Investments	2.4	**13,894**	13,504
Reinsurance contract held assets	2.2	**7,458**	6,687
Trade and other receivables		**388**	586
Current tax assets		**5**	52
Deferred tax assets	5.2	**195**	206
Right-of-use assets	5.4	**273**	282
Property and equipment		**246**	235
Other assets		**139**	142
Goodwill and intangible assets	5.1	**4,378**	3,912
Total assets		**27,599**	26,309
Liabilities			
Trade and other payables		**722**	844
Current tax liabilities		**188**	274
Deferred tax liabilities	5.2	**198**	55
Insurance contract liabilities	2.2	**14,906**	13,846
Lease liabilities	5.4	**375**	401
Provisions	5.3	**482**	528
Other liabilities		**16**	19
Interest-bearing liabilities	4.1	**2,868**	2,556
Total liabilities		**19,755**	18,523
Net assets		**7,844**	7,786
Equity			
Share capital	4.2	**6,599**	6,799
Treasury shares held in trust		**(55)**	(46)
Reserves		**(82)**	93
Retained earnings		**770**	483
Parent interest		**7,232**	7,329
Non-controlling interests		**612**	457
Total equity		**7,844**	7,786

The above consolidated balance sheet should be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

For the financial year ended 30 June 2026

	Share capital $m	Treasury shares held in trust $m	Foreign currency translation reserve $m	Share-based remuneration reserve $m	Retained earnings $m	Non-controlling interests $m	Total equity $m
Balance at 1 July 2025	**6,799**	**(46)**	**7**	**86**	**483**	**457**	**7,786**
Profit for the year	-	-	-	-	**1,022**	**195**	**1,217**
Other comprehensive income/(expense)	-	-	**(189)**	-	**9**	-	**(180)**
Total comprehensive income/(loss) for the year	-	-	**(189)**	-	**1,031**	**195**	**1,037**
Transactions with owners in their capacity as owners							
On-market share buy-back, including transaction costs	**(200)**	**(62)**	-	-	-	-	**(262)**
Shares vested and expensed	-	**53**	-	**14**	**(18)**	-	**49**
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	**81**	**81**
Dividends paid	-	-	-	-	**(733)**	**(114)**	**(847)**
Change in ownership without change in control	-	-	-	-	**7**	**(7)**	-
Balance at 30 June 2026	**6,599**	**(55)**	**(182)**	**100**	**770**	**612**	**7,844**
Balance at 1 July 2024	6,836	(21)	(11)	51	(195)	457	7,117
Profit for the year	-	-	-	-	1,359	176	1,535
Other comprehensive income/(expense)	-	-	18	-	10	-	28
Total comprehensive income/(loss) for the year	-	-	18	-	1,369	176	1,563
Transactions with owners in their capacity as owners							
On-market share buy-back, including transaction costs	(37)	(47)	-	-	-	-	(84)
Shares vested and expensed	-	22	-	35	(1)	-	56
Dividends paid	-	-	-	-	(687)	(175)	(862)
Change in ownership without change in control	-	-	-	-	(3)	(1)	(4)
Balance at 30 June 2025	6,799	(46)	7	86	483	457	7,786

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated cash flow statement

For the financial year ended 30 June 2026

	Note	2026 $m	2025 $m
Cash flows from operating activities			
Premium received	2.2.2	**17,977**	16,764
Reinsurance held recoveries received	2.2.3	**4,323**	3,615
Claims and other expenses paid	2.2.2	**(13,498)**	(11,824)
Insurance acquisition cash flows	2.2.2	**(1,866)**	(1,829)
Reinsurance held premium paid net of ceding commission	2.2.3	**(5,921)**	(5,504)
Dividends, interest and trust distributions received		**594**	603
Finance costs paid		**(179)**	(184)
Income taxes paid		**(474)**	(277)
Net other operating receipts/(payments)[1]		**86**	(12)
Net cash flows from operating activities	8.1	**1,042**	1,352
Cash flows from investing activities			
Net cash flows on (acquisition)/disposal of subsidiaries and associates		**(800)**	(4)
Net cash flows from sale/(purchase) of investments, plant and equipment, and intangible assets		**448**	42
Net cash flows from investing activities		**(352)**	38
Cash flows from financing activities			
On-market share buy-back, net of transaction costs		**(262)**	(84)
Proceeds from borrowings, net of transaction costs		**348**	496
Repayment of borrowings		**-**	(450)
Principal element of lease payments		**(82)**	(82)
Dividends paid to shareholders of the Parent		**(733)**	(687)
Dividends paid to non-controlling interests		**(114)**	(175)
Net cash flows from financing activities		**(843)**	(982)
Net movement in cash held		**(153)**	408
Effects of exchange rate changes on balances of cash held in foreign currencies		**(53)**	4
Cash and cash equivalents at the beginning of the financial year		**2,253**	1,841
Cash and cash equivalents at the end of the financial year	8.1	**2,047**	2,253

1. Comparative figures have been re-presented for consistency with the current period presentation.

The above consolidated cash flow statement should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. Overview

Note 1.1 Introduction

The Financial Report is structured to provide prominence to the disclosures that are considered most relevant to the users' understanding of the operations, results and financial position of IAG.

The Financial Report has been organised into the following sections:

1.	**Overview –** Contains information that affects the Financial Report as a whole, as well as segment reporting disclosures.
2.	**Insurance disclosures –** Financial statement disclosures considered most relevant to the core insurance activities.
3.	**Risk –** Discusses IAG's exposure to various risks, explains how these affect IAG's financial position and performance and how IAG seeks to manage and mitigate these risks.
4.	**Capital structure –** Provides information about the capital management practices of IAG and related shareholder returns.
5.	**Other balance sheet disclosures –** Discusses other balance sheet items such as goodwill and intangible assets, as well as disclosures in relation to IAG's tax balances.
6.	**Group structure –** Provides details of non-controlling interests and parent entity disclosure.
7.	**Unrecognised items –** Disclosure of items not recognised in the financial statements at reporting date, but which could potentially have a significant impact on IAG's financial position and performance going forward.
8.	**Additional disclosure –** Other disclosures required to comply with Australian Accounting Standards.

Note 1.2 About this report

A. Corporate information

Insurance Australia Group Limited (Company or Parent), the ultimate parent entity in the Group, is a for-profit company, incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange (ASX). Its registered office and principal place of business is Level 9, Tower Two, Darling Park, 201 Sussex Street, Sydney, NSW 2000, Australia. This Financial Report covers the consolidated financial statements for the Company and its subsidiaries (IAG or Group) for the financial year ended 30 June 2026.

A description of the nature of IAG's operations and its principal activities is included in the Directors' Report.

B. Statement of compliance

This general purpose financial report was authorised by the Board of Directors for issue on 13 August 2026 and complies with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the *Corporations Act 2001*, Australian Accounting Standards (AASs) adopted by the Australian Accounting Standards Board (AASB), other authoritative pronouncements of the AASB and the ASX Listing Rules.

C. Basis of preparation

The financial statements have been prepared on the basis of historical cost principles, as modified by certain exceptions noted in the Financial Report, the most significant being the measurement of all investments and derivatives at fair value and the measurement of reinsurance contract held assets and insurance contract liabilities based on present value of fulfilment cash flows. All values are rounded to the nearest million dollars, unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*.

The balance sheet is prepared with the assets and liabilities presented broadly in order of liquidity. The assets and liabilities comprise both current amounts (expected to be recovered or settled within 12 months after the reporting date) and non-current amounts (expected to be recovered or settled more than 12 months after the reporting date).

I. Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Company as at 30 June 2026. A list of the entities that were part of the consolidated group as at 30 June 2026 is set out in the consolidated entity disclosure statement.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a 'business' and 'control' is transferred to the Group in accordance with *AASB 3 Business Combinations*. Transaction costs associated with business combinations are expensed as incurred.

For each significant business combination, the Group engages independent, qualified external valuers with relevant expertise to perform a fair value assessment of the acquired net assets, using market-based assumptions.

Control is deemed to exist when the Group has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of those returns.

The financial results of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases. In preparing the consolidated financial statements, all intercompany balances and transactions, including income, expenses, and profits and losses arising from intra-group transactions, are eliminated in full.

Where the Group does not wholly own a subsidiary, non-controlling interests are presented separately in the consolidated statement of comprehensive income, consolidated balance sheet, and consolidated statement of changes in equity. The Group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net assets.

Changes in the Group's ownership interest in a controlled entity that do not result in a loss of control are accounted for as equity transactions with owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant share acquired or disposed of in the underlying carrying value of the net assets of the controlled entity is recorded in equity under retained earnings.

II. Presentation and foreign currency

The Financial Report is presented in Australian dollars, which is the functional currency of the Company. Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Australian dollars using reporting date exchange rates. Resulting exchange differences are recognised in profit or loss. The groups of insurance and reinsurance held contracts that generate cash flows in a foreign currency, are treated as monetary items.

The assets and liabilities of foreign operations are translated to Australian dollars using reporting date exchange rates while equity items are translated using historical rates. The consolidated statement of comprehensive income is translated using annual average rates for the reporting year. Exchange rate differences arising on translation are recorded directly in equity in the foreign currency translation reserve (FCTR). On the disposal of a foreign operation, the cumulative amount of exchange differences deferred in the FCTR relating to that foreign operation is recognised in profit or loss as part of the gain or loss on disposal.

D. Material accounting policies adopted

The accounting policies adopted in the preparation of this Financial Report have been applied consistently by all entities in IAG and are the same as those applied for the previous reporting period, unless otherwise stated.

The financial statements of entities operating outside Australia that maintain accounting records in accordance with overseas accounting principles are adjusted where necessary to comply with the material accounting policies of IAG. The material accounting policies adopted in the preparation of this Financial Report are set out within the relevant note. New and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are now effective are detailed in Note 8.4.

E. Critical accounting estimates and judgements

In the process of applying the material accounting policies, certain critical accounting estimates and assumptions are applied and judgements are made by management, the results of which affect the amounts recognised in the financial statements. The estimates and related assumptions are based on experience and other factors that are considered to be reasonable and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which they are revised, and future periods if relevant. Details of the material estimates and judgements are set out within the relevant note, as outlined below:

Areas of critical accounting estimates and judgements	Note
Valuation of insurance contracts issued and reinsurance contracts held	2.2.2, 2.2.3, 2.3
Intangible assets and goodwill impairment testing, initial measurement and useful life	5.1
Income tax and related assets and liabilities	5.2

Note 1.3 Segment reporting

IAG has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (being the chief operating decision maker) in assessing performance and determining the allocation of resources.

A. Reportable segments

IAG has general insurance operations in Australia and New Zealand, with the reportable segments for the financial year ended 30 June 2026 comprising the business divisions outlined below.

IAG's reinsurance operation acts as the interface between the external providers of reinsurance capital and the operating business divisions. IAG does not manage, or view, the reinsurance operations as a separate business. Consequently, the operating results of the reinsurance operations are systematically allocated to the operating business segments.

I. Retail Insurance Australia

This segment predominantly comprises personal lines, and some commercial lines, general insurance products sold directly to customers primarily under the NRMA Insurance brand Australia wide (excluding VIC), the RACV brand in Victoria (via a distribution relationship and underwriting joint venture with RACV), the RACQI brand in Queensland (via a distribution relationship with the Royal Automobile Club of Queensland), and the ROLLiN' Insurance brand. General insurance products are also distributed under third party brands by IAG's corporate partners, including financial institutions.

II. Intermediated Insurance Australia

This segment predominantly comprises commercial lines, and some personal lines, general insurance products sold to customers through intermediaries including brokers, agents, authorised representatives, primarily under the CGU Insurance and WFI Insurance brands.

III. New Zealand

This segment comprises general insurance products underwritten in New Zealand. Insurance products are sold directly to customers predominantly under the State and AMI brands, and through intermediaries (insurance brokers and agents) under the NZI brand. General insurance products are also distributed under third party brands by IAG's corporate partners, including financial institutions.

IV. Corporate and other

This segment comprises other activities, including corporate services, capital management activity, shareholders' funds investment activities, legacy run-off reinsurance activity from previously held associates, investment in associates, and other businesses that offer products and services that are adjacent to IAG's insurance business.

B. Financial information

	Retail Insurance Australia $m	Intermediated Insurance Australia $m	New Zealand $m	Corporate and other $m	Total $m
2026					
Insurance revenue	10,583	4,530	3,553	-	18,666
Insurance service expense	(9,416)	(3,794)	(2,516)	-	(15,726)
Reinsurance held expense	(1,802)	(846)	(575)	-	(3,223)
Reinsurance held income	1,320	408	2	-	1,730
Insurance service result	685	298	464	-	1,447
Insurance finance expense	(146)	(121)	(31)	-	(298)
Reinsurance finance income	80	58	19	-	157
Investment income/(expense) on assets backing insurance liabilities, net of expenses	150	81	15	-	246
Insurance profit	769	316	467	-	1,552
Investment income/(expense) on shareholders' funds, net of expenses	-	-	-	383	383
Finance costs	-	-	-	(190)	(190)
Other net operating result	(3)	(1)	1	(3)	(6)
Profit/(loss) before income tax	766	315	468	190	1,739
Income tax expense					(522)
Profit/(loss) after income tax					1,217
Other segment information					
Capital expenditure[1]	-	-	-	765	765
Depreciation, amortisation and impairment expense	124	53	52	-	229
2025					
Insurance revenue	8,545	4,414	3,816	1	16,776
Insurance service expense	(7,139)	(3,256)	(2,590)	(1)	(12,986)
Reinsurance held expense	(1,149)	(477)	(715)	(1)	(2,342)
Reinsurance held income	477	(103)	70	1	445
Insurance service result	734	578	581	-	1,893
Insurance finance expense	(256)	(293)	(53)	-	(602)
Reinsurance finance income	138	146	34	-	318
Investment income/(expense) on assets backing insurance liabilities, net of expenses	228	192	44	-	464
Insurance profit	844	623	606	-	2,073
Investment income/(expense) on shareholders' funds, net of expenses	-	-	-	403	403
Finance costs	-	-	-	(192)	(192)
Other net operating result	(5)	(2)	(1)	(63)	(71)
Profit/(loss) before income tax	839	621	605	148	2,213
Income tax expense					(678)
Profit/(loss) after income tax					1,535
Other segment information					
Capital expenditure[1]	-	-	-	356	356
Depreciation, amortisation and impairment expense	134	70	16	-	220

1. Capital expenditure includes acquisitions of property and equipment, intangibles and other non-current segment assets.

2. Insurance disclosures

Section introduction

This section provides an overview of IAG's general insurance operations, which are the main driver of IAG's overall performance and financial position.

Note 2.1 Material accounting policies

Insurance contract liabilities consist of:

- the liability for remaining coverage, which includes fulfilment cash flows related to future services under the contracts; and
- the liability for incurred claims, which includes fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Reinsurance contract assets consist of:

- the asset for remaining coverage, which includes fulfilment cash flows related to future insured claims that have not yet been incurred; and
- the asset for incurred claims, which includes fulfilment cash flows that are expected to be received on claims that have already incurred on the underlying contract.

The Group applies the same accounting policies to measure groups of insurance contracts issued and groups of reinsurance contracts held. These policies are adapted where necessary to reflect the distinct features of reinsurance contracts held that differ from those of contracts issued.

A. Recognition, derecognition and modification

I. Recognition of contracts

Groups of **insurance contracts issued** are recognised from the earliest of:

- the beginning of the coverage period of the group;
- the date when the first payment from a policyholder in the group is due; or
- if facts and circumstances indicate that the group is onerous, from the time they are identified as onerous.

Groups of **reinsurance contracts held** are recognised from the earliest of:

- the beginning of the coverage period of the group, except that when reinsurance contracts held provide proportionate coverage, recognition is delayed until the date any underlying insurance contract is initially recognised; and
- the date the Group recognises an onerous group of underlying insurance contracts, if the Group entered into the related reinsurance contract held before that date.

New contracts are added to a group in the reporting period in which that contract meets one of the criteria noted above, provided they meet the criteria of having been issued within a period of 12 months.

II. Derecognition and modification of contracts

The Group derecognises insurance contracts when:

- the rights and obligations relating to the contract are extinguished;
- the contract is modified to the extent that the premium allocation approach was no longer an applicable measurement model, there is a change in the applicable standard for measuring a component of the contract, there are substantial changes to the contract boundary, there is reclassification into a different group, or they are modified to the extent that it would have been excluded from the scope of *AASB 17 Insurance Contracts*;
- the group is separated into different components; or
- the contract no longer meets the definition of an insurance contract.

III. Level of aggregation

AASB 17 applies recognition and measurement requirements at the 'group of contracts' level. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group. Portfolios of insurance contracts issued and reinsurance contracts held that are assets in position are presented separately from those that are liabilities on the balance sheet.

To establish groups of contracts, the Group first identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. Each portfolio is then first sub-divided into groups of contracts that were issued within a 12-month period and then further disaggregated as follows.

Insurance contracts issued, are further disaggregated into two groups of contracts:

- contracts that are onerous on initial recognition; and
- any remaining contracts in the portfolio.

Reinsurance contracts held are assessed separately from underlying insurance contracts issued. Reinsurance contracts held are further disaggregated into three groups of contracts:

- contracts that have a net gain on initial recognition;
- contracts that relate to future coverage that have a net cost on initial recognition; and
- contracts relating to adverse development that on initial recognition have a net cost that is immediately recognised in profit or loss.

IV. Contract boundaries

The measurement of a group of contracts includes all future cash flows within the boundary of each contract in the group. In determining which cash flows fall within the contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract as well as from applicable laws, regulation and business practices.

V. Measurement models

Insurance contracts issued and reinsurance contracts held must be measured using the general measurement model (GMM) unless they meet certain eligibility criteria for the premium allocation approach (PAA). The Group applies the PAA to its insurance contracts issued and reinsurance contracts held whenever eligible. This excludes the majority of the Group's adverse development covers (ADCs) held and multi-year perils reinsurance agreement which are measured under GMM.

The majority of the Group's insurance contracts issued and reinsurance contracts held are automatically eligible for the PAA, as they have a coverage period of one year or less. For the remaining groups of insurance contracts issued and reinsurance contracts held, an assessment was performed on initial recognition. This assessment aimed to confirm that the measurement of the liability for remaining coverage (or asset for remaining coverage in the case of reinsurance contracts held) would not differ materially if calculated applying the GMM or the PAA. The assessment included modelling both the reasonably expected outcomes and volatility as key assumptions under both the PAA and GMM.

B. Initial recognition

I. Insurance contracts issued

When applying the PAA, the liability for remaining coverage is calculated as the amount of premium received at initial recognition, less any unamortised insurance acquisition cash flows and amounts recognised as insurance revenue for coverage that has been provided.

When measuring the liability for incurred claims, the Group discounts all future cash flows and includes an explicit risk adjustment for non-financial risk. The risk adjustment represents the compensation the Group requires to bear uncertainty about the amount and timing of cash flows arising from insurance contracts.

II. Reinsurance contracts held

At initial recognition, the Group applies the same principles to accounting for reinsurance contracts held under the PAA method which are applied to the underlying contracts. Reinsurance contracts held asset is the sum of asset for remaining coverage (ARC), risk adjustment and asset for incurred claim (AIC). These are measured as the discounted present value of expected future receipts due from reinsurers net of any allowance for the risk of non-performance. The premiums paid on reinsurance held contracts are initially recognised under ARC and represent the services receivable under the contract in the future. Reinsurance recoveries represent the amounts ultimately expected to be received from the reinsurer considering contractual terms and counterparty credit risk and are presented under AIC.

a. Adverse development covers

The Group purchases ADC reinsurance contracts to get protection against the adverse development on the underlying claims on specified components of the IAG business. When accounting for ADCs in accordance with *AASB 17*, the insured event is deemed to be the determination of the ultimate cost of those claims, which is normally concurrent with the full or partial settlement of an underlying claim triggering a recovery from the reinsurer. Therefore, the coverage period extends through the claims settlement period. Due to the specific nature of existing ADCs held and the length of coverage period, ADC reinsurance contracts held are expected to be measured using the GMM.

The majority of our ADC reinsurance contracts held are measured under GMM and they are assessed to be in a net cost position at inception, with the loss recognised immediately in the profit or loss. The ADC reinsurance contract acquired through the acquisition of RACQ Insurance Limited (RACQI) is measured using the PAA.

b. Multi-year perils reinsurance arrangement

The multi-year perils reinsurance arrangement is measured using the GMM and is included within the reinsurance contract assets. This reinsurance contract pertains to future coverage and incurs a net cost upon initial recognition, which is recorded as a contractual service margin (CSM) within the reinsurance contract held asset. The CSM is subsequently adjusted to reflect any changes in the underlying assumptions and is recognised in profit or loss over time, in accordance with the expected pattern of service provided by the reinsurers.

C. Subsequent measurement

I. Insurance contracts issued

For PAA, at the end of each reporting period, the carrying amount of the liability for remaining coverage is adjusted for any premiums received, amortisation of acquisition costs and insurance revenue recognised for service provided in the period.

a. Insurance revenue

Insurance revenue from contracts accounted for applying the PAA is recognised as income on a straight-line basis, based on the passage of time, for the majority of the Group's insurance contracts. However, in those circumstances when the expected pattern of release of risk during the coverage period differs significantly from the passage of time, income is recognised on the basis of the expected timing of incurred insurance service expenses.

Insurance revenue includes any implicit or explicit amounts for transaction-based taxes and levies that the Group is required to pay on insurance contracts issued and excludes transaction-based taxes and levies that are levied on the policyholder and collected by the Group on behalf of the relevant government authority.

b. Insurance service expense

Insurance service expense includes incurred claims, maintenance and claims handling costs and settlement costs and an allocation of acquisition cost cash flows. Incurred claims represent claims payments and movements between the liabilities for incurred claims and loss component at the beginning and end of the period.

c. Finance income/expenses from insurance contracts issued

Insurance finance income/expense includes amounts related to the effects of the time value of money and financial risks on the issued contracts. The Group has opted to recognise all movements to fulfilment cash flows on account of changes in discount rates to profit and loss.

d. Acquisition cash flows

Acquisition cash flows are those arising from the costs of selling, underwriting, and starting a group of insurance contracts. Acquisition cash flows are deferred and recognised as an expense over time in line with the recognition of related insurance revenue. Acquisition cash flows associated with issued contracts are included in the related liability for remaining coverage.

Insurance and reinsurance acquisition cash flows are allocated to groups of insurance contracts issued and reinsurance contracts held using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance or reinsurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group and to the groups that will include renewals of those contracts. The allocation to renewals is based on the manner in which the Group expects to recover those cash flows. The Group has chosen not to recognise acquisition cash flows as expenses when incurred, and instead includes costs related to contracts in force in the liability for remaining coverage or asset for remaining coverage.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset and presented as a part of the portfolio of insurance contracts in the balance sheet to which it relates. This asset is allocated to the groups of insurance contracts on a systematic and rational basis, using expected future premiums and recognised as an expense over time in line with the recognition of related insurance revenue. This asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

II. Reinsurance contracts held

Subsequent to initial recognition, the carrying amount of the ARC is adjusted for any reinsurance held income recognised for the services received, reinsurance premiums paid, and reinsurance finance income or expenses for the specific period.

An AIC is only recognised when an insured event occurs, which is when the ultimate amount of the underlying claim is determined. This is normally concurrent with the full or partial settlement of an underlying claim triggering a recovery from the reinsurer.

Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations.

a. Net reinsurance held income/expense

The Group has chosen to present income and expenses from reinsurance contracts held as separate line items within the statement of comprehensive income. Income or expense from reinsurance contracts held includes amounts recoverable from reinsurers and an allocation of reinsurance premiums paid in the following manner:

- Cash flows recoverable from reinsurers that are not contingent on claims experience of the underlying contract such as ceding commissions will be recorded as an offset against the premiums to be ceded to the reinsurer, i.e., as part of the reinsurance held expense.
- Cash flows recoverable from reinsurers that are contingent on claims of the underlying contract such as profit commissions are treated as part of the claims expected to be reimbursed i.e. as part of the reinsurance held income.
- Cash flows relating to the recovery of losses on the reinsurance of the underlying onerous insurance contracts are recorded as amount recoverable from reinsurers i.e. under reinsurance held income.
- Under the Group's reinsurance arrangements, certain amounts that would be received by the Group under all circumstances are treated as investment components for presentation purposes and are excluded from both the reinsurance held income and reinsurance held expense. This presentation avoids grossing up amounts that do not reflect underwriting performance.

b. Reinsurance finance income/expense

Reinsurance finance income/expense includes amounts related to the effects of the time value of money and financial risks.

D. Onerous contracts

The Group determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, the Group recognises a loss in the insurance service expense in profit or loss and recognises a loss component within the liability for remaining coverage. When underlying onerous contracts are covered by reinsurance contracts held, the Group recognises reinsurance income in the profit or loss and recognises a corresponding loss recovery component in the asset for remaining coverage.

The loss component and loss recovery component are remeasured over the coverage period. By the end of the coverage period, these components are reduced to nil.

Note 2.2 Insurance and reinsurance contracts

				2026			2025
As at 30 June	Note	Premium allocation approach $m	General measure-ment model $m	Total $m	Premium allocation approach $m	General measure-ment model $m	Total $m
Insurance contract liabilities	2.2.2	**14,906**	**-**	**14,906**	13,846	-	13,846
Reinsurance contract assets	2.2.3	**(6,467)**	**(991)**	**(7,458)**	(5,661)	(1,026)	(6,687)
Net insurance contract liabilities/(assets)		**8,439**	**(991)**	**7,448**	8,185	(1,026)	7,159

2.2.1 Significant transactions

A. Trade credit insurance

BCC Trade Credit Pty Ltd (BCC) is an underwriting agency that was authorised to underwrite trade credit insurance, in accordance with specific underwriting guidelines, through IAL. In April 2019, IAG sold its interest in BCC to Tokio Marine Management (Australasia) Pty Ltd with effect from 9 April 2019. As part of the sale, IAL put in place transitional arrangements for BCC to continue to underwrite risks on behalf of IAL to 30 June 2019, with Tokio Marine & Nichido Fire Insurance Co., Ltd (TMNF) becoming the licensee responsible for BCC effective 1 July 2019. IAL also put in place protections in respect of any potential exposure to trade credit insurance policies written by BCC on behalf of IAL, both through reinsurance in place in respect of those policies and also through arrangements with TMNF for it to cover any remaining exposure to trade credit insurance written by BCC on behalf of IAL.

Since 2020, a significant number of claims have been received by IAL under policies purportedly issued by BCC on behalf of IAL to Greensill entities. The collapse of the Greensill entities has been the subject of widespread media interest, ongoing foreign regulatory inquiries and litigation overseas. IAL denies that it is liable in respect of the claims made against it under or in relation to purported Greensill policies. A number of those claims are now the subject of complex litigation proceedings before the Federal Court of Australia and IAL is defending all of those proceedings.

IAL's position in respect of the claims made under purported Greensill policies is that, first, IAL is not bound by the policies (including because they were issued outside the terms of BCC's underwriting authority) and, secondly, even if IAL is bound by the policies, they do not provide cover for the alleged losses claimed and IAL is entitled to avoid the policies and has no liability under them due to misrepresentations and non-disclosures by Greensill entities.

On 29 May 2026, IAG announced that IAL had agreed to a confidential settlement of the proceedings brought by Greensill Bank AG and Dr Michael C. Frege in his capacity as Insolvency Administrator of Greensill Bank AG against IAL and other parties in the Federal Court of Australia (the 'Greensill Bank Proceedings'). The settlement of the Greensill Bank Proceedings did not have a material impact on IAG's financial position or financial results for the year ended 30 June 2026. The Greensill Bank Proceedings were dismissed by court orders made in July 2026. The remaining proceedings brought by Credit Suisse and White Oak entities against IAL and other parties remain on foot and IAL continues to defend those proceedings.

In June and July 2026, the Credit Suisse applicants amended their statements of claim to withdraw their insurance claims against IAL but continue to maintain other existing related claims against IAL and the other parties. The White Oak applicant continues to maintain both insurance claims against IAL and other existing related claims against IAL and the other parties. IAL continues to defend all of those claims.

There is complexity around the matters that will need to be determined by the court in the current Federal Court proceedings. There are a number of parties involved in those proceedings, including BCC, one of its former trade credit underwriters, as well as Credit Suisse and White Oak. Allegations have been raised against various parties involved in the proceedings, including allegations against BCC and one of its former trade credit underwriters regarding misleading or deceptive conduct and breaches of warranties of authority, allegations against Greensill entities regarding fraudulent non-disclosure and misrepresentations, and allegations against various parties regarding misleading or deceptive conduct. Given the complexity and number of parties involved in the litigation, IAG expects that the litigation proceedings, including any appeals, will take a number of years.

IAL is also managing trade credit claims relating to policies purportedly issued by BCC on behalf of IAL to other entities unrelated to Greensill. A number of those claims are now the subject of litigation proceedings currently before the courts, and IAL has denied those claims and is defending the proceedings.

IAL will continue to defend all of the claims and the litigation. As with any litigation, the potential outcomes are inherently uncertain and there are risks that a court may make a finding contrary to IAL's position and that any finding may become the subject of appeals. If IAL is determined by a court to be liable for any of the claims currently the subject of litigation, IAL will seek, concurrently or subsequently, to rely on agreements that it had put in place at the time of the sale in respect of any potential exposure to trade credit insurance policies written by BCC on behalf of IAL (as described above). As previously stated, there is a risk that a reinsurer or other party under those agreements will challenge its obligations under those agreements. There may also be timing differences between any court determination against IAL and enforcement of IAL's rights under those agreements.

As outlined above, IAG expects that these matters will not be resolved for a significant period of time and it is currently not known what the outcome of the proceedings or the actual value of any potential exposure to IAL will be if any claims are successful.

IAG does not consider that the face value of the claimed amounts in the ongoing proceedings provide a meaningful indication of any potential exposure of IAL. If aggregated, these would amount to approximately A$3 billion (31 December 2025: approximately A$7 billion) plus interest (applying exchange rates as at 30 June 2026). The reasons this is not considered a meaningful indication of any potential exposure of IAL, include:

- pleaded claims state that the claimed amounts will be reduced by sums recovered by the claimants from third-parties through other means, the final value of which are not yet known. Such third-party recoveries include repayments;
- IAL's multiple defences in the proceedings – including that IAL is not bound by the policies, even if IAL is bound by the policies, they do not provide cover for the alleged losses claimed, IAL is entitled to avoid the policies and has no liability under them due to misrepresentations and non-disclosures by Greensill entities, and IAL is not liable for any other claims;
- IAL's recovery rights under reinsurance arrangements; and
- IAL's recovery rights from TMNF under the arrangements outlined above.

Based on the above, and the current status of the ongoing proceedings, IAG maintains that, through the protections it has put in place, it has no net insurance exposure to trade credit policies sold through BCC.

Subsequent to 30 June 2026, the Greensill Bank Proceedings were settled. Following the settlement, the trade credit liability for incurred claims is $279 million (30 June 2025: $442 million). The movement since 30 June 2025 is due to the settlement of the Greensill Bank Proceedings subsequent to 30 June 2026, continued payment of legal costs relating to the defence of the litigation, partially offset by discount unwind. This liability for incurred claims has been determined in accordance with IAG's usual claim reserving practices. IAG has also recognised an equivalent amount of $279 million (30 June 2025: $442 million) of reinsurance contract held assets and other related assets for incurred claims in respect of trade credit related claims.

B. Acquisition of insurance and reinsurance contracts in a business combination

The Group determined that, at the acquisition date, all insurance and reinsurance contracts involved uncertainty regarding the timing and amount of claims payments, indicating significant residual insurance risk. Accordingly, these contracts are accounted under *AASB 17*. All insurance contracts issued and reinsurance contracts held acquired through the acquisition of RACQ Insurance Limited are measured using the premium allocation approach (PAA).

2.2.2 Insurance contract assets and liabilities

The following reconciliations separately analyse movements in the liability for remaining coverage and liability for incurred claims in the period arising from insurance contracts issued and asset for remaining coverage and asset for incurred claims arising from reinsurance contracts held. These movements are reconciled to line items in the statement of comprehensive income.

A. Composition – reconciliation of insurance contracts issued that are liabilities

The table below analyses the movement in the liability for remaining coverage and liability for incurred claims.

	Liability for remaining coverage			Liability for incurred claims			
As at 30 June 2026	Excluding loss component $m	Loss component $m	Total $m	Estimated present value of future cash flows (excludes risk adjustment) $m	Risk adjustment $m	Total $m	Insurance contract liability total $m
Opening insurance contract liabilities at 1 July 2025	**1,885**	**33**	**1,918**	**10,780**	**1,148**	**11,928**	**13,846**
Additions through business acquisition[1]	**1,195**	**-**	**1,195**	**-**	**-**	**-**	**1,195**
Changes in the statement of comprehensive income:							
Insurance revenue	(18,666)	-	(18,666)	-	-	-	(18,666)
Insurance service expense:							
Incurred claims and other expenses	-	(32)	(32)	14,135	262	14,397	14,365
Amortisation of insurance acquisition cash flows	1,778	-	1,778	-	-	-	1,778
Changes that relate to past service	-	-	-	(74)	(366)	(440)	(440)
Losses and reversal of losses on onerous contracts	-	23	23	-	-	-	23
Total insurance service expense	1,778	(9)	1,769	14,061	(104)	13,957	15,726
Insurance service result before reinsurance	(16,888)	(9)	(16,897)	14,061	(104)	13,957	(2,940)
Insurance finance expense/(income)	17	(11)	6	277	15	292	298
Effect of movement in exchange rates	157	-	157	(258)	(5)	(263)	(106)
Amounts recognised in profit or loss and other comprehensive income	(16,714)	(20)	(16,734)	14,080	(94)	13,986	(2,748)
Cash flows:							
Premiums received (including premium refunds)	17,977	-	17,977	-	-	-	17,977
Insurance acquisition cash flows	(1,866)	-	(1,866)	-	-	-	(1,866)
Claims and other expenses paid	-	-	-	(13,498)	-	(13,498)	(13,498)
Total cash flows	16,111	-	16,111	(13,498)	-	(13,498)	2,613
Closing insurance contract liabilities at 30 June 2026	2,477	13	2,490	11,362	1,054	12,416	14,906

1. Refer to Note 6.4 for further details.

Notes to the financial statements (continued)
For the financial year ended 30 June 2026

	Liability for remaining coverage			Liability for incurred claims			
As at 30 June 2025	Excluding loss component $m	Loss component $m	Total $m	Estimated present value of future cash flows (excludes risk adjustment) $m	Risk adjustment $m	Total $m	Insurance contract liability total $m
Opening insurance contract liabilities at 1 July 2024	1,998	20	2,018	10,534	1,367	11,901	13,919
Changes in the statement of comprehensive income:							
Insurance revenue	(16,776)	-	(16,776)	-	-	-	(16,776)
Insurance service expense:							
Incurred claims and other expenses	-	(21)	(21)	11,839	264	12,103	12,082
Amortisation of insurance acquisition cash flows	1,782	-	1,782	-	-	-	1,782
Changes that relate to past service	-	-	-	(350)	(556)	(906)	(906)
Losses and reversal of losses on onerous contracts	-	28	28	-	-	-	28
Total insurance service expense	1,782	7	1,789	11,489	(292)	11,197	12,986
Insurance service result before reinsurance	(14,994)	7	(14,987)	11,489	(292)	11,197	(3,790)
Insurance finance expense/(income)	-	6	6	524	72	596	602
Effect of movement in exchange rates	(54)	-	(54)	57	1	58	4
Amounts recognised in profit or loss and other comprehensive income	(15,048)	13	(15,035)	12,070	(219)	11,851	(3,184)
Cash flows:							
Premiums received (including premium refunds)	16,764	-	16,764	-	-	-	16,764
Insurance acquisition cash flows	(1,829)	-	(1,829)	-	-	-	(1,829)
Claims and other expenses paid	-	-	-	(11,824)	-	(11,824)	(11,824)
Total cash flows	14,935	-	14,935	(11,824)	-	(11,824)	3,111
Closing insurance contract liabilities at 30 June 2025	1,885	33	1,918	10,780	1,148	11,928	13,846

2.2.3 Reinsurance contract assets and liabilities

A. Composition – reconciliation of reinsurance contract held assets

The table below analyses the movement in the reinsurance contract held assets for remaining coverage and reinsurance contract held assets for incurred claims.

	Reinsurance contract held assets for remaining coverage			Reinsurance contract held assets for incurred claims				
					Contracts under the premium allocation approach			
As at 30 June 2026	Excluding loss recovery component $m	Loss recovery component $m	Total $m	Contracts not under the premium allocation approach $m	Estimated present value of future cash flows (excludes risk adjustment) $m	Risk adjustment $m	Total $m	Reinsurance contract held assets total $m
Opening reinsurance contract held assets at 1 July 2025	945	16	961	77	5,344	305	5,726	6,687
Additions through business acquisition[1]	564	-	564	-	-	-	-	564
Changes in the statement of comprehensive income:								
Reinsurance held expense	(3,223)	-	(3,223)	-	-	-	-	(3,223)
Amounts recoverable from reinsurers								
Recoveries of incurred claims including other insurance expenses	-	(16)	(16)	47	1,712	108	1,867	1,851
Changes that relate to past service	-	-	-	-	-	(125)	(125)	(125)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	4	4	-	-	-	-	4
Investment components	(3,299)	-	(3,299)	78	3,221	-	3,299	-
Total reinsurance held income	(3,299)	(12)	(3,311)	125	4,933	(17)	5,041	1,730
Net reinsurance held (expense)/income	(6,522)	(12)	(6,534)	125	4,933	(17)	5,041	(1,493)
Reinsurance finance income/(expense)	26	-	26	-	126	5	131	157
Effects of movements in exchange rates	24	-	24	-	(76)	(3)	(79)	(55)
Amounts recognised in profit or loss and other comprehensive income	(6,472)	(12)	(6,484)	125	4,983	(15)	5,093	(1,391)
Cash flows:								
Reinsurance premiums paid net of any ceding commissions and including any other directly attributable reinsurance expenses paid	5,921	-	5,921	-	-	-	-	5,921
Recoveries from reinsurers	-	-	-	(47)	(4,276)	-	(4,323)	(4,323)
Total cash flows	5,921	-	5,921	(47)	(4,276)	-	(4,323)	1,598
Closing reinsurance contract held assets at 30 June 2026	958	4	962	155	6,051	290	6,496	7,458

1. Refer to Note 6.4 for further details.

Notes to the financial statements (continued)
For the financial year ended 30 June 2026

	Reinsurance contract held assets for remaining coverage			Reinsurance contract held assets for incurred claims				
					Contracts under the premium allocation approach			
As at 30 June 2025	Excluding loss recovery component $m	Loss recovery component $m	Total $m	Contracts not under the premium allocation approach $m	Estimated present value of future cash flows (excludes risk adjustment) $m	Risk adjustment $m	Total $m	Reinsurance contract held assets total $m
Opening reinsurance contract held assets at 1 July 2024	719	8	727	-	5,272	374	5,646	6,373
Changes in the statement of comprehensive income:								
Reinsurance held expense	(2,342)	-	(2,342)	-	-	-	-	(2,342)
Amounts recoverable from reinsurers								
Recoveries of incurred claims including other insurance expenses	-	(8)	(8)	61	628	97	786	778
Changes that relate to past service	-	-	-	-	(161)	(187)	(348)	(348)
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	15	15	-	-	-	-	15
Investment components	(2,993)	-	(2,993)	77	2,916	-	2,993	-
Total reinsurance held income	(2,993)	7	(2,986)	138	3,383	(90)	3,431	445
Net reinsurance held (expense)/income	(5,335)	7	(5,328)	138	3,383	(90)	3,431	(1,897)
Reinsurance finance income/(expense)	69	1	70	-	227	21	248	318
Effects of movements in exchange rates	(12)	-	(12)	-	16	-	16	4
Amounts recognised in profit or loss and other comprehensive income	(5,278)	8	(5,270)	138	3,626	(69)	3,695	(1,575)
Cash flows:								
Reinsurance premiums paid net of any ceding commissions and including any other directly attributable reinsurance expenses paid	5,504	-	5,504	-	-	-	-	5,504
Recoveries from reinsurers	-	-	-	(61)	(3,554)	-	(3,615)	(3,615)
Total cash flows	5,504	-	5,504	(61)	(3,554)	-	(3,615)	1,889
Closing reinsurance contract held assets at 30 June 2025	945	16	961	77	5,344	305	5,726	6,687

B. Movements in reinsurance contract balances – analysis by measurement component for contracts measured applying the general measurement model

The table below analyses the movement in the reinsurance contract held assets accounted for using the general measurement model.

	Reinsurance contract held assets for remaining coverage and assets for incurred claims			
As at 30 June 2026	Estimated present value of future cash flows (excludes risk adjustment) $m	Risk adjustment $m	Contractual service margin (CSM) $m	Total $m
Opening reinsurance contract held assets at 1 July 2025	**(169)**	**486**	**709**	**1,026**
Changes relating to current service:				
CSM recognised for services received in the year	-	-	(207)	(207)
Risk adjustment changes in estimates	-	(98)	-	(98)
Experience adjustments	(137)	-	-	(137)
Total changes relating to current service	**(137)**	**(98)**	**(207)**	**(442)**
Changes relating to future service:				
Contracts initially recognised in the period	-	-	-	-
Changes in estimates that adjust CSM	(114)	12	103	1
Changes in loss recoveries on onerous contracts	-	-	-	-
Changes in estimates that do not adjust CSM	-	-	-	-
Total changes relating to future service	**(114)**	**12**	**103**	**1**
Changes relating to past service:				
Changes relating to incurred claims	-	-	-	-
Total changes relating to past service	**-**	**-**	**-**	**-**
Effect of changes in the risk of reinsurer non-performance relating to past service	-	-	-	-
Insurance service result (net (expense)/ income from reinsurance held)	**(251)**	**(86)**	**(104)**	**(441)**
Finance (expense)/income from reinsurance contract held	(16)	3	30	17
Effect of movement in exchange rates	-	-	-	-
Amounts recognised in profit or loss and other comprehensive income	**(267)**	**(83)**	**(74)**	**(424)**
Cash flows:				
Reinsurance premiums paid	436	-	-	436
Reinsurance acquisition cash flows paid	-	-	-	-
Recoveries from reinsurers	(47)	-	-	(47)
Total cash flows	**389**	**-**	**-**	**389**
Closing reinsurance contract held assets at 30 June 2026	**(47)**	**403**	**635**	**991**

Notes to the financial statements (continued)

For the financial year ended 30 June 2026

	Reinsurance contract held assets for remaining coverage and assets for incurred claims			
As at 30 June 2025	Estimated present value of future cash flows (excludes risk adjustment) $m	Risk adjustment $m	Contractual service margin (CSM) $m	Total $m
Opening reinsurance contract held assets at 1 July 2024	257	354	-	611
Changes relating to current service:				
CSM recognised for services received in the year	-	-	(166)	(166)
Risk adjustment changes in estimates	-	(93)	-	(93)
Experience adjustments	(74)	-	-	(74)
Total changes relating to current service	(74)	(93)	(166)	(333)
Changes relating to future service:				
Contracts initially recognised in the period	(963)	190	773	-
Changes in estimates that adjust CSM	(76)	8	66	(2)
Changes in loss recoveries on onerous contracts	-	-	-	-
Changes in estimates that do not adjust CSM	-	-	-	-
Total changes relating to future service	(1,039)	198	839	(2)
Changes relating to past service:				
Changes relating to incurred claims	-	-	-	-
Total changes relating to past service	-	-	-	-
Effect of changes in the risk of reinsurer non-performance relating to past service	-	-	-	-
Insurance service result (net (expense)/ income from reinsurance held)	(1,113)	105	673	(335)
Finance income/(expense) from reinsurance contract held	6	27	36	69
Effect of movement in exchange rates	-	-	-	-
Amounts recognised in profit or loss and other comprehensive income	(1,107)	132	709	(266)
Cash flows:				
Reinsurance premiums paid	742	-	-	742
Reinsurance acquisition cash flows paid	-	-	-	-
Recoveries from reinsurers	(61)	-	-	(61)
Total cash flows	681	-	-	681
Closing reinsurance contract held assets at 30 June 2025	(169)	486	709	1,026

C. Analysis of contracts initially recognised during the year applying the general measurement model

The table below shows the effect on the measurement components arising from the recognition of reinsurance contracts held that were initially recognised during the year.

	2026			2025		
	Contracts purchased $m	Contracts acquired $m	Total $m	Contracts purchased $m	Contracts acquired $m	Total $m
Reinsurance contract held assets/(liabilities)						
Estimates of the present value of future cash inflows	-	-	-	1,016	-	1,016
Estimates of the present value of future cash outflows	-	-	-	(1,979)	-	(1,979)
Risk adjustment for non-financial risk	-	-	-	190	-	190
CSM	-	-	-	773	-	773
Net cost of cover on reinsurance contract held assets/(liabilities)	-	-	-	-	-	-

D. Expected contractual service margin recognition in profit or loss

The following table sets out when the Group expects to recognise the remaining contractual service margin in profit or loss after the reporting date for contracts not measured under the premium allocation approach.

	2026 $m	2025 $m
Within 1 year or less	**188**	148
Within 1 to 2 years	**211**	168
Over 2 years	**236**	393
Total	**635**	709

Notes to the financial statements (continued)
For the financial year ended 30 June 2026

2.2.4 Claims development table

Claims Development Tables (CDTs) are presented on a net basis, providing clearer insight into the Group's exposure and the effectiveness of its reinsurance strategy.

Claims will often take a number of years to be settled from the date the original loss occurred. The following table shows the development of the net liability for incurred claims for the ten most recent accident years and a reconciliation to the net liability for incurred claims. This table provides the user with an overview of how IAG's estimates of total claim amounts payable in relation to a given year have evolved over time. If the estimate of ultimate claims in relation to a given accident year declines over time, this suggests claims have developed more favourably than was anticipated at the time the original reserving assumptions were set.

Where an entity or business includes a liability for incurred claims that has been acquired, the claims for the acquired businesses are included in the CDT from and including the year of acquisition. The liability for incurred claims includes international operations. For ease of comparison within the CDT, all payments not denominated in Australian dollars have been converted to Australian dollars using the applicable exchange rates at the reporting dates. Therefore, the CDT disclosed each reporting year cannot be reconciled directly to the equivalent tables presented in previous years' financial statements.

	2016 and prior $m	2017 $m	2018 $m	2019 $m	2020 $m	2021 $m	2022 $m	2023 $m	2024 $m	2025 $m	2026 $m	Total $m
Net ultimate claim payments												
Development												
At end of accident year		5,173	4,420	3,885	4,148	4,243	4,384	5,143	5,135	5,392	6,776	
One year later		5,118	4,335	3,946	4,691	4,225	4,417	5,255	5,075	5,382		
Two years later		5,085	4,324	3,969	4,591	4,089	4,387	5,207	5,053			
Three years later		5,093	4,341	4,028	4,248	4,082	4,398	5,208				
Four years later		5,129	4,357	4,018	4,252	3,994	4,352					
Five years later		5,156	4,335	4,010	4,123	3,981						
Six years later		5,176	4,345	3,990	4,145							
Seven years later		5,171	4,348	3,989								
Eight years later		5,177	4,364									
Nine years later		5,160										
Current estimate of net ultimate claim payments		5,160	4,364	3,989	4,145	3,981	4,352	5,208	5,053	5,382	6,776	
Cumulative payments made to date		5,090	4,298	3,924	4,000	3,845	4,151	4,869	4,539	4,526	4,078	
Net undiscounted liability for incurred claims	165	70	66	65	145	136	201	339	514	856	2,698	5,255
Discount to present value	(4)	(10)	(6)	(7)	(7)	(13)	(18)	(31)	(48)	(78)	(156)	(378)
Net discounted liability for incurred claims	161	60	60	58	138	123	183	308	466	778	2,542	4,877
Reconciliation												
Claims handling costs and counterparty credit risk allowance												540
Risk adjustment												522
Reinsurance held receivables												(1,518)
Asset for remaining coverage related to adverse development covers held												784
Acquired RACQI reserves presented as net liability for remaining coverage												(230)
Contracts issued payables												945
Net liability for incurred claims												**5,920**

Note 2.3 Material accounting estimates and judgements

A. Fulfilment cash flows

Fulfilment cash flows comprise estimates of discounted future cash flows and a risk adjustment for non-financial risk. In estimating the fulfilment cash flows, the Group considers the range of possible outcomes in an unbiased way considering the amount and timing of cash flows and applying a probability weighting to each scenario. In determining possible scenarios, the Group uses all reasonable and supportable information available without undue cost or effort – including information about past events, current conditions and forecasts.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, acquisition cash flows and other costs incurred in fulfilling contracts (including claims handling costs and certain administration costs). Insurance acquisition cash flows and other costs incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

B. Risk adjustment

The risk adjustment for non-financial risk on the issued insurance contract is the compensation the Group requires for bearing uncertainty about the amount and timing of cash flows arising from insurance risk and other non-financial risks, including expense risk. It measures the degree of variability of expected future cash flows and the Group-specific price for bearing that risk. With regards to reinsurance contracts held, the risk adjustment reflects the compensation the reinsurer requires for the uncertainty of the cash flows transferred from the Group.

The risk adjustment required to provide a given confidence level for two or more classes of business or for two or more geographic locations combined is less than the sum of risk adjustments for the individual classes. This reflects the benefit of diversification, which is taken into account in determining the risk adjustment. The level of diversification assumed between classes considers industry analysis, historical experience and the judgement of experienced and qualified actuaries.

The Group determines the risk adjustment for non-financial risk at the Group level and allocates it to groups of insurance and reinsurance contracts in a systematic and rational way. In estimating the risk adjustment, the Group uses the cost of capital method. The method estimates the additional amount of capital required for the amount of uncertainty and estimates the expected cost of that capital over the period at risk.

The risk adjustment for IAG's active portfolios has a confidence level of approximately 75%. We have provisioned a higher risk adjustment rate with respect to our run-off portfolios and other emerging risks such that the total risk adjustment has a confidence level of approximately 85%.

The net risk adjustment for insurance contracts issued and reinsurance contracts held corresponds to the following confidence levels as set out below:

Risk adjustment on liability for incurred claims	2026 %	2025 %
Net risk adjustment applied (all portfolios including run-off and emerging risks)	**9.6%**	10.2%
Confidence level of the net risk adjustment (active portfolios)	**~75%**	~75%
Confidence level of the net risk adjustments (all portfolios including run-off and emerging risks)	**~85%**	~85%

C. Estimate of future cash flows for insurance contracts issued and reinsurance contracts held

The following ranges of key actuarial assumptions were used in the measurement of the liability for incurred claims and asset for incurred claims for both GMM-measured and PAA-measured contracts. Consistent assumptions are adopted in the measurement of onerous contracts.

	Liability for incurred claims		Asset for incurred claims	
	2026	2025	2026	2025
Discounted average term to settlement	**1.75 years**	1.89 years	**1.91 years**	2.15 years
Inflation rate	**0.0% – 7.0%**	0.0% – 8.0%	**0.0% – 7.0%**	0.0% – 8.0%
Superimposed inflation rate	**0.0% – 6.0%**	0.0% – 5.0%	**0.0% – 6.0%**	0.0% – 5.0%
Discount rate	**2.9% – 6.0%**	3.3% – 5.6%	**2.9% – 6.0%**	3.3% – 5.6%
Claims handling costs ratio	**4.5%**	4.5%	**N/A**	N/A

Discounted average term to settlement

The discounted average term to settlement provides a summary indication of the expected future payment term of the claim liabilities (inflated and discounted). It is calculated by class of business and is generally based on historical settlement patterns. A decrease in the discounted average term to settlement would result in an increase in the discounted claim expense, due to earlier payment. Note that the sensitivity analysis test only extends or shortens the term of the payments assumed in the valuation, without changing the total nominal amount of the payments.

Inflation rate and superimposed inflation

Payments of claims outstanding at the reporting date are to be made in the future and so need to take account of expected increases in the underlying cost of final claims settlements due to inflationary pressures. Under *AASB 17*, when assumptions about inflation are based on an index of prices or rates or on prices of assets with inflation-linked returns, they are considered to relate to financial risk, and any changes are recognised in profit or loss as insurance finance income or expense. When assumptions about inflation are based on an entity's expectation of specific price changes, they are considered to relate to non-financial risk. This distinction can impact how amounts linked to inflation are recognised in profit or loss. The Group sets economic inflation assumptions by reference to current economic indicators and therefore considers them to relate to non-financial risk. Superimposed inflation tends to occur due to wider societal trends such as the cost of court settlements increasing at a faster rate than the economic inflation rate.

Discount rate

An increase or decrease in the assumed discount rate will have a corresponding decrease or increase (respectively) on the claims expense recognised in the profit or loss.

In determining discount rates for each group of contracts under *AASB 17*, the Group applies a bottom-up approach. Under this approach, the Group estimates discount rates as points on a liquid, risk-free rate curve for the same currency and duration as the cash flows of the relevant insurance contracts. The Group adjusts the risk-free rate for an illiquidity premium, 25 basis points, as yield curves derived from observable market prices reflect liquid assets rather than insurance contracts, which are relatively less liquid. The Group applies judgement in determining the liquidity characteristics of the group of insurance contracts.

Projected future claim payments, both insurance and reinsurance, and other recoveries and associated claims handling costs, are discounted to a present value using discount rates derived applying the bottom-up approach.

Claims handling costs ratio

This reflects the cost to administer future claims. The ratio is generally calculated with reference to the historical experience of claims handling costs as a percentage of past payments, together with budgeted future costs.

D. Profit commission

The Group's multi-year whole of account quota share arrangements provide for a profit commission representing a portion of profit that exceeds the commissions payable under the arrangements and the reinsurer's margin. This profit commission is assessed in the aggregate over the duration of each contract and arrangements differ for each contract.

The ultimate expected profit commission for each contract is remeasured at each reporting date under *AASB 17* based on profitability to date and projected profitability from the latest budgets. While the profit commission is recognised progressively over time using *AASB 17* measurement principles (refer to Note 2.1) as services are provided, the ultimate amount remains dependent on profitability over the life of the contracts. The projection of the ultimate profit commission is therefore inherently uncertain owing to the aggregate insurance risk underwritten by the Group. This uncertainty surrounding the profit commission is accentuated given it represents profit beyond the commissions payable under the arrangements and reinsurer's margin. The cashflows have been risk adjusted to allow for this uncertainty.

Based on the Group's current assumptions and estimates, it is estimated that the actuarial profit commission recognised at 30 June 2026 would be expected to remain recoverable unless the expected gross loss ratio (the ratio of claim costs to premium revenue) were to deteriorate by more than 500 basis points (equivalent to 5 percentage points) over the remaining duration of the quota share contracts. Such a deterioration would likely reflect one or more tail-risk outcomes, including sustained elevated natural peril frequency, significant adverse prior year reserve development, significant unmitigated underlying deterioration, or a combination of these factors. The severity of individual major natural peril events is substantially mitigated through contractual reinsurance protections in place. In practical terms, if the gross loss ratio is 65%, it would need to deteriorate to an average of in excess of 70% over the remaining duration of the contracts to result in a partial or full reversal of the actuarial profit commission recognised to date.

Actual results may differ from those assumed in estimating profit commission.

E. Sensitivity analysis

The table below analyses how profit or loss would have increased or decreased if changes in key actuarial assumptions that were reasonably possible at the reporting date had occurred. The impact net of reinsurance reflects the terms of the reinsurance contracts in place. Each change within the fulfilment cash flows and risk adjustment has been calculated in isolation of the other changes, and without regard to other balance sheet changes that may occur simultaneously. The movements are stated in absolute terms where the base assumption is a rate or ratio. For example, if the base inflation rate assumption was 5.0%, a 1% increase would mean assuming a 6.0% inflation rate. With respect to the discounted average term assumption, the movements are stated in relative terms. For example, if the base discounted average term to settlement was 2.0 years, a 10% increase would mean assuming 2.2 years.

	Movement in assumption		Profit or loss
		Gross of Reinsurance $m	Net of Reinsurance $m
2026			
Discounted average term to settlement	+10%	**115**	**50**
	-10%	**(115)**	**(50)**
Inflation/superimposed inflation rate	+1%	**(201)**	**(93)**
	-1%	**194**	**91**
Discount rate	+1%	**194**	**91**
	-1%	**(206)**	**(95)**
Claims handling costs ratio	+1%	**(132)**	**(86)**
	-1%	**132**	**86**
2025			
Discounted average term to settlement	+10%	93	39
	-10%	(93)	(39)
Inflation/superimposed inflation rate	+1%	(201)	(92)
	-1%	193	89
Discount rate	+1%	195	90
	-1%	(207)	(95)
Claims handling costs ratio	+1%	(122)	(83)
	-1%	122	83

Note 2.4 Investments

	2026 $m	2025 $m
A. Investment composition		
I. Interest-bearing investments		
Cash and cash equivalents	**1,424**	1,550
Government and semi-government bonds	**1,373**	1,710
Corporate bonds and notes	**7,742**	7,005
Subordinated securities	**960**	1,102
Other	**724**	750
Total interest-bearing investments	**12,223**	12,117
II. Growth investments		
Equity investments	**1,661**	1,343
III. Other investment		
Derivatives	**10**	44
Total investments	**13,894**	13,504

B. Recognition and measurement

Investments comprise assets held to back insurance liabilities (policyholder funds that represent assets backing the future settlement of outstanding claims) and assets that represent shareholders' funds. The investment funds themselves are predominantly generated from the collection of insurance premiums. The allocation of investments between policyholder funds and shareholders' funds is regularly monitored and the portfolio rebalanced accordingly. To determine the allocation, IAG's investment funds under management are compared to the technical provisions of IAG, which represents net insurance liabilities. The policyholder funds are allocated to back the technical reserves, with the excess representing shareholders' funds.

All investments are designated at fair value through profit or loss. Investments are initially recorded at cost and subsequently remeasured to fair value at each reporting date. Changes in the fair value are recognised as realised or unrealised investment gains or losses in profit or loss. IAG recognises transfers into and transfers out of fair value hierarchy levels (described below) at the end of the reporting period. Purchases and sales of investments are recognised on a trade date basis, being the date on which a commitment is made to purchase or sell the asset. Transaction costs for purchases of investments are expensed as incurred. Investments are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and substantially all the risks and rewards of ownership have transferred. The inputs used to determine the fair value for securities recognised under each level of the fair value hierarchy are set out below.

I. Level 1 quoted prices

Fair value is determined by reference to quoted prices (mid-market) in active markets for identical assets and liabilities. For IAG, this category includes cash and short-term discount securities, government securities and listed equities.

II. Level 2 other observable inputs

Fair value is determined by reference to quoted prices in active markets for similar assets or liabilities or by reference to other significant inputs that are not quoted prices but are based on observable market data, for example interest rate yield curves observable at commonly quoted intervals. The valuation techniques may include the use of discounted cash flow analysis, option pricing models and other market accepted valuation models. For IAG, this category primarily includes corporate and other fixed interest securities where the market is considered to be lacking sufficient depth to be considered active. There have been no significant transfers between Level 1 and Level 2 during the current and prior financial periods.

III. Level 3 includes unobservable inputs

Fair value is determined using valuation techniques in which a number of the significant inputs are not based on observable market data. Level 3 investments are primarily invested in interest-bearing instruments which include private credit funds. Growth investments include unlisted equity instruments and infrastructure funds.

Fair value of these unlisted trusts is based on the net asset value as advised by the external investment manager of these funds who has responsibility for the valuation of the underlying securities. The investment manager may use various valuation techniques in the determination of fair value based on a range of internal, external and third party inputs where available. The fair value of the directly held unlisted equity is based on a methodology leveraging inputs relating to the latest capital transactions executed by the respective companies.

There have been no significant transfers between Level 2 and Level 3 during the current and prior financial periods.

The table below separates the total investment balance by hierarchy category:

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
30 June 2026				
Interest-bearing investments	**2,471**	**9,028**	**724**	**12,223**
Growth investments	**1,250**	**-**	**411**	**1,661**
Other investments	**10**	**-**	**-**	**10**
	3,731	**9,028**	**1,135**	**13,894**
30 June 2025				
Interest-bearing investments	3,805	7,562	750	12,117
Growth investments	1,110	-	233	1,343
Other investments	13	31	-	44
	4,928	7,593	983	13,504

The following table provides a movement analysis of investments valued with reference to Level 3 inputs:

	2026 $m	2025 $m
At 1 July	**983**	843
Purchases	**662**	437
Sales	**(504)**	(372)
Fair value and other movement recognised in profit or loss	**(6)**	75
At 30 June	**1,135**	983

Level 3 financial instruments are valued using models that incorporate assumptions typically associated with discounted cash flow methods such as discount rates, credit spreads and cash flow timings. The Group employs a valuation process that accounts for the sensitivity of various input assumptions to ensure the accuracy of fair valuations at reporting dates. Management has determined that a fundamental change in these input assumptions is unlikely to produce a significant alteration in the fair value of these instruments within the next twelve months from the reporting date.

Note 2.5 Investment income and finance expense

The following table presents the total amount of finance income or expenses, including the relationship between insurance finance income or expense and the investment return on assets.

	2026 $m	2025 $m
A. Insurance finance income/(expense) recognised in profit or loss		
Discount unwind on claims liabilities	**(517)**	(462)
Market rate adjustments on claims liabilities	**219**	(140)
Total insurance finance expenses	**(298)**	(602)
B. Reinsurance finance income/(expense) recognised in profit or loss		
Discount unwind on claims recoveries	**284**	245
Market rate adjustments on claims recoveries	**(127)**	73
Total reinsurance finance income	**157**	318
C. Investment income		
Net income/(expense) from financial instruments measured at fair value through profit or loss	**88**	304
Interest revenue	**541**	563
Total net investment income	**629**	867
Represented by:		
Investment income/(loss) on assets backing insurance liabilities	**272**	487
Investment expenses on assets backing insurance liabilities	**(26)**	(23)
Net investment income on assets backing insurance liabilities	**246**	464
Investment income/(loss) on shareholders' funds	**404**	420
Investment expenses on shareholders' funds	**(21)**	(17)
Net investment income/(loss) on shareholders' funds	**383**	403
Total net investment income	**629**	867
Total net finance expense	**(141)**	(284)
Total net investment income and net finance expense	**488**	583

D. Recognition and measurement

Investment income is accounted on an accrual basis. Revenue on investments in equity securities is deemed to accrue on the date the dividends/distributions are declared, which for listed equity securities is deemed to be the ex-dividend date.

3. Risk

Section introduction

This section provides an overview of IAG's approach to risk and capital management.

IAG is exposed to multiple risks relating to the conduct of its business. IAG does not seek to avoid all risks, but rather to assess them in a systematic, structured and timely manner against IAG's Group Risk Appetite Statement (RAS), delegations, authorities and limits, and seeks to manage them appropriately in alignment with IAG's strategy. Risk management arrangements are designed to reflect the scope, scale and complexity of IAG's activities, and where appropriate, capital is held to support these activities.

IAG's approach to risk management is governed by its Board-approved Risk Management Framework and Strategy (RMFS), which establishes the overarching framework, principles and expectations for the identification, assessment and management of risk across the Group.

IAG uses an enterprise-wide approach to risk that includes the following risk classes:

- Strategic (including Climate change and Geopolitical and economic uncertainty)
- Organisational conduct and customer
- Insurance
- Financial (including Reinsurance, Market, Credit, Liquidity and Capital)
- Operational (including Technology, Cyber and Model)
- Regulatory and compliance

The risk classes, their definition and structured arrangements for their management are included in the RMFS. Risks rarely exist, nor should be considered, in isolation. The interconnectivity of IAG's material risks is understood and managed. Key risks and their potential impact, likelihood, interconnectedness and velocity are considered in IAG's Strategic Opportunity and Risk Profile (SORP).

Note 3.1 Risk and capital management

A. Risk management overview

The Board has responsibility for setting the risk appetite, within which it expects management to operate, and approves IAG's RAS and RMFS. The Board Risk Committee supports the Board in fulfilling its responsibilities for risk management and compliance. It oversees the Group's risk management and governance frameworks and provides advice to the Executives and Board. The Board Risk Committee also monitors the effectiveness of IAG's Group Risk function. Independent of the business, the Group Chief Risk Officer (CRO) oversees risk management practices across IAG, supported by the Group Risk function and by other subject matter experts including the Chief Actuary, and EGM Capital Markets. The Group CRO provides regular reports to the Board Risk Committee on the operation of IAG's Risk Management Framework (RMF), the status of material risks, the control environment, risk and compliance events and issues and risk framework changes.

IAG's documented RMFS describes the RMF and how it is implemented across the Group, the risk classes used, the major risk management processes, and the roles and responsibilities for managing risk. The RMFS supports the Group's strategic intent, purpose, values, and business sustainability activities. IAG uses Group policies and other supporting documents to help ensure risk management requirements are clear across IAG. The RMFS must be adhered to, along with the legal, regulatory and prudential requirements in all countries in which the organisation has operations.

The RMF is in place to assist the Board and Executives in managing risk. The RMF is the totality of systems, structures, policies, processes and people within IAG that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk. The RMF supports management by:

- providing a consistent, structured approach to identifying and managing risk across the Group;
- having appropriate policies, procedures and controls in place to effectively manage risks;
- providing meaningful reporting to the Board to make informed business decisions;
- ensuring adequate oversight of the risk profile; and
- facilitating a strong risk culture.

Other key risk-related documents within IAG include the:

- Reinsurance Management Strategy (ReMS), which describes the systems, structures and processes which collectively ensure IAG's reinsurance arrangements and operations are prudently managed;
- RAS, which articulates the levels, boundaries, and nature of risk IAG is willing to accept in pursuit of its strategic objectives;
- Internal Capital Adequacy Assessment Process (ICAAP) Summary Statement, which summarises IAG's risk assessment processes for capital management and describes the strategy for maintaining adequate capital over time;
- Group Crisis Management Plan, which aims to minimise business and customer impact and loss in the event of a significant incident by providing a clear and organised response and recovery approach supported by pre-defined response procedures and responsibilities; and
- Financial Recovery Plan, which provides guidance on how IAG might be restored to a sound financial condition following severe financial stress.

The definitions of the risk classes and related management strategies are set out in the subsequent sections.

B. Strategic risk

Strategic risk is defined as the risk that internal or external factors disrupt the assumptions underpinning IAG's strategy or compromise our ability to set and execute an appropriate strategy. This risk is managed by the Group Leadership Team with Board oversight.

Key elements supporting the management of strategic risk include a rigorous approach to identifying and evaluating key strategic risks, integrating this process with the Group's strategic planning program, and ongoing monitoring through management and Board reporting. IAG implements portfolio management of its insurance operations. This involves robust and regular review of the portfolios that leads to informed decisions on the allocation of assets in the most efficient and value-accretive way in order to achieve IAG's strategic objectives. Consideration of both current and future value is critical in the process. Portfolio management can involve the acquisition or divestment of other entities, for which IAG has implemented a merger and acquisitions framework to help ensure the associated risks are appropriately managed. Strategic risk management is enhanced by the Group's strategic and underwriting functions to inform IAG's products and services response.

IAG acknowledges the significance of climate-related risks, and other environmental, social and governance (ESG) risks and the impact this may have on IAG's ability to execute its strategy. Key programs of work, coupled with day-to-day business activities seek to manage climate-related and ESG risks and responses.

I. Climate change

Climate change exposes IAG to physical risks from extreme weather events, transitional risks from the shift to a low-carbon economy, and liability risks from potential legal actions related to climate impacts. IAG has established processes to identify, assess, prioritise, and monitor these risks across short, medium, and long-term horizons, incorporating climate scenario analysis. Our approach integrates climate risk into the Group's RMFS including its consideration within a prioritised set of enterprise strategic risks identified through the Strategic Opportunity and Risk Profile and strategic planning process. Ongoing monitoring and a governance process, including climate and sustainability governance committees, enable the timely escalation and prioritisation of risks in response to changes in materiality. Further information is available in our Sustainability Report on pages 37 to 65.

II. Geopolitical and economic uncertainty

IAG notes a heightened level of geopolitical uncertainty, particularly in relation to international trade policy and potential economic impacts in terms of growth and inflation. This environment presents a risk to IAG and its shareholders through the potential for volatility of investment returns, changes to input prices, and reduced demand for insurance products.

Conflict in the Middle East has contributed to this uncertainty and increased the risk of disruption to global energy markets and supply chains, as well as broader economic risk. Volatility in oil and energy prices may contribute to higher inflation, investment market volatility and increased claims costs, as well as pressure on customer affordability and demand. IAG continues to monitor developments and applies risk management mitigation measures across pricing, supply chains, claims and investments.

C. Organisational conduct and customer risk

Organisational conduct and customer risk (OCCR) is the risk that IAG's conduct, behaviours and decisions affect the ability of IAG to achieve its strategic and commercial objectives. IAG stakeholders that can be negatively impacted include, but are not limited to: shareholders, customers, employees, communities, and industries and markets in which IAG operates. Potential consequences for IAG include loss of reputation or trust, regulatory action, and weaker growth and/or financial performance.

Whilst customer risks may arise from extraneous sources such as macro-economic factors or climate influences, customer risk may also arise from factors internal to IAG. These internal sources of customer risks relate to, amongst other factors: employee incentive structures; product development and pricing; distribution of products including sales, marketing and disclosure; as well as complaints and claims processes that do not meet the reasonable needs and expectations of policyholders.

IAG is committed to managing these risks whilst balancing business objectives with the reasonable needs of customers and achieving its purpose to 'make your world a safer place'. Management and staff across IAG are responsible for identifying, assessing, and managing these risks in accordance with IAG's three lines of accountability model. IAG's OCCR Standard describes relevant governance mechanisms for the appropriate management of OCCR in addition to established risk practices embedded in IAG's risk frameworks, policies, standards and procedures including: remuneration policies and practices aligned to the Group Code of Ethics and Conduct; the Group Customer Equity Framework; and risk mitigants integrated into product, pricing, underwriting, and claims processes and lifecycle management.

D. Insurance risk

Insurance risk includes how IAG underwrites and manages its concentrations, designs, manages and prices its products, and manages and reserves for its claims.

A fundamental part of IAG's overall risk management approach is the effective governance and management of the risks that affect the amount, timing and certainty of cash flows arising from insurance contracts. The level of insurance risk accepted by IAG is formally documented in its Business Division Licences, which are issued to each operating division. A Business Division Licence is prepared annually by the Group Chief Underwriting Officer in consultation with the customer facing divisions and is approved by the Group CEO. In addition to Business Division Licences, insurance risk is also managed through the implementation of the Group Insurance Risk Framework and supporting Group insurance risk policies (Underwriting, Pricing, Product and Claims).

I. Acceptance and pricing of risk

IAG focuses on the sustainability of its underwriting risk profile, rather than a premium volume or market share oriented approach. IAG believes this approach provides the greatest long-term likelihood of being able to meet the objectives of all stakeholders, including policyholders, regulators and shareholders. Underwriting, product and pricing expertise, coupled with data and analytics capability, allow IAG to underwrite policies in the context of its risk appetite.

The underwriting by IAG of large numbers of less than fully correlated individual risks, predominantly short-tail business, across a range of classes of insurance business in different regions reduces the variability in overall claims experience over time. A risk still remains that the actual amount of claims paid is different to the amount estimated at the time an insurance product was designed, priced and underwritten. IAG's claims management and provisioning, reinsurance and capital management mitigate the impact of this risk.

As referenced above, the operating business divisions are required to underwrite within set criteria as outlined in the Business Division Licence. Maximum limits are set for the acceptance of risk both on an individual insurance contract basis and for classes of business and specific risk groupings.

Management information systems are maintained to provide up to date, reliable data on the risks to which the business is exposed. Statistical models that combine historical and projected data (pricing, claims and market conditions) are used to calculate premiums and monitor claim patterns for each class of business.

II. Claims management and provisioning

Once an incident has occurred, initial claim estimates are managed by claims officers with the requisite degree of experience and competence with the assistance, where appropriate, of a loss adjustor or other party with specialist knowledge of specific incidents. These case estimates are used to form part of the basis of the claim provisions. It is IAG's intention to respond to and settle all valid claims quickly whenever possible and to pay claims fairly, based on policyholders' full entitlements.

Claim provisions are established using actuarial valuation models, including a risk adjustment to cover inherent uncertainty in the ultimate cost of claims, aimed at ensuring adequate capital is allocated to settle claims that have occurred. Refer to Note 2.2 for further details.

III. Concentrations of insurance risk

Each year IAG sets its tolerance for concentration risk through the use of various models to estimate its exposure to potential natural disasters and other catastrophes. IAG mitigates its exposure to concentrations of insurance risk by holding a portfolio diversified into many classes of business across different regions and by the utilisation of reinsurance, taking into account the cost of reinsurance and capital efficiency. The catastrophe reinsurance cover protects IAG's capital by limiting its financial exposure to a single severe event as well as frequency of small and medium sized events. The catastrophe reinsurance cover purchased affects the Insurance Concentration Risk Charge (ICRC) in the APRA capital calculation.

Concentration risk is particularly relevant in the case of catastrophes. These are usually natural disasters including earthquakes, bushfires, hailstorms, tropical cyclones, storms and floods, and generally result in a concentration of policyholders being impacted by the same event. This aggregation of multiple claims arising from a single event creates the most material insurance loss potential in the Group. IAG is also exposed to catastrophic events arising from non-natural perils such as building fires which may result in losses across multiple liability classes of business. Catastrophe losses are an inherent risk of the general insurance industry that contribute to potentially material year-to-year fluctuations in the results of operations and financial position. The nature and level of catastrophes in any period cannot be predicted accurately but can be estimated through the utilisation of predictive models. IAG actively monitors its aggregate exposure to catastrophe losses in all regions and limits exposure in regions that are subject to high levels of natural perils. Specific processes for monitoring identified key concentrations are set out below:

Risk	Source of concentration	Risk management measures
An accumulation of risks arising from a natural peril/catastrophe	Insured property concentrations	Accumulation risk modelling and reinsurance protection
A large property loss	Fire or accident affecting one building or a group of adjacent buildings	Maximum per risk acceptance limits, property risk grading and reinsurance protection
Multiple liability retentions being involved in the same event	Response by a multitude of policies to the one event	Purchase of reinsurance clash protection

By generating insurance revenue from operations across both Australia and New Zealand (refer to Note 1.3), and across a range of insurance products, IAG has diversity within its operations and relatively limited exposure to additional risks associated with long-tail classes of business (where there is increased uncertainty of the ultimate cost of claims due to the additional period of time to settlement).

E. Financial risk

I. Reinsurance risk

Reinsurance risk includes the adequacy or availability of reinsurance capacity, reinsurance regulatory compliance and reinsurance claims recoveries.

IAG's reinsurance program is an important part of its overall approach to risk and capital management. It is used to limit exposure to large single claims as well as an accumulation of claims that arise from the same events in order to stabilise earnings and protect capital resources. The Reinsurance Management Strategy (ReMS) outlines IAG's strategic approach to reinsurance, including reinsurance risk management and monitoring. The Group Reinsurance Management Framework (ReMF) is executed through the ReMS. The existence and approval of a ReMF and ReMS is a requirement under the APRA Prudential Standard GPS230: Reinsurance Management.

The Group reinsurance risk appetite is that the reinsurance catastrophe program will be sufficient to meet our needs, with the limit exceeding the modelled exposure on a whole-of-portfolio basis (specific country individually). Modelled exposure is to be the greater of:

- APRA's prescribed minimum approach of 1:200-year return period for Australia all perils; or
- RBNZ's prescribed minimum approach of a 1:1,000-year return period for New Zealand earthquake.

Catastrophe model outputs are one of several factors considered when determining the amount of reinsurance purchased and designing the structure of the catastrophe program. Other factors include loss experience, anticipated portfolio changes, market availability and pricing of reinsurance, and regulatory capital requirements. Dynamic financial analysis modelling is used to determine the optimal level at which reinsurance should be purchased for capital efficiency, compared to the cost and benefits of covers available in the reinsurance market. The amount of reinsurance purchased is determined by reference to the Australian and New Zealand regulatory requirements and the Group reinsurance risk appetite.

To facilitate the reinsurance process, manage counterparty exposure and create economies of scale, IAG has established a centralised reinsurance operating structure. This reinsurance team acts as the interface between the external providers of reinsurance capital and the operating business divisions. Additionally, when underwriting on behalf of IAL, the reinsurance team may provide reinsurance protection for the business divisions, where appropriate, in accordance with their respective risk appetites.

The use of reinsurance introduces credit risk. The management of credit risk includes the monitoring of reinsurers' credit ratings and controlling total exposures to limit counterparty default risk which is further explained in the credit risk section. IAG adopts a sound technical approach to the design and placement of the reinsurance program through the expertise provided by the Reinsurance Team and its advisors. Retained exposures sit within the Board risk appetite and appropriate capital is maintained.

a. Current reinsurance program

The external reinsurance program includes the following treaty reinsurance arrangements:

- 35% (32.5% up to 31 December 2025) whole-of-account quota share arrangements;
- a Group catastrophe reinsurance program that operates on an excess of loss basis and for calendar year 2026 provides a main catastrophe cover for two events up to $10 billion, with an attachment at $500 million;
- long-term natural perils volatility cover which provides multi-year aggregate protection for natural perils losses. Qualifying events are capped at a maximum contribution of $500 million;
- excess of loss reinsurances which include cover for:
  - property, construction and engineering business;
  - public and product liability, motor third party property damage, workers' compensation and compulsory third party motor;
  - directors and officers and professional indemnity; and
  - marine.
- quota share reinsurances which include cover for:
  - compulsory third party motor;
  - cyber; and
  - crop.
- adverse development covers (ADC) for:
  - legacy general liability and/or workers' compensation policies issued prior to 31 December 2015 for their exposure to asbestos, silica and molestation;
  - Lyttleton, New Zealand February 2011 earthquake;
  - compulsory third party motor; and
  - Australian long-tail reserves on losses occurring prior to 30 June 2023 in product and public liability, compulsory third party motor, professional risks and workers' compensation.

II. Market, credit, liquidity and capital risk

Key aspects of the processes established by IAG to monitor and mitigate market, credit, liquidity and capital risks include:

- reporting to the Board Risk and Audit Committees with Non-Executive Directors as members;
- the Group Leadership Team Risk Committee comprising of all Group Executives;
- the Asset and Liability Committee (ALCo) and the Capital Management Committee (CMC) comprising key Executives with relevant oversight responsibilities;
- value-at-risk analysis and position limits which are regularly monitored;
- monthly stress testing which is undertaken to estimate the impact of adverse market movements;
- maintenance and adherence to an approved Group Credit Risk Policy, Group Liquidity Risk Management Policy, Group Foreign Exchange Risk Policy and Group Investment Policy;
- Board-approved Strategic Asset Allocation setting out the overall structure of the investment strategy – asset classes, ranges on asset class exposures and broad limits on active management such as duration limits;
- capital management activities as outlined in IAG's Internal Capital Adequacy Assessment Process (ICAAP) – for further details refer to the capital risk section (d) of this note; and
- implementation of a Derivatives Risk Management Statement that considers the controls in the use of derivatives and sets out the permissible use of derivatives in relation to investment strategies.

a. Market risk

Market risk is defined as the risk of adverse movements in market prices (equities, derivatives, interest rates, foreign exchange, etc) or inappropriate concentration within the investment funds.

i. Foreign exchange risk

IAG operates internationally and is exposed to foreign exchange risk from various activities conducted in the normal course of business. Foreign exchange exposure is managed by the IAG Capital Markets function.

The key foreign exchange risk exposures arise from the fluctuation in spot exchange rates between the items denominated in currency other than the Company's functional currency (Australian dollar), which causes the amount of the items to vary. Management strategies are set out below:

Exposure	Risk management measures
Net investment in foreign operations that have a functional currency other than the Australian dollar (translation of financial position recognised directly in equity).	Designated hedging instruments – interest bearing liability denominated in the equivalent currency (translation of which is recognised directly in equity).
Insurance liabilities denominated in currencies other than the Australian dollar (directly recognised in profit or loss).	Some assets backing these insurance liabilities are held in the same currency as the related insurance liabilities, mitigating any net foreign exchange exposure.
Investments denominated in currencies other than the Australian dollar (directly recognised in profit or loss).	Designated economic hedging instruments – forward foreign exchange contracts (derivatives).

When all relevant criteria are met, the designated hedging instruments noted above will effectively reduce the impact of foreign exchange gains and losses recorded in the foreign currency translation reserve during the period. For the foreign exchange risk on its investment portfolio, the Group adopts a policy to target a 100% economic hedge.

The table below provides information regarding the impact on the measurement of net investments in foreign operations held at reporting date of an instantaneous 10% depreciation of the Australian dollar compared with selected currencies on equity, net of related derivatives. An appreciation of the Australian dollar would broadly have the opposite impact.

Impact of 10% depreciation of Australian dollar against	2026 $m Impact directly to equity	2025 $m Impact directly to equity
Net investments in foreign operations and related hedge arrangements		
New Zealand dollar	**(143)**	(156)

The sensitivity analysis demonstrates the effect of a change in one key assumption while other assumptions remain unchanged (isolated exchange rate movements).

ii. Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded on the market.

IAG is exposed to equity price risk on its investments in listed equities (both directly and indirectly through certain trusts), debt/equity hybrids and may use derivative contracts to manage this exposure. These investments are measured at fair value through profit or loss.

The impact of 10% increase or decrease in the value of IAG's investments at reporting date on profit before tax, net of related derivatives, is shown in the table below:

Impact of change in equity value		2026 $m Impact to profit	2025 $m Impact to profit
Investments in equity, debt/equity hybrids and trust securities and related equity derivatives	+10%	**134**	114
	-10%	**(134)**	(114)

Investments in equities, debt/equity hybrids, trust securities and related equity derivatives are all measured at fair value through profit or loss. There is no direct impact of a change in market prices on equity.

iii. Interest rate risk

Interest rate risk exposure arises primarily from fluctuations in the valuation of interest-bearing securities and from ongoing valuation of insurance liabilities and reinsurance assets.

IAG's investment portfolios, which contain substantial interest-bearing securities to support the corresponding outstanding insurance liabilities, are managed in alignment with the expected duration of claims payments. Consequently, fluctuations in interest rates typically have a small impact on the insurance profit or loss. Additionally, interest rate risk is mitigated through the maintenance of a diversified portfolio of investment securities and the use of interest rate derivative instruments.

The impact of change in fair value of investments in interest-bearing securities held at reporting date due to change in interest rates by +1% or -1% on profit before tax, net of related derivatives, is shown in the following table. The sensitivity analysis provided demonstrates the effect of a change in interest rate only, whilst other assumptions remain unchanged. As investments in interest-bearing securities are measured at fair value through profit or loss, there is no direct impact from an interest rate change on equity.

Impact of change in interest rates		2026 $m Impact to profit	2025 $m Impact to profit
Investments in interest-bearing securities and related interest rate derivatives	+1%	**(195)**	(180)
	-1%	**201**	186

Refer to Note 2.3.E for sensitivity analysis relating to interest rate (discount rate) risk on insurance liabilities.

b. Credit risk

Credit risk is defined as the risk arising from a counterparty's failure to meet its obligations in accordance with agreed terms. These counterparties include investment and derivative counterparties, reinsurers and premium debtors.

Concentrations of credit risk exist where a number of counterparties have similar economic characteristics. IAG's credit risk arises predominantly from investment activities, reinsurance activities, premium debtors, over-the-counter derivatives (currency forwards) and dealings with other intermediaries. IAG maintains a credit risk appetite, which is approved by the Board, and a Group Credit Risk Policy that is consistent with the Board's risk appetite. The policy outlines the framework and procedures in place to ensure an adequate and appropriate level of monitoring and management of credit quality throughout IAG. IAG maintains sufficiently diverse credit exposures which also assists in avoiding a concentration charge being added to the regulatory capital requirement. The maximum credit exposure that relates to these assets is considered on initial measurement of the asset, where lifetime expected credit losses are taken into account and provided for where required.

i. Investments

IAG is exposed to credit risk from investments in third parties, for example debt or similar securities issued by those companies. The maximum exposure to credit risk loss as at reporting date is the carrying amount of the investments on the balance sheet as they are measured at fair value. At the reporting date, there are material concentrations of credit risk to the banking sector, in particular the four major Australian banks. The credit risk relating to investments is regularly monitored and assessed, with maximum exposures limited by reference to credit rating and counterparty. Sovereign securities denominated in the functional currency are considered risk-free and are unconstrained. The assets backing insurance liabilities include predominantly high credit quality investments, such as government securities and other investment grade securities, which reduce the risk of default.

The following table provides information regarding the credit risk relating to the interest-bearing investments based on rating agency counterparty credit ratings, which demonstrates the very strong overall credit quality of IAG's investment book:

Credit rating of interest-bearing investments[1]	2026 $m	2025 $m
AAA	**5,035**	5,497
AA	**4,910**	4,182
A	**1,329**	1,460
BBB	**88**	70
Below BBB or unrated	**861**	908
	12,223	12,117

1. Cash and securities issued with a short-term rating are included in the rating category with the equivalent APRA counterparty grade.

ii. Reinsurance contract held assets

Reinsurance arrangements mitigate insurance risk but expose IAG to credit risk. Reinsurance is placed with counterparties (primarily reinsurance companies) based on an evaluation of their financial strength, terms of coverage and price. At the reporting date, there are material concentrations of credit risk in relation to reinsurance recoverable, in particular to large global reinsurers. IAG has clearly defined policies for the approval and management of credit risk in relation to reinsurers. IAG monitors the financial condition of its reinsurers on an ongoing basis and periodically reviews the reinsurers' ability to fulfil their obligations under respective existing and future reinsurance contracts. Some of the reinsurers are domiciled outside the jurisdictions in which IAG operates, so there is the potential for additional risk such as country risk and transfer risk.

It is IAG policy to place cover with reinsurers with credit ratings of at least Standard & Poor's A- (or other rating agency equivalent). Where the credit rating of a reinsurer falls below the required quality stated in the contract during the treaty period, a contractual right to replace the counterparty exists.

The following table provides IAG's exposure on assets for incurred claims (including assets related to adverse development covers) by counterparty credit rating (Standard & Poor's) and the secured collateral:

	2026		2025	
Credit rating of reinsurance contract held assets for incurred claims[1]	**$m**	**% of total**	**$m**	**% of total**
AAA	**106**	**1.4%**	169	2.5%
AA	**6,691**	**88.4%**	5,997	90.6%
A	**771**	**10.2%**	455	6.9%
Below BBB or unrated	**-**	**0.0%**	1	0.0%
Total	**7,568**	**100.0%**	6,622	100.0%

1. Total reinsurance contract held assets for incurred claims of $7,568 million (2025: $6,622 million) includes the assets for remaining coverage related to adverse development covers and RACQI acquired cash flows of $1,072 million (2025: $896 million) for the purposes of the above credit rating analysis.

Of these, approximately $1,496 million (2025: $1,577 million) is secured directly as follows, reducing the credit risk:

- deposits held in trust: $514 million (2025: $16 million); and
- letters of credit: $982 million (2025: $1,561 million).

iii. Premium and investment-related receivable

The premium receivables related to the issued insurance contracts are now classified as part of the liability for remaining coverage, which is collected on a monthly instalment basis. The late payment of amounts due under such arrangements allows for the cancellation of the related insurance contract eliminating both the credit risk and insurance risk for the unpaid amounts.

Trade and other receivables mainly comprise of investment-related receivables which are normally settled within 12 months of the reporting date. IAG is exposed to the credit risk associated with the brokers and other intermediaries during the course of its business and the maximum exposure to credit risk on these balances is limited to the extent of their carrying values. IAG manages its other credit risk exposure through regular monitoring by ALCo with reference to the aggregated exposure, credit rating, internal credit limits and ageing of the receivables by counterparty.

c. Liquidity risk

Liquidity risk arises where liabilities cannot be met as they fall due as a result of insufficient funds and/or illiquid asset portfolios. IAG's liquidity position is derived from operating cash flows, access to liquidity through related bodies corporate and interest-bearing liabilities (with some denominated in different currencies and with different maturities). IAG is exposed to liquidity risk on its insurance contract liabilities and interest-bearing liabilities which arises during the course of its business. IAG is also exposed to liquidity risk on investment-related payables and other creditors which are normally settled within 12 months from the reporting date. IAG manages its liquidity risk exposure through its liquidity risk management practices, which include a Group Liquidity Risk Management Policy, and has the framework and procedures in place to ensure an appropriate level of monitoring and management of liquidity.

i. Insurance contract liabilities and reinsurance contract held assets

Underwriting insurance contracts expose IAG to liquidity risk through the obligation to make payment for claims of unknown amounts on unknown dates. The assets backing insurance liabilities can generally be readily sold or exchanged for cash to settle claims and are managed in accordance with the policy of broadly matching the overall maturity profile to the estimated pattern of claim payments.

A maturity analysis (discounted basis) is provided below of the estimated insurance contract liabilities for incurred claims and expected recoveries under the reinsurance arrangements. The timing of future claim payments is inherently uncertain. Actual maturities may differ from expected maturities because certain counterparties have the right to call or prepay certain obligations with or without penalties.

Notes to the financial statements (continued)

For the financial year ended 30 June 2026

	Insurance contract liabilities – liability for incurred claims[1]		Reinsurance contract held assets – asset for incurred claims[2]	
	2026	2025	2026	2025
Maturity analysis	$m	$m	$m	$m
Within 1 year or less	**(6,905)**	(6,144)	**4,110**	3,472
Within 1 to 2 years	**(1,903)**	(1,705)	**977**	819
Within 2 to 5 years	**(3,009)**	(2,838)	**1,749**	1,501
Over 5 years	**(1,116)**	(1,241)	**732**	830
Total	**(12,933)**	(11,928)	**7,568**	6,622

1. Total insurance contract liabilities for incurred claims of $12,933 million (2025: $11,928 million) includes the liabilities for remaining coverage related to RACQI acquired cash flows of $517 million (2025: nil) for the purposes of the above maturity analysis.
2. Total reinsurance contract held assets for incurred claims of $7,568 million (2025: $6,622 million) includes the assets for remaining coverage related to adverse development covers and RACQI acquired cash flows of $1,072 million (2025: $896 million) for the purposes of the above maturity analysis.

ii. Interest-bearing liabilities

The following table provides information about the residual maturity periods of the interest-bearing liabilities, excluding Tier 1 instruments which have no contractual maturity:

	Carrying value	Maturity dates of contractual undiscounted cash flows				
		Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	$m	$m	$m	$m	$m	$m
2026						
Principal repayments[1]	**2,028**	**-**	**-**	**-**	**2,028**	**2,028**
Contractual interest payments[1]		**179**	**179**	**535**	**-**	**893**
Total contractual undiscounted payments		**179**	**179**	**535**	**2,028**	**2,921**
2025						
Principal repayments[1]	1,721	-	-	-	1,721	1,721
Contractual interest payments[1]		151	136	290	-	577
Total contractual undiscounted payments		151	136	290	1,721	2,298

1. All of the liabilities have call, reset or conversion dates which occur prior to any contractual maturity. Detailed descriptions of the instruments are provided in Note 4.1. The contractual interest payments are undiscounted and calculated based on underlying fixed interest rates or prevailing market floating rates as applicable at the reporting date. Interest payments have not been included beyond five years.

d. Capital risk

Capital risk is defined as the risk that capital is insufficient or excessive given the nature, strategies and objectives of IAG, or comprised of a mix of equity, debt, reinsurance, including IAG's 35% whole-of-account quota share arrangements, or other expiring sources of capital that is unsuitable or unsustainable due to its cost, structure, flexibility, or our ability to renew or replace on acceptable terms. IAG's capital management strategy plays a central role in managing risk to create shareholder value whilst meeting the objective of maintaining an appropriate level of capital to protect policyholders' and lenders' interests and meet regulatory requirements.

IAG has a documented description of the capital management process (Internal Capital Adequacy Assessment Process (ICAAP)) and reports annually on its operation to the Board, together with a forward-looking estimate of expected capital utilisation (as represented in IAG's Capital Plan) and capital resilience (ICAAP Annual Report). The adequacy of IAG's capital position is judged relative to the Board's Capital RAS, with an Internal Capital Model (ICM) used to assess the risks of breaching the minimum levels established in the Capital RAS. Scenario analysis and stress testing are important adjuncts to the ICM. The amount of capital required varies according to a range of factors including the business underwritten, extent of reinsurance and investment asset allocation.

The target level of capitalisation (risk appetite) for IAG is assessed by a consideration of factors including:

- the probability of insolvency over the next three years;
- the probability of falling below the APRA Prescribed Capital Amount (PCA) over the next three years;
- other stakeholder perspectives on capitalisation, including rating agency capital models and associated ratings; and
- domestic and international levels of capitalisation.

i. Regulatory capital

All insurers within IAG that carry on an insurance business in Australia are registered with APRA and are subject to APRA's Prudential Standards. It is IAG's policy to ensure that each of the licenced insurers in the Group maintains an adequate capital position.

IAG's long-term target capital ranges are set out below:

- a Common Equity Tier 1 capital of 0.9 to 1.1 times the PCA, compared to a regulatory requirement of a minimum of 0.6 times; and
- a total regulatory capital position equivalent to 1.6 to 1.8 times the PCA, compared to a regulatory requirement of a minimum of 1.0 times.

Internal policies are in place to ensure any significant deviations from the benchmarks are considered by the Board as to how any shortfall should be made good, or any surplus utilised or maintained.

IAG uses the standardised framework detailed in the relevant prudential standards (APRA Level 2 Insurance Group requirements) to calculate regulatory capital. The PCA multiple as at 30 June 2026 has been calculated in accordance with APRA Prudential Standards that came into effect on 1 July 2023.

Regulatory capital position	2026 $m	2025 $m
Common Equity Tier 1 capital (CET1 capital)	**3,337**	3,939
Additional Tier 1 capital	**850**	850
Total Tier 1 capital	**4,187**	4,789
Tier 2 capital	**2,028**	1,721
Total regulatory capital	**6,215**	6,510
Total PCA	**2,938**	2,677
PCA multiple	**2.12**	2.43
CET1 multiple	**1.14**	1.47

Consideration is given to the operational capital needs of the business. Targeting a capital multiple above the minimum regulatory requirement aims to ensure the ongoing strength and security of IAG, while suitably protecting policyholders and lenders.

IAG's capital objectives are achieved through dynamic management of the balance sheet and capital mix, the use of a risk based capital adequacy framework that relies on explicit quantification of uncertainty or risk and the use of modelling techniques that provide the capacity to understand the risk/return trade-off as well as valuable inputs to the capital management process. The influences on capital, such as product mix, reinsurance program design, catastrophe exposure, investment strategy, profit margins and capital structure, are all assessed using dynamic financial analysis modelling.

F. Operational risk

Operational risk is defined as the failure to achieve objectives due to inadequate or failed internal processes, people and systems, or from external events. Risks are managed through the implementation of controls. When controls are inadequate or fail, an operational risk event can take place, which can cause injury, damage to reputation, have legal or regulatory implications or can lead to financial loss.

IAG mandates the management of operational risk through the Risk Management Lifecycle as described in the RMFS. This sets out the requirements for the business for managing risks and controls, risk events and actions to address issues (risk control inadequacies). The Board Risk Committee is responsible for oversight of the management of risks. Management and staff are responsible for identifying, assessing and managing operational risks in accordance with their roles and responsibilities.

The Risk Management Lifecycle aims to ensure that consistent mechanisms and practices are in place, and that activities undertaken which involve operational risk are assessed and managed with regard to the RAS and the achievement of IAG's objectives. The Risk Management Lifecycle is supported by aligned frameworks, policies, standards and guidelines for key aspects of operational risk.

IAG continues to uplift operational risk management capability as part of its ongoing focus on operational resilience. This includes developing our understanding, monitoring and management of emerging risks associated with the rapid advancement of AI-enabled capabilities. The adoption of AI is key to technology-enabled progression, recognising that the risks introduced, including operational resilience, require careful consideration and management.

I. Cyber

IAG collects, uses and retains large volumes of data, including personal and sensitive information. IAG is also heavily reliant on information technology, including information technology provided by suppliers.

IAG recognises that cyber security threats are evolving and becoming more frequent, severe and sophisticated, including through the increasing use of artificial intelligence (AI) by threat actors. IAG, its customers, staff, shareholders, and others could suffer losses where IAG or any of its suppliers experiences a cyberattack, data breach or technology failure, especially where this involves a compromise to the confidentiality, integrity or availability of any IAG information assets or disruption to its services. These incidents can impact customer, staff, shareholder and regulator confidence in IAG and lead to litigation, regulatory enforcement action, significant financial penalties and/or reputational damage.

These risks may be heightened where a cyber incident, data breach, technology failure or other circumstance reveals regulatory non-compliance or other deficiencies in cyber resilience, cybersecurity or data handling practices, inadequate incident response practices, or that IAG has made misleading statements about its information security or data handling practices.

IAG is committed to protecting the information of its customers and stakeholders. IAG manages cyber security and data breach risks (including risks that may be amplified through the use of AI) by continuing to evolve its data governance and cyber risk management practices. This includes embedding AI lifecycle controls, reviewing data retention and destruction practices, de-identifying and destroying data that is no longer required, and strengthening operational resilience to respond to cyber incidents. Whilst AI elevates cyber threats to the business, AI also brings opportunities for IAG to strengthen its own cyber defence capabilities.

However, while IAG has measures and protocols which are designed to safeguard against cyber threats, data breaches and technology failures, these may not be successful in all circumstances. IAG is committed to continuously improving its ability to monitor and enhance the security practices of its service providers.

II. Model

Model risk is the potential for adverse consequences from decisions based on incorrect, misapplied, or misused model outputs and reports, including automated decisions based on model output.

Model risk can lead to financial loss, adverse customer outcomes, poor business and strategic decision-making, damage to IAG's reputation and/or regulatory enforcement. At IAG, models are used for a broad range of activities across the business, including underwriting, valuing exposures, reinsurance treaty adequacy, pricing, measuring risk, claims responses, determining capital, reserving adequacy and increasingly automating processes.

IAG's Group Model Governance Policy sets out the requirements that all models at IAG must adhere to. The requirements in this policy vary depending on the materiality of the model. An annual attestation from the model owner to a governing committee is required for each material model. The model owner needs to attest that the models under their remit are fit for purpose, up to date and comply with the policy and associated standards.

IAG is committed to ensuring the development, deployment and use of AI is conducted responsibly and in accordance with applicable laws and regulations, supported by appropriate governance and human oversight to promote safe, fair and transparent outcomes. AI governance and ethical considerations are incorporated into IAG's risk management and oversight practices. In addition to existing IT, data, security and model governance requirements, IAG's Responsible AI Standard sets out risk-based minimum requirements to ensure AI use is ethical and safe.

G. Regulatory and compliance risk

Regulatory and Compliance Risk is defined as the risk of adverse legal outcomes, regulatory or reputational impacts arising from failure to manage compliance obligations, or failure to anticipate and prepare for changes in the regulatory environment. IAG engages with regulators and regularly monitors developments in regulatory requirements to support ongoing compliance.

The Australian and New Zealand regulatory and compliance environment continues to evolve in response to strengthening regulatory expectations and increased regulatory scrutiny. ASIC remains focused on improving consumer outcomes and fairness, with areas of regulatory and enforcement attention including pricing practices impacting affordability, insurance claims and complaints handling, and operational, digital and data resilience. APRA continues to emphasise sound governance, financial and operational resilience, and accountability across the general insurance sector, including strengthening operational risk management and addressing system-wide risks associated with climate change, natural catastrophes, insurance affordability, and more recently risks associated with AI "Frontier" models.

In New Zealand, the Financial Markets Authority remains focused on consumer outcomes and fairness, with insurance sector priorities for the coming year noted as product design, use of complaints data to drive improvements, and fraud detection and prevention. The Reserve Bank of New Zealand remains focused on strengthening system-wide resilience via its prudential regulation, including focus on financial resilience and capital adequacy, governance and risk management, as well as technology, cyber resilience and emerging AI related risks.

From time to time, the Group is the subject of various investigations and reviews, including where regulators are investigating the potential breach of any laws or regulatory obligations. Where a breach has occurred, regulators may impose or apply to a court for penalties and/or other sanctions. Refer to Note 7.1 for further details.

All remaining activities under the Enforceable Undertaking (EU) with the Fair Work Ombudsman (FWO) were completed during FY26. In May 2026, the FWO confirmed that the requirements of the EU have been met and the EU has been finalised.

The regulatory change agenda is expected to remain elevated, with IAG focused on timely and efficient implementation of legislative requirements.

4. Capital structure

Section introduction

This section provides disclosures on the capital structure of IAG, which demonstrates how IAG finances its overall operations and growth through the use of different sources of funds, including ordinary equity and debt and hybrid instruments. Reinsurance is also an important source of long-term capital for IAG – reinsurance specific disclosures are included in Note 2.

The capital that IAG maintains provides financial security to its policyholders, whilst ensuring adherence to the capital adequacy requirements of industry regulators. IAG also seeks to maintain, and where possible enhance, the overall diversity and efficiency of its capital structure to support the delivery of targeted returns to shareholders. IAG's capital composition is substantially in the form of securities eligible for inclusion in regulatory capital, therefore IAG's capital mix is primarily determined by its regulatory capital targets.

Note 4.1 Interest-bearing liabilities

Final maturity date	Issue date	Principal amount	Section	2026 Carrying value $m	2026 Fair value $m	2025 Carrying value $m	2025 Fair value $m
A. Composition							
I. Capital nature							
Tier 1 regulatory capital							
Capital notes							
No fixed date	26 Mar 2024	$350 million	C.I	**350**	**371**	350	361
No fixed date	22 Dec 2022	$500 million	C.II	**500**	**529**	500	518
				850	**900**	850	879
Tier 2 regulatory capital							
AUD subordinated term notes							
15 June 2038[1]	24 Sep 2025	$350 million	C.III	**350**	**354**	-	-
15 June 2037	5 Mar 2025	$500 million	C.IV	**500**	**505**	500	491
15 December 2038	8 Nov 2023	$400 million	C.V	**400**	**411**	400	409
15 December 2036	24 Aug 2020	$450 million	C.VI	**450**	**453**	450	455
				1,700	**1,723**	1,350	1,355
NZD subordinated term notes[2]							
15 June 2038	5 Apr 2022	NZ$400 million	C.VII	**328**	**327**	371	366
II. Operational nature							
Other interest-bearing liabilities				**1**	**1**	1	1
Less: capitalised transaction costs				**(11)**		(16)	
				2,868	**2,951**	2,556	2,601

1. On 24 September 2025, the Company issued $350 million of subordinated term notes due 15 June 2038.
2. At the reporting date, the Company recognised accrued interest of $1 million (2025: $1 million) which is presented within trade and other payables.

B. Recognition and measurement

Interest-bearing liabilities are initially measured at fair value (net of transaction costs) and subsequently measured at amortised cost using the effective interest method. Based on market conditions at any point in time, the carrying value of the liabilities may not be representative of the fair value of the liabilities.

Fair value for all interest-bearing liabilities is calculated using their quoted market price in active markets (fair value hierarchy Level 1), except for the AUD subordinated term notes where their fair value is calculated using their quoted market price in a market that is considered to be lacking sufficient depth to be considered active (fair value hierarchy Level 2).

Notes to the financial statements (continued)
For the financial year ended 30 June 2026

C. Significant terms and conditions

I. Capital Notes 3 issued on 26 March 2024

- distribution rate equals the sum of the three-month bank bill swap rate (BBSW) plus a margin of 3.20% per annum, adjusted for franking credits;
- payments of quarterly distributions are non-cumulative and can only be made subject to meeting certain conditions. If no distribution is made, no dividends can be paid and no returns of capital can be made on ordinary shares until the next distribution payment date, subject to certain exceptions;
- IAG may convert, redeem or resell the Capital Notes 3 on 15 December 2030, or upon occurrence of certain events, subject to APRA approval; and
- the Capital Notes 3 are scheduled for mandatory conversion into a variable number of ordinary shares of the Company (subject to a maximum number of 112.2 million shares) on 15 September 2033 or each subsequent distribution payment date on which the mandatory conversion conditions are satisfied, subject to certain conditions.

II. Capital Notes 2 issued on 22 December 2022

- distribution rate equals the sum of the three-month BBSW plus a margin of 3.50% per annum, adjusted for franking credits;
- payments of quarterly distributions are non-cumulative and can only be made subject to meeting certain conditions. If no distribution is made, no dividends can be paid and no returns of capital can be made on ordinary shares until the next distribution payment date, subject to certain exceptions;
- IAG may convert, redeem or resell the Capital Notes 2 on 15 June 2029, or upon occurrence of certain events, subject to APRA approval; and
- the Capital Notes 2 are scheduled for mandatory conversion into a variable number of ordinary shares of the Company (subject to a maximum number of 210 million shares) on 15 March 2032 or each subsequent distribution payment date on which the mandatory conversion conditions are satisfied, subject to certain conditions.

III. AUD subordinated convertible term notes due 2038

- floating interest rate equal to the three-month market rate (currently BBSW) plus a margin of 1.75% per annum is payable quarterly; and
- IAG has an option to redeem or resell the notes at face value on 15 June 2033 and on any interest payment date up to but excluding 15 June 2038 and for certain tax and regulatory events (in each case subject to APRA's prior written approval).

IV. AUD subordinated convertible term notes due 2037

- floating interest rate equal to the three-month market rate (currently BBSW) plus a margin of 1.68% per annum is payable quarterly; and
- IAG has an option to redeem or resell the notes at face value on 15 June 2032 and on any interest payment date up to but excluding 15 June 2037 and for certain tax and regulatory events (in each case subject to APRA's prior written approval).

V. AUD subordinated convertible term notes due 2038

- floating interest rate equal to the three-month market rate (currently BBSW) plus a margin of 2.50% per annum is payable quarterly;
- IAG has an option to redeem or resell the notes at face value on each interest payment date between 15 December 2028 and 15 June 2029 and on each interest payment date on or after 15 September 2031 and for certain tax and regulatory events (in each case subject to APRA's prior written approval); and
- if the notes are not redeemed, converted or written-off beforehand, the notes can be converted into a variable number of ordinary shares of the Company (subject to a maximum of 140.4 million shares) at the option of holders on the interest payment date falling on 15 June 2031 (subject to the note terms).

VI. AUD subordinated term notes due 2036

- floating interest rate equal to the three-month BBSW plus a margin of 2.45% per annum is payable quarterly; and
- IAG has an option to redeem the notes at face value on 15 December 2026 and on any interest payment date following the first call date and for certain tax and regulatory events (in each case subject to APRA's prior written approval).

VII. NZD subordinated term notes due 2038

- fixed interest rate of 5.32% per annum, payable quarterly;
- IAG has an option to redeem the notes at face value on 15 June 2028 and on any interest payment date following the first call date and for certain tax and regulatory events (in each case subject to APRA's prior written approval); and
- if the notes are not redeemed on 15 June 2028, the interest rate will become the applicable three-month bank bill rate plus a margin of 1.90% per annum.

D. Non-viability trigger event

If APRA determines that a non-viability trigger event has occurred in relation to the Company, all (or in some circumstances, some) notes must be converted into a variable number of ordinary shares of the Company, or, if conversion does not occur when required, written off.

Note 4.2 Equity

	2026	2025	2026	2025
	Number of shares in millions	Number of shares in millions	$m	$m
A. Share capital				
Ordinary shares				
Balance at the beginning of the financial period	**2,365**	2,370	**6,799**	6,836
On-market share buy-back, including transaction costs	**(27)**	(5)	**(200)**	(37)
Balance at the end of the financial period	**2,338**	2,365	**6,599**	6,799

B. Changes during the year

I. On-market share buy-back

On 20 August 2025, IAG issued its final buy-back notification relating to the on-market share buy-back announced on 21 August 2024. Under this buy-back, the Company acquired 5.0 million shares in the prior financial year for a total consideration of $37 million (including transaction costs), at an average price of $7.46 per share.

On 12 February 2026, IAG announced an additional on-market share buy-back of up to $200 million. On 13 May 2026, IAG issued its final buy-back notification and under this buy-back, the Company acquired 27.3 million shares for a total consideration of $200 million (including transaction costs), at an average price of $7.32 per share.

C. Nature and purpose of equity

I. Ordinary shares

All ordinary shares on issue are fully paid and have no par value. Ordinary shares entitle the holder to a vote at a general meeting of the Company and to participate in the dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held. Shares are classified as equity when there is no obligation to transfer cash or other assets to the holder. Transaction costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

II. Treasury shares held in trust

To satisfy obligations under the various share-based remuneration plans, shares are generally bought on-market at or near grant date of the relevant arrangement and are managed using in-house trusts, which are controlled by IAG. The shares bought on-market are recorded at cost, classified as treasury shares held in trust and are presented as a deduction from equity under statement of changes in equity. These treasury shares are derecognised when the shares vest or are released to the participant. No gain or loss is recognised in profit or loss on their purchase, cancellation or reissue of the shares. The total number of treasury shares acquired on-market during the financial year was 8.8 million (2025: 5.8 million) at an average price per share of $7.12 (2025: $8.17).

III. Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences and related net investment hedge arising from the translation of the financial position and performance of subsidiaries and investments in associates that have a functional currency other than Australian dollars.

IV. Share-based remuneration reserve

The share-based remuneration reserve is used to recognise the fair value of equity-settled share-based remuneration obligations issued to employees. The total amount expensed over the vesting period through the consolidated statement of comprehensive income is calculated by reference to the fair value of the rights at grant date. The fair value of the rights is calculated at the grant date using a Black Scholes valuation model and Monte Carlo simulation. The volatility assumption has been set considering the Company's historical share price. Some of the assumptions are based on historical data which is not necessarily indicative of future outcomes. Reasonable changes in these assumptions would not have a material impact on the amounts recognised in the financial statements.

The Company provides benefits to employees (including senior management and Executives) through share-based incentives to create a link between shareholder value creation and rewarding employees, and to assist with retention of key personnel. The senior management and Executive share plan arrangements consist of two separate arrangements, the Deferred Award Rights Plan (DARs Plan) and Executive Performance Rights Plan (EPRs Plan).

The obligations under share-based payment arrangements are covered by the on-market purchase of ordinary shares of the Company which are held in trust. The number of shares purchased to cover each allocation of rights is determined by the trustee.

Note 4.3 Earnings per share

	2026 cents	2025 cents
A. Reporting period values		
Basic earnings per ordinary share[1]	**43.40**	57.49
Diluted earnings per ordinary share[2]	**42.81**	56.14

1. Basic earnings per ordinary share is determined by dividing the profit or loss attributable to shareholders of the Parent by the weighted average number of shares of the Parent on issue during the reporting period. Treasury shares held in trust are deducted, but earnings attributable to those shares are included.
2. Diluted earnings per ordinary share is determined by dividing the profit or loss attributable to shareholders of the Parent, adjusted for the finance costs of the eligible dilutive convertible instruments, by the weighted average number of ordinary shares and dilutive potential ordinary shares, primarily as a result of debt instruments that possess a conversion feature.

	2026 $m	2025 $m
B. Reconciliation of earnings used in calculating earnings per share		
Profit attributable to shareholders of the Parent which is used in calculating basic and diluted earnings per share	**1,022**	1,359
Finance costs of dilutive convertible securities, net of tax	**56**	76
Profit attributable to shareholders of the Parent which is used in calculating diluted earnings per share	**1,078**	1,435

	2026 Number of shares in millions	2025 Number of shares in millions
C. Reconciliation of weighted average number of ordinary shares used in calculating earnings per share		
Weighted average number of ordinary shares on issue (adjusted for treasury shares held in trust) used in the calculation of basic earnings per share	**2,355**	2,364
Weighted average number of dilutive potential ordinary shares relating to:		
Eligible convertible securities	**159**	190
Unvested share-based remuneration rights supported by treasury shares held in trust	**4**	2
	2,518	2,556

Note 4.4 Dividends

	2026		2025	
	Cents per share	$m	Cents per share	$m
A. Ordinary shares				
2026 25% franked interim dividend (2025: 60% franked interim dividend)	**12.0**	**284**	12.0	284
2025 40% franked final dividend (2025: 2024 50% franked final dividend)	**19.0**	**449**	17.0	403
Total dividend paid on ordinary shares		**733**		687
B. Dividend not recognised at reporting date				
Dividends determined since reporting date: 2026 80% franked final dividend (2025: 40% franked final dividend)	**20.0**	**468**	19.0	449
C. Dividend franking amount				
Franking credits available for subsequent financial periods based on a tax rate of 30%		**345**		295

D. Recognition and measurement

Provision for dividends is made in respect of ordinary shares where the dividends are declared on or before the reporting date but have not yet been distributed at that date.

The consolidated amounts above are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits that will arise from the settlement, after the end of the reporting date, of tax-related balances and the franking credits that will be utilised for dividends determined but not recognised at the reporting date.

Note 4.4.C pertains to Australian franking credits which are available for subsequent financial reporting periods including franking credits for subsidiaries outside of the IAG Tax Consolidated Group (TCG). The consolidated amounts include franking credits that may become available to the Company, if distributable profits of subsidiaries were paid as dividends.

Excluding franking credits outside of the IAG TCG, and immediately after payment of the 2026 final dividend (80% franked), the Company will have no franking credits available for distribution.

In addition, for FY26 the Group has NZ$323 million (2025: NZ$65 million) of franking credits associated with New Zealand.

The unfranked part of the dividend is declared to be conduit foreign income. For shareholders not resident in Australia, the dividend will not be subject to Australian withholding tax.

E. Dividend reinvestment

The Company has a Dividend Reinvestment Plan (DRP) which allows eligible shareholders with ordinary shares to elect to receive their dividend entitlement in the form of ordinary shares of the Company. The price of DRP shares is the volume-weighted average price (VWAP), less a discount if determined by the Directors, calculated over the pricing period (which is at least five trading days) as determined by the Directors for each dividend payment date. A copy of the terms and conditions for the DRP is available on our website (www.iag.com.au) in the shareholder centre section.

The DRP for the 2026 interim dividend paid on 13 March 2026 was settled with the on-market purchase of approximately 6 million shares priced at $6.6706 per share (based on a VWAP for eight trading days from 23 February 2026 to 4 March 2026 inclusive, with no discount applied).

The Company's DRP has been suspended for the 2026 final dividend.

F. Restrictions that may limit the payment of dividends

There are currently no restrictions on the payment of dividends by the Parent other than:

- the payment of dividends is subject to the provisions of the *Corporations Act 2001* and IAG's constitution;
- the payment of dividends generally being limited to profits, subject to ongoing solvency obligations, and under the APRA Level 2 Insurance Group supervision requirements, IAG is required to obtain approval from APRA before payment of dividends on ordinary shares that exceed the Group's after-tax earnings as defined by APRA; and
- no dividends can be paid, and no returns of capital can be made on ordinary shares if distributions are not paid on the Capital Notes 2 and Capital Notes 3, subject to certain exceptions. For further details, refer to Note 4.1.

Note 4.5 Derivatives

A. Reporting date positions

	2026			2025		
	Notional contract amount $m	Fair value asset $m	Fair value liability $m	Notional contract amount $m	Fair value asset $m	Fair value liability $m
Derivatives						
Interest rate futures	**19,484**	**14**	**-**	15,983	13	-
Share price index futures	**5**	**-**	**-**	36	1	-
Forward foreign exchange contracts	**5,619**	**-**	**(74)**	5,746	31	-
Total	**25,108**	**14**	**(74)**	21,765	45	-

B. Recognition and measurement

Derivatives are initially recognised at fair value, which is determined by reference to current market quotes or generally accepted valuation principles. Where derivatives are investment-related, they are presented together with the underlying investments or as payables when the fair value is negative. Any other derivatives are presented as receivables when the fair value is positive or as payables when the fair value is negative.

The derivative contracts are substantially expected to be settled within 12 months.

The fair value of interest rate futures and share price index futures are measured using a quoted price in an active market (Level 1 in the fair value hierarchy), whilst the fair value of forward foreign exchange contracts is determined using observable inputs (Level 2 in the fair value hierarchy).

5. Other balance sheet disclosures

Section introduction

This section provides disclosures on other components of IAG's financial position, including:

- Goodwill and intangible assets – these balances primarily relate to the excess of purchase consideration paid over the net fair value of the acquired identifiable assets and liabilities including recognised non-controlling interests acquired in business acquisitions as well as internally developed capitalised software. These assets support the generation of future earnings and are subject to impairment testing, with finite useful life intangible assets also subject to amortisation.
- Income tax – the note summarises both the comprehensive income (profit or loss and other comprehensive income) and balance sheet items related to income tax. The profit or loss disclosure includes a reconciliation between the income tax expense reported and the prima facie amount when applying the Australian company tax rate (30%). The balance sheet disclosure focuses on deferred tax balances, which arise due to timing differences between the accounting treatment of taxable income or expenses, and the treatment adopted by the relevant tax authority.
- Provisions – these balances primarily include employee-related costs, for example an annual leave entitlement representing amounts owing to employees at the reporting date based on past service.
- Leases – the note provides information on the effect that leases have on the financial position, financial performance and cash flows of IAG.

Note 5.1 Goodwill and intangible assets

	Goodwill	Software development expenditure	Distribution agreement[1]	Customer relationships	Brands and other	Total
	$m	$m	$m	$m	$m	$m
2026						
A. Composition						
Cost	**2,880**	**2,073**	**324**	**194**	**108**	**5,579**
Accumulated amortisation and impairment	**-**	**(972)**	**(11)**	**(193)**	**(25)**	**(1,201)**
Balance at the end of the financial year	**2,880**	**1,101**	**313**	**1**	**83**	**4,378**
B. Reconciliation of movements						
Balance at the beginning of the financial year	**2,824**	**997**	**-**	**4**	**87**	**3,912**
Additions acquired and developed	**-**	**234**	**-**	**-**	**-**	**234**
Additions through business acquisition[1]	**131**	**-**	**324**	**-**	**-**	**455**
Amortisation and impairment	**-**	**(103)**	**(11)**	**(3)**	**-**	**(117)**
Net foreign exchange movements	**(75)**	**(27)**	**-**	**-**	**(4)**	**(106)**
Balance at the end of the financial year	**2,880**	**1,101**	**313**	**1**	**83**	**4,378**
2025						
A. Composition						
Cost	2,824	1,885	-	194	112	5,015
Accumulated amortisation and impairment	-	(888)	-	(190)	(25)	(1,103)
Balance at the end of the financial year	2,824	997	-	4	87	3,912
B. Reconciliation of movements						
Balance at the beginning of the financial year	2,811	854	-	7	86	3,758
Additions acquired and developed	4	258	-	-	-	262
Amortisation and impairment	-	(110)	-	(3)	-	(113)
Net foreign exchange movements	9	(5)	-	-	1	5
Balance at the end of the financial year	2,824	997	-	4	87	3,912

1. Refer to Note 6.4 for further details.

C. Recognition and measurement

All of the goodwill and intangible assets, other than components of capitalised software development expenditure (internally generated), have been recognised at the time of business acquisitions.

Intangible assets are initially recorded at cost at the date of acquisition, being the fair value of the consideration. Internally generated intangible assets comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Goodwill is generated as a result of business acquisitions and is initially measured as the excess of the purchase consideration over the fair value of the net identifiable assets and liabilities acquired. At the date of disposal of a business, attributed goodwill is derecognised to calculate the gain or loss on disposal.

Intangible assets with an indefinite useful life, including goodwill and certain brands, are not subject to amortisation but to impairment testing. Intangible assets with finite useful lives are amortised on a straight-line basis over the period in which the related economic benefits are expected to be realised. Amortisation rates and residual values are reviewed annually, and any changes are accounted for prospectively. Amortisation of intangible assets is recognised in profit or loss, with a portion of this expense allocated to insurance results if it pertains to fulfillment of insurance underwriting obligations. The useful lives for each category of intangible assets are as follows:

- capitalised software: up to 3 years, with major core software infrastructure amortised over a period up to 13 years;
- customer relationships: 5 to 10 years;
- brands and other: up to 20 years, except for certain brands with an indefinite useful life; and
- distribution agreement: 25 years, refer to Note 6.4 for further details.

D. Impairment

An impairment charge is recognised in profit or loss when the carrying value of the asset, or Cash Generating Unit (CGUnit), exceeds the calculated recoverable amount. The impairment charge for goodwill cannot be subsequently reversed, whereas for identified intangibles the charge can be reversed where estimates used to determine the recoverable amount have changed. For assets with indefinite useful lives, which include goodwill, the recoverability of the carrying value of the assets is reviewed for impairment at each reporting date, or more frequently if events or changes in circumstances indicate that it might be impaired. The carrying amounts of intangible assets with finite useful lives are reviewed at each reporting date by determining whether there is an indication that the carrying values may be impaired. If any such indication exists, the asset is tested for impairment.

I. Impairment testing of goodwill

For the purpose of impairment testing, goodwill is allocated to CGUnits. The recoverable amount of the CGUnit is determined by value-in-use calculations, which estimate the present value of future cash flows by using a discount rate that reflects current market assessment of the risks specific to the CGUnits. Where an impairment is determined, impairment losses relating to CGUnits are allocated first to reduce goodwill and then to other CGUnit assets on a pro-rata basis.

The following table describes the key assumptions for each CGUnit on which management based its cash flow projections to undertake the impairment testing:

- Cash flow forecasts are based on the latest approved management business plans and then trend to the long-term assumptions to cover a ten-year valuation forecast for growth and profitability;
- Terminal value is calculated using a perpetuity growth formula based on the cash flow forecast at the end of the relevant valuation forecast period, terminal growth rate in profit or premium and, where appropriate, terminal insurance margin. Terminal growth rates and insurance margins are based on past performance and management's expectations for future performance in each segment and country; and
- Discount rates reflect a beta and equity risk premium appropriate to IAG, adjusted with risk adjustments for individual businesses of each CGUnit and countries where applicable. The pre-tax discount rates used for significant CGUnits are set out in the table below.

			2026			2025
	Goodwill	Discount Rate	Growth Rate	Goodwill	Discount Rate	Growth Rate
	$m	%	%	$m	%	%
Retail Insurance Australia	**913**	**11.9%**	**3.7%**	782	11.3%	3.7%
Intermediated Insurance Australia	**1,376**	**12.1%**	**3.3%**	1,376	11.5%	3.3%
New Zealand	**591**	**12.6%**	**3.3%**	666	12.1%	3.3%
Total	**2,880**			2,824		

II. Impairment testing of identified intangible assets

Where the recoverable amount is determined by a value-in-use calculation, it involves the use of accounting estimates and assumptions to determine the projected net cash flows, which are discounted using an appropriate discount rate to reflect current market assessment of the risks associated with the assets or CGUnits.

An impairment charge for capitalised software is incurred if there is evidence of obsolescence or significant changes impacting the manner in which an asset is used or expected to be used or there is evidence indicating the economic performance of the asset is not as intended by management.

Note 5.2 Income tax

	2026 $m	2025 $m
A. Income tax expense		
Current tax	**446**	436
Deferred tax	**74**	246
Under/(over) provided in prior year	**2**	(4)
Income tax expense	**522**	678
B. Reconciliation of prima facie tax to income tax expense		
Profit for the year before income tax (A)	**1,739**	2,213
Income tax calculated at 30% (2025: 30%)	**522**	664
Amounts which are not deductible/(taxable) in calculating taxable income		
Effect of tax rate in foreign jurisdictions	**(10)**	(16)
Rebatable dividends	**(3)**	(2)
Interest on capital notes	**16**	16
Other	**(5)**	20
Income tax expense applicable to current year	**520**	682
Adjustment relating to prior year	**2**	(4)
Income tax expense attributable to profit for the year from continuing operations after impact of tax consolidation (B)	**522**	678
Effective tax rate (B) / (A)	**30.0%**	30.6%
C. Deferred tax assets		
I. Composition		
Tax losses	**16**	23
Insurance provisions	**173**	162
Provisions	**5**	13
Property and equipment	**152**	189
Employee benefits	**129**	130
Defined benefit superannuation plans	**(9)**	(5)
Lease liabilities	**103**	108
Other	**35**	34
	604	654
Amounts set-off against deferred tax liabilities	**(409)**	(448)
	195	206
II. Reconciliation of movements		
Balance at the beginning of the financial year	**654**	881
Additions through business acquisition[1]	**20**	-
(Charged)/credited to profit or loss	**(88)**	(254)
(Charged)/credited to other comprehensive income[2]	**(4)**	(5)
Adjustments relating to prior year	**12**	16
Others	**10**	16
Balance at the end of the financial year prior to set-off	**604**	654

1. Refer to Note 6.4 for further details.
2. Amounts charged/credited to other comprehensive income relate to the tax effect on remeasurements of defined benefit plans.

III. Tax losses

Tax losses can be carried forward for an indefinite life and remain available to offset against future income tax liabilities, provided the continuity of shareholding requirement is met at the listed holding company level and no change in tax legislation adversely affects the Group in realising the benefit from the deduction of the tax losses.

	2026 $m	2025 $m
D. Deferred tax liabilities		
I. Composition		
Investments	**12**	73
Right-of-use assets	**69**	67
Distribution agreement	**94**	-
Other	**432**	363
	607	503
Amounts set-off against deferred tax assets	**(409)**	(448)
	198	55
II. Reconciliation of movements		
Balance at the beginning of the financial year	**503**	479
Additions through business acquisition[1]	**97**	-
Charged to profit or loss	**2**	(8)
Charged to other comprehensive income[2]	**-**	(2)
Adjustments relating to prior year	**5**	34
Balance at the end of the financial year prior to set-off	**607**	503

1. Refer to Note 6.4 for further details.
2. Amounts charged/credited to other comprehensive income relate to the tax effect on hedge of net investments in foreign operations.

E. Recognition and measurement

I. Income tax

Income tax expense for a reporting year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in either equity or other comprehensive income.

II. Current tax

Current tax assets and liabilities are the expected tax recoverable or payable on the taxable income for the year, using tax rates for each jurisdiction, and any adjustment to tax payable in respect of previous financial periods. These include any rates or laws enacted or substantially enacted at the balance sheet date.

III. Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount and tax bases. Deferred tax assets (deductible temporary differences, carried forward unused tax assets and unused tax losses) are recognised to the extent it is probable that future taxable profit will be available to utilise them before the unused tax losses or credits expire. In making this assessment, IAG considers historical trends of profit generation.

The following demonstrates other circumstances when no deferred tax asset or liability is recognised:

- temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss;
- temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is probable that the differences will not reverse in the foreseeable future; and
- temporary differences relating to the initial recognition of goodwill.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

IV. Tax consolidation

The Company and its Australian resident wholly-owned subsidiaries adopted the tax consolidation legislation with effect from 1 July 2002 and are therefore taxed as a single entity from that date. The Company is the head entity within the tax-consolidated group.

Notes to the financial statements (continued)

For the financial year ended 30 June 2026

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised as amounts receivable/(payable) from/(to) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by IAG as an equity contribution or distribution.

All entities in the tax-consolidated group have entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly-owned entities in the case of a default by the head entity. The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate the Company for any current tax payable assumed.

V. Implementation of the Pillar Two model rules

The Group has applied the mandatory temporary exception in accordance with *AASB 112 Income Taxes* as amended by *AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rule*, to accounting for deferred taxes, related to the implementation of the Pillar Two rules.

The Group is within the scope of the Pillar Two legislation which has been enacted in Australia, New Zealand and Singapore and is effective for the income year ended on 30 June 2026. The Group has performed an assessment as to the potential Pillar Two tax liability for the financial year ended 30 June 2026. Based on this assessment, the Group estimates its current tax expense related to Pillar Two for the financial year ended 30 June 2026 is nil (2025: nil).

Note 5.3 Provisions

	2026 $m	2025 $m
A. Provisions		
Employee benefits	**421**	422
Other provisions	**61**	106
Total provisions	**482**	528

B. Recognition and measurement

The Group recognises provisions when there is a present obligation arising from a past event, an outflow of economic resources is probable, and the amount of the provision can be measured reliably. The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the timing and amount of the obligation.

I. Annual leave

Liability for annual leave is recognised at the nominal amounts unpaid at the reporting date using remuneration rates that are expected to be paid when the liability is settled, including on-costs.

II. Long service leave

A liability for long service leave is recognised as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The estimated future cash outflows are discounted using corporate bond yields which have terms to maturity that match, as closely as possible, the estimated future cash outflows. Factors which affect the estimated future cash outflows such as expected future salary increases, experience of employee departures and period of service, are incorporated in the measurement.

III. Short-term incentive plan

The short-term incentive plan continued in operation during the current reporting year. Under this plan, eligible employees may earn an incentive, calculated as a proportion of their base salary or fixed remuneration, which is typically paid in cash each year. The incentive opportunity is set depending on an employee's role and responsibilities. The incentive payments are determined based on an assessment of individual performance, values and behaviours, risk management and achievement of overall Group objectives. Under this plan, senior managers generally receive a portion of their incentive as Deferred Award Rights (DARs) which are considered equity-settled awards.

The fair value of the employee services received in exchange for these DARs is recognised as an expense with a corresponding adjustment to the share-based payment reserve. The total amount to be expensed over the vesting period is determined by reference to the fair value of the instruments granted. These awards are not subject to any market or non-market performance conditions.

The Company also provides an Employee Share Offer award to eligible employees on a discretionary basis, that may be tax exempt. The award provides the opportunity to receive up to $1,000 worth of shares each year based on the Group's overall performance. The number of shares granted to eligible employees is based on the Company's volume weighted average share price over a five-day period shortly before the grant of the award. Shares granted are restricted from sale until the earlier of three years or until such time as the participant ceases employment with the Group. Participants receive full dividend entitlements and voting rights attached to the shares. The cost of these awards is recorded as an expense over the service period of the employees.

IV. Superannuation

For defined benefit superannuation plans, the net financial position of the plans is recognised on the consolidated balance sheet and the movement in the net financial position is recognised in profit or loss, except for remeasurements of defined benefit plans (experience adjustments and changes in actuarial assumptions), which are recognised directly in retained earnings. For defined contribution superannuation plans, obligations for contributions are recognised in profit or loss as they become payable.

V. Executive performance rights

Executive performance rights (EPRs) are indeterminate rights in that they can be cash-settled or equity-settled. The choice of settlement is with the Board. The EPRs are measured over the service period and are subject to the achievement of the associated performance hurdles attached to them. The total cost of EPRs to be expensed over the vesting period is determined by reference to the fair value of the instruments granted, excluding the impact of any non-market vesting conditions. The impacts of non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable. The fair value of each EPR instrument is recognised evenly over the service period until the vesting date.

The cost of equity-settled EPRs is accounted for as an employee benefit expense, with a corresponding adjustment made to the share-based payment reserve. On the other hand, the cost of cash-settled EPRs is also recognised as an employee benefit expense, but with a corresponding adjustment to the employee benefit obligation in the balance sheet.

	2026 $m	2025 $m
C. Employee benefits		
I. Expense recognised in the consolidated statement of comprehensive income		
Defined contribution superannuation plans	**174**	158
Defined benefit superannuation plans	**1**	4
Share-based remuneration	**38**	48
Salaries and other employee benefits expense	**2,022**	2,061
	2,235	2,271
II. Provision recognised on the consolidated balance sheet		
Short-term and other benefits[1]	**279**	281
Long service leave	**142**	141
	421	422

1. Short-term and other benefits include annual leave entitlements and cash-based incentive arrangements.

The employee benefits provision includes $73 million (2025: $73 million) which is expected to be settled after more than 12 months from reporting date.

Note 5.4 Leases

A. Amounts recognised in the balance sheet

I. Right-of-use assets

	Properties $m	Motor vehicles $m	Total $m
2026			
Balance at the beginning of the financial year	**274**	**8**	**282**
Additions to right-of-use assets	**65**	**4**	**69**
Depreciation and impairment	**(60)**	**(4)**	**(64)**
Derecognition of right-of-use assets	**(5)**	**-**	**(5)**
Net foreign exchange movements	**(8)**	**(1)**	**(9)**
Balance at the end of the financial year	**266**	**7**	**273**
2025			
Balance at the beginning of the financial year	308	4	312
Additions to right-of-use assets	45	7	52
Depreciation and impairment	(69)	(3)	(72)
Derecognition of right-of-use assets	(11)	-	(11)
Net foreign exchange movements	1	-	1
Balance at the end of the financial year	274	8	282

Notes to the financial statements (continued)

For the financial year ended 30 June 2026

II. Lease liabilities

The below table shows the current and non-current portion of lease liability along with the undiscounted maturity analysis.

	2026 $m	2025 $m
Current	**85**	81
Non-current	**290**	320
Carrying value of lease liabilities	**375**	401
Due within 1 year	**89**	86
Due within 1 to 2 years	**86**	82
Due within 2 to 5 years	**193**	223
Due after 5 years	**49**	46
Total undiscounted lease liabilities	**417**	437

III. Net investment in sub-lease

The Group has leased out certain portions of its leased properties, which it has classified as a finance sub-lease. At the reporting date, the Group recognised net investment in sub-lease of $27 million (2025: $31 million) which is presented within trade and other receivables in the consolidated balance sheet.

B. Recognition and measurement

Properties, motor vehicles and equipment of the Group are leased under non-cancellable lease agreements, which are measured under *AASB 16 Leases*. Most leases are subject to annual review and, where appropriate, a right of renewal has been incorporated into the lease agreements. There are no options to purchase the relevant assets on expiry of the lease.

Assets and liabilities arising from a lease are initially measured as the present value of lease payments over the term of the agreement that are not paid at that date. Lease liabilities include the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease term is determined as the non-cancellable period of a lease, considering any options to extend or terminate the lease early that the entity reasonably expects to exercise.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost representing the time value of money is charged to the profit or loss over the lease period. The discount rate applied is unchanged from that applied at the initial recognition of the lease, unless there are material changes to the lease.

Right-of-use assets are measured at cost comprising the following:

- the initial measurement of lease liability; adjusted for
  a. any lease payments made at or before the commencement date less any lease incentives received;
  b. any initial direct costs; and
  c. restoration costs;
- less any accumulated depreciation and any accumulated impairment losses; and
- adjusted for any remeasurement of the lease liability.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. These assets are subject to impairment testing if there are indicators of impairment. The right-of-use asset is impaired if their carrying amount is lower than its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

Payments associated with short-term leases of property, motor vehicles and equipment are recognised on a straight-line basis as an expense in profit or loss. Short-term leases have a lease term of 12 months or less.

C. Amounts recognised in the statement of comprehensive income

	2026 $m	2025 $m
Depreciation and impairment (included in underwriting expense and fee-based, corporate and other expenses)	**(64)**	(72)
Interest expense (included in finance costs)	**(14)**	(14)
Expense relating to short-term leases (included in underwriting expense and fee-based, corporate and other expenses)	**(2)**	(2)
Interest income from sub-leasing right-of-use assets (included in fee and other income)	**1**	1

During the 2026 financial year, there was no impairment (2025: $12 million) relating to right-of-use assets.

D. Amounts recognised in the cash flow statement

The below table shows total cash outflow for lease including finance cost.

	2026 $m	2025 $m
Total cash outflow for leases	**98**	97

6. Group structure

Section introduction

This section provides disclosures on the Parent entity, details of material subsidiaries and non-controlling interests. In addition, details of significant acquisitions that are subject to regulatory approval are also disclosed in this section.

For disclosure on the entities that were part of the consolidated group in the current financial year, refer to the consolidated entity disclosure statement.

Note 6.1 Parent entity disclosures

The ultimate Parent entity in the Group is Insurance Australia Group Limited, which is incorporated in Australia. The following information of the Parent entity is disclosed as required by the current regulatory requirements in Australia.

	2026 $m	2025 $m
A. Financial results		
Profit for the year	**731**	1,055
Total comprehensive income for the year, net of tax	**731**	1,055
B. Financial position		
Current assets	**374**	755
Total assets	**13,084**	12,457
Current liabilities	**79**	38
Total liabilities	**3,842**	3,013
C. Shareholders' equity		
Share capital	**6,599**	6,799
Retained earnings	**2,643**	2,645
Total shareholders' equity	**9,242**	9,444

D. Recognition and measurement

Contingent liabilities are not recognised on the balance sheet but are disclosed where the possibility of settlement is less than probable but more than remote. Provisions are not required with respect to these matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not reliably measurable. If settlement becomes probable, a provision is recognised. The best estimate of the settlement amount is used in measuring a contingent liability for disclosure.

E. Contingent liabilities

There are no known material exposures to the Parent or events that would require it to satisfy any guarantees or take action under a support agreement other than the shareholder representative proceeding filed in the Supreme Court of Victoria (refer to Note 7.1 for further details on contingent liabilities).

F. Commitments

The Parent has no material commitments (2025: nil).

Note 6.2 Details of material subsidiaries

The following table details IAG's material subsidiaries:

	Country of incorporation/ formation	Ownership interest held by Group if not 100% 2026 %	2025 %
A. Ultimate Parent			
Insurance Australia Group Limited	Australia		
B. Subsidiaries			
I. Australian general insurance operations			
Insurance Australia Limited[1]	Australia		
Insurance Manufacturers of Australia Pty Limited	Australia	**70.00**	70.00
CGU Australia Pty Ltd[1]	Australia		
RACQ Insurance Limited[2]	Australia	**90.73**	-
II. New Zealand general insurance operations			
IAG New Zealand Limited	New Zealand		

1. On 1 October 2025 a scheme transfer was undertaken between Insurance Australia Limited (IAL) and CGU Australia Pty Ltd (CGUA). The transfer was made pursuant to the Federal Court approval granted on 1 September 2025.
2. On 1 September 2025, IAG acquired 90% of the shares in RACQ Insurance Limited. Refer to Note 6.4 for further details. Subsequent to the acquisition there was an increase in ownership to 90.73%.

Note 6.3 Non-controlling interests

Set out below is summarised financial information (before intercompany eliminations) for Insurance Manufacturers of Australia Pty limited and RACQ Insurance Limited. These entities are subsidiaries of the Parent, with substantial non-controlling interests. Refer to the consolidated entity disclosure statement for further details on these entities.

	Insurance Manufacturers of Australia Pty Limited		RACQ Insurance Limited[1]	
	2026 $m	2025 $m	2026 $m	2025 $m
I. Summarised statement of comprehensive income				
Insurance profit/(loss)	**840**	722	**(81)**	-
Profit/(loss) after tax attributable to the Parent entity	**467**	410	**(36)**	-
Profit/(loss) after tax attributable to non-controlling interest	**200**	176	**(5)**	-
Other comprehensive income/(expense)	**1**	1	**-**	-
Total comprehensive income/(expense)	**668**	587	**(41)**	-
II. Summarised balance sheet				
Total assets	**4,686**	4,525	**2,399**	-
Total liabilities	**(2,931)**	(3,034)	**(1,568)**	-
Net assets including fair value adjustment (100% basis)	**1,755**	1,491	**831**	-
Carrying amount of non-controlling interest	**527**	447	**77**	-
III. Summarised cash flow				
Net cash flows from operating activities	**584**	741	**(123)**	-
Net cash flows from investing activities	**(403)**	(59)	**12**	
Dividends paid to other IAG entities (financing activities)	**(262)**	(412)	**-**	-
Dividends paid to non-controlling interest (financing activities)	**(114)**	(175)	**-**	-
Total net cash flows	**(195)**	95	**(111)**	-

1. IAG acquired shares in RACQ Insurance Limited on 1 September 2025. The amounts include fair value adjustments. Refer to Note 6.4 for further details.

Note 6.4 Acquisition of business

On 28 November 2024, Insurance Australia Group Limited and The Royal Automobile Club of Queensland (RACQ) announced a proposed 25-year exclusive strategic alliance to provide RACQ general insurance products and services for RACQ members and Queenslanders. Completion of the acquisition occurred on 1 September 2025. Under the strategic alliance, IAG acquired 90% of RACQ's existing insurance underwriting business (by way of the acquisition of 90% of the shares in RACQ Insurance Limited), with an option to acquire the remaining shares after two years on consistent terms.

The consideration for acquiring the initial 90% stake was $855 million. This transaction was funded from the surplus capital of the Group. The insurance service result from this acquired business is included in the Retail Insurance Australia business segment.

A. Identifiable assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities recognised as at the date of acquisition is disclosed in the table below.

	$m
Cash held for operational purposes	75
Investments	1,125
Reinsurance contract held assets	564
Deferred tax assets	20
Other assets	11
Intangible asset[1]	324
Total assets	**2,119**
Current tax liabilities	7
Deferred tax liabilities	97
Insurance contract liabilities	1,195
Provisions	12

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For the financial year ended 30 June 2026

	$m
Other liabilities	3
Total liabilities	**1,314**
Net assets acquired	**805**
Less: non-controlling interest	(81)
Net assets attributable to owner IAG	**724**
Purchase consideration paid in cash	855
Goodwill acquired on acquisition	131

1. Intangible asset represents the distribution arrangements arising from this exclusive strategic alliance and will be amortised over its life. No brands and customer-related intangible assets were recognised in this acquisition.

Goodwill acquired on acquisition represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the acquisition date. Goodwill comprises components such as other intangible assets not separately identified such as the assembled workforce and is also attributable to the future operational synergies expected to be achieved from this acquisition. Goodwill recognised during the year was tested for impairment. Refer to Note 5.1 for further details. The goodwill recognised on acquisition is not deductible for tax purposes. The deferred tax liability relates to the fair value adjustments.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

Acquisition-related costs of this acquisition were included within the corporate and other expenses line in the statement of comprehensive income of the previous financial year. All notes to the financial statements and disclosures for the current period include the financial effects of acquiring the RACQI business, from the acquisition date.

B. Contributions from acquired business

This acquisition has contributed insurance revenues of $1,733 million and loss before tax of $71 million to the Group's results from the acquisition date to this reporting date. If the acquisition had occurred on 1 July 2025, management estimates that the Group's consolidated insurance revenues would have increased by $1,977 million and the Group's consolidated profit before tax for the period would have decreased by $44 million for the full year ended 30 June 2026. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2025.

Note 6.5 Acquisition subject to regulatory approval

On 15 May 2025, the Company and The Royal Automobile Club of Western Australia (RAC) announced a proposed strategic alliance to provide general insurance products and services for RAC members and Western Australians. The transaction includes IAG's purchase of RAC's existing insurance underwriting business (by way of the acquisition of all shares in RAC Insurance Pty Limited (RACI)) and a 20-year exclusive distribution agreement for RAC branded home, motor and niche insurance products. The consideration of $1,350 million is subject to completion adjustments. The transaction will be funded from existing surplus capital, debt and strong, stable organic capital generation.

On 11 December 2025, the Australian Competition and Consumer Commission (ACCC) announced it would oppose the proposed transaction under its informal merger clearance process. IAG subsequently notified the ACCC of the transaction under the new mandatory merger control regime. The notification took effect on 3 March 2026, commencing the ACCC's formal review period.

On 17 April 2026, the ACCC announced it had not reached a conclusion and would continue to consider the acquisition in a Phase 2 assessment. The Phase 2 assessment is expected to take up to 110 business days, subject to any further extensions.

7. Unrecognised items

Section introduction

This section provides an overview of those items that are not required to be recognised in the financial statements but may have informative content in relation to IAG's performance or financial position and are required to be disclosed under the accounting standards. These include:

- contingencies – these primarily relate to contingent liabilities that are only recognised in the financial statements when recognition criteria required under accounting standards is met; and
- events subsequent to the reporting date – information is included on non-adjusting events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

Note 7.1 Contingencies

As at 30 June 2026, the Group had the following specific contingent liabilities to report. The matters listed below at this point in time are highly complex and uncertain and, it is not practicable to estimate the ultimate financial impact on IAG.

- On 1 August 2022, IAG announced it had been served with a shareholder representative proceeding filed in the Supreme Court of Victoria on behalf of persons who acquired shares in IAG during the period 11 March 2020 to 20 November 2020 (inclusive), in relation to IAG's disclosure of the potential impact of COVID-19 related business interruption claims. On 26 June 2026, the plaintiff filed an amended statement of claim that narrowed the group member definition to comprise persons who acquired shares in IAG during the period 25 June 2020 to 20 November 2020 (inclusive). IAG continues to defend the proceeding.
- On 25 August 2023, IAG acknowledged the civil penalty proceedings commenced by the Australian Securities and Investments Commission (ASIC) in the Federal Court of Australia against Insurance Australia Limited (IAL) and Insurance Manufacturers of Australia Pty Limited (IMA) on 24 August 2023. The proceedings allege contraventions of the *ASIC Act 2001* and the *Corporations Act 2001* concerning the pricing of, and certain disclosures about how premiums were priced, for renewing customers of SGIO, SGIC and RACV home insurance products. IAL and IMA maintain they have delivered on loyalty promises made to customers, do not agree that they have misled customers about the extent of the discounts they would receive, and are defending the proceedings. A hearing to determine whether IAL and IMA contravened those laws concluded on 1 May 2026 and the parties are awaiting the Court's decision.
- On 28 May 2024, IAG announced it had been served with a statement of claim for a policyholder class action in the Supreme Court of Victoria against IAG's subsidiaries IAL and IMA relating to allegations which are the subject of the proceedings commenced by ASIC against IAL and IMA noted above.
- On 10 December 2024, IAG announced it had been served with a statement of claim for a policyholder class action in the Supreme Court of Victoria against IAG's subsidiary IAL which followed the class action proceedings commenced on 28 May 2024 and relate to loyalty offers for NRMA Insurance home, contents and home and contents insurance policies.
- On 11 March 2025, the Supreme Court of Victoria made orders consolidating the policyholder class action commenced on 28 May 2024 against IAL and IMA with the policyholder class action commenced on 10 December 2024 against IAL into a single proceeding. In March 2026 the plaintiffs filed and served a Proposed Amended Consolidated Statement of Claim (PACSOC) to include motor insurance products (excluding compulsory third party insurance) in their claim. IAL and IMA are continuing to defend the allegations.
- On 22 September 2025, ASIC commenced civil penalty proceedings in the Federal Court of Australia against RACQ Insurance Limited (RACQI) alleging contraventions of the *ASIC Act 2001* concerning the communication of the annual comparison price on renewal notices. On 12 December 2025, ASIC filed and served a statement of claim in the proceeding. RACQI is defending the proceedings. As a result of certain contractual protections, it is expected that there will be minimal net exposure for the Group in relation to this matter.

From time to time the Group is exposed to contingent risks and liabilities arising from the conduct of its business including:

- actual and potential disputes, claims and legal proceedings, including litigation arising out of insurance policies and regulatory matters;
- investigations into conduct, including actual and potential regulatory breaches, carried out by regulatory authorities on either an industry-wide or Group-specific basis;
- internal investigations and reviews into conduct, including actual and potential regulatory breaches, carried out by or on behalf of the Group; and
- contracts that involve giving contingent commitments such as warranties, indemnities or guarantees.

The insurance industry, including IAG, is highly regulated and has been the subject of increasing scrutiny by regulators. In recent years, there has been an increase in the number of matters in respect of which the Group engages with its regulators, which is the subject of ongoing inquiries and investigations.

The Directors are of the opinion that provisions are not required in respect of such matters.

Note 7.2 Events subsequent to reporting date

As the following event occurred after reporting date and did not relate to conditions existing at reporting date, no account has been taken of this in the financial statements for the current reporting period ended 30 June 2026.

- On 13 August 2026, the Board determined to pay an 80% franked final dividend of 20 cents per share. The dividend will be paid on 28 September 2026. The Company's Dividend Reinvestment Plan has been suspended for the 2026 final dividend.

8. Additional disclosures

Section introduction

This section includes other information that must be disclosed to comply with the Australia Accounting Standards, *Corporations Act 2001* and ASX Listing Rules, and which is considered relevant to understanding IAG's performance or financial position.

Note 8.1 Notes to the consolidated cash flow statement

	2026 $m	2025 $m
A. Composition of cash and cash equivalents		
Cash held for operational purposes	**623**	703
Cash and cash equivalents held in investments	**1,424**	1,550
Cash and cash equivalents	**2,047**	2,253
B. Reconciliation of profit for the year to net cash flows from operating activities		
Profit/(loss) for the year	**1,217**	1,535
I. Non-cash items		
Net (gains)/losses on investments	**(83)**	(316)
Amortisation of intangible assets and impairment	**117**	113
Depreciation of right-of-use assets and property and equipment and impairment	**112**	107
Other non-cash items	**(1,349)**	(214)
II. Movement in operating assets and liabilities		
Reinsurance contract held assets	**(771)**	(314)
Insurance contract liabilities	**1,060**	(72)
Net movement in other operating assets and liabilities	**670**	72
Net movement in tax assets and liabilities	**115**	407
Provisions	**(46)**	34
Net cash flows from operating activities	**1,042**	1,352

C. Recognition and measurement

Cash and cash equivalents represent cash at bank and on hand and deposits at call held in investments, net of any bank overdraft. Money held in investments is readily convertible to cash within two working days and subject to insignificant risk of change in value. The majority of the amounts bear variable rates of interest based on daily bank deposit rates. Those balances bearing a fixed rate of interest mature in less than one year.

Note 8.2 Related party disclosures

A. Key management personnel

I. Details of compensation

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity. It is important to note that the Company's Non-Executive Directors are specifically required to be included as KMP in accordance with *AASB 124 Related Party Disclosures*. However, the Non-Executive Directors do not consider that they are part of 'management'. The aggregate compensation disclosed in the table below represents the KMP's estimated compensation received from IAG in relation to their involvement in the activities within the Group.

	2026 $000	2025 $000
Short-term employee benefits	**18,440**	16,986
Post-employment benefits	**469**	409
Other long-term benefits	**137**	122
Share-based payments	**13,192**	11,297
	32,238	28,814

II. Other benefits

Remuneration does not include premiums paid by IAG for an insurance contract covering current and former Non-Executive Directors' and Executives' liabilities and legal expenses incurred in respect of the relevant office. Insurance products provided by IAG are available to all Non-Executive Directors and Executives on the same terms and conditions available to other employees.

Note 8.3 Remuneration of auditors

	2026 $000	2025 $000
KPMG		
Audit services for the statutory financial reports of the Parent and controlled entities	**9,587**	8,936
Assurance services that are required by legislation to be provided by the external auditor	**993**	838
Other assurance and agreed upon procedures under other legislation or contractual arrangements	**716**	510
Other services	**280**	1,348
Total remuneration of auditors	**11,576**	11,632

In accordance with advice received from the Audit Committee, the Directors are satisfied that the provision of non-audit services provided by KPMG during the reporting period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied because the Audit Committee or its delegate, in accordance with the pre-approved policies and procedures, has assessed each service, having regard to auditor independence requirements of applicable laws, rules and regulations, and concluded that the provision of each service or type of service would not impair the independence of KPMG.

Other assurance services include sustainability and regulatory assurance services that are undertaken on a voluntarily basis and are not otherwise required by legislation.

Other services primarily relate to taxation services (but not advice in relation to tax structuring), activity statement automation advisory, Australian/foreign tax legislation and tax returns.

Note 8.4 Impact of new Australian Accounting Standards issued

A. Issued and effective

The following new and amended Australian Accounting Standards and Interpretations are applicable for the current reporting year.

Title	Description
AASB 2021-7c	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128
AASB 2023-5	Amendments to Australian Accounting Standards – Lack of Exchangeability
AASB 2026-1	Amendments to Australian Accounting Standards – Disclosures about Uncertainties in Financial Statements

The adoption of these new or amended accounting standards do not have material impact on the Group's financial statements.

B. Issued but not yet effective

As at the date of this Financial Report, there are a number of new accounting standards, amendments to or interpretations of accounting standards issued by the Australian Accounting Standards Board for which the mandatory application dates for the Group fall after the end of this current reporting year. None of these have been early adopted by the Group.

AASB 18 Presentation and Disclosure in Financial Statements is effective for accounting periods beginning on or after 1 January 2027 and will replace *AASB 101 Presentation of Financial Statements*. There are also consequential amendments to *AASB 107 Statement of Cash Flows*, *AASB 108 Accounting Policies*, *Changes in Accounting Estimates and Errors*, and *AASB 133 Earnings per Share*, also effective for accounting periods beginning on or after 1 January 2027.

The Group will be applying *AASB 18* retrospectively, in accordance with *AASB 108*. The new standard introduces new requirements for the presentation, classification and disclosure of financial statement line items. The requirements were introduced to help achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The key changes include the requirement to classify all income and expense into one of five categories; operating, investing, financing, taxation and discontinued operations, and introduces new mandated subtotals within the consolidated statement of comprehensive income, including operating profit, profit before financing and income tax, and profit for the period. In addition, details of management-defined performance measures (MPMs) will now be disclosed as well as further detailed disclosure related to operating expense by nature. The new standard also offers enhanced guidance on aggregation and disaggregation of financial information.

Even though *AASB 18* will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive. Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements.

Other standards and amendments issued but not yet effective are not expected to have a material impact on the Group in the current or future reporting periods.

Title	Description	Operative date
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 July 2026
AASB 2024-3	Amendments to Australian Accounting Standards – Annual Improvements Volume 11	1 July 2026
AASB 2024-4	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 (linked to AASB 2014-10)	1 July 2028
AASB 2025-1	Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity	1 July 2026
AASB 18	Presentation and Disclosure in Financial Statements	1 July 2027
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 July 2028

Consolidated entity disclosure statement

The following table details all the entities that were part of the consolidated group as at 30 June 2026:

Entity name	Entity type	Place formed or incorporated	% of issued share capital held directly or indirectly by the Parent	Australian or foreign tax resident	Jurisdiction of foreign tax residency
A. Ultimate Parent					
Insurance Australia Group Limited	Body Corporate	Australia		Australian	N/A
B. Australian general insurance operations					
CGU Australia Pty Ltd	Body Corporate	Australia	100	Australian	N/A
IAG Agencies Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Insurance Australia Limited	Body Corporate	Australia	100	Australian	N/A
Insurance Manufacturers of Australia Pty Limited	Body Corporate	Australia	70	Australian	N/A
Cylo Australia Pty Limited	Body Corporate	Australia	100	Australian	N/A
RACQ Insurance Limited[1]	Body Corporate	Australia	90.73	Australian	N/A
C. New Zealand operations					
151 Insurance Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
AMI Insurance Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
Belves Investments Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
Direct Insurance Services Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
First Rescue New Zealand Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
IAG New Zealand Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
IAG NZ Repairhub Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
IAG (NZ) Holdings Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
Lumley General Insurance (NZ) Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
New Zealand Insurance Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
State Insurance Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
Homehub Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
LoyaltyHub Limited	Body Corporate	New Zealand	100	Foreign	New Zealand
D. Investment operations					
Fixed Interest Shareholders Fund[2]	Trust	Australia	N/A	Australian	N/A
Fixed Interest Technical Provisions Fund[2]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Global Equity Trust[2]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Technical Provisions Credit Strategies Fund [2]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Alternative Investments Trust [2]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Cash Management Trust[2]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Equity Trust[2]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Limited	Body Corporate, Trustee	Australia	100	Australian	N/A
IAG Asset Management Private Equity Trust[2]	Trust	Australia	N/A	Australian	N/A

Consolidated entity disclosure statement (continued)

Entity name	Entity type	Place formed or incorporated	% of issued share capital held directly or indirectly by the Parent	Australian or foreign tax resident	Jurisdiction of foreign tax residency
IAG Asset Management Sustainable Investment Trust[2]	Trust	Australia	N/A	Australian	N/A
IAGAM Infrastructure Trust[2]	Trust	Australia	N/A	Australian	N/A
IAGAM Australian Higher Return Fixed Income Trust[2]	Trust	Australia	N/A	Australian	N/A
IAGAM Global Fixed Income Trust[2]	Trust	Australia	N/A	Australian	N/A
IAGAM Australian Securitised Fixed Income Trust[2]	Trust	Australia	N/A	Australian	N/A
IAGAM Internally Managed Fixed Income Trust [2]	Trust	Australia	N/A	Australian	N/A
The IAG Share and Rights Plans Trust[3]	Trust	Australia	N/A	Australian	N/A
IAG Employee Share Trust[3]	Trust	Australia	N/A	Australian	N/A
The IAG New Zealand Limited Employee Share Plan[3]	Trust	Australia	N/A	Australian	N/A
E. Corporate operations					
Ambiata Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
Ambiata Pty Limited	Body Corporate	Australia	100	Australian	N/A
Motorserve Pty Limited	Body Corporate	Australia	100	Australian	N/A
NRMA Personal Lines Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
IAG General Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
IAG International Pty Limited	Body Corporate	Australia	100	Australian	N/A
IAG & NRMA Superannuation Pty Limited	Body Corporate	Australia	100	Australian	N/A
IAG Share Plan Nominee Pty Limited	Body Corporate, Trustee	Australia	100	Australian	N/A
IAL Life Pty Limited	Body Corporate	Australia	100	Australian	N/A
IAG Ventures Pty. Limited	Body Corporate	Australia	100	Australian	N/A
Insurance Australia Group Services Pty Limited	Body Corporate	Australia	100	Australian	N/A
Vehicle Repairhub Pty Limited	Body Corporate	Australia	66.33	Australian	N/A
Bantty Pty Ltd	Body Corporate	Australia	66.33	Australian	N/A
Rapid 8 Pty Ltd	Body Corporate	Australia	66.33	Australian	N/A
Rapid Castle Hill Pty Ltd	Body Corporate	Australia	66.33	Australian	N/A
Rapid Underwood Pty Ltd	Body Corporate	Australia	66.33	Australian	N/A
SmashTec Pty Ltd	Body Corporate	Australia	66.33	Australian	N/A
The Smash Repairs Solutions Group Pty Ltd	Body Corporate	Australia	66.33	Australian	N/A
Woodridge Repairs Pty Ltd	Body Corporate	Australia	66.33	Australian	N/A
HSC Home Security Pty Ltd	Body Corporate	Australia	100	Australian	N/A
F. Entities under liquidation					
IAG Re Singapore Pte. Ltd.	Body Corporate	Singapore	100	Foreign	Singapore
IAG Insurtech Innovation Hub Pte. Ltd.	Body Corporate	Singapore	100	Foreign	Singapore
Cylo Pte. Ltd.	Body Corporate	Singapore	100	Foreign	Singapore

1. This body corporate was acquired on 1 September 2025.
2. The body corporate IAG Asset Management Limited is a trustee for these trusts.
3. The body corporate IAG Share Plan Nominee Pty Limited is a trustee for these trusts.

Consolidated entity disclosure statement – basis of preparation

Basis of preparation

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes the information required for each entity that was part of the consolidated entity as at the end of the financial year. The list of entities in the consolidated entity is in accordance with *AASB 10 Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the CEDS be disclosed. For the purposes of this section, an entity is an Australian resident at the end of a financial year if the entity is:

- an Australian resident (within the meaning of the *Income Tax Assessment Act 1997*) at that time; or
- a resident trust estate (within the meaning of Division 6 of Part III of the *Income Tax Assessment Act 1936*) in relation to the year of income (within the meaning of that Act) that corresponds to the financial year.

The determination of Australian or foreign tax residency involves judgement, is highly fact dependent and there are currently several different interpretations that could be adopted which could give rise to different conclusions on residency.

In determining the tax residency for each body corporate in the CEDS, the following interpretations have been applied:

- Australian tax residency – IAG has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Taxation Ruling TR 2018/5; and
- Foreign tax residency – IAG has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Director's declaration

For the financial year ended 30 June 2026

1. In the opinion of the Directors of Insurance Australia Group Limited:
   a. the financial statements and Notes 1 to 8.4 are in accordance with the *Corporations Act 2001* including:
      i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
      ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
   b. the consolidated entity disclosure statement as at 30 June 2026 required by Section 295(3A) of the *Corporations Act 2001* is true and correct; and
   c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2026.
3. The Directors draw attention to Note 1.2.B, which includes a statement of compliance with International Financial Reporting Standards.

Signed at Sydney this 13th day of August 2026 in accordance with a resolution of the Directors.

Nick Hawkins
Director

Independent Auditor's Report

KPMG

Independent Auditor's Report

To the shareholders of Insurance Australia Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Insurance Australia Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 30 June 2026;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated cash flow statement for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Independent Auditor's Report (continued)

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of the liability for incurred claims;
- Valuation of reinsurance contract assets;
- Acquisition of RACQ Insurance Limited; and
- Information Technology (IT) systems and controls.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the liability for incurred claims ($12,416 million)

Refer to Note 2.2.2 and Note 2.3 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The valuation of the liability for incurred claims is a key audit matter as it is highly judgemental and has a high degree of inherent estimation uncertainty. Judgement is required by us to consider the Group's central estimate of the liability for incurred claims. This is a significant estimate as the eventual outcomes of incurred, but unsettled, claims as at the balance sheet date are inherently uncertain. The assumptions applied by the Group can have significant impacts on the valuation due to the following factors: • There is limited information available and a greater level of uncertainty inherent in assessing the Group's estimation of claims which have been incurred by the balance sheet date but have not yet been reported; • Judgement is required to determine the degree to which the Group's historical claims experience influences current estimates. This is particularly judgemental for long-tail classes of business, for which variability often exists between the original estimation and the ultimate settlement of	Working with our actuarial specialists, our procedures included: • Assessing the Group's accounting policies against the accounting standard requirements, our business understanding and industry practice; • Understanding the Group's process for valuing the liability for incurred claims and testing the design and implementation of key controls; • Comparing the Group's actuarial methodologies with the methodologies applied across the industry and in prior periods, and the requirements of the accounting standards; • Evaluating the assumptions including discounted average term to settlement, inflation rate, superimposed inflation rate, discount rate, and claims handling costs ratio by comparing these to our expectations based on the Group's historical actual experience, our industry knowledge and externally observable trends; • Comparing the Group's prior year estimate of the liability for incurred claims to actual

claims; • Judgements in the Group's modelling process, which involves complex and subjective actuarial methodologies, as well as judgements and assumptions about future events and developments, both within, and external to, the Group. Actuarial assumptions include discounted average term to settlement, inflation rate, superimposed inflation rate, discount rate, and claims handling costs ratio. The valuation of the liability for incurred claims is sensitive to movements in these assumptions. It is challenging to estimate the impact of inflationary pressures on the liability for incurred claims, and judgement is needed to determine the extent to which recent experience influences the valuation at balance sheet date; and • In respect of the risk adjustment, judgement is required by the Group to estimate the compensation for bearing the uncertainty of the amount and timing of insurance contract cash flows arising from non-financial risks. This complexity requires us to exercise judgement when evaluating the methodology and assumptions adopted by the Group. We involved our actuarial specialists to supplement our senior audit team members in assessing this key audit matter.	experience in the current year. We use this information to assess the historical accuracy of actuarial assumptions applied by the Group, and inform our evaluation of the current year estimate; • Assessing judgements exercised by the Group to estimate the period in which the claims are expected to be settled, by analysing the Group's historical payment patterns; • For certain classes of business, we independently estimated the liability for incurred claims by applying our own actuarial assumptions. We compared our results to the Group's estimates and investigated significant differences; • Evaluating the cost of capital and judgement applied in the Group's risk adjustment for non-financial risks, based on our knowledge of the Group's capital requirements, expectation of shareholder returns, reinsurance pricing, historical claims experience, and standard industry practices; and • Assessing the disclosures in the Financial Report for consistency with the understanding obtained from our testing and compliance with the requirements of Australian Accounting Standards.

Valuation of reinsurance contract assets ($7,458 million)

Refer to Note 2.2.3 and Note 2.3 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The valuation of reinsurance contract assets is a key audit matter due to the following factors: • The Group has a complex range of significant reinsurance contracts which are designed to protect its aggregate exposure to catastrophic claim events. These reinsurance contracts comprise the whole-of-account quota share arrangements, the	In addition to the procedures undertaken to address the valuation of the liability for incurred claims key audit matter above, and involving our actuarial specialists, our procedures included: • Assessing the Group's accounting policies against the accounting standard requirements, our business understanding and industry

Independent Auditor's Report (continued)

catastrophe excess of loss program including the long-term natural perils volatility cover, adverse development covers in the form of excess of loss contracts, other quota share arrangements and other agreements covering specific exposures. The complexity of the reinsurance program and the inclusion of rights to receive profit commissions in some arrangements, requires careful consideration by the Group and us, as these drive different accounting outcomes in the Group's Financial Report; • Significant judgement applied by the Group in valuing the associated liability for reinsured incurred claims; • Judgement involved in assessing the recoverability of balances owed by reinsurers due to the risk of non-performance by the reinsurers and recoverability of recognised profit commissions which inherently is subject to risk of reversal; and • The reinsurance arrangements represent a significant portion of the Group's assets. This complexity requires us to exercise judgement when evaluating the methodology and assumptions adopted by the Group. We involved our actuarial specialists to supplement our senior audit team members in assessing this key audit matter.	practice; • Testing the design, implementation and operating effectiveness of a sample of key controls over the approval of new reinsurance arrangements; • Testing the existence of reinsurance cover and the recognition of a reinsurance recovery asset by checking the scope and terms of a sample of underlying contracts. We did this with reference to accounting standards and our expectations of reinsurance recoveries based on past experience; • Evaluating a sample of reinsurance recoveries for whole-of-account quota share contracts. We tested the reinsurance and other recoveries due based on the key terms of the reinsurance contracts, and applied them to the Group's underlying claims estimates and paid claims data; • Assessing the key actuarial assumptions used in the General Measurement Model for applicable reinsurance arrangements, based on our understanding of the Group's and Industry historical natural perils claim experience; • Assessing the ultimate expected cost of claims and the Group's estimate of profit commission receivable, with reference to the terms as set out in the relevant reinsurance arrangements. We also assessed the recognition of the profit commission receivable against the requirements of the accounting standards; • Assessing the recoverability and risk of reversal of balances owed, including profit commission receivable, by reinsurer counterparties by considering their credit worthiness and capital strength, payment history and evaluation of any indicators of disputes with counterparties; and • Assessing the disclosures in the Financial Report for consistency with the understanding obtained from our testing and compliance with the requirements of Australian Accounting Standards.

KPMG

Acquisition accounting for RACQ Insurance Limited (Goodwill: $131m)	
Refer to Note 6.4 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
As at 30 June 2026, the Group finalised its accounting for the acquisition of RACQ Insurance Limited. This involved allocating the purchase consideration to the identifiable assets acquired and liabilities assumed. The acquisition accounting for the purchase of RACQ Insurance Limited is a Key Audit Matter due to: • The size of the acquisition and its significant impact on the Financial Report; and • The significant judgment required by us in gathering persuasive audit evidence to assess the Group's determination of the fair value of identifiable intangible assets, including the distribution agreement arising from the exclusive strategic alliance the Group entered with RACQ, and other assets acquired and liabilities assumed, specifically insurance contract liabilities and reinsurance contract held assets. The Group engaged an external expert to determine the fair value of the distribution agreement. We involved our valuation and actuarial specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • Understanding the key terms and conditions of the transaction agreements, including the sale purchase agreement and strategic alliance agreement, and assessing their implications for the recognition, measurement and disclosure of the acquisition under the Australian Accounting Standards; • Evaluating the Group's acquisition accounting against the criteria of a business combination in the accounting standards; • Assessing the scope, competency and objectivity of the Group's external expert engaged to assist with the determination of the fair value of the distribution agreement; • Involving our valuation specialists, we evaluated the methodology used by the Group's external expert to determine the fair value of the distribution agreement, considering accounting standards requirements and observed industry practices; • Involving our valuation specialists, we performed sensitivity analysis to identify the key assumptions applied in the Group's external expert's valuation report of the distribution agreement. We evaluated key assumptions, including forecast growth, expected synergies, integration costs required to realise those synergies and the discount rate, with reference to observable market data, industry practices and other underlying evidence; • Involving our actuarial specialists, we assessed the fair value of insurance contract liabilities and reinsurance contract held assets. This included evaluating the Group's valuation methodology and challenging key judgements and assumptions used, including assessing the cost of capital rate used for the risk adjustment calculation, against a market

Independent Auditor's Report (continued)

	participant's view; • Recalculating the goodwill balance recognised as a result of the acquisition and compared it to the goodwill amount recorded by the Group; and • Assessing the disclosures in the Financial Report for consistency with the understanding obtained from our testing and compliance with the requirements of Australian Accounting Standards.

Information Technology (IT) systems and controls

The key audit matter	How the matter was addressed in our audit
Information Technology (IT) systems and controls is a key audit matter due to the Group's utilisation of many complex, interdependent IT systems to process and record a high volume of financial transactions. The controls over user access, changes to and operation of IT systems in relation to financial accounting and reporting systems are key to the integrity in recording the Group's financial information and our ability to place reliance thereon in our audit. Our audit approach could significantly differ depending on the effective operation of the Group's IT controls. We involved our IT specialists in assessing this key audit matter.	Working with our IT specialists, we obtained an understanding of the Group's IT environment and risk assessment processes, including cyber security matters, as they relate to the Group's use of IT for financial reporting. We evaluated the risks of material misstatement to the Group's Financial Report resulting from, among other things, unauthorised access to financial reporting systems, including IT applications, databases and operating systems. We tested key systems, automated controls and the control environments underlying the relevant financial preparation processes. Our procedures included testing the design, implementation and operating effectiveness of: • Key controls over user access, including how users are onboarded, assigned specific roles and privileges, and removed on a timely basis from key IT applications and supporting infrastructure relevant to financial reporting. This included the examination of privileged roles and functions across relevant IT application and the supporting infrastructure, and testing controls related to monitoring of access rights; • Key controls used to request, document, develop, test and authorise changes to the functionality and configuration of core systems relevant to key automated controls used in financial reporting. This included controls related to the appropriateness of users with

	access to request, authorise and release changes into the production environment of core systems relevant to financial reporting; and • Automated controls key to system calculations, the generation of reports, and operation of system enforced access controls. For relevant systems and controls operated by third party service providers, we obtained and assessed independent assurance reports where those reports were available. Where such reports were not available, we performed alternative procedures. For assurance reports obtained, we evaluated the scope, competence and objectivity of the assurance providers and assessed the extent to which the scope of the reports addressed relevant controls supporting financial reporting. Where our testing identified design, implementation or operating effectiveness matters relating to IT systems or automated controls relevant to our audit, we evaluated and tested mitigating controls and, where necessary, performed additional substantive procedures. We raised these matters with the Group and adapted our audit approach accordingly.

Other Information

Other Information is financial and non-financial information in Insurance Australia Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance opinion/conclusion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Independent Auditor's Report (continued)

KPMG

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Insurance Australia Group Limited for the year ended 30 June 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 93 to 119 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Brendan Twining
Partner

Leann Yuen
Partner

Sydney
13 August 2026

Shareholder information

Information about Insurance Australia Group Limited (Company or Parent) including its announcements, presentations and reports can be accessed on our website (www.iag.com.au).

Stock exchange listings

The Company's ordinary shares are listed on the ASX under IAG. Its Capital Notes 2 and Capital Notes 3 are listed on the ASX under IAGPE and IAGPF, respectively.

In addition to the ASX, the Company has securities listed on the NZX Debt Market under IAGFC. As such the Company is subject to the NZX Listing Rules as a primary listed debt-only issuer, subject to certain waivers. The Company has been granted waivers from NZX Listing Rules 3.1.1(b), 3.6, and 3.14.1.

Annual report

Under the *Corporations Act 2001* regarding the provision of Annual Reports to shareholders, the default option for receiving Annual Reports is an electronic copy via IAG's website (www.iag.com.au).

Annual general meeting

The 2026 Annual General Meeting (AGM) of the Company will commence at 9:30am Sydney time on Thursday, 22 October 2026.

Online voting

Shareholders can lodge voting instructions electronically either as a direct vote or by appointing a proxy for the 2026 AGM. Further details on voting will be contained in the Notice and Access Letter.

Shareholder questions

If shareholders would like to submit a written question to the Company or the Company's auditor with regard to the AGM or any of the resolutions to be discussed, shareholders should send their questions to the Share Registry, Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001, Australia or by fax to +61 (0)3 9473 2555. Questions for the auditor must be received by 5pm Sydney time on 15 October 2026.

Shareholders may also submit a question online. Shareholders will also be given a reasonable opportunity to ask questions of the Company and the auditor at the AGM.

During the course of the AGM, IAG intends to answer as many of the frequently asked questions as practicable but will not be responding to individual written questions. Responses to the most commonly asked questions will be added to the website at (www.iag.com.au).

Dividend payment

The Company pays cash dividends to shareholders resident in Australia or New Zealand. Shareholders should provide the share registry with details of their Australian or New Zealand nominated account. Alternatively, eligible shareholders can choose to participate in the Company's Dividend Reinvestment Plan (DRP), if available, providing the option to increase their shareholding without incurring brokerage or GST.

Management of holding

Using their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode of their registered address, shareholders can view their holding online through IAG's share registry, Computershare, by following the easy prompts on their website (www.investorcentre.com) where shareholders will be able to:

- view holding balance;
- review dividend payment history;
- access shareholder forms; and
- retrieve holding statements, including recent dividend payment advices.

The share registry investor centre site also allows shareholders to update or add details to their shareholding.

Shareholders are strongly advised to lodge their TFN, ABN or exemption with Computershare. If they choose not to lodge these details with the share registry, then IAG is obliged to deduct tax at the highest marginal tax rate (plus the Medicare levy) from the unfranked portion of any dividend or interest payment.

Shareholders may also complete a number of transactions or request a form over the phone by contacting Computershare on: 1300 360 688.

Email alert service

Shareholders can register to receive an email alert advising of new IAG media releases, financial announcements or presentations. Shareholders simply need to visit IAG's website (www.iag.com.au), click on the email alert button.

IAG's email alert service allows shareholders to choose to receive email alerts about specific subjects (annual meetings, annual reports, careers information, company announcements, government submissions, results and sustainability information).

Email enquiries

If shareholders have a question, they can email their enquiry directly to IAG's share registry at: iag@computershare.com.au. If their question relates to an IAG company matter and the answer is not on IAG's website, they can email their question to: investor.relations@iag.com.au.

Ordinary shares information

Twenty largest ordinary shareholders as at 6 July 2026	Number of shares	% of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	765,672,123	32.75
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	326,986,773	13.99
CITICORP NOMINEES PTY LIMITED	299,274,296	12.80
BNP PARIBAS NOMS PTY LTD	77,234,963	3.30
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	57,195,495	2.45
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	16,835,046	0.72
ONE MANAGED INVESTMENT FUNDS LTD <NRMA TREASURY LTD A/C>	10,001,357	0.43
BNP PARIBAS NOMS (NZ) LTD	6,569,345	0.28
UBS NOMINEES PTY LTD	5,747,687	0.25
WHSP HOLDINGS PTY LIMITED	5,293,363	0.23
IAG SHARE PLAN NOMINEE PTY LIMITED <IAG DAP UNALLOCATED ACCOUNT>	4,767,608	0.20
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	4,730,114	0.20
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,436,110	0.19
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,260,078	0.14
IAG SHARE PLAN NOMINEE PTY LIMITED <2023 EST UNALLOCATED A/C>	3,192,784	0.14
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	2,698,196	0.12
CITICORP NOMINEES PTY LIMITED <143212 NMMT LTD A/C>	2,388,959	0.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	2,296,265	0.10
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,092,962	0.09
CITICORP NOMINEES PTY LIMITED <CITIBANK NY ADR DEP A/C>	2,027,122	0.09
Total for top 20	**1,602,700,646**	**68.55**

Range of ordinary shareholders as at 6 July 2026	Number of holders	Number of shares	% of issued shares
1–1,000	316,598	160,641,086	6.87
1,001–5,000	199,182	392,477,603	16.79
5,001–10,000	11,705	80,213,146	3.43
10,001–100,000	4,271	76,314,795	3.26
100,001 and over	83	1,628,306,267	69.65
Total	**531,839**	**2,337,952,897**	**100.00**
Shareholders with less than a marketable parcel of 62 shares as at 6 July 2026	8,208	201,236	

Holders of fully paid ordinary shares are entitled to vote at any meeting of members of the Company:

- on show of hands, one vote for each shareholder present and each other person present as a proxy, attorney or corporate representative of a shareholder; and
- on a poll, one vote for each fully paid ordinary share that each shareholder present and each other person present as a proxy, attorney or corporate representative of a shareholder holds or represents.

Shareholder information (continued)

Dividend details

Share class	Dividend	Franking	Amount per share	DRP issue price	Payment date
Ordinary	Interim	25% franked	12.0 cents	**6.6706**	13 March 2026
Ordinary	Final	80% franked	20.0 cents	n/a*	28 September 2026

* The Company's Dividend Reinvestment Plan has been suspended for the 2026 final dividend.

Substantial shareholding information

Substantial shareholders as at 6 July 2026[1]	Number of shares	% of issued shares
Ordinary shares		
State Street Corporation	187,394,983	7.92
Vanguard Group	142,016,082	6.00
Blackrock Group	141,377,642	6.11

1. Based on substantial shareholding notices filed with the ASX.

IAGPE Capital Notes 2 information

Twenty largest Capital Notes 2 holders as at 6 July 2026	Number of notes	% of issued notes
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	503,670	10.07
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	290,315	5.81
CITICORP NOMINEES PTY LIMITED	166,178	3.32
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	124,061	2.48
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	100,839	2.02
IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	95,284	1.91
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	92,513	1.85
MUTUAL TRUST PTY LTD	56,111	1.12
BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS>	47,259	0.95
JOHN E GILL TRADING PTY LTD	38,565	0.77
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	38,411	0.77
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	32,241	0.64
REGION HALL PTY LTD	26,091	0.52
INVIA CUSTODIAN PTY LIMITED <WEHI - INVESTMENT POOL A/C>	24,925	0.50
IOOF INVESTMENT SERVICES LIMITED <IISL NAL ISMA 2 A/C>	24,115	0.48
TRUSTEES OF CHURCH PROPERTY FOR THE DIOCESE OF NEWCASTLE <SAVINGS & DEVELOPMENT A/C>	20,870	0.42
CETINALE PTY LIMITED	15,143	0.30
SKYPLAZA INVESTMENTS PTY LTD	13,250	0.27
IOOF INVESTMENT SERVICES LIMITED <IISL NAL ISMA 1 A/C>	12,685	0.25
ANGUS DOWNS PTY LTD	12,000	0.24
Total for top 20	**1,734,526**	**34.69**

Range of Capital Notes 2 holders at 6 July 2026	Number of holders	Number of notes	% of issued notes
1–1,000	5,106	1,821,504	36.43
1,001–5,000	580	1,153,706	23.07
5,001–10,000	39	279,264	5.59
10,001–100,000	16	560,463	11.21
100,001 and over	5	1,185,063	23.70
Total	**5,746**	**5,000,000**	**100.00**
Capital Notes 2 holders with less than a marketable parcel of 5 notes as at 6 July 2026	2	2	

Capital Notes 2 holders have no voting rights in respect of meetings of the Company unless and until ordinary shares are issued to them.

IAGPF Capital Notes 3 information

Twenty largest Capital Notes 3 holders as at 6 July 2026	Number of notes	% of issued notes
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	195,378	5.58
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	192,305	5.49
MUTUAL TRUST PTY LTD	133,517	3.81
CITICORP NOMINEES PTY LIMITED	115,497	3.30
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	98,784	2.82
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	50,249	1.44
BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS>	49,662	1.42
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	41,385	1.18
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	35,596	1.02
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	25,432	0.73
IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	23,657	0.68
KAILZIE PTY LTD <KIRKTON A/C>	20,000	0.57
THE TRUST COMPANY (AUSTRALIA) LIMITED <WCCTFI A/C>	17,300	0.49
FARREN-PRICE FAMILY PTY LTD	16,460	0.47
T & A CAPITAL MANAGEMENT PTY LTD <S&H A/C>	15,889	0.45
MR LEONARD FREDERICK WHITNEY <WHITNEY FAMILY A/C>	13,000	0.37
AMITY MANAGEMENT PTY LTD <AMITY A/C>	12,700	0.36
FARRAR SUPERANNUATION PTY LTD <FARRAR SUPER FUND A/C>	12,619	0.36
MIZNER PTY LTD	11,046	0.32
RAGGED RANGE MINING PTY LTD	11,000	0.31
Total for top 20	**1,091,476**	**31.19**

Range of Capital Notes 3 holders at 6 July 2026	Number of holders	Number of notes	% of issued notes
1–1,000	2,823	1,098,160	31.38
1,001–5,000	500	1,065,058	30.43
5,001–10,000	36	245,306	7.01
10,001–100,000	16	454,779	12.99
100,001 and over	4	636,697	18.19
Total	**3,379**	**3,500,000**	**100.00**
Capital Notes 3 holders with less than a marketable parcel of 5 notes as at 6 July 2026	-	-	

Capital Notes 3 holders have no voting rights in respect of meetings of the Company unless and until ordinary shares are issued to them.

Share rights

As at 6 July 2026, there were 4,521,747 Deferred Award Rights held by 494 participants, 16,236,520 Executive Performance Rights held by 76 participants, and 5,902 Non-Executive Director Award Rights held by 1 participant. The holders of these share rights have no voting rights in respect of meetings of the Company unless and until their share rights are exercised and they hold shares in the Company. Details of the employee share rights plans are set out in the Remuneration Report.

Financial calendar and key payment dates

The upcoming key dates are set out below and may be subject to change. Please refer to our website (www.iag.com.au) for the most up-to-date details. Payment of any dividend or distribution set out below is subject to the applicable payment conditions, and the key dates relating to such payments will be notified to the ASX in accordance with the ASX Listing Rules.

Insurance Australia Group Limited	
2026 financial year-end	30 June 2026
Full year results and final dividend announcement	13 August 2026
Final dividend for ordinary shares	
Ex-date	24 August 2026
Record date	25 August 2026
Payment date	28 September 2026
Annual General Meeting information	
Written questions for the auditor close	15 October 2026
Proxy return close	20 October 2026
Annual General Meeting	22 October 2026
2027 half-year end	31 December 2026
Half year results and interim dividend announcement	12 February 2027
Interim dividend for ordinary shares	
Ex-date	17 February 2027
Record date	18 February 2027
Payment date	17 March 2027
Quarterly distributions for Capital Notes 2 (IAGPE)[1]	
Ex-date	2 September 2026
Record date	3 September 2026
Payment date	15 September 2026
Ex-date	2 December 2026
Record date	3 December 2026
Payment date	15 December 2026
Quarterly distributions for Capital Notes 3 (IAGPF)[1]	
Ex-date	2 September 2026
Record date	3 September 2026
Payment date	15 September 2026
Ex-date	2 December 2026
Record date	3 December 2026
Payment date	15 December 2026

1. Dates for 2026 calendar year.

Forward-looking statements and other representations

Forward-looking statements

This report contains forward-looking statements including statements regarding IAG's strategy, targets, goals, ambitions, intent, belief, objectives, commitments and current expectations regarding, but not limited to, IAG's business, results, financial condition, capital adequacy, risk management practices and market conditions. Forward-looking statements may generally be identified by the use of words such as "should", "would", "could", "will", "may", "expect", "intend", "plan", "forecast", "aim", "anticipate", "believe", "outlook", "estimate", "project", "aspiration", "target", "goal", "ambition", "continue", "guidance", "aspiration", "commit" or other similar words. Guidance on future earnings, performance or carbon emissions are also forward-looking statements.

These forward-looking statements reflect our current views and expectations of future events and are based on assumptions, estimates and contingencies that are inherently uncertain and which are subject to change. Such statements involve risks (both known and unknown), assumptions and dependencies, many of which are beyond IAG's control (including adverse natural peril events causing losses to exceed forecasts, uncertainties in the Australian and global economic environment, changes in the regulatory environment and the evolving technological landscape).

This may cause actual results to differ materially from those expressed or implied in such statements. You are cautioned not to place undue reliance upon such forward-looking statements. IAG assumes no obligation to update or review such forward-looking statements (except as required by law).

Further information on key risks which could cause actual results to differ materially from those expressed or implied are detailed in Note 3.1 of the financial statements.

In addition, there are particular risks and uncertainties associated with implementation of IAG's strategy and related targets, ambitions, goals and aspirations which span a number of years. This includes IAG's ability to execute its strategy and respond and adjust its business plans to any changes in such assumptions and dependencies, including disruptions or events that are beyond IAG's control.

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 provides no assurance, guarantee, or warranty (express or implied) in connection with the likelihood of fulfilment of any forward-looking statement, any outcome expressed or implied in any forward-looking statement, and any assumptions on which a forward-looking statement is based.

Members of the Group's management may also make forward-looking statements in connection with this report, whether spoken or written. These statements carry the same limitations, assumptions, dependencies, uncertainties and other considerations as those included in the report.

Climate-related statements

There are also particular risks and uncertainties associated with forward-looking statements and other forward-looking representations relating to environment, social and governance (ESG) issues, including but not limited to climate change, climate and disaster resilience and other sustainability related statements, commitments, goals, targets, projections, scenarios, assessments, forecasts and expectations contained in this report. They are subject to risks (both known and unknown), and there are significant uncertainties, limitations and assumptions in the metrics and modelling on which these statements rely. In particular, the metrics, methodologies and data relating to climate and sustainability may be impacted by various factors including the inherent limits in the current scientific understanding of climate change and its impacts, the rapidly evolving and maturing nature of methodologies to capture and record emissions, inconsistent data availability and quality of historical emissions data, reliance on assumptions and future uncertainty (including in relation to energy stability, technology development (and its affordability) and socio-economic changes), effectiveness of internal controls relating to management of climate-related risks and opportunities, ability to influence Scope 3 emissions, and the uncertainty around future climate and sustainability related policy, market practice, regulation and legislation. These factors may also impact IAG's ability to meet commitments and targets or cause IAG's results to differ materially from those expressed or implied in this report. The information in this report should be read in conjunction with the limitations, assumptions, dependencies, uncertainties and other considerations contained in IAG's Sustainability Report.

Glossary

Term	Definition
APRA	Australian Prudential Regulation Authority.
Confidence level	A statistical measure of the level of confidence that the insurance contract liabilities will be sufficient to pay claims as and when they fall due.
Contractual service margin	A component of the asset or liability for remaining coverage of contracts measured under the general model, which represents profit that has not yet been recognised in profit or loss as it relates to future services to be provided over the remaining coverage of the insurance contracts.
Credit spread	Is the difference between the average yield to maturity of the portfolio of non-government securities and the average yield to maturity of the liability profile, valued using Commonwealth Government of Australia yields.
Gross written premium (GWP)	The total premium on insurance underwritten by an insurer over the reporting period.
Illiquidity premium	A component within discount rates applied in the measurement of net insurance contract liabilities which reflects the liquidity characteristics of the insurance contracts.
Insurance margin	Represents insurance profit as a percentage of net earned premium.
Insurance profit	The sum of the insurance operating result and net investment income or loss on assets backing insurance liabilities.
Insurance revenue	The proportion of gross written premium recognised as revenue in the current accounting period, reflecting insurance coverage provided during the period.
Liability for incurred claims	The liability established for claims and attributable expenses that have occurred but have not been paid.
Liability for remaining coverage	The liability that represents insurance coverage to be provided by the Group after the balance date.
Long-tail	Classes of insurance such as Compulsory Third Party (CTP) and workers' compensation where the average period is generally greater than 12 months between the time when earned premiums are collected and final settlement of claims occurs.
Loss component	A component of the liability for remaining coverage within the insurance contract liabilities that relates to losses recognised on onerous contracts.
Loss recovery component	A component of the asset for remaining coverage within the reinsurance contract assets that represents recoveries on reinsurance contracts held that correspond to losses recognised on onerous contracts.
Net earned premium (NEP)	Net earned premium is gross earned premium less reinsurance expense.
Net profit after tax	Is net result, after allowing for income taxes and the share of profit owing to non-controlling interests.
Prescribed Capital Amount (PCA)	Is as defined by Australian Prudential Regulation Authority under its Life and General Insurance Capital regime.
Reinsurance agreement	An agreement to indemnify an insurer by a reinsurer in consideration of a premium with respect to agreed risks insured by the insurer. The entity accepting the risk is the reinsurer and is said to accept inward reinsurance (or referred to as a reinsurance contract issued). The entity ceding the risks is the cedant or ceding company and is said to place outward reinsurance (or referred to as a reinsurance contract held).
Reinsurance contract held assets for incurred claims	The asset established for claims and attributable expenses that have occurred but have not been recovered from the reinsurers.
Reinsurance contract held assets for remaining coverage	The asset that represents insurance coverage which will be provided by the reinsurers under the reinsurance agreement after the reporting date.
Shareholders' funds	Is the investment portfolio of assets we hold in excess of the amount backing technical reserves; it represents shareholders' equity not used in day-to-day operations.
Short-tail	Classes of insurance (such as motor, home and small-to-medium enterprise commercial) with an average period generally less than 12 months between the time when premiums are earned and final settlement of claims occurs.
Technical reserves	Are the investments we hold to back the outstanding claims liability and unearned premium, net of reinsurance recoveries and premium debtors.
Underlying insurance margin	The underlying insurance margin is the reported insurance margin adjusted for prior year reserve releases or strengthening, natural perils claim costs above or below related allowances and credit spread gains or losses.
Volume-weighted average price (VWAP)	A measure of the average trading price during a specified period, weighted by the volume of each transaction. This is often used for determining the share price applicable to dividend and other share-related transactions.

Corporate directory

Contact details

Share registry

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Melbourne VIC 3001
Australia

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