Insurance Australia Group Limited
ABN 60 090 739 923

Preliminary final report for the year ended 30 June 2025

Results for announcement to the market

	2025	2024	Change		
	$m	$m		**$m**	%[1]
Revenue from ordinary activities	**18,511**	17,243	Up	1,268	7.4%
Net profit/(loss) after tax from ordinary activities attributable to shareholders of the Parent	**1,359**	898	Up	461	51.3%
Net profit/(loss) attributable to shareholders of the Parent	**1,359**	898	Up	461	51.3%

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
2025 Final dividend	19.0 cents	7.6 cents
2025 Interim dividend	12.0 cents	7.2 cents

Final dividend date	
Record date	22 August 2025
Payment date	18 September 2025

Insurance Australia Group Limited's (Company or Parent) Dividend Reinvestment Plan (DRP) will operate by acquiring shares on-market with no discount applied. The last date for the receipt of an election notice for participation in the Company's DRP is 25 August 2025. The DRP Issue Price will be based on a volume-weighted average price for a 10-day trading window from 27 August 2025 to 9 September 2025 inclusive.

Eligible shareholders may now lodge their DRP elections electronically by logging on to IAG's share registry, Computershare, on their website (www.computershare.com.au).

This Appendix 4E for the financial year ended 30 June 2025 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 2025 (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 2024 (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 2025

Annual Report 2025

Insurance Australia Group Limited

ABN 60 090 739 923

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.

About this report

The 2025 Annual Report of Insurance Australia Group Limited (IAG, or the Group) includes IAG's full statutory accounts, along with the Directors' and Remuneration Reports for the financial year ended 30 June 2025. 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 voluntary Sustainability Report as a transition towards mandatory sustainability reporting from next year.

As with last year, we no longer produce a separate Investor Report; this content 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 179.

Unless otherwise indicated, references to FY25 and 2025 and FY24 and 2024 in graphs and copy throughout this report refer to IAG's financial years ending 30 June 2025 and 2024 respectively. All figures are in Australian dollars unless otherwise stated.

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

We sell personal lines general insurance products, and some commercial lines, directly to customers through a range of 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); and ROLLiN' Insurance.

General insurance products are also distributed under third party brands by IAG's corporate partners, including financial institutions. Retail Insurance Australia also sells travel insurance products which are underwritten by third parties.

Intermediated Insurance Australia

We provide commercial lines general insurance products, and some personal lines, through a network of intermediaries, such as brokers, agents and authorised representatives. Under the brands of CGU Insurance and WFI Insurance, this division has an emphasis on small to medium sized enterprises and a leading market share in rural areas.

New Zealand

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.

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.

Contents

2025 Annual General Meeting

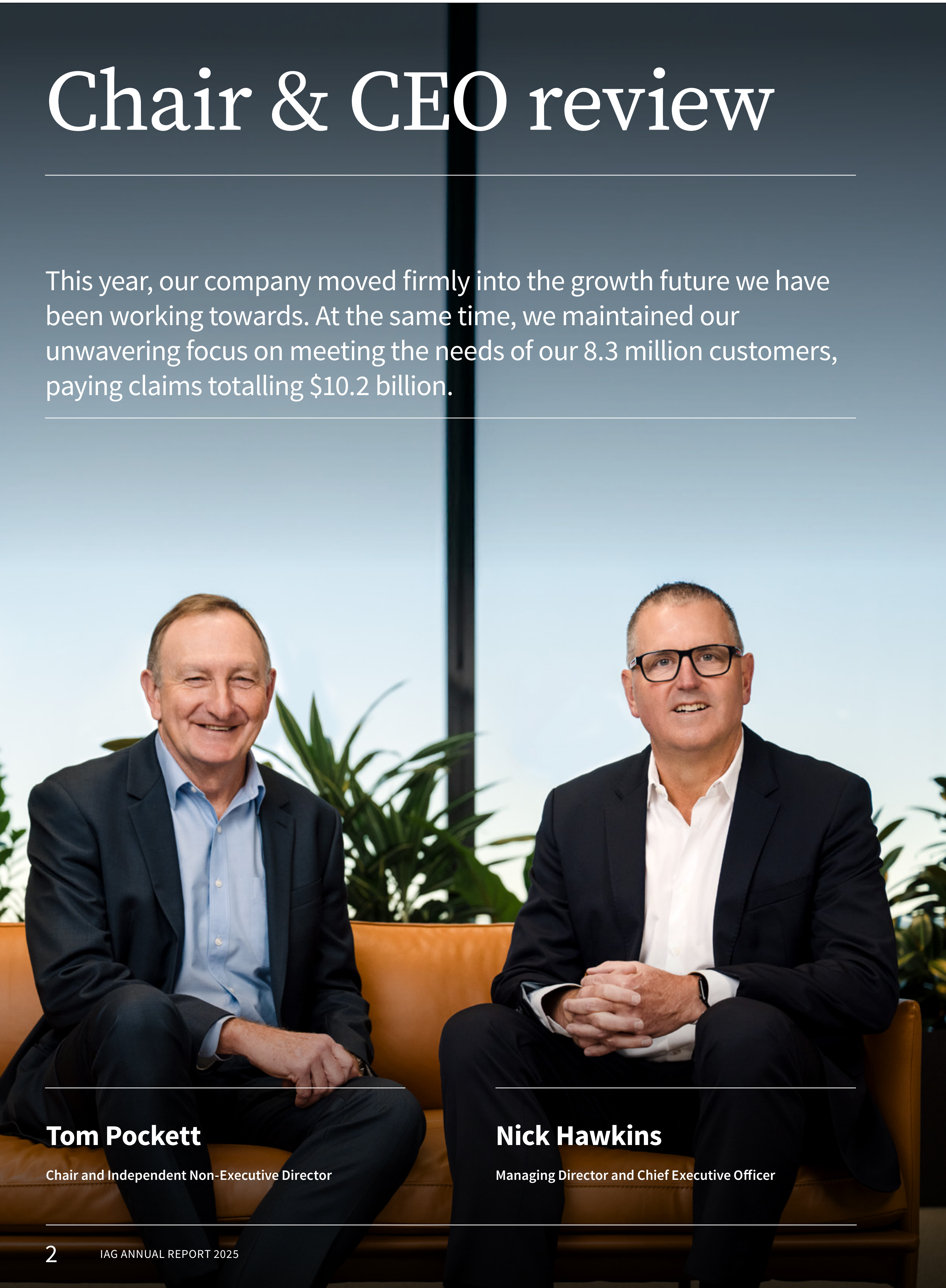
The 2025 annual general meeting (AGM) of Insurance Australia Group Limited will commence at 9.30am on Thursday, 23 October 2025.

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 180 for IAG's full disclaimer in relation to forward-looking statements and other representations.

Chair & CEO review

This year, our company moved firmly into the growth future we have been working towards. At the same time, we maintained our unwavering focus on meeting the needs of our 8.3 million customers, paying claims totalling $10.2 billion.



Tom Pockett

Chair and Independent Non-Executive Director

Nick Hawkins

Managing Director and Chief Executive Officer

Improving customer service

As we deliver on our purpose to make your world a safer place, we remain focused on building individual, community and national preparedness and resilience. At the same time, we are working to deliver faster, more empathetic and personal service to help our customers restore and recover from adversity.

A number of high impact events in Australia during FY25 allowed us to demonstrate our strengthened claims response and better customer communication. These built on improvements we delivered following the 2022 Floods and the Parliamentary Inquiry which followed.

We have enhanced our catastrophe management plan. Improvements include:

- our 24/7 Major Event Command Centre at our Hurstville office in Sydney;
- introduction of disaster facts sheets to improve customer communication before and during a major event;
- improved technology to provide rapid insights into damage following a disaster; and
- enhanced systems that assign claims based on complexity.

Our investment in technology, particularly the Retail Enterprise Platform, means we can better personalise customer interactions and simplify experiences. We can also provide enhanced products across online, mobile and in-branch systems.

Customer experience measures are high in both Australia and New Zealand, and renewal rates remain strong, reflecting the confidence our customers have in our brands, and the quality of our services. These results were achieved as we marked a significant milestone this year with NRMA Insurance celebrating 100 years of helping Australians.

More information about our work to improve our customers' experience is contained in Customer outcomes, on pages 10–17 of this Annual Report.

Our customer outcomes are a direct reflection of our people. We acknowledge the work they do every day, to deliver on our purpose and strategy.

We are pleased that our people remain engaged with the company, and their work. This year, around 90% of our people completed our Annual Culture Survey, and we achieved an engagement level of 73%, up from the 72% recorded in FY24.

External engagement

While inflation is easing, we still see some ongoing impacts for our customers. However, premium increases are starting to moderate, especially in motor insurance.

This year New Zealand benefitted from benign weather conditions, while they were in line with our expectations in Australia. This compares to the number of more catastrophic events in previous years. That said, severe weather events still resulted in six occasions where there were more than 2,500 claims. We know that climate change continues to drive an increase in the frequency and impact of major disasters. It is important that we look at the medium term, and continue to adopt a prudent approach to reserving for extreme weather events.

There is significant political and social interest in ensuring the availability of insurance and tackling rising costs, particularly where it is due to acute flood risks. As an industry, we are actively engaged in exploring potential solutions that can be delivered in collaboration with governments and other stakeholders who are focused on risk reduction.

The 2022 Flood Inquiry[1] report, released on 25 October 2024, outlined 86 recommendations. Even before the Government's report, we were well advanced in adopting process improvements that addressed its findings and recommendations. We continue to strive for better customer outcomes, as detailed on pages 10–17.

The Senate Select Committee on the Impact of Climate Risk on Insurance Premiums and Availability released its report in November 2024. IAG appeared before the Committee on 20 September 2024. The report highlights the widening insurance protection gap in high-risk areas. This is driven by more frequent and extreme weather events, and the expansion of development in these areas.

The report's eight recommendations include premium transparency, removing state taxes, and increasing disaster mitigation funding.

Many of these align with the recommendations from the 2022 Flood Inquiry and our own insights.

We continue to advocate for state taxes relating to insurance and emergency management to be addressed, as these taxes add directly to the cost of insurance.

We also continued to engage with consumer groups through our CEO-chaired Consumer Advisory Board. This enhances the learnings we gain every week from listening directly to our customers. It is a valuable forum for discussing key community concerns.

In New Zealand, we have engaged with the Natural Hazards Commission's review of financial settings, and the Ministry of Business, Innovation & Employment. The Ministry has worked to prioritise NZ$100m of co-funding for flood infrastructure from the Government's Regional Infrastructure Fund.

Investing for growth

Five years ago, we set our strategy to create a stronger, more resilient IAG. Since then, we have invested significantly for growth.

We have made good progress on the Retail Enterprise Platform that supports our expanding direct businesses in Australia and New Zealand. The platform delivers best-in-class technology for underwriting, policies and pricing.

By the end of FY25, we had migrated over five million insurance policies onto this platform. As well as meeting our current needs, the Retail Enterprise Platform also supports our growth aspirations for our Direct and Partner brands in Australia and New Zealand.

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[1] House of Representatives Standing Committee on Economics Inquiry into Insurers' responses to 2022 major flood claims.

It is enabling a scalable business that can expand beyond our existing 6.3 million direct customers.

We have improved performance and margin in our Intermediated business in Australia, and have embarked on a significant technology transformation. This will deliver efficiency, uplift customer experience and support growth. The modern, integrated Commercial Enterprise Platform fundamentally reshapes the digital connection to markets and how we underwrite and distribute products.

We have made material changes to the way we operate IAG, and have structured the business around our retail businesses, intermediated business and our capital platform.

Our efficient capital platform, including innovative, comprehensive global reinsurance arrangements, supports our businesses, reduces volatility and enables organic funding of growth opportunities.

Pursuing growth

Having invested in our business for growth, we are now pursuing that goal.

Last November, we announced a $855 million 25-year exclusive strategic alliance with the Royal Automobile Club of Queensland (RACQ) to provide general insurance products and services for the club's 1.7 million members and Queenslanders[2]. In May, we announced a $1.3 billion strategic alliance with The Royal Automobile Club of Western Australia (RAC)[3] to provide general insurance products and services for its 1.3 million members and Western Australians[2].

We expect the combination of these proposed strategic alliances will:

- add approximately $3 billion in gross written premium and approximately $2 billion in net earned premium;
- increase insurance profit by at least $300 million; and
- deliver double-digit earnings per share accretion on a full synergy run-rate basis.

This, added to the positive financial outlook we have for our existing business, results in an improved return on equity target of 15% on a 'through the cycle' basis.

These alliances build on our successful track record of partnering with leading member-based motoring organisations which share our purpose and values. In both cases, the associations and their members will benefit from our financial stability, advanced technology platforms, global reinsurance arrangements, and customer-centric claims processes.

Our capital strength means that we can fund the planned transactions from existing surplus capital, debt, and strong, stable organic capital generation.

Sustainability

Reporting developments

As part of our transition to mandatory sustainability reporting from FY26, our voluntary disclosure for FY25 has been prepared with reference to the upcoming standard. The Sustainability Report, on pages 37–51 of this Annual Report, provides an overview of our management of climate-related risks and opportunities, as well as capturing our achievement of the FY25 interim targets set out in our Climate Action Plan and our progress to achieving interim targets for FY30.

Climate Ambition

In FY25, we defined our group Climate Ambition to focus on *Empowering better choices for a safer place* with three key pillars: Innovate – delivering solutions that incentivise risk reduction and accelerate the transition; Educate – using our expertise and insights to guide our people, customers and partners; and Collaborate – engaging policymakers and informing communities to drive sustainable insurance markets and build resilient communities.

We also refreshed our approach to climate scenario planning analysis to identify our most material risks and opportunities under escalating global warming scenarios, in line with reporting standards in Australia and New Zealand. The process and outcomes are described in more detail in our Sustainability Report on pages 37–51 of this Annual Report.

Supporting diversity

We have set a Gender Representation Target of 40–60% at each level of senior management, which we define as CEO and three levels below. Our progress towards this target at 30 June 2025 is set out in the People outcomes on pages 22–25 of this Annual Report.

During FY25, the Board had a gender diversity target to have 40% women, 40% men and 20% of any gender represented on the Board. At 30 June, female representation was 36.4%. Additionally, in FY25, two of the four IAG Standing Board Committee Chairs were female. More information about the Board's makeup and Directors' skills and experience is set out in the FY25 Corporate Governance Statement, available on our website (www.iag.com.au).

Reconciliation Action Plans

FY25 included the final year of our three-year Reconciliation Action Plan. Overall, we completed 95% of the Plan's deliverables, including spending over $3.2 million with indigenous businesses, and supporting 30 of our people to complete bespoke coaching and development programs.

In June 2025, we launched the next iteration of our Reconciliation Action Plan (FY26–FY28), including a commitment to spend $10 million with Indigenous suppliers over the next three years, as we seek to improve the economic prosperity of Indigenous businesses, increase the representation of First Nations peoples in leadership roles and create new opportunities for Indigenous communities.

Modern Slavery Statement

This year we published the fifth edition of our Modern Slavery Statement, setting out our work to mitigate the risk of modern slavery within our operations and value chain. Progress includes updating our Group Procurement Standard to include ESG considerations; integrating modern slavery risk identification and management into existing governance forums; and further engagement with suppliers to promote our Small to Medium Enterprise Modern Slavery Toolkit. The statement is available in the Sustainability area of our website (www.iag.com.au).

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[2] For further information on these alliances, see page 158 of the Financial report within this Annual Report.

[3] Subject to regulatory approvals and other conditions.

“Having invested in our business for growth, we are now pursuing that goal.”

FY25 results and financial strength

Our FY25 results reflect our strong performance this year.

We achieved net profit after tax of $1,359 million (FY24: $898 million), driven by:

- a $305 million increase in pre-tax insurance profit to $1,743 million (FY24: $1,438 million), driven by an 8.0% increase in net earned premium, and a 190 basis point improvement in the reported insurance margin;
- a higher pre-tax investment income on shareholders’ funds of $403 million (FY24: income of $286 million); and
- a $231 million post-tax release from the business interruption provision.

Our insurance profit of $1,743 million equates to a reported insurance margin of 17.5% (FY24: 15.6%), and included:

- net natural perils experience of $1,088 million, which was $195 million below allowance; and
- a net release of prior year reserves of $32 million and a $26 million negative impact from the widening of credit spreads.

The underlying insurance margin of 15.5% was 100 basis points higher than FY24. This reflects a combination of influences including the 8.0% increase in net earned premium and a 260 basis points improvement in the underlying claims ratio. These were partially offset by a 40 basis point increase in the expense ratio and a lower investment yield on technical reserves. Reported gross written premium increased by 4.3% to $17,106 million (FY24: $16,400 million).

Reinsurance protection

FY25 was the first full year for the innovative reinsurance protection we established at the end of FY24 to mitigate natural perils volatility for the next five years, and secure adverse development protection for $2.5 billion of long-tail reserves. More information about the reinsurance program is available in the Newsroom on our website (www.iag.com.au).

The cover is a testament to our long-term relationships with leading global reinsurers Berkshire Hathaway and Canada Life Reinsurance, for natural perils, and Enstar, for long-term risks. It benefits our shareholders and customers by providing greater certainty over the cost of natural perils cover, stabilising our earnings and reducing our capital requirements.

For more information about our FY25 results, including divisional performance, and our financial strength, see the Operating and Financial Review on pages 60–70 of this Annual Report.

Returns to shareholders

Dividend

The company’s financial performance has allowed the Board to announce a final dividend of 19.0 cents per share, franked to 40%. This brings the full year dividend to 31.0 cents per share, which equates to a payout ratio of approximately 65% of reported net profit after tax, excluding the after-tax impact from releases from the business interruption claim provision.

The final dividend will be paid on 18 September 2025 to shareholders registered as at 5pm Australian Eastern Standard Time on 22 August 2025.

Return on equity

IAG’s target is to deliver a 15% reported insurance margin and a reported return on equity of 15% on a ‘through the cycle’ basis[4]. In FY25, we delivered an improved return on equity of 19.4%, compared to 13.5% in FY24.

Board renewal

As a Board, we recognise the benefit of having a mix of relevant business, executive and professional experience, and the importance of diversity. We also value the breadth of experience and ideas that Directors can provide.

In May 2025, we welcomed JoAnne Stephenson as an Independent Non- Executive Director. JoAnne brings additional insurance and other financial services, risk management, and transformational change skills, supplementing those of the existing Directors. She will stand for election at the company’s 2025 Annual General Meeting in October.

Conclusion

We thank shareholders for your ongoing support of our efforts to achieve our purpose, to make your world a safer place. We also acknowledge the contribution of all those within the company, at every level, from Directors, to Executives, to those in the field.

Our future focus remains very clear: we will continue to seek growth, and look for ways to improve our customers’ experience. That means welcoming and embracing the people and members who join us from the Royal Automobile Clubs of Queensland and Western Australia, as those transactions move to a successful completion. It also means realising the full benefits inherent in our Retail and Commercial Enterprise Platforms.

Our success will allow us to continue enhancing support for customers and communities, provide strong returns for shareholders, and create opportunities for our people.

Regards,

Tom Pockett
Chair and Independent
Non-Executive Director

Nick Hawkins

Nick Hawkins
Managing Director and
Chief Executive Officer

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[4] Refer to page 180 for further information on forward-looking statements and other representations.

How we create value

THE IAG WAY

Our Purpose

We make your world a safer place

Our Values

Honest & upfront

Easier together

Act & own it

Reimagine today

Treat everyone fairly

Our Mindset

Ready for anything

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

Strategic approach

We are creating a stronger, more resilient IAG.

OUR FOCUS AREAS

- Grow with our customers
- Build better businesses
- Create value through digital
- Manage our risks

Sustainability approach

We are creating sustainable value and taking climate action.

OUR FOCUS AREAS

Building climate and disaster resilience

Supporting the climate transition

OUR IMPACT AREAS

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

OUR OUTCOMES

Customers

6.3m
Direct customers in Australia and New Zealand at 30 June 2025

$10,241m
Claims paid in FY25

AU:+45.1
NZ:+54.5
Customer experience[1]
(AU: +46.8 in FY24)
(NZ: +50.0 in FY24)

Shareholders

19.0cps
Final dividend: Full year dividend of 31.0 cents per share (up 14.8% on FY24 full year dividend)

551,355
Shareholders at 30 June 2025

30.7%
Total shareholder return
(29.4% in FY24)

19.4%
Return on equity
(up from 13.5% in FY24)

People

73%
Engagement score[2]
(up from 72% in FY24)

0.82
Rolling lost time injury frequency rate[3]
(improved from 1.4 in FY24)

First
Access and Inclusion Plan
(launched)

Silver
Australian Workplace Equality Index outcome
(improvement from Bronze in FY24)

Communities

$8.8m
Invested in community initiatives (down by 9% from $9.8m in FY24)

9,227hrs
Volunteered by our people
(up by 43% from 6,452 hours in FY24)

$0.9m
Spent with Indigenous suppliers
(down by 35% from $1.3m in FY24)

5,220 people
reached through Australian Red Cross EmergencyRedi™ workshops
(up to 30 June 2025)

Environment

100%
Renewable Energy target achieved[4]

63%
Tool of trade vehicles transitioned to low-emissions or EV[5]

38%
Scope 1 and 2 emissions reduction[6]
(compared to a FY24 baseline)

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

Strategy

Our strategy is to create a stronger, more resilient IAG.

Strategic approach

Helping customers manage risk has been IAG's business for over 160 years, forming the heart of our 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 a competitive advantage.

Our long term objective remains: the delivery of top quartile Total Shareholder Return, with a sustainable growth profile[1].

To realise this, we have set our strategy to create a stronger, more resilient IAG.

Four strategic pillars provide focus, inform IAG's operating model and underpin IAG's strategy:

- Grow with our customers
- Build better businesses
- Create value through digital
- Manage our risks

Our strategy balances strengthening the fundamentals of insurance while evolving to be a digital leader and creating an organisation that is stronger and more resilient, with increased customer reach.

OUR FOCUS AREAS	APPROACH AND AMBITIONS	FY25 PROGRESS
Grow with our customers	**Deliver outstanding personalised service when our customers need it most.** • Deliver one million additional direct customers	• **66,000 new retail customers**
Build better businesses	**Focus on underwriting expertise, active portfolio management and pricing excellence.** • Through the cycle 15% margin and 15% ROE targets	• **Strong financial outcomes including Group reported margin of ~17.5% and underlying margin ~15.5%** • **IIA insurance profit of $328 million, consistently above the previous $250 million target**
Create value through digital	**Create connected experiences that seamlessly assist and reward our customers as they unlock the value of our network.** • $400m value from RIA claims & supply chain cost reductions • Common core insurance platform for personal lines across Australia & NZ	• **69% of in-scope gross written premium now on Retail Enterprise Platform** • **$245 million of annual claims benefits delivered from Retail Insurance Australia initiatives**
Manage our risks	**Actively manage risk and capital in our business so we can continue to manage the risks in our customers' lives.** • Accelerate risk maturity	• **Long-term reinsurance arrangements providing downside protection against adverse natural peril and long-tail reserve developments** • **Risk maturity acceleration targets achieved**

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[1] Refer to page 180 for further information on forward-looking statements and other representations.

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 topics, which identifies the social and environmental risks and opportunities that are most important to our stakeholders and our business.

Our FY25 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; and trust and transparency.

In addition, the assessment highlighted two additional topics of increasing importance: data security and technology advancement, and employee wellbeing and safety. In recognition of their growing relevance and potential impact on our long-term performance, we included both as material topics for FY25.

More information on our FY25 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, in FY25 we defined our group Climate Ambition to focus 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 37–51 of this Annual Report, progress against our key social and environmental targets is outlined in our FY25 ESG Data Summary, available in the Sustainability section of our website (www.iag.com.au).

IAG'S SUSTAINABILITY FRAMEWORK

Customers

Helping customers manage risk is at the centre of our purpose, to make your world a safer place.

6.3m

Direct customers in Australia and New Zealand at 30 June 2025

$10,241m

Claims paid in FY25

AU: +45.1
NZ: +54.5

Customer experience[1]

(AU: +46.8 in FY24)
(NZ: +50.0 in FY24)

Supporting our customers

In FY25, we continued to attract and support customers with improved customer service, new products and community initiatives.

Digital solutions are helping to simplify our product range and expand the ways customers engage with us about their policies and claims – so we can deliver superior experiences and meet their needs.

While inflationary pressures on supply chain and claims are easing, we recognise that many customers are still experiencing financial stress. We remain focused on minimising the impact of premium increases through disciplined cost management, technology investment and service improvement.

A key milestone in FY25 was the continued rollout of our Retail Enterprise Platform. This single digital platform has reshaped how we serve millions of retail customers across Australia and New Zealand. It now supports our four direct brands and 23 partner brands, and has over six million personal assets insured. It is simplifying how we operate, enabling us to deliver better experiences for customers; and to move and grow faster.

In FY25, we paid $10.2 billion in claims to help customers recover from loss. For retail customers in Australia, this is a settlement rate of around 98%. We have enhanced our preparation and response to severe weather – boosting resources, reducing claims handling times, better identifying and supporting vulnerable customers, and improving customer communications.

Our specialist customer care teams continued to provide tailored support for customers in more challenging circumstances. During the year, we provided financial assistance to over 15,000 customers experiencing hardship across Australia and New Zealand.

We have also expanded opportunities for customers to receive pricing benefits when they take action to reduce risk, through tools like the Bushfire Resilience App and the ROLLiN' Safe 'n Sure App. We also pass on pricing benefits to communities where investment in mitigation has reduced risk.

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[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.

At the same time, we continue to advocate for the removal of State-based taxes, including stamp duties and levies, which add to premium costs.

These efforts sit alongside our broader commitment to improving resilience, mitigating the effects of extreme weather events, supporting climate adaptation and ultimately reducing insurance costs and improving access to insurance.

Data security and technology

We acknowledge that the ethical, safe and effective use of data is central to our operations and to creating long-term value for our customers and shareholders.

Our approach is outlined in our Group Data Governance Framework, and underpinned by other policies, standards and frameworks that define minimum requirements for handling personal and controlled information, managing privacy breaches, and ensuring secure deployment of emerging technologies.

We maintain oversight through relevant governance forums including the Data Asset Committee and our employees are required to complete annual training on data governance, cyber security and privacy.

Retail Insurance Australia

Our retail insurance business is benefitting from sustained investment in technology, process improvement and enhanced customer experience. These efforts are helping us deliver more accessible, inclusive and efficient services for customers, and contribute to continued growth across our retail insurance portfolio.

Retail Enterprise Platform delivers for customers

Approximately five million policies have been migrated to the Retail Enterprise Platform, a key enabler of NRMA Insurance's 'A Help Company' transformation. The platform allows us to personalise customer interactions, simplify experiences, and provide real-time updates.

It has delivered upgrades across web, mobile and in-branch systems, supporting intuitive navigation, faster transactions and consistent service. Customers now benefit from flexible payment options, tailored product recommendations, and 24/7 claims lodgement across all products by phone and digital channels. Digital services are complemented by in-branch and phone support, ensuring accessibility for all demographics.

The platform draws on inclusive design and accessibility standards, including screen reader compatibility and multilingual content. This integrated approach ensures every customer interaction, whether online, mobile, or in person, is seamless, inclusive, and aligned with the customer's needs.

The platform is also improving the experience of obtaining quotes and purchasing policies. By streamlining questions and pre-populating known data, we've reduced the average quote time from nearly four minutes to just two-and-a-half minutes. Early indications suggest this improved experience is contributing to an increase in quote conversions.

Improving our claims response and customer communication

In FY25, we continued to strengthen our claims response and customer communication, building on improvements introduced following the 2022 Flood Inquiry[2]. The Australian east coast floods of 2022 – the largest insured event in the world that year – resulted in more than 64,000 claims across our brands.

Although a major claims uplift program was already underway, we have made further investments in our processes, systems and people to better respond to major events and support our customers.

NRMA Insurance celebrates 100 years by transforming from an insurance company that helps to A Help Company that provides insurance

In May 2025, NRMA Insurance proudly celebrated its 100th anniversary – a century of helping Australians when it matters most.

In 2024, as we headed into our centenary year, we repositioned the business as A Help Company, making a declaration of how we will continue to deliver for our customers through the insurance we provide and the ways we help create safer communities.

A Help Company was launched via a campaign that ran during the Paris 2024 Olympic and Paralympic Games. The broadcast reached 20.2 million Australians[3].

Today, the brand serves over 3.6 million customers, guided by the unifying purpose of 'What would A Help Company do?'. NRMA Insurance continues to innovate and evolve to meet the needs of its customers and communities.

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2. Australian House of Representatives Standing Committee on Economics Inquiry to examine the insurance industry's response to the 2022 floods.
3. 20.2 million total TV reach across Olympic Games and Paralympic Games 2024. Source: OzTAM VOZ up to 12/08/2024 (up to 2am research date end), OzTAM VPM up to 12/08/2024 (up to 2am research date end), OzTAM VOZ up to 08/09/2024 and OzTAM VPM up to 08/09/2024.

Customers (continued)

Strengthening preparation and response

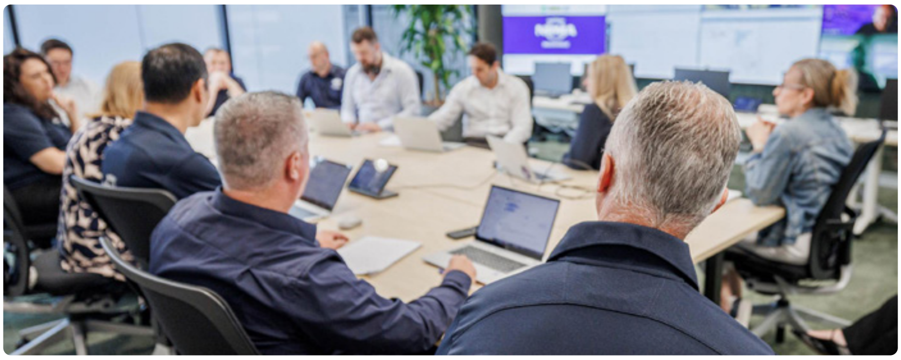
We have enhanced both the preparation and response components of our catastrophe management plan.

Preparation initiatives included:

- A Major Event Command Centre at our Hurstville office in Sydney;
- Enhanced claims systems that ensure claims are assigned based on complexity. More intricate cases are directed to case managers with the appropriate level of experience and expertise, ensuring customers receive the right support when it matters most. This approach improves efficiency while maintaining high standards of service for complex claims;
- Introduction of disaster facts sheets to improve customer communication before and during a major event; and
- Improving technology to provide rapid insights into property damage following a disaster, for a faster response.

Response improvements included:

- Proactively contacting customers so they are informed, prepared and supported before and during severe weather events;
- Scaling our ground response team to deploy claims teams to over 45 disaster affected communities. The teams were based at newly-introduced Insurance Council of Australia Insurance Hubs, and Recovery Centres. Our Help Response Vehicles assisted over 3,000 customers; and
- Strengthening our property assessing capability for faster resolution for simple claims, and dedicated support for complex claims.



Our 24/7 Major Event Response Team uses the new Command Centre to access real-time insights and respond quickly where customers need us.

We have also invested in:

- Tailored empathy training for employees and partners, and trauma informed training from Lifeline Australia for customers;
- Simplifying customer communication;
- Processes to identify and support vulnerable customers;
- New technology to improve transparency and timeliness of customer communication;
- Expansive use of our superior MakeSafe tarping that better protects property from further wind and water damage;
- Enhancing complaints handling through an Australia-wide Complaints Transformation Program;
- AI-powered solutions for triaging emergency actions, satellite and aerial imagery, and enhanced reporting; and
- Ongoing community resilience and preparedness programs through Help Nation (see Communities outcomes on pages 26–33).

Portable satellites links bolster disaster response

In March 2025, we began using Starlink terminals with satellite internet to assist customers lacking essential services during severe weather events and natural disasters.

These were deployed to NRMA Insurance vehicles and mobile pop-up claims centres that supported hundreds of customers affected by Tropical Cyclone Alfred.

The solution enabled:

- Claims assessors to file real-time reports and remain connected using Wi-FI; and
- Immediate support including emergency accommodation and financial assistance.

Connectivity is fed through a wireless WAN solution connected to satellite networks where 4G and 5G networks are not available.

NRMA Insurance partner builders deploying MakeSafe tarping, preventing further property damage from wind and water.

Pop-up claims centres were set up in Bunnings car parks to meet customers where they were.

Customer support in focus: Tropical Cyclone Alfred

Tropical Cyclone Alfred provided a clear demonstration of how our preparedness translates into customer support at scale.

Before landfall, we:

- Activated IAG's Major Event Command Centre, six days before the cyclone made landfall;
- Contacted more than 250,000 customers across South East Queensland and Northern New South Wales to provide safety and preparedness information, including how to lodge a claim quickly. We encouraged people to have an emergency plan and kit, including essential items such as mobile phones and chargers, food and water, waterproof torches and spare batteries, important documents, blankets and special supplies such as medicines and pet supplies;
- Engaged with communities to support property preparation and minimise damage; and
- Stood up our Partner Builder Network and increased internal property assessors, with support mobilised from across Australia.

In the immediate aftermath, we:

- Deployed Partner Builder claims assessors and mobile claims support teams into impacted communities;
- Maintained a strong community presence, operating in 14 locations across South East Queensland and Northern New South Wales, and providing face-to-face support to over 580 customers;
- Set up pop-up claims centres in Bunnings car parks in Robina, Oxenford and Tweed Heads to meet customers where they were likely to be; and
- Enabled claims specialists and assessors to offer on-the-spot support, including arranging emergency accommodation and financial assistance.

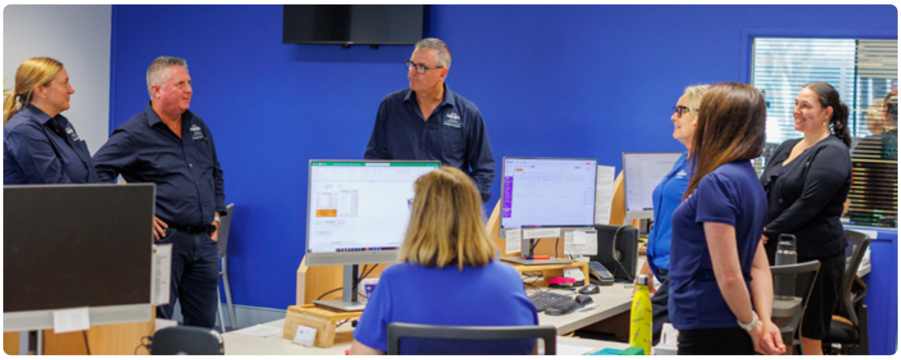
Claims response in action

We demonstrated the impact of our strengthened claims response capabilities across multiple major weather events in FY25, including:

- A deep Southern Ocean low and fronts (August 2024);
- Severe storms that affected Victoria, New South Wales, the Australian Capital Territory and Tasmania (September 2024);
- Thunderstorms and troughs across New South Wales and Queensland (January 2025);
- Extreme rainfall and flooding in North and Far North Queensland (February 2025);
- The approach and landfall of Tropical Cyclone Alfred in South East Queensland and Northern New South Wales (March 2025); and
- Severe rainfall, damaging winds and flooding in the New South Wales Hunter, Mid-North Coast and Northern Rivers regions (May 2025).

Collectively, these events generated almost 45,000 claims worth $737 million. As of 5 August 2025, 78% of claims had been finalised.

Ahead of and during these events, we deployed a range of readiness measures to ensure timely support for impacted customers.



(L to R): NRMA Insurance CEO, Julie Batch; Executive General Manager, Retail Claims, Luke Gallagher; and IAG Managing Director and CEO, Nick Hawkins joined our team members supporting customers in Tweed Heads, in March 2025.

Customers (continued)

Making our customers' world safer

Helping customers protect their homes

In FY25, we introduced a Wear and Tear program to raise customer awareness of potential home maintenance issues. Emails to customers highlighted common risks and with customer permission, we began trialling drones with third party partners to assist in identifying potential roof issues.

We also continued to support the Bushfire Resilience Rating Home Self-Assessment app, which enables NRMA Insurance customers to assess their site-specific bushfire risk and take meaningful action. Eligible NRMA Insurance customers may receive pricing benefits on their household insurance premiums for participating.

In FY25, 23,585 bushfire self-assessments were completed and 29,410 households accessed the app.

Monitoring repair performance

We continued to track repair quality across our national motor and property repair networks. In March 2025, we released the 12th edition of our annual update via our Quality Report, detailing inspections, performance metrics and IAG's research undertaken across our national motor and property repairs, as well as IAG's research into the new and rapidly advancing technologies supporting safer, more efficient repairs.

Over the 2023–2024 financial year covered by the report:

- We conducted 310,000 repair assessments;
- Our motor assessors and repair facilities conducted almost 80,000 motor repair quality inspections, up nearly 10,000 from the previous year; and
- Our average motor repair quality score was 98%.

We also carried out 2,885 property quality inspections. While this was fewer than the previous year – due to milder weather conditions – we supplemented our program with additional investment in education and engagement programs to encourage property preparedness and resilience.

Supporting customers through vulnerability

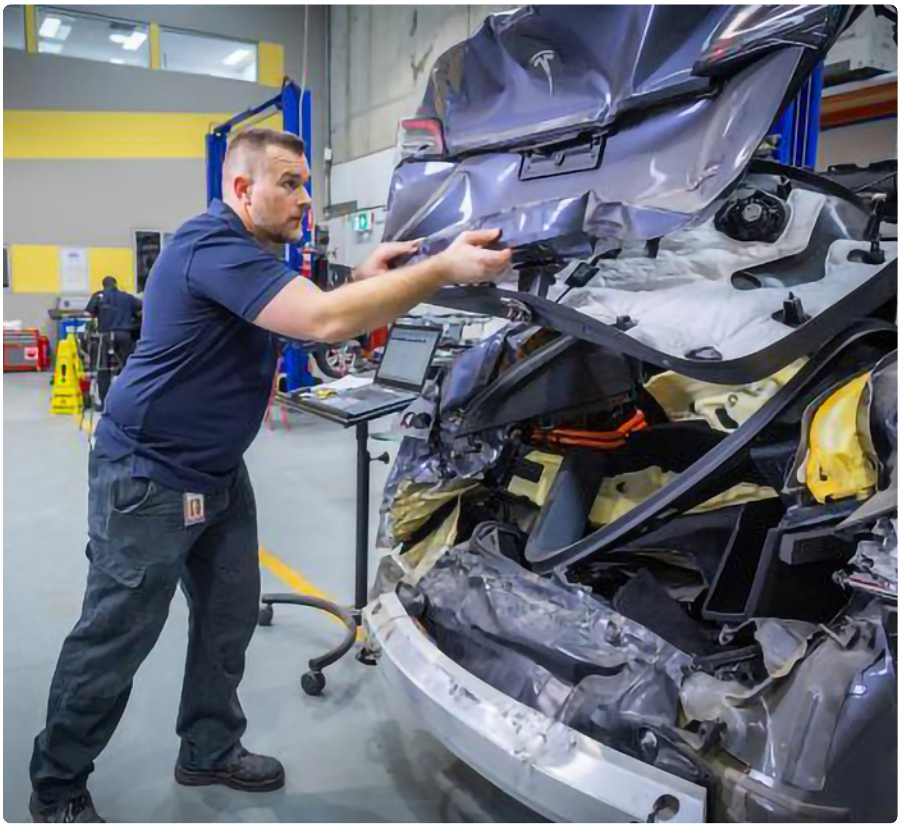
We strengthened our customer care and social impact through the One Stop One Story Hub, a digital referral platform created by Thriving Communities Australia. In February, NRMA Insurance became the first insurer to support the initiative.

The Hub is a world-first platform enabling frontline workers in corporate, community and government organisations to connect customers experiencing vulnerability – such as domestic and family violence or financial hardship – with a broad range of services.

By sharing their story once, individuals can access comprehensive wrap-around support without the burden of repeating their situation to multiple providers.

This initiative reflects our commitment to purpose-led action and demonstrates how cross-sector collaboration can deliver meaningful, scalable impact. It aligns with our Financial Inclusion Action Plan and broader Sustainability strategy.

IAG's partnership with Thriving Communities Australia began in 2023. The organisation is a not-for-profit dedicated to ensuring fair access to the modern essential services people need to thrive.



A vehicle undergoing repairs in our national network.

Encouraging safe and responsible driving

ROLLiN's mobile telematics feature, Safe 'n Save, encourages safe and responsible driving by rewarding customers with potential discounts of up to 15% on their monthly premiums. These savings are based on real driving behaviour across key metrics including harsh braking, accelerating, speeding, cornering, and mobile phone use. Scores are calculated based on the performance of all drivers listed on a policy.

As at June 2025, more than 25 million kilometres of customer driving data has been collected and analysed Australia-wide via the Safe 'n Save app, with 54% of participating ROLLiN' customers earning high safe driving scores and monthly premium discounts.

Building on ROLLiN's success, in FY25 we began offering Safer Journeys to NRMA Insurance customers – scaling the telematics-based program to a significantly broader customer base. Safer Journeys encourages risk-reducing driving behaviours and reflects our continued investment in customer-centric innovation.

ROLLiN' was again recognised for excellence, receiving the Canstar Outstanding Value – Car Insurance Award for 2025 for each of Australia, Queensland, New South Wales, Victoria, Tasmania and South Australia.

Recognition for market leadership

NRMA Insurance continued to strengthen its market leadership in FY25, being named:

- Australia's most trusted insurance brand, Roy Morgan Most Trusted Brand Awards 2024;
- The 9th strongest brand in Australia (across all sectors) and the highest ranked insurance brand, Brand Finance Australia 100 2025 report; and
- The 4th strongest insurance brand globally, Brand Finance Insurance 100 2025 report.

Intermediated Insurance Australia

In FY25, our Australian Intermediated business made strong progress in lifting its capabilities and transforming its technology platforms to better serve customers, drive efficiency and support growth.

In May 2025, we reorganised our business to improve responsiveness and elevate the service experience for brokers, partners and customers. Centralised specialist expertise functions were established to drive excellence in underwriting, product, pricing and claims.

Our CGU and WFI Insurance brands continue to grow distinct portfolios, serving their unique markets and building on their heritage of more than a century.

By becoming a more agile, innovative and customer-focused business, we are better placed to deliver on our purpose, address affordability, and respond to the evolving risk needs of our brokers, partners and customers.

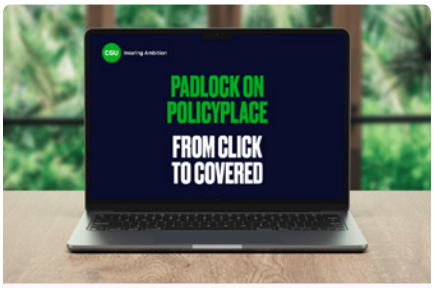
Technology transformation

FY25 marked a major step forward in our multi-year Commercial Enterprise Platform technology transformation. The platform will progressively replace technology infrastructure with a modern, integrated platform that fundamentally reshapes our connectivity to markets and how we underwrite and distribute products.

Underwriting Workbench – Commercial Property

We deployed the underwriting workbench ingestion capability in April 2025. This Gen AI powered platform enables our teams to transform unstructured quote data, including emails, PDFs, documents and spreadsheets, into commercial property quote submissions within minutes, removing the need for manual data entry and replacing the hours of work involved in the past.

The next release will extend the capability of the underwriting workbench so the underwriter can quote and renew within a single system. Underwriting rules will also be automated and workflows put in place to manage underwriting referrals. Integration to the pricing engine will enable automation of natural peril rating.



First Guidewire product release: CGU Padlock on PolicyPlace

In May 2025, we launched the first product in Guidewire Cloud and PolicyPlace under the transformation program. Our commercial property owners' product – CGU Padlock – was released on our new digital quoting and binding system, PolicyPlace.

PolicyPlace delivers faster turnaround times and improved connectivity for brokers. Straight-through processing of quotes and new business is enhanced, with fewer referrals required due to automation of underwriting rules and workflows. PolicyPlace has already delivered a significant uplift in Padlock quotes and premium compared to the same period last year. This is a significant milestone in our transformation program and reflects our commitment to supporting our broker partners through smarter systems and better service.

The next release will extend the Broker self service capability to full lifecycle, with the ability to change, cancel and renew a policy within PolicyPlace.

CASI

Our Intermediated claims team continues to expand the functionality and application of the AI Claims Assist Supporting Intermediated (CASI) tool which consolidates policy documents, business processes and business rules within minutes versus days, freeing up our claims team members to focus on customer facing interactions and reduction in claims finalisation times.

CASI also provides a generative AI chatbot that can identify accurate policy coverage, reducing response times to broker questions from 12 minutes to seconds.

Customers (continued)

New Zealand

In FY25 IAG New Zealand continued to evolve products and services as well as operational resilience in response to a dynamic economic environment and changing customer needs. Climate change and affordability remained key areas of focus.

We understand the financial pressures facing many New Zealanders. In response, we have strengthened our customer support programs and maintained disciplined cost management. Initiatives in simplification, automation and supply chain are helping us manage costs, improve the customer experience and support affordability.

The team celebrates the official opening of AMI MotorHub Ngauranga, Wellington, in July 2024.

Helping our customers and building resilience

In FY25, we stood beside our customers and communities as they faced the ongoing challenges of extreme weather. While the scale of devastation was lower than in FY23, which included the North Island Floods and Cyclone Gabrielle, many customers and communities continued to experience the effects of extreme weather events, and we continued to help them to recover.

As New Zealand's largest general insurer, we see first-hand the impacts of climate change and natural hazards on our communities. In FY25, we continued advocating for risk reduction, resilience-building and adaptation.

Supporting customers experiencing vulnerability

Our frontline teams are trained to identify and support customers experiencing vulnerability, including those facing financial hardship, mental health challenges, or family and domestic violence.

This included referrals to specialist services for legal, financial and emotional support.

Connecting with our customers

We continued to evolve our Hub Services to deliver customer benefits beyond a traditional insurance offering. We expanded our AMI MotorHub and AMI HomeHub networks, opening new locations and introducing additional services including AMI MotorHub Mechanical Services.

These Hubs provide customers with a one-stop shop for claims, repairs and advice and – supported by our strong partner repairer networks – offer customers flexibility, convenience and choice at claim time.

To further support safer roads, we extended AMI Roadside Rescue to all New Zealanders, introduced free coverage to newly-licensed drivers for their first year and, from June 2025, added it as a standard benefit for AMI Comprehensive Motor car customers.

We also evolved our customer brands:

- In November 2024, State launched a new brand campaign, highlighting insurance that's 'satisfyingly simple – and less choresome, more awesome'.
- In February 2025, AMI launched a new brand campaign – On Your Side – highlighting AMI's role as an ally to communities following major natural hazard events. The campaign featured real customers, communities and places, highlighting AMI's offer of more than just insurance.

Our customer focus has been recognised by prominent financial comparison site Canstar:

- State was named 2024 Car Insurer of the Year and awarded Outstanding Value Car Insurance; and
- Both AMI and State received Outstanding Value Home and Contents Insurance Awards from Canstar, reflecting our focus on affordability for customers.

AMI HomeHub teams arrived swiftly to help customers after a severe storm with tornado-like winds hit the small Northland township of Mangawhai, in January 2025.

Shown carrying out an inspection at a customer's premises are: (left) Toby Lancaster, Electrical Inspector NZI; (right) Zak Dean, Electrical Inspector NZI (on left) with Peter Wolfkamp, Resident Builder and NZI campaign supporter.

Strengthening our commercial offering

NZI continued to support New Zealand businesses with tailored insurance and risk management solutions.

FY25 highlights included:

- Hosting our first Partner Summit, Kāhui, in October 2024 – bringing together key broker partners and industry leaders to discuss trends and strengthen relationships;
- Announcing an exclusive partnership with Ag Guard, a technology-led, specialist rural underwriting agency. This expands rural insurance solutions for brokers and their customers and enhances our support for rural communities;
- Continuing the NZI Electrical Inspectors program, which helps commercial property customers proactively reduce fire risk by identifying electrical defects. Since the program's establishment in 2022, over 4,000 electrical defects have been identified by the electrical inspectors;
- Including Roadside Assistance in all light commercial motor customers' policies;
- Continuing the Fleet Fit program, a cornerstone of our risk management service. The program provides education, tools and support to help businesses manage fleet safety, and includes teams engaging with customers to provide tailored support; and
- Running the popular Truckie Rest Zones, offering free health checks, education and refreshments to commercial drivers.

Building better digital experiences

We continued to modernise our systems to provide customers with choice, flexibility and simplicity in how they interact with us.

Key milestones included:

- A multi-year agreement with Google Cloud to support the delivery of simplified, efficient customer experiences;
- Refreshed AMI and State mobile apps, enabling digital self-service including claims lodgement, policy changes and 24/7 Roadside Rescue access; and
- Completion of stage one of our new telephone platform, CXOne, which is improving service delivery and enabling deeper insights into customer needs. We will now focus on rolling out additional capabilities.

More retail customers moved to the Enterprise Platform, accessing the benefits of a simplified pricing and purchase process, and streamlined products.

Our investment in technology, innovation and automation continued to improve the claims experience:

- 33% of claims are lodged digitally;
- The average number of customer touchpoints per claim dropped from nine to four;
- Settlement times for simple claims have reduced from weeks to days;
- Broker integrations are unlocking time savings and improving customer experiences; and
- Automation and supply chain integrations now connect customers directly with third party suppliers, helping customers recover faster after an incident.

Looking ahead, work continues on the Commercial Enterprise Platform, which will be adopted by NZI after the Australian Intermediated business. The platform will harmonise processes, simplify policy handling, and improve experiences for our broker partners and commercial customers.

CUSTOMERS: FY26 FOCUS

- Migration of further customers to the Retail Enterprise Platform.
- Continued implementation of the Commercial Enterprise Platform.
- Further strengthening of claims response and customer communication.
- Support for vulnerable customers.
- Build better digital experiences.

Shareholders

We aspire to deliver sustainable top quartile total shareholder returns.

19.0 cps

Final dividend: Full year dividend of 31.0 cents per share (up 14.8% on FY24 full year dividend)

551,355

Shareholders at 30 June 2025

30.7%

Total shareholder return
(29.4% in FY24)

19.4%

Return on equity
(up from 13.5% in FY24)

Our progress in meeting customer needs and creating a stronger, more resilient IAG delivered strong returns to shareholders in FY25, including improved share price, increased dividends, and strong financial results.

Share price

Further share price outperformance

On 30 June 2025, IAG's share price closed at $9.03, a 26.5% increase on the $7.14 price at 30 June 2024. Over the same period, the ASX200 index recorded a solid gain of 10%, meaning IAG outperformed the index by over 16%.

Over the three years to 30 June 2025, IAG's share price has increased 108%, strongly outperforming the ASX200 index which has risen by 30.6%.

Dividends

FY25 final dividend of 19.0 cents per share

The Board has declared a final dividend of 19.0 cents per share, franked to 40% (2024 final dividend: 17.0 cents per share, franked to 50%). This brings the total FY25 dividends to 31.0 cents per share, a 14.8% increase on the total dividends of 27.0 cents per share for FY24. The outcome equates to a payout ratio of approximately 65% of reported net profit after tax (NPAT) excluding the after-tax impact from releases from the business interruption claim provision. IAG's dividend policy is to pay out 60% to 80% of NPAT.

The final dividend will be paid on 18 September 2025 to shareholders registered as at 5pm Australian Eastern Standard Time (AEST) on 22 August 2025, and the dividend reinvestment plan will operate for the final dividend for shareholders registered for the plan as at 5pm AEST on 25 August 2025.

Capital strength

A strong capital position helps ensure that we will be there for our customers when they need us. IAG remains strongly capitalised, with Common Equity Tier 1 (CET1) capital of $3,939 million (FY24: $3,364 million) and total regulatory capital of $6,510 million (FY24: $5,879 million) at 30 June 2025.

This strong capital position is expected to allow IAG to fund the capital required for the RACQ and RAC[1] strategic alliances from organic capital generation[2].

1. Subject to regulatory approvals and other conditions.
2. Please refer to "Significant changes in the state of affairs" on page 75 of this report for further information regarding these transactions.

Images from our 2024 annual general meeting, held in Sydney on 24 October 2024.

FY25 results

The Group's profit after tax for the full year was $1,359 million (FY24: $898 million). This result was driven by:

- A $305 million increase in pre-tax insurance profit to $1,743 million (FY24: $1,438 million), driven by an 8.0% increase in net earned premium, and a 190bps improvement in the reported insurance margin;
- A higher pre-tax investment income on shareholders' funds of $403 million (FY24: income of $286 million); and
- A $231 million post-tax release from the business interruption provision.

Premiums

IAG reported FY25 gross written premium of $17,106 million, a 4.3% increase on the previous year (FY24: $16,400 million). All three divisions contributed to the increased premium.

Divisional performance

Retail Insurance Australia

Our Retail Insurance Australia business reported gross written premium growth of 5.1% to $8,749 million (FY24: $8,322 million). Partners and Platforms premium decreased 18.0% to $682 million, impacted by the exit of the Coles portfolio.

The Direct segment achieved growth of 7.7% to $8,067 million, through:

- Motor premium increasing by 6.7% to $3,960 million driven by rate increases to cover claims inflation. Renewal rates improved in the second half of the year across the majority of the states to slightly below 90%.
- Home premium rose by 8.7% to $2,855 million reflecting rate increases to cover claims inflation and natural perils costs. Rate increases moderated in the second half of FY25, and along with improved digital and pricing capabilities, resulted in volume growth, particularly in New South Wales and Victoria. Renewal rates also strengthened in the second half of FY25, and remained strong at above 90% across the majority of states.
- Long tail (Compulsory Third Party) premium increased by 11.6% to $829 million driven by higher average premium in NSW, reflecting a higher claims frequency, as well as volume growth in the Australian Capital Territory and South Australia.

The business reported an insurance profit of $809 million (FY24: $648 million) and a reported insurance margin of 15.9% (FY24: 13.7%). The reported insurance margin was assisted by favourable perils experience of $43 million below allowance, partially offset by a modest $12 million strengthening of prior period reserves.

Intermediated Insurance Australia

Intermediated Insurance Australia achieved gross written premium growth of 6.3% to $4,550 million (FY24: $4,282 million) through:

- A 3% increase in Commercial short-tail premium, to $2,602 million predominantly driven by rate increases, partially offset by some volume loss in strata.
- A 10.6% increase in Commercial long-tail premium to $1,250 million, including the impact of workers' compensation multi-year policies (~$105 million). Normalising for this, underlying premium growth was 3.4% with rate and wage growth in workers' compensation offset by volume declines in professional risks and liability.
- Personal lines premium grew 11.7% to $698 million, reflecting low double-digit rate increases coupled with modest solid volume growth in home. This was partially offset by a volume decline in motor.

The Intermediated business delivered an insurance profit of $328 million in FY25 (FY24: $334 million) and a reported insurance margin of 12.2% (FY24: 13.4%). The underlying insurance margin of 11.5% (FY24: 11.7%) represents an improving trend after normalising for the cost of additional reinsurance protection, and reflects the impact of lower investment yields. The reported insurance margin featured a $33 million prior period reserve release and a modest loss from credit spreads widening.

Shareholders (continued)

New Zealand

Our New Zealand business achieved gross written premium growth of 0.3% to $3,807 million (FY24: $3,796 million). In local currency terms, it achieved growth of 1.7% to NZ$4,173 million. The result included:

- Direct local currency premium increased 4.7% to NZ$1,745 million. Within this, private motor premium saw a modest decline reflecting lower claims experience. New business levels improved while renewal rates were slightly down. Home owner premium increased over 10%, driven by strong rate increases and improved new business levels.
- Bank partner achieved local currency premium growth of 6.9% to NZ$616 million, with the key personal lines portfolios delivering strong growth, driven by rate increases, partly offset by lower volumes.
- In the broker intermediated channel NZI, local currency premium decreased by 2.6% to NZ$1,812 million. Within this result, Commercial lines premium was impacted by a challenging market, however the business remains focused on exercising disciplined underwriting and leveraging NZI's strong brand and value-added propositions; and Personal lines premium saw modest growth, driven by rates increases across all portfolios, partially offset by lower volumes.

New Zealand delivered an FY25 insurance profit of $606 million (FY24: $457 million) and a reported insurance margin of 27.4% (FY24: 22.5%). Its higher underlying insurance margin of 20.1% (FY24: 16.9%) was driven by a significantly improved underlying loss ratio, partly offset by a higher expense ratio. The reported insurance margin reflected favourable perils experience of $156 million below allowance.

Insurance profit

IAG's FY25 reported insurance profit of $1,743 million (FY24: $1,438 million) was in the middle of the updated guidance range for reported insurance profit of '$1,600 million to $1,800 million' provided on 1 July 2025.

This equated to a 17.5% reported insurance margin (FY24: 15.6%), at the top end of the updated 15.5% to 17.5% guidance range provided on 1 July 2025. The reported insurance profit included net natural perils experience of $1,088 million, which was $195 million favourable to allowance, a net release of prior year reserves of $32 million and a $26 million negative impact from the widening of credit spreads.

The underlying insurance margin of 15.5% was 100 basis points higher than FY24. This reflects a combination of influences including the 8.0% increase in net earned premium and a 260 basis points improvement in the underlying claims ratio, partially offset by a 40 basis points increase in the expense ratio and a lower investment yield on technical reserves.

Net profit after tax and earnings per share

Net profit after tax of $1,359 million (FY24: $898 million) represents a basic earnings per share of 57.49 cents (FY24: 37.31 cents) and diluted earnings per share of 56.14 cents (FY24: 36.24 cents).

Cash earnings per share in FY25 was 49.61 cents (FY24: 37.62 cents). Diluted cash earnings per share in FY25 was 48.86 cents (FY24: 36.52 cents).

Diluted earnings per share calculations were based on 2,556 million shares, which includes the potential equity issuance from hybrid and debt conversion.

Return on equity

IAG's target is to deliver a 15% reported insurance margin and a reported return on equity of 15% on a 'through the cycle' basis[3]. In FY25, we delivered an improved return on equity of 19.4%, compared to 13.5% in FY24.

FY26 GUIDANCE AND OUTLOOK[3]

IAG's confidence in the underlying business is reflected in guidance for FY26 which includes:

- GWP growth of 'low-to-mid single digit'. This reflects premium increases that cover moderating claims inflation combined with direct customer and volume growth.
- At a divisional level, IAG expects:
  - RIA growth of 'mid-single digit';
  - IIA growth of 'low-single digit'; and
  - NZ GWP to be relatively flat.
- Reported insurance profit of $1,450 million to $1,650 million, roughly equating to a reported insurance margin of 14.0% to 16.0%, assumes:
  - a natural peril allowance of $1,316 million;
  - no material prior period reserve releases or strengthening; and
  - no material movement in macro-economic conditions including foreign exchange rates or investment markets.

The FY26 guidance does not include the benefit of the RACQI and RACI[4] acquisitions. The RACQI acquisition is expected to complete on 1 September 2025, which will result in GWP growth increasing to approximately 10%.

IAG's FY26 guidance, and the RACQI and RACI[4] acquisitions, align to the targets to deliver a 15% reported insurance margin and a reported ROE of 15% on a 'through the cycle' basis.

These targets are subject to assumptions and dependencies, including that there are no material adverse developments in macro-economic conditions and disruptions or events beyond IAG's control. As they span a number of years, these assumptions and dependencies have a greater level of uncertainty than the FY26 guidance. Refer to the forward-looking statements and other representations disclaimer on page 180 of this Annual Report.

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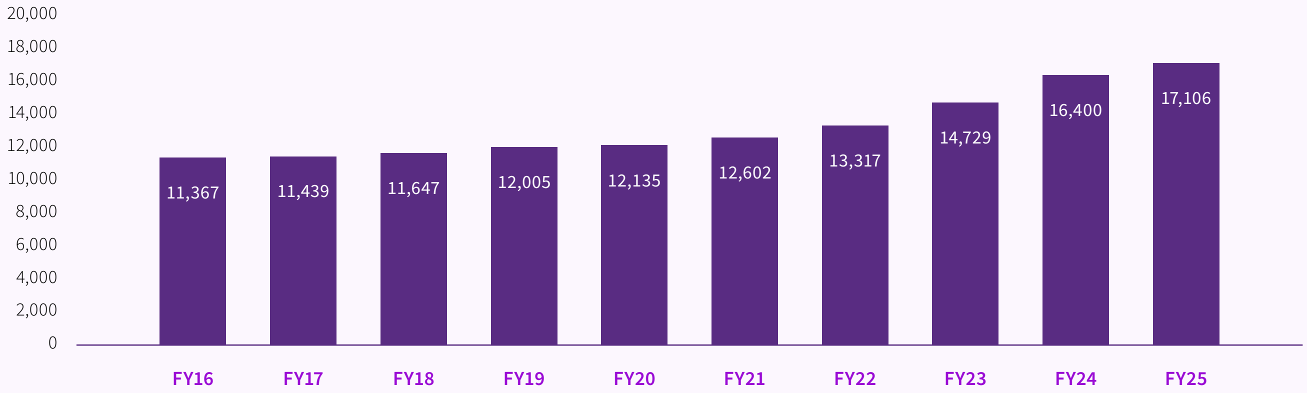
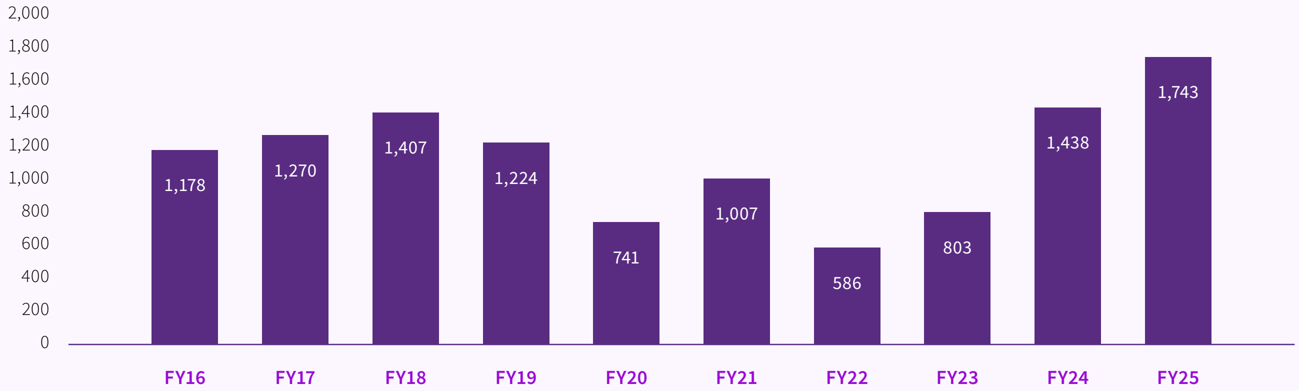
[3] Refer to page 180 for further information on forward-looking statements and other representations.

[4] Subject to regulatory approvals and other conditions.

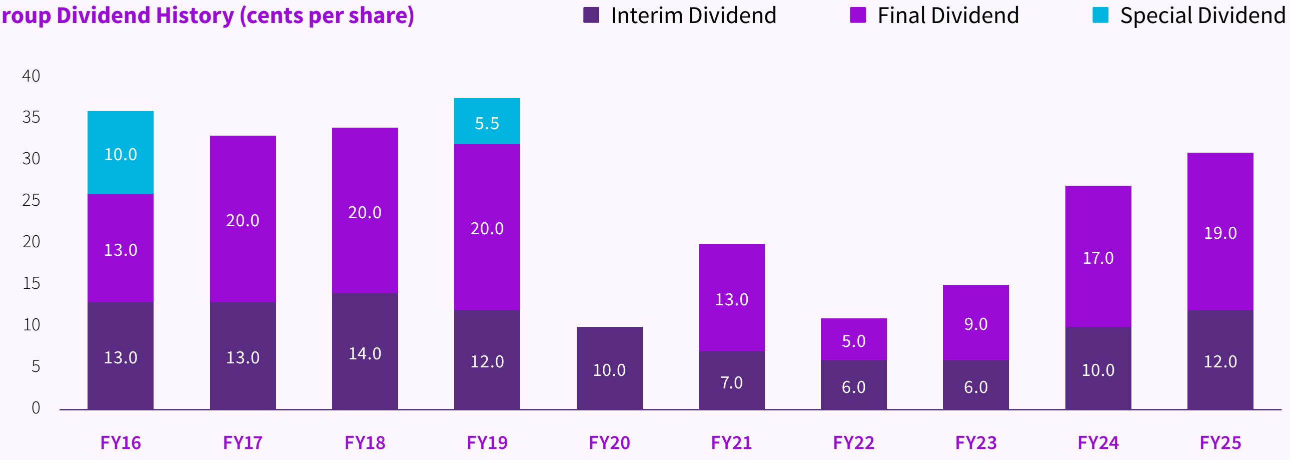
Gross written premium over the past 10 years ($ million)



Insurance profit over the past 10 years ($ million)



Group Dividend History (cents per share)



The results we achieve for shareholders are a direct reflection of the success with which we respond and provide services to our customers. To learn more about how we delivered products and services for our customers n FY25, see Customer outcomes on pages 10–17 of this Annual Report.

Our FY25 financial performance is discussed in more detail in the Operating and Financial Review on pages 60–70 of this Annual Report.

People

Our people help bring our purpose to life and deliver our strategy.

73%
Engagement score[1]
(up from 72% in FY24)

0.82
Rolling lost time injury frequency rate[2]
(improved from 1.4 in FY24)

First
Access and Inclusion Plan
(launched)

Silver
Australian Workplace Equality Index outcome
(improvement from Bronze in FY24)

In FY25, we refreshed our People Strategy to better respond to market trends and the changing competitive environment, and to embrace technological and digital advancements. The strategy has four objectives:

- **Build a high-performing workplace**
- **Develop future-ready skills**
- **Amplify the human in digital**
- **Inspire sustainable action**

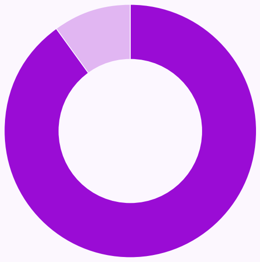
Build a high-performing workplace

Strengthening our culture

A strong culture contributes to a high-performing workplace. Regular surveys and focus groups help us understand our people's experiences and perspectives. By analysing feedback and key organisational and benchmark data, we can assess what we are doing well, and where we can improve our efforts to be purpose-led, customer-centric and risk-intelligent.

Our March 2025 annual culture survey results showed our people have a strong connection to the organisation's purpose and broader goals and are clear on how they contribute to them.

Annual culture survey results (March 2025)



90% completion annual culture survey

73% engagement up from 72% in FY24[1]

73% engagement rate amongst women

72% engagement rate amongst men

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1. This is the FY25 Balanced Scorecard outcome for Employee Engagement. It is calculated by taking the average Employee Engagement Score from the People Pulse Survey and Annual Culture Survey run in FY25.
2. We have a Group Lost Time Injury Frequency Rate, which shows the number of lost time injuries per million hours worked; our target is 1.2.

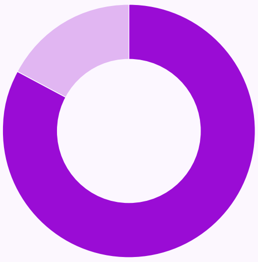
In other highlights:

- Our values and commitment to our customers are well embedded and our people see them role modelled by their leaders;
- There is confidence in our speak-up culture, supported by greater accountability and action; and
- Our Respect@IAG program has increased understanding of our workplace culture and expectations.

Opportunities for improvement include continuing to make IAG a simpler place to work and strengthening communication, particularly in times of change.

Flexibility

We offer a dynamic, hybrid work model that focuses on meeting customer needs and facilitating connection, collaboration and personal flexibility.



83% of survey respondents*
are satisfied with their flexibility to manage work and personal commitments.

* Annual culture survey, March 2025.

Fostering a safe, inclusive and supportive workplace

In FY25, we reviewed and enhanced our workplace safety policies. We delivered customised wellbeing programs and targeted vicarious and trauma-informed training. We also improved how we integrate reporting and insights. We further support our people by providing access to a holistic employee assistance program, run by Sonder, which this year recorded 36% usage across IAG and provided enhanced personal safety for field workers and other employees.

Improving people's entitlements

In FY25, our new Enterprise Agreement was endorsed. It includes new and enhanced entitlements for the 96% of our Australian employees covered by the agreement. These include 20 weeks' paid parental leave; best practice, uncapped family and domestic violence leave and 10 days to support impacted family members; and five days paid MyLeave. New Zealand employees received some additional new benefits.

Develop future-ready skills

We use our Group Talent, Leadership and Learning Strategy to develop the future-ready skills our people need to meet our customers' needs and expectations. The IAG Academy is a key enabler of the People Strategy's goal to build towards a future-ready workforce.

Since the IAG Academy was established in 2021, over 57,000 courses have been completed, supporting the workforce of the future, facilitating reskilling, and delivering compelling career pathways. The Academy's programs have won five industry awards, including the Australian Institute of Training and Development 2025 award for Best Blended Learning Program for our *Leading with Empowerment* program.

During FY25, we continued to broaden our three flagship Leadership programs for our senior leaders. These address the strategy's second objective: enhance leadership to perform and transform. We are developing our leaders' capabilities to navigate change, unify teams, drive performance and cultivate contemporary leadership skills.

We have made substantial progress in the strategy's third objective, to unlock talent potential and pipeline strength. A key focus is our Graduate Talent pipeline, which also supports our gender representation aspirations.

Our distinct approach means we employ graduates as permanent employees from day one. After a structured 18-month program, graduates are supported to move into placement roles to independently advance their careers at IAG. In other highlights:

- We retained 100% of our graduates from 2024. Our graduate program was included in the *Australian Financial Review* Top 100 Graduate programs for 2025;
- Applications for the 2026 program increased by 46%, resulting in 82 offers being made; and
- Some 63% of the roles in Technology and Operations were offered to women.

Transforming our workforce for the future

To prepare our workforce for the future, we have created a Jobs and Skills Framework and adopted AI-assisted tools that support capability development, task efficiency and innovation.

Using the Framework, we can map our workforce against future needs, and identify skills gaps. It also supports data-driven workforce decisions to define the optimal size and shape of our organisation.

Amplify the human in digital

We are amplifying the human in digital to equip our people to deliver value through digital, and operate with an innovative mindset to help us grow with our customers.

Inclusive innovation integrates AI into our workforce

In FY25, we launched the Inclusive Innovation initiative to integrate AI into our workforce, so our people can work with AI effectively and safely. Already, we have seen new applications of AI, in areas including contract analysis, employee support, and identifying customer trends.

Our Inclusive Innovation leaders (L to R): Dave Abrahams, Avlok Bahri, Rachel Bucknall, Jacqui Thompson, Harriet Rappell, Omid Karr, James Tesoriero, Neil Morgan, and Sophie Heseltine.

People (continued)

Project Phenom enhances talent management

This year, we implemented an AI-assisted candidate relationship management system called Phenom. This materially expands our candidate reach by matching candidates to skills, and sourcing strategic talent. It automates significant portions of our recruitment processes, reducing time-to-hire and associated costs. It also provides advanced data analytics capabilities, offering real-time insights to improve decision making.

Inspire sustainable action

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

Diversity, Equity and Inclusion Strategy

In FY25 we launched our three-year Group Diversity, Equity and Inclusion Strategy, to drive customer excellence, community impact and career advancement.

To support this strategy and drive accountability and governance, we set two new objectives for gender representation and workplace inclusion.

We have set a **Gender Representation Target** of 40–60% at each level of senior management (CEO and three levels below). IAG's progress towards the Gender Representation Targets as at 30 June 2025 is outlined below.

We also introduced a **Workplace inclusion measure** to assess leadership and the creation of an equitable and inclusive environment. The measure is based on a set of questions in IAG's annual culture survey. IAG's first workplace inclusion measure score was 72% in March 2025.

Our strategy is supported by our Group Diversity, Equity and Inclusion Policy, available in the Codes and policies section of our website at www.iag.com.au.

Gender equity and pay parity

We promote and improve gender equity and outcomes for women and men in our workplaces. This work is supported by ongoing gender pay analysis, including on gender pay equity and the gender pay gap. We provide our data to the Workforce Gender Equality Agency (WGEA) in Australia.

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 Workplace Gender Equality Report 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).

Indigenous engagement

Our Indigenous Engagement Strategy sets out how we will support Aboriginal and Torres Strait Islander people of Australia and Māori of Aotearoa New Zealand.

Reconciliation Action Plan

FY25 included the final year of our three-year Reconciliation Action Plan. Overall, we completed 95% of the Plan's deliverables, and are proud that we:

- Spent over $3.2 million with Indigenous businesses;
- Supported 30 of our people to complete bespoke coaching and development programs;
- Developed a customised Senior Leadership program to support career progression for Aboriginal and Torres Strait Islander employees; and
- Supported the National Insurance Broker Award winners to attend a cultural immersion program in partnership with Jawun.

The Plan included a target to increase Aboriginal and Torres Strait Islander employment to 3% of our Australian employees by the end of FY25. At 30 June, this figure was 1.11%. From FY26, we have set a revised target for Aboriginal and Torres Strait Islander employment to be 1.2% of our Australian employees with a key focus on career mobility.

In June 2025, we launched the next iteration of our Reconciliation Action Plan (FY26–FY28) outlining our commitment to taking a leadership role in driving reconciliation and advocating for meaningful change for Aboriginal and Torres Strait Islander peoples.

GENDER REPRESENTATION TARGETS

Gender Representation	Female	Male	Target
Group Leadership Team	37.5%	62.5%	40–60%
Executive General Managers	34.6%	65.4%	40–60%
Direct Reports of Executive General Managers	47.3%	52.7%	40–60%

Our FY26–FY28 RAP launch included a panel discussion with (L to R): Darren Hammond, Manager, Indigenous Engagement, IAG; Amanda Wallace, Executive Manager, Corporate Communications, IAG; Peter Morris, Chief Operations Officer Reconciliation Australia; Charles Prouse, Managing Director NyikBar; Aunty Norma Ingram; and Julie Batch, CEO NRMA Insurance.

More details of the Plan are set out in the Communities outcomes on pages 26–33 of this Annual Report, but its People-related aspects are:

- Investing in the capability and career development of our First Nations employees, and providing more opportunities to take on leadership positions; and
- Strengthening our policies and processes to uplift the workplace experience for First Nations peoples, providing a culturally safe and inclusive environment for all.

Enabling cultural inclusion through He Rautaki Māori

In New Zealand, IAG continues to support cultural inclusion through our Māori Strategy, He Rautaki Māori. We have developed Te Pou Tarāwaho Āheitanga (a Capability Framework) to support how we progress the opportunities identified from Te ara ki tua (the pathway forward cultural competency survey) and improve our people's experience.

Through our TupaToa partnership, we welcomed six university students for a 12-week internship across the New Zealand Division. We also engaged with hapori Māori (the Māori community) through Te Matatini o Te Kāhui Maunga 2025 (National Kapa Haka Festival) in Ngāmotu New Plymouth, supported by our latest cohort of TupuToa interns.

Accessibility and inclusion

Around 5% of employees who completed our annual culture survey identified as experiencing living with a disability.

We continue to partner with the Australian Disability Network to measure and improve disability inclusion and reduce accessibility barriers in our workplaces. In July 2025, we launched our first Access and Inclusion Plan, a significant milestone that acknowledges the needs of our people, customers and communities.

In developing our Access and Inclusion Plan, we benchmarked our current practices with the Australian Disability Network, and the voice of our people through annual culture survey responses and our internal Accessibility and Wellbeing Network.

PEOPLE: FY26 FOCUS

- Continuing to deliver the Group People Strategy;
- Meeting the year one commitments in our FY26–FY28 Reconciliation Action Plan;
- Meeting the year one commitments in our Access and Inclusion Plan;
- Continuing to deliver against our Diversity, Equity and Inclusion Strategy; and
- Delivering future workforce activity, including introducing a talent marketplace solution.

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

Achievements from the first year of our Diversity, Equity and Inclusion Strategy

Independent Respect@Work review, to support IAG's commitment to a culture free from harassment (including sexual harassment), discrimination, and bullying)	Uplifting employment policies to drive equity and inclusion including market-leading parental leave, Domestic and Family Violence leave and NAIDOC leave	Contributing to the development and launch of the Insurance Council of Australia's Industry Diversity, Equity and Inclusion, Talent Roadmap, and Insurance Careers campaigns
Launching our Stretch Reconciliation Action Plan FY26–FY28	Launching our inaugural Access and Inclusion Plan July 2025–June 2028	Refreshing our Financial Inclusion Action Plan, at the Build level
Australian Workplace Equality Index Silver outcome (improvement from Bronze)	Participation in the Pride Pledge in New Zealand	Becoming a founding member of Insure Pride LGBTQ+ network

Communities

We help to build more resilient communities.

$8.8m

Invested in community initiatives
(down by 9% from $9.8m in FY24)

9,227hrs

Volunteered by our people
(up by 43% from 6,452 hours in FY24)

$0.9m

Spent with Indigenous suppliers
(down by 35% from $1.3m in FY24)

5,220

People reached through Australian Red Cross EmergencyRedi™ workshops
(up to 30 June 2025)

A changing climate is putting our communities at greater risk. Since 2015, we have seen a significant increase in the frequency and severity of extreme weather events such as floods, storms and bushfires. This creates serious challenges for people and communities – both physically and psychologically – and places increasing pressure on critical infrastructure.

Our research shows heightened awareness and concern across Australia and New Zealand around preparing for, and responding to, natural disasters: 48% of people are now more concerned about their safety and protection needs; 86% are more inclined to take proactive action; and 46% are more likely to seek information on actions they can take to prepare for and respond to a bushfire[1].

As the largest general insurer in Australia and New Zealand, we have a responsibility to meet this challenge – alongside businesses, governments, communities and individuals. This is fundamental to our purpose: *to make your world a safer place*.

That's why we are working with others in the insurance industry to advocate for practical, long-term solutions including:

- Accelerated investment in flood mitigation;
- Preventing housing development on flood plains;
- Ensuring all new homes are built to withstand severe weather and relocating homes as a last resort;
- Investing in community education with non-profit partners;
- Addressing State taxes to immediately lower the cost of insurance; and
- Streamlining regulations to improve efficiency and reduce costs for businesses.

While long-term mitigation measures are developed and implemented, insurance can play a critical role in helping people and communities protect what matters and plan with greater confidence.

We are also applying our skills, knowledge and experience to support initiatives and organisations that enhance preparedness, recovery, and community and financial resilience.

[1] The research was conducted online by the YouGov analysis institute between 18 and 21 January 2025. The sample comprised a nationally representative sample of 2,013 Australians aged 18 and above, and 1,006 New Zealanders aged 18 and above, for a total sample of 3,019.

Retail Insurance Australia

Our Australian retail business has a community impact ambition to help protect our communities, and champion a more climate-ready and financially inclusive Australia.

Helping communities prepare

Help Nation program

In FY25, NRMA Insurance marked 100 years of helping Australians protect what matters. As A Help Company, through our Help Nation program, we bring together individuals, communities and organisations to raise awareness of local risks and support preparation for extreme weather.

Our work to support our customers is described in Customer outcomes, on pages 10–17 of this Annual Report.

In partnership with organisations including Australian Red Cross, Lifeline Australia, NSW Rural Fire Service, South Australian State Emergency Service and the Resilient Building Council, Help Nation has delivered large-scale community engagement programs designed to strengthen preparedness for extreme weather events.

Through its Help Nation program, NRMA Insurance has partnered with Australian Red Cross to deliver EmergencyRedi™ workshops in New South Wales, Queensland and South Australia.

Highlights from the year:

- **Australian Red Cross EmergencyRedi™ Workshops** – delivered in partnership with Australian Red Cross, these have reached over 5,220 people across 478 sessions in New South Wales, Queensland and South Australia. Post workshop surveys showed over 90% of respondents had improved understanding of emergency impacts and the importance of preparation, and over 55% reviewed their insurance.
- **Lifeline Australia's Support Toolkit** – in collaboration with Lifeline Australia we developed a new resource for its Support Toolkit that helps people manage the mental health effects of extreme weather. The online Toolkit includes practical information and strategies to help manage stress and cope with uncertainty during extreme weather events. It also includes useful tools, apps and support services. Support Toolkit views increased significantly during the extreme weather events that took place in the first half of 2025 (daily views rose by 1,470% during Tropical Cyclone Alfred). This was due to a targeted social media campaign promoting the natural disaster resources and indicates that people actively sought information and mental health support during the events.
- **Get Ready Weekend** – in collaboration with the NSW Rural Fire Service we helped communities prepare for bushfire season, including distributing 25,000 gutter gloves and 10,000 preparedness flyers across New South Wales.
- **South Australia Community Engagement** – supported South Australian SES to attend over 130 events across South Australia, resulting in over 2,515 meaningful conversations with community members on preparing for storms, floods and heatwaves.

We set a goal to help one million Australians and New Zealanders take action to reduce their risk from natural hazards by 2025. We exceeded this before the end of June 2024, with 1.1 million actions recorded. That number has since grown to 1.7 million, driven by initiatives such as Help Nation, and our Wild Weather Tracker publications in Australia and New Zealand.

Wild Weather Trackers: Driving preparedness

We continued to educate the public on severe weather trends through the seasonal release of our Wild Weather Trackers in Australia[2] and New Zealand. The trackers are published after each season to provide information on severe weather-related claims and encourage people to take proactive steps to protect their homes, properties, vehicles and communities. The NRMA Insurance Wild Weather Tracker reports reached over 5.3 million people throughout FY25.

Learn more: view the NRMA Insurance Wild Weather Trackers at Help Nation on www.nrma.com.au/helpnation.

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[2] In States where NRMA Insurance is provided.

Communities (continued)

Resilience Lane at the Australian Disaster Resilience Conference in September 2024.

Driving disaster resilience conversations

In FY25, we again supported the Australian Disaster Resilience Conference, organised by the Australian Institute for Disaster Resilience. The event brings together organisations from across sectors to share knowledge, build connections, and support a more disaster-resilient Australia.

As part of our involvement, NRMA Insurance sponsored Resilience Lane – a dedicated space at the conference where not-for-profit and community-focused organisations showcased their work and services for strengthening community resilience.

Participating reflects our belief that collaboration and knowledge-sharing across sectors are vital to empowering communities to prepare for and recover from extreme weather, and to building a more resilient Australia.

Award-winning community partnerships

In May 2025, NRMA Insurance received an Australian Red Cross Humanitarian Partner Award, recognising more than 12 years of collaboration to help Australians prepare for, respond to and recover from disasters and emergencies.

This long-standing partnership includes support for free local Australian Red Cross EmergencyRedi™ workshops in communities and the co-creation of the Get Prepared app.

Help Nation Preparedness Month: Building awareness and action

In October 2024, NRMA Insurance launched Help Nation Preparedness Month to encourage and help Australians to take action to prepare for extreme weather.

Activities included:

- Community events with the South Australian State Emergency Service;
- Giveaways of solar-powered torch radios;
- Launch of a Home Health Check with tips and checklists on the importance of home maintenance matters for insurance and resilience; and
- Free Australian Red Cross EmergencyRedi™ workshops.

Preparedness Month in numbers:

- 800 attendees;
- 698,000 people reached with educational content; and
- 6,000 giveaways to support disaster preparedness.

Smallest actions, big impact

During Help Nation Preparedness Month, we distributed solar-powered torch radios to customers and communities across New South Wales, to help people stay informed during emergencies.

One of those radios proved critical during the recent floods across New South Wales in early 2025, when a family – stranded in rising waters with five dogs – sought safety in their car on high ground. In the darkness, cut off from power and communication, they used the solar-powered torch radio they received from NRMA Insurance months earlier to access emergency updates through the night.

That small device became their lifeline.

Supporting community recovery

In November 2024, NRMA Insurance and RACV announced a new partnership with GIVIT, a national not-for-profit donation platform that matches the needs of people experiencing hardship with donors across Australia.

This new partnership builds on the success of our jointly-funded NRMA Insurance and RACV COVID-19 Disaster Relief Program, which enabled GIVIT to facilitate the donation of one million essential goods during the pandemic.

As GIVIT's National Disaster and Emergency Partners, NRMA Insurance and RACV are working with GIVIT during disaster response and recovery to help communities impacted by extreme weather. The partnership enables GIVIT to use 100% of public donations to disaster appeals to purchase essential goods and services for affected communities.

Responding to Tropical Cyclone Alfred

In March, NRMA Insurance announced a $500,000 Help Package to support communities affected by Tropical Cyclone Alfred. The package extended our resilience partnerships with GIVIT and Lifeline Australia to meet urgent recovery needs providing:

- **$250,000** to GIVIT's Tropical Cyclone Alfred Appeal, providing essential goods and services; and
- **$250,000** to Lifeline Australia, enabling an additional 6,400 calls to Lifeline's 13HELP dedicated natural disaster line.

Supporting Indigenous knowledge

In FY25, NRMA Insurance partnered with Indigenous-owned creative consultancy Campfire x to produce *The Knowledge Keeper*, a documentary exploring the value of Indigenous land management practices in disaster resilience. The documentary highlights techniques such as cultural burning to help prevent bushfires, the use of native flora and fauna in urban areas to reduce heat and improve community health, and regenerating wetlands to reduce flood risks.

The documentary is part of our support of Beyond 3%, which commits 3% of its broadcast media budget to First Nations media. It aired on NITV in April, and is available to stream free on SBS On Demand.

IAG launched its fifth Reconciliation Action Plan at the National Centre of Indigenous Excellence in Redfern.

For more information about IAG's Reconciliation Action Plan July 2025–June 2028 and Indigenous engagement initiatives, see: www.iag.com.au/reconciliation.

Championing financial inclusion

Strengthening Indigenous businesses

In FY25, we committed to spending $10 million with Indigenous suppliers over the next three years, scaling up our support for First Nations economic empowerment.

The commitment is included in our Stretch Reconciliation Action Plan, which seeks to improve the economic prosperity of Indigenous businesses, increase the representation of First Nations peoples in leadership roles and create new opportunities for Indigenous communities.

In 2013, IAG was the first major insurer to establish a Reconciliation Action Plan. The new plan will be delivered from 1 July 2025 to 30 June 2028, and will see us:

- Creating opportunities to procure from female-owned Aboriginal and Torres Strait Islander businesses; and
- Continuing to partner with Indigenous-led organisations focused on improving the lives and livelihoods of Aboriginal and Torres Strait Islander people. This includes the recently-formed partnership with the National Aboriginal Sporting Chance Academy to increase high school completion rates.

Financial Inclusion Action Plans

In FY25, we advanced our commitment to financial inclusion by updating our Financial Inclusion Action Plans for both IAG Australia and NRMA Insurance. We progressed from the Foundation level to the Build level, signalling deeper, long-term commitments to measurable outcomes and systemic change.

These three-year strategic plans reinforce our focus on social impact, sustainability, and the availability, accessibility and affordability of insurance.

Key initiatives include:

- Enhanced support for customers experiencing family and domestic violence;
- Expansion of affordable insurance options;
- Improved accessibility for culturally and linguistically diverse communities; and
- Innovation in customer care.

Communities (continued)

Empowering working mums

Our Mums & Co business is backed by NRMA Insurance to help women start and stay in business. Mums & Co aims to build the capability of working mums to manage their financial responsibilities and plan for future stability.

In FY25, Mums & Co provided 1,600+ small businesses with Mums & Co memberships, and ran more than 50 events to provide information and support. This included the Be MPowered national business conference; education webinars and networking events with onsite childcare; and 1:1 business guidance sessions. We produced the 100th episode of Mumbition, a podcast to share career and parenting stories, and launched the 'Start Your Business Bootcamp' series offering practical insights from women who've built businesses while navigating the challenges of parenthood.

The Mums & Co community now includes 26,500 members and followers.

Broader community support

As A Help Company, NRMA Insurance supported a wide range of community-focused initiatives during FY25 – building connection, resilience and wellbeing across Australia.

Community Cricket Club Grants

We launched the NRMA Insurance **2024 Community Cricket Club Grants Program**, awarding 12 $5,000 grants to clubs. The funding supported events such as gala days or family activities designed to strengthen community connection.

Adelaide Fringe partnership

As Presenting Partner of the **Adelaide Fringe**, we helped artists reach new audiences and expanded the festival's footprint across communities. NRMA Insurance matched community donations across Adelaide Fringe's philanthropic avenues, doubling contributions made at the event, and through Adelaide's Fringe's Pay It Forward initiative[3].

Support for cancer care

We donated $450,000 to the **McGrath Foundation** to fund a new McGrath Cancer Care Nurse in Western Australia. The NRMA Insurance-funded nurse will specialise in neuroendocrine cancer care, providing critical support to people experiencing cancer, and their families.

NRMA Insurance has previously funded McGrath Cancer Care Nurses for three years each at Calvary Mater Newcastle (New South Wales) and Naracoorte Health Service (South Australia).

We are proud to be the first corporate partner to fund a McGrath Cancer Care Nurse since the Foundation expanded to all cancer types, in line with its purpose of ensuring no-one goes through cancer without the support of a McGrath Cancer Care Nurse.

Supporting Australian surfing

We announced a landmark partnership with **Surfing Australia** and unveiled the Hyundai Australian Boardriders Battle presented by NRMA Insurance. This collaboration cements NRMA Insurance's role as the new presenting partner for the world's biggest team surfing event and Australia's premier club surfing contest.

Adelaide Oval partnership

We became the **Official Major Partner of the Adelaide Oval** through a five-year agreement that includes naming rights to the NRMA Insurance Plaza. Game day usher and stadium tour ambassadors are co-branded and the venue's concierge desk has been rebranded as the NRMA Insurance Help Desk, a visible reflection of our role as A Help Company.

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[3] NRMA Insurance matched donations made at checkout, up to a total of $100,000, and matched ticket donations made through Adelaide Fringe's Pay It Forward initiative, up to the value of $50,000.

Intermediated Insurance Australia

Our Australian Intermediated Insurance business supports community initiatives aligned with its CGU Insurance and WFI Insurance customers.

Strengthening rural and regional resilience

WFI Insurance sponsored the Farmsafe Australia *Safer Farms 2024 Report* released in July 2024 during National Farm Safety Week. As a long-term ambassador of Farmsafe Australia, WFI Insurance supports safer practices across agricultural communities and shares insights on managing farm risks.

With farming representing over one-third of all workplace deaths nationally, the report includes WFI Insurance's farm incident data to help raise awareness of high-risk activities and promote safer work environments.

Supporting flood-affected farmers

In April 2025, WFI Insurance donated $250,000 to Rural Aid to assist farming communities impacted by catastrophic flooding across Western Queensland. Flood warnings were estimated to span an area double the size of Victoria.

The funding supported Rural Aid's delivery of emergency supplies such as feed for stranded livestock.

Driving awareness of food insecurity

WFI Insurance sponsored BeefBank's inaugural Great Australian Charity Cattle Drive to raise awareness of food insecurity and support meals for those in need. The event saw 1,680 cattle driven 775 kilometres from Longreach to Roma, engaging communities and schools across Western Queensland. WFI Insurance:

- Insured support vehicles; adopted 26 steers on behalf of participating schools. Schools were able to name their steers and track their progress, generating an inter-school competition among more than 3,500 students; and
- Donated $1,000 to the schools whose WFI Insurance-sponsored steer finished in the top three, and to the school whose steer was last over the line.

AgCarE partnership

In October 2024, WFI Insurance partnered with AgCarE.org.AU to help improve financial, environmental and social outcomes for producers and regional and rural communities across Australia.

AgCare, developed by AgForce, is a national assessment and certification process that values the natural capital of agricultural properties.

It identifies carbon and biodiversity offset opportunities to generate economic and environmental benefits.

Certified customers may be eligible for WFI Insurance pricing benefits, with potential annual savings ranging from hundreds to thousands of dollars, depending on the property size and policy coverage. Over time, this could result in substantial cost savings for farmers[4].

Bottom photo: The Great Australian Charity Cattle Drive; Bruce Hutchinson Photography.

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4. The 10% discount applies to the premium for WFI Rural Plans where customers have obtained an AgCarE Certification for the same risk address. The discount is valid for the life of the AgCarE Certification (up to three years) and will be applied at the start of the next insurance renewal period (for existing policies) or from the start date of the new business policy. Discounts will not be backdated to apply to past policy periods. Any applicable discounts may be subject to minimum premiums. Discounts only apply until a minimum premium is reached. When we determine your premium on renewal, we may limit any increases or decreases in your premium by considering factors such as your previous year's premium amount.

Communities (continued)

Fast-tracking insurance careers

In December 2024, our Intermediated Insurance Australia division launched the second round of its NextGen Ambition Program, offering high school graduates the opportunity to fast track a career in the insurance industry, without the need for a university degree.

The 12-month paid, full-time program gives the selected participants exposure to various functions including underwriting, risk, finance, communications and product, guided by dedicated mentors.

It recognises that university is not for everyone, whether by choice or specific barriers that young people face, and that not having a degree should not preclude people from pursuing a career in insurance.

The second round follows a successful pilot that saw six high school graduates complete the program, most of whom have since secured full-time roles within IAG or within the industry.

This initiative aligns with the Insurance Council of Australia first industry Talent Roadmap, a sector-wide strategy to address future workforce needs, which IAG proudly supports.

STRIVEing to simplify the complex

In late 2024, CGU Insurance launched its STRIVE podcast to simplify the complex world of insurance for general insurance professionals and small business owners. The podcast features experts discussing key risks including cyber risk, workforce trends, climate change and Australia's path to net zero.

It complements the STRIVE reporting series, which helps insurance brokers break down complexity for their customers. The latest issue, STRIVE 3.0, was published in November 2024.

New Zealand

In FY25, IAG New Zealand and its brands, including NZI, State and AMI, continued to support communities across Aotearoa New Zealand through meaningful partnerships and inclusive engagement.

Improving housing outcomes

AMI's partnership with Habitat for Humanity, ongoing since 2021, supports their mission to improve housing conditions for 75,000 Kiwi living in sub-standard homes. Together, we are working to create healthier, safer living environments for families in need.

Supporting community-led festivals and events

AMI proudly sponsored various events during Auckland Pride Month 2025, standing in solidarity with the rainbow and ally communities. AMI teamed up with the Auckland Rainbow Parade, Big Gay Out, and Auckland Pride, with our people marching and celebrating as LGBTQIA+ members and active allies.

For the first time, we were on the ground at Te Matatini o Te Kāhui Maunga 2025, the biennial national Kapa Haka Festival celebrating traditional Māori performing arts. Our teams connected with attendees on emergency preparedness, career pathways, and all things insurance.

AMI's ongoing support for Chinese New Year Festival and Market Day continued in FY25, with our Mandarin-speaking team connecting with local communities. We also celebrated Diwali and partnered with Indian Newslink to sponsor the Best Retailer category at the 15th annual Indian Newslink Business Awards, which recognised outstanding local businesses.

Championing inclusive leadership

As part of our commitment to equity, IAG New Zealand's Chief Executive is a member of Champions for Change – a collective of New Zealand CEOs committed to advancing diversity and inclusion across the workforce.

The group focuses on increasing gender and ethnic representation, fostering inclusive workplace cultures, and driving measurable social impact.

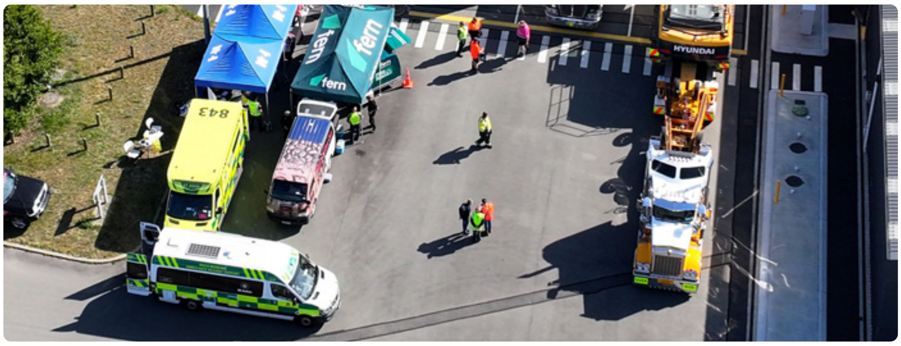
This reflects our ongoing dedication to building a more inclusive, connected and equitable society.

Protecting our communities

During FY25 we brought our purpose to life, attending or organising 61 events across the motu (country). These events reached more than 225,000 people through a combination of in-person participation, and traditional and social media coverage. They spanned education, safety and risk management, and reflected our commitment to building safer, stronger communities.

Driver reviver: The popular AMI Driver Reviver roadside rest stops returned across New Zealand during long weekends, encouraging motorists to take breaks and manage fatigue. The initiative was delivered in partnership with community organisations and local government bodies, and promoted safer driving through rest, refreshments, and practical road safety tips.

AMI team members at the Driver Reviver at Matamata during Matariki Weekend, in June 2025.



Truckie rest zones: The NZI team supported New Zealanders via Truckie Rest Zones, which gave heavy vehicle drivers a space to stop, rest and refresh while learning how to manage fatigue.

Supporting rural and trade communities: We took part in Fieldays – the southern hemisphere's largest agricultural event – engaging with rural New Zealanders and reinforcing our support for regional communities.

AMI's Tradie Risk Reduction Brekkie events provided tradespeople with practical tips and demonstrations on securing tools, preventing accidents, and improving safety; helping them protect themselves and their communities.

Our team at an AMI Tradie Risk Reduction Brekkie, in May 2025.

Community education and crime prevention: Throughout the year, we also participated in Home Shows, sharing knowledge and connecting with customers around home safety and risk management.

Our Safer Plates sessions educated the public on vehicle registration plate security and offered the installation of tamper-resistant screws for a small koha (donation), helping prevent theft and boost community safety.

Championing a climate-ready New Zealand

In FY25, IAG New Zealand reinforced its leadership in climate resilience by advocating for long-term risk reduction strategies to protect our communities and support national adaption efforts.

We released the sixth and seventh editions of our Wild-Weather-Tracker reports, providing clear, data-driven insights into the increasing frequency and impact of severe weather. The reports revealed that more than half of New Zealanders have been affected by natural hazards in the past two years, and many report anxiety about storms and heavy rainfall.

IAG New Zealand is a member of the Climate Leaders Coalition, with our New Zealand CEO serving on the Coalition's CEO Steering Group. Signatories are committed to working together to accelerate New Zealand's transition towards a zero-carbon, climate-resilient future where Aotearoa New Zealand and all its people can thrive.

Our New Zealand Chief Executive also serves as President of the Insurance Council of New Zealand, which continues to advocate for stronger climate action and natural hazard risk reduction for communities. Alongside this, IAG continued to push for a shift from reactive disaster recovery toward proactive resilience planning and adaptation investment.

Our operational commitment to readiness is reflected in how we prepare for and respond to severe weather events. Our New Zealand Major Events team is placed on alert ahead of forecasted events, using:

- Historical event data and prior learnings;
- Advanced meteorological mapping from our Natural Perils Team; and
- Forecasts from MetService and Earth Sciences New Zealand.

When weather events occur our specialist assessors, repairers, claims consultants and support teams – including AMI HomeHub and AMI Roadside Rescue – are among the first into affected communities. The Major Events team works alongside councils, Civil Defence and emergency services to ensure a coordinated response that supports customers and communities through recovery.

COMMUNITIES: FY26 FOCUS

- Through our Help Nation program, we will continue to bring together individuals, communities and organisations to raise awareness of local risks and support preparation for extreme weather.
- Help protect our communities, and champion a more climate-ready and financially inclusive Australia.
- Inform and advocate for rural safety.
- Support communities across Aotearoa New Zealand through meaningful partnerships and inclusive engagements.

Environment

We manage our environmental impacts by reducing our footprint and improving our energy and waste efficiency.

100%

Renewable Energy target achieved[1]

63%

of tool of trade vehicles transitioned to low-emissions or EV[2]

38%

Scope 1 and 2 emissions reduction[3] (compared to a FY24 baseline)

Reducing our operational emissions

As at the end of FY25, IAG procured the equivalent of 100% renewable energy for our operations in Australia and New Zealand, marking a significant milestone in our decarbonisation journey.

In Australia, we are in the first year of our six-year Power Purchase Agreement with CleanPeak Energy. This agreement directly links our electricity usage requirements with the clean energy generated at two solar farms in New South Wales and Victoria.

The community-owned Grong Grong Solar Farm, located in New South Wales, is capable of generating around 3.7 GWh of renewable electricity per annum from its small five-hectare footprint. This farm will supply approximately 20% of IAG's Australian energy demand over the next six years.

The clean energy generated at Grong Grong is supplemented by the Bostocks Creek Solar Farm, located south-west of the town of Cobden in Victoria.

Together these solar farms comprise approximately 12,000 solar panels and have a combined capacity of 7.9 MW. Their expected annual generation of over 14 GWh supplies enough clean energy to avoid around 11,000 tonnes of carbon emissions each year, which is close to our current Australian grid load.

In New Zealand, we continued our agreement with Ecotricity to procure 100% renewable energy sourced from wind, hydro and solar. In our New Zealand Hub Services, solar panels installed at AMI MotorHub Te Rapa and AMI MotorHub Onehunga are reducing the sites' reliance on grid electricity. We are also trialling air drying paint at AMI MotorHub to help reduce energy consumed through the drying process.

1. This target uses market contractual instruments. The 2025 result was achieved in the fourth quarter.
2. Tool of trade vehicles exclude salary sacrifice vehicles. Low emissions vehicles include hybrid and battery-electric vehicles.
3. 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.

Supporting sustainable practices in the repair industry

IAG continues to support the motor repair industry to reduce waste to landfill and promote sustainable practices.

In Australia, we have a pilot program to enhance the use of recycled automotive components. This initiative repurposes parts from written-off vehicles in collaboration with automotive dismantlers and selected partner repairers. The program is designed to reduce carbon emissions, support sustainable repair practices, and extend the lifecycle of vehicle components, ultimately minimising the environmental impact across our supply chain.

Additionally, our IAG National Times and Rates framework includes an environmental allowance applied to every vehicle repair. This supports our supplier network in disposing of waste responsibly and in an environmentally conscious manner. The allowance is reviewed and updated annually to reflect market changes.

In New Zealand, we have explored the emissions impact of a standard vehicle repair and are focusing on how we can encourage repair over replacement in our motor supply chain.

We are piloting a parts harvesting initiative in Auckland, which salvages suitable parts from total loss motor vehicles for reuse in vehicle repairs.

These initiatives support sustainable repair practices and help reduce waste to landfill.

This year we also increased the environmental allowance for motor repairers which is a contribution in support of environmental practices supporting waste minimisation and recycling.

Our AMI MotorHub sites have plastic repair capability to help reduce our reliance on new parts and minimise waste. Additionally, AMI MotorHub East Tamaki is participating in a bumper recycling initiative, and around 75% of building waste is recycled at the AMI HomeHub Auckland site.

Transitioning to low-emissions vehicles

We have continued transitioning our tool of trade fleet to low-emissions vehicles. At the end of FY25, 48% of our Australian fleet and 100% of our New Zealand fleet are hybrid or electric vehicles (EV). In New Zealand, AMI MotorHub Onehunga began EV servicing for customers, and we added 14 electric vehicles to our AMI MotorHub courtesy car fleet, providing an opportunity for customers to trial an EV as part of the claims experience.

NRMA Insurance is one of Australia's largest insurers of EVs, which currently account for around 1.5% of the cars we insure. More collaboration between industry, government and consumers will be required to ensure the infrastructure, skills and policies are in place to support a smooth transition.

To assist, NRMA Insurance commissioned two research reports by Ipsos. The first report, *Changing Gears: The Road Ahead for EV Adoption in Australia*, reviews the current EV market and offers insights into Australian attitudes towards EVs, along with the key opportunities and barriers in this sector.

Our second report, *Changing Gears: The Future of Battery Safety, Sustainability, and Electric Vehicle Repairs*, explores the environmental concerns surrounding the vehicle lifecycle, and includes recommendations to support Australia's shift to EVs. These include developing a battery supply chain that supports recycling and repurposing, and specialised training for technicians and first responders.

Both reports are available in the IAG newsroom on our website (www.iag.com.au).

At the end of FY25, 48% of our Australian fleet and 100% of our New Zealand fleet are hybrid or electric vehicles (EV).

Environment (continued)

Improving waste management through innovation

During the year, IAG launched a digital waste management initiative to track waste and identify opportunities for reduction, diversion and recycling across our Australian operations. The initiative leverages BinTracker, a digital platform that monitors waste and recycling volumes. Real-time data is uploaded on a cloud portal allowing us to leverage gamification to engage employees and encourage behavioural change. The system is being introduced at all major sites to establish a baseline and improve data accuracy so we can better identify and act on waste reduction opportunities.

This initiative contributes to our commitment to embed sustainable principles into our workplace operations. Our New Zealand operations are scheduled to join the program in FY26.

Understanding our nature-related impacts and dependencies

We continue to deepen our understanding of nature-related risks, impacts and dependencies across our operations, value chain and investment portfolio. We are developing a three-year roadmap to inform our approach, aligned with emerging global standards.

We are shaping industry approaches to nature through our involvement with the Insurance Council of Australia Net Zero Working Group and as co-chair of the United Nations Environment Programme – Finance Initiative (UNEP FI) – Principles for Sustainable Insurance (PSI) Working Group for Nature. This group released its inaugural report in December 2024 providing the first global guide for insurers on setting priority actions for nature. In June 2025 it released a second report which has tailored guidance on nature-related assessment for Insurers.

Driving inclusive climate leadership

We continued our partnership with the Aboriginal Carbon Foundation, which supports the development of First Nations-led carbon farming and cultural fire management projects that deliver environmental, social and economic benefits to Indigenous communities across Australia.

Now in its third year, the partnership has enabled research and advocacy to enhance Indigenous participation in the carbon and nature-positive sectors and integrate cultural knowledge into climate solutions. During the year, we collaborated on a bushfire mitigation pilot project and completed early-stage work on an Indigenous nature-positive fund. This work led to the establishment of the Indigenous Country and Biodiversity Alliance (ICBA), a First Nations-led collaboration funded through philanthropic grants, which is creating culturally grounded nature repair methodologies, generating jobs on Country, and unlocking new revenue streams by valuing Indigenous Ecological Knowledge.

Sustainability in action

Recognising the role of our people in empowering better choices, we launched an enterprise-wide awareness campaign and established a dedicated Sustainability Faculty as part of the IAG Academy. These initiatives are designed to build a shared understanding of sustainability and empower our people to integrate sustainability into everyday decision making.

The campaign launched in May 2025, with a multi-channel education and communications program aligned with our FY25 Climate Action Plan interim target.

In New Zealand, NZI extended its partnership with the Sustainable Business Network to further understanding of future customer needs by learning from New Zealand businesses driving environmental and social change.

ENVIRONMENT: FY26 FOCUS

- Continuing our tool of trade fleet vehicle transition;
- Building internal capability through the Sustainability Faculty; and
- Developing our nature roadmap.

As part of our transition to mandatory sustainability reporting from FY26, our voluntary disclosure for FY25 has been prepared with reference to the AASB S2 standard (see pages 37–51 of this Annual Report). This report provides an overview of our management of climate-related risks and opportunities, as well as capturing our achievement of the FY25 interim targets set out in our Climate Action Plan and our progress toward achieving interim targets for FY30. The next update to our Climate Action Plan will be published in December 2025.

Sustainability report

Climate-related disclosures

This section contains IAG's seventh voluntary Group climate-related disclosures.

As part of our transition to the new mandated sustainability reporting obligations in the Corporations Act 2001 (Cth) that will apply to IAG from FY26, these disclosures have been prepared with reference to the Australian Sustainability Reporting Standards AASB S2 Climate-related Disclosures (AASB S2), as set by the Australian Accounting Standards Board (AASB). These FY25 disclosures are transitionary only and are not intended to meet all the requirements of AASB S2.

IAG has elected to prepare this report on a consolidated group basis, as described in supporting note 5.C.

This report is structured as a series of climate-related disclosures and supporting notes to the climate-related disclosures, which taken as whole constitute our climate-related sustainability report.

Disclaimer

This report contains forward-looking statements and other 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 makes no representation, assurance or guarantee in connection with, and disclaims all responsibility for the accuracy, completeness or likelihood of fulfilment of any forward-looking statement or other representation, any outcome expressed or implied in any forward-looking statement or other representation, and any assumptions on which a forward-looking statement or other representation is based.

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 operational 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.

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. Please refer to page 180 for IAG's full disclaimer in relation to forward-looking statements and other representations 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 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 1.4C; and
- The measurement uncertainties and significant measurement judgements, as noted in section 2.3.

The proposed strategic alliances that IAG has announced with The Royal Automobile Club of Queensland (RACQ), and 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 "Significant changes in the state of affairs" on page 75 of the Directors Report and Note 6.4 of the Financial Statements for further information regarding these strategic alliances.

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 the potential impacts they may have on our business model

1.2 – Our strategic response to climate-related risks and our current transition plans in place including the climate-related targets, as outlined in the Climate Action Plan (published in August 2024)

1.3 – A summary of our climate-related scenario assessment, including the climate-related risk considerations and business implications

1.4 – Supporting information outlining the 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. In response, we have established mitigating actions within our business model to support the resilience of our value chain and better serve our stakeholders. Key examples include our existing climate advocacy, underwriting procedures, risk-based perils pricing and reinsurance programs.

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. To assess these potential impacts, we have undertaken climate-related scenario analysis to evaluate the effectiveness of our current business model in managing the risks and aligning to the opportunities. Details regarding this process are provided in section 1.4.

Our assessment is undertaken on a residual basis after considering the current mitigations already in place that are assessed to remain effective.

Based on our scenario analysis and utilising available information, we have assessed that our current business model and mitigating actions remain effective in all future climate scenarios and timeframes apart from two material climate-related physical risks arising under the "Hot House Scenario" [2] in the long term. No climate-related transition risks or opportunities were assessed as being material within the climate-related scenarios or time horizons considered. The two material climate-related physical risks are set out in the table below which includes the potential impacts from each risk and the climate-related scenarios and time horizons in which these risks may occur.

Category and Summary	Description	Potential effects, concentration, and mitigations	Time Horizon[1]
Physical Risks			
Increasing natural perils costs	Ongoing climate change is anticipated to continue to increase the cost of natural perils. 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.	**Potential effects on business model and value chain** • 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** • Product and pricing • Claims management and fulfillment • Capital management **Current mitigations in place** • 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	Long Term (Hot House Scenario[2])
Government intervention in insurance markets	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** • Product and pricing • Claims management and fulfillment • Capital management • Regulatory management and corporate affairs **Current mitigations in place** • Advocacy with government and through industry bodies • Sharing climate-related expertise with governments and industry to support large scale mitigation projects	Long Term (Hot House Scenario[2])

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1. The time horizon over which the effects of climate-related risks and opportunities could reasonably be expected to occur: Short Term (0 to 3 Years); Medium Term (4 to 10 Years); and Long Term (10+ Years to 2050).
2. The Hot House Scenario means a future scenario where warming is greater than 2°C compared to pre-industrial times by 2050. See section 1.3 and section 1.4B for further details of the three climate scenarios assessed.

1.2 Strategic response to climate-related risks

The climate-related risks shown in the table above have been assessed as having a potential material impact in the longer term and under higher warming future scenarios. The noted mitigations already in place are part of our current response to these potential future material risks.

A key element of our strategic response to the increasing natural perils risks is the continued development of our capital platform, including the reinsurance program. In 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 $2.8 billion of volatility protection for natural perils losses in conjunction with our whole of account quota share arrangements. 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), published in August 2024, outlines our transition plan approach. Our goal is to become a net zero insurer by achieving net zero emissions across our operations by 2050, while actively enhancing climate resilience and capturing opportunities through the transition. The CAP describes three key action areas and their associated initiatives and interim targets, as summarised in the table below, with the key assumptions, considerations and dependencies shown in the following table (see also the disclaimer to this report). CAP targets are reviewed annually and approved by the Board.

All CAP targets have a climate change mitigation objective, while some also have a climate change adaptation objective to help reduce the negative impacts of climate change (Target 3 and Target 6 in the table below).

Our current performance towards the CAP targets is shown in section 2.2 of the Metrics and Targets section of this report.

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

CAP actions areas	Interim targets / sub-targets	Key initiatives include	Target Reference
Adapting our direct operations *Lowering our Scope 1 & 2 emissions to meet a science aligned 1.5º pathway and transitioning our direct operations to build climate resilience*	Net Zero Scope 1 and 2 emissions[1] by FY30, *from an FY24 baseline* *The sources included within our greenhouse gas (GHG) emissions 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 • Fuel switching opportunities to alternative fuel sources (Eg, use of biofuels in our owned motor repair centres) • Executive performance outcomes linked to emissions targets • Purchase carbon removal offsets to cover residual emissions	Target 1
	Scope 1 and 2 emissions sub-targets: • Procure the equivalent of 100% of our direct Australian and New Zealand electricity demand from renewable energy by FY25	• Entering 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	• Updating our tool of trade fleet to low emissions vehicles as leases expire	Target 1.2
	Reduce our limited upstream operational Scope 3 emissions[1,2] by 50% by FY30, *against an FY24 baseline* *The sources included within our greenhouse gas (GHG) emissions are outlined in section 1.2A II below*	• Transitioning to a low-emissions tool of trade fleet, which will 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) • Executive performance outcomes linked to emissions targets	Target 2
	Deliver an enterprise-wide integrated awareness campaign by FY25	• Developing internal cross-functional learning opportunities that cater for broad based, specialist, and leadership roles across IAG	Target 3
Supporting our value chain *Using our knowledge and influence to help accelerate the transition to net zero across our value chain*	Reduce our listed equity investments Scope 1 and 2 normalised carbon footprint and weighted average carbon intensity by 25% by FY25 and 50% by FY30 versus relevant FY20 index baslines[3]	• Continue to align our investments to our interim target and Responsible Investment Policy	Target 4
	Maintain our $200 million investment in green bonds	• Continue to align our investments to our interim target and Responsible Investment Policy	Target 5
Collaborating and advocating *Driving systemic change through our partnerships and advocacy work*	Support 1 million Australians and New Zealanders to take action to reduce their risk from natural hazards by FY25	• We have reached our interim target which was first introduced in our FY22-24 Climate & Disaster Resilience Action Plan • Continue to support customers and communities in Australia and New Zealand to take action to reduce their risk from natural hazards	Target 6

1. All seven greenhouse gases of the GHG Protocol (see Glossary on page 51) are included in our GHG emissions targets. The emissions targets and the methodology for setting the targets have not been validated by a third party. No targets were derived using a sectoral decarbonisation approach (see Glossary on page 51).
2. Limited operational upstream emissions Scope 3 emissions are defined as including Scope 3 Category 1 (excluding electricity used in data centres), 3, 5, 6 and 7. See section 1.2A II below for more detail regarding these categories.
3. Relevant baselines refer to the ASX200 (excluding IAG) for Australian equities and the MSCI World for Global Listed equities, as of June 2020. Refer to the MSCI notice under section 2.2.

Climate–related strategy (continued)

II. Emissions sources included in our greenhouse gas (GHG) emissions

GHG emissions are categorised by different Scopes of emissions, and within each Scope different emissions sources may be applicable to an entity. Summarised below are the emissions sources within each Scope and category that are applicable to our emissions target setting and reporting.

- Scope 1 – direct emissions: Company vehicles (corporate fleet); natural gas; stationary LPG; and refrigerant gases.
- Scope 2 – indirect emissions: Purchased electricity, reported as *location-based* or *market-based* (see the climate-related Glossary on page 51).
- Scope 3 – indirect emissions:
  - category 1 – purchased goods and services (print and office paper, electricity used in data centres);[1,2]
  - category 3 – fuel and energy related activities (transmission and distribution losses);[1,2]
  - category 5 – waste generated in operations;[2]
  - category 6 – business travel (including air and taxi travel, rental cars, staff mileage);[1,2]
  - category 7 – employee commuting (including employees working from home).[1,2]
- "*Limited upstream operational Scope 3 emissions*" includes the emissions sources above with the exception of electricity used in data centres.

Note that the excluded Scope 3 emissions categories 2, 4, 8, 9, 10, 11, 12 and 14 are not applicable for IAG. Category 13 emissions (relating to downstream leased assets) are not yet captured. Category 15 (investment emissions) and supply chain and general procurement emissions within category 1 are material for IAG but are not yet reported.

Each of the GHG emissions estimates utilise a range of emission factors, which are listed in our *FY25 ESG Data Summary* available on our website (www.iag.com.au). Our emission accounting methodology has been developed with reference to the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard Revised Edition, including the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

1. Emissions source reporting excludes Vehicle Repairhub Pty Limited, Motorserve Pty Limited, and IAG NZ Repairhub Limited due to current data limitations.
2. Emissions source reporting excludes Homehub Limited and First Rescue New Zealand Limited due to current data limitations.

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 that were part of our FY24 emissions reporting boundary • The interim target will be reviewed and re-validated annually	• Internal policies that support the shift to alternate fuel sources, such as biofuels • Internal initiatives to support sustainable property practices • External availability of alternative fuel sources • External availability of technology to support decarbonisation • Other key dependencies are noted for sub-targets 1.1 and 1.2 below
Target 1.1	• We expect to use a combination of electricity supply contracts and energy certificates to meet this target to enable 100% of electricity demand to be sourced from the local market	• Changes to our business operations, such as acquisitions, may require additional renewable energy procurement • Availability and ability to renew or extend existing energy contracts at a commercial price • Having a sufficient supply of renewable energy into future periods
Target 1.2	• Excludes salary sacrifice vehicles • Excludes major events response vehicles as no suitable alternatives are currently available in the market	• Internal policies that support the shift to low emissions tool of trade vehicles • External availability and cost of vehicles that meet the requirements of, and perform a similar service to, of our current fleet • Accessibility of public charging infrastructure
Target 2	• The interim target covers all operating entities that were part of our FY24 emissions reporting boundary • The Scope 3 target includes limited operational upstream Scope 3 emissions, as defined in section 1.2A II above • General procurement emissions are excluded from target scope • The interim target will be reviewed and re-validated annually	• Internal policies to reduce waste and encourage maintenance or re-use • Staff behavioural change, such as choosing low emissions commuting to work • External availability of technology such as sustainable transport • Government policy & 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	*There are no key assumptions or considerations for the enterprise-wide integrated awareness campaign target*	• Continued internal commitment to sustainability as a core people capability and priority as part of organisational communications
Target 4	• Measurement and target setting assumptions and methodologies over time are subject to change, and the interim target may be updated to reflect advances in climate science and responsible investing	• Subject to ongoing internal Strategic Asset Allocation settings • Subject to external availability of suitable investments • Provision of target performance information from a third party (MSCI Inc.) which is responsible for accuracy of the information (Refer to MSCI notice in section 2.2)
Target 5	*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 6	• Measured through actions that encourage either disaster risk mitigation or emissions reduction. An action count is a step to understand, consider options, or implement and maintain initiatives related to disaster risk or emissions	• Ongoing internal support for initiatives and campaigns • Working with our community partners on campaigns that contribute to disaster risk reduction

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

1.3 Climate-related scenario assessment

Supporting the assessment of our climate-related risks and opportunities, three future climate-related scenarios have been developed and used to help test the impact on our strategy and business model against future climate-related uncertainty.

The table below summarises IAG's assessment of the climate-related risk considerations and strategy and business model implications under these three potential climate futures (as applicable on 30 June 2025). Additional information regarding this process is provided in section 1.4.

	Orderly – Net Zero 2050	Disorderly – Delayed Transition	Hot House World – Current Policies
Scenario Narrative	An ambitious 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 decade 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, 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 leading 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 becoming 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
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 exposure growth faster till 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 • Global economic impacts eroding GDP

Significant uncertainties in the assessment of future climate-related business impacts

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

- The assessment of potential liability risks is subject to future changes in government policies in the regions we operate in and related changes in social expectations. The estimation of impacts is highly uncertain given this litigation domain is still emerging.
- 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.
- Electric vehicle adoption rates are dependent on government policies in place, manufacturing economies of scale, and consumer demand.
- The future size of the insurable market for large scale renewables is highly uncertain.
- The extent of future growth in natural perils costs.
- 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.

1.4 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: 2025–2027
- Medium Term: 2028–2035
- 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 opportunity 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 accounting for mitigations already in place and which are assessed as remaining effective, as considered across all stated climate-related scenarios and time horizons.
- Guidance from the AASB regarding financial materiality was used to inform our quantitative approach in the lead up to aligning with AASB S2 from FY26.

- The impact and magnitude of risks are considered against the categories utilised by our Risk Impact Matrix (RIM).
- The time horizons adopted for short, medium and longer term are as defined above.
- Significant judgements connected with this assessment are summarised in note 1.4C below.

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. Scenario input assumptions are sourced from primary and sector specific scenario sources, or IAG internal assessment, as noted.

	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 (applicable to IAG from FY26) 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 (applicable to IAG from FY26) for a scenario that well exceeds 2.0ºC by 2100.
Scenario parameters and input assumptions:			
Primary climate scenario source	Network for Greening Financial Sector (NGFS) Climate Scenarios for Central Banks and Supervisors Phase IV		
Additional sector based sources These were used to support the impact assessment for specific IAG operations	Australian Energy Market Operator – Integrated System Plan 2024 Commonwealth of Scientific and Industrial Research Organisation – Electric Vehicles Projection (2023) Insurance Council of New Zealand – Climate Scenarios for New Zealand's General Insurance Sector (2022) Climate Change Commission – Scenarios dataset for the Commission's 2021 Draft Advice for Consultation		
Global Warming by 2100, vs Pre-industrial Times	1.4ºC	1.7ºC	3.9ºC
Global Warming by 2050 *(our scenario Long Term time horizon)*	1.5ºC	<2.0ºC	>2.0ºC
Representative Concentration Pathway (RCP)	1.9	2.6	7 (Increased from RCP 4.5 to 7.0)[1]
Future fleet scenario assumptions[2]:	*EV fleet share ranges for AU – NZ*	*EV fleet share ranges for AU – NZ*	*EV fleet share ranges for AU – NZ*
Electric Vehicle (EV)Fleet Share – 2035	46% – 47%	19% – 37%	13% – 24%
Electric Vehicle Fleet (EV) Share – 2050	95% – 100%	80% –100%	69% – 69%
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 levies).
Future climate-related policy scenario assumptions[4]	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.	The scenario assumes policies are delayed until the 2030's, driving uncertainty across the medium term. It assumes that intervention in the insurance market is less co-ordinated with the insurance sector.	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

1. 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.
2. Quantified inputs are derived from the sector based sources noted above.
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, with additional intervention narratives derived from 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 current risk mitigations or opportunity factors already in place can be assumed to be relevant under the various future time horizons and climate-related scenarios being assessed.

The mitigations and factors assumed to remain relevant are noted in the table of material climate-related risks and opportunities shown in section 1.1 of this report.

The primary materiality threshold approach referred to in section 1.4B 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 certain macro factors including future inflation 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 1.4B 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 capture 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 target targets as outlined in our Climate Action Plan (published August 2024). This includes by sub-section:

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

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

2.3 – 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	2025 tCO2e	2024 tCO2e	Entity Scope
Greenhouse Gas (GHG) Emissions	1			
Scope 1	LA	**6,770**	7,192	Group
Scope 2 – Location based	R, LA	**12,045**	12,578	Group
Scope 3 categories:				
1 – Purchased goods and services	Upstream, R, LA	**3,189**	2,633	Group
3 – Fuel and energy related activities	Upstream, LA	**2,252**	2,805	Group
5 – Waste generated in operations	Upstream, LA	**1,684**	1,350	Group
6 – Business travel	Upstream, LA	**5,182**	6,637	Group
7 – Employee commuting	Upstream, LA	**7,076**	7,424	Group
Total Scope 3	R	**19,383**	20,849	
Total Gross GHG emissions	R	**38,198**	40,619	
Scope 2 – Market based	2, R, LA	**5,429**	12,518	Group
Carbon credits	3, LA	**-**	(38,381)	Group
Net GHG emissions	R	**31,582**	2,178	

Notes to GHG emission metrics:

1. Refer to section 1.2A II for information regarding our emissions categories and sources.
2. Scope 2 Market based emissions are used instead of Scope 2 Location based emissions in calculating the Net GHG emissions figure.
3. IAG did not procure carbon credits in 2025.

R Revised 2024 figures: Information regarding the reason and nature of the change for each revised figured is provided in section 2.3B below.

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

2.2 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.

				Performance		Target Settings		
Target Metric	Target Reference	Notes	Units	**2025**	2024	Interim Target	Target Year	Baseline Year
Net zero Scope 1 and 2 GHG emissions	Target 1	1, R	tCO2e	**12,199**	19,710	Net zero	FY30	FY24
Direct electricity renewable energy procurement	Target 1.1	2, LA	%	**100%**	Nil	100%	FY25	
Transition to low emissions tool of trade vehicles	Target 1.2	3, LA	%	**63%**	28%	100%	FY30	
Reduce gross Scope 3 GHG emissions	Target 2	4	%	**91%**	100%	50%	FY30	FY24
Deliver integrated awareness campaign	Target 3	5	Status	**Delivered**	Proposed	Delivery	FY25	
Reduce Scope 1 & 2 normalised carbon footprint of our equity portfolio, *by Australian (AU) and Global equities*	Target 4	AU, 6	%	**69%**	62%	25%	FY25	FY20
	Target 4	Global, 6	%	**60%**	58%	25%	FY25	FY20
						50%	FY30	FY20
Reduce Scope 1 & 2 weighted average carbon intensity of equity portfolio, *by Australian (AU) and Global equities*	Target 4	AU, 6	%	**64%**	57%	25%	FY25	FY20
	Target 4	Global, 6	%	**54%**	47%	25%	FY25	FY20
						50%	FY30	FY20
Maintain Green Bond Investments	Target 5	7, LA	$m	**256**	309	200		
Natural hazard risk reduction actions	Target 6	8	Count	**1.7m**	1.1m	1.0m	FY25	FY21

Notes to target performance:

1. This target aligns with a 1.5°C pathway, in line with the Paris Agreement. The Scope 2 target measure is market based.
2. The target utilises market contractual instruments, as noted in section 1.2A III. The 2025 result was achieved in the fourth quarter.
3. Low emissions vehicles include hybrid and battery-electric vehicles. Tool of trade vehicles exclude salary sacrifice vehicles.
4. This target aligns with a 1.5°C pathway, in line with the Paris Agreement and is consistent with the commitment of the Australian and New Zealand Nationally Determined Contributions (NDCs). It covers the "limited operational upstream emissions" sources noted in section 1.2A II.
5. Delivery against this objective is assessed through the evidence of an integrated IAG wide communication campaign undertaken and associated collateral developed.
6. Measurement source is MSCI Inc.* 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 of the respective 2024 and 2025 financial years.
8. Measured as the sum of actions taken by our customers to reduce natural hazard risks from July 2021.

R Revised 2024 figures: Information regarding the reason and nature of the change for each revised figured is provided in section 2.3B below.
LA Limited Assurance over this metric has been provided by KPMG. Refer to section 5.D for more information regarding the KPMG assurance report in relation to these metrics.

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2.3 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 emissions factors. The factors and sources are laid out in our *FY25 ESG Data Summary*, available in the Sustainability section of our website (www.iag.com.au).

B. Revision of comparatives

Comparatives may be adjusted from time to time for changes in calculation or estimation methodologies, or to incorporate improved data quality and availability. The revision serves to improve the comparability of information provided in the current financial year. Comparative figures that have been revised since they were published in the prior year are footnoted "R" in the GHG emissions table in section 2.1 and the transition plan target performance table in section 2.2. The following table provides further information regarding the revisions made for 2024.

Revised 2024 value	Reason and nature of the revisions made	Reference
Scope 2 – Location based Scope 2 – Market based	Updated 2024 Scope 2 emissions factors released by the NZ Ministry for Environment (MfE) in May 2025 required a revision of our 2024 Scope 2 emissions figures and total emissions figures, as the MfE factors for Scope 2 emissions in the NZ market are effectively confirmed a year in arrears.	2.1
Target baseline – Reduce net Scope 1 & 2 GHG emissions	The 2024 baseline figure for this transition plan target has been revised for the reason noted above.	2.2
Scope 3 category 1 – Purchased goods and services	The Scope 3 category 1 emission factor source previously utilised for NZ print and office paper has been changed to a more appropriate factor source. The new factor source is DEFRA Conversion Factors 2024, published July 2024. Given the materiality of the factor change this has also been applied to 2024. From 2025 this category includes electricity used in data centres, with 2024 figures revised for comparability.	2.1

C. 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.	2.1, 2.2
Equity portfolio data provided by MSCI is subject to measurement uncertainty given known variations in quality of source material.	2.2

D. 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 emissions factors utilised for calculating Scope 1, 2, and 3 emissions, and in the emissions measurement methodologies adopted. Information regarding the measurement methodologies applied and the sources and emissions factors utilised to prepare this report are detailed in our *FY25 ESG Data Summary*, available in the Sustainability section of our website (www.iag.com.au).	2.1, 2.2
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, 2.2

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 Risk Profile (SRP) process identifies strategic risks 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 Management Policy (outside of the RMFS).	• 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) helps to assess the materiality 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 the strategy and business plans are set within. The FY26 RAS includes a new statement integrating climate risks into 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 materiality assessment considers the current mitigations IAG has in place to manage climate-related risks. • A qualitative materiality view is applied where quantitative assessment is uncertain or where other qualitative considerations indicate materiality.
Prioritise	• The SRP is a key mechanism for prioritising climate-related risks in the context of all identified enterprise level strategic risks. • Responses to prioritised strategic risks are recorded within the annually updated, rolling 3-year Divisional Business Plans.	• Relevant climate related risks identified through the CRR&O Process are prioritised at a divisional level. • As with the SRP process, responses to the relevant climate-related risks are recorded within the annual updated, rolling 3-year Divisional Business Plans.
Monitor	Monitoring of all risk classes including climate-related risks includes: • Annual reviews of the SRP 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 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**	*The RMFS process does not apply to management of opportunities.*	• The Identify and Assess processes apply as with the climate-related risks above. • Climate-related opportunities are prioritised via the 3-year business planning cycle with the Corporate Plan and Divisional Business Plans outlining opportunities that have planned initiatives in response. • The divisional Quarterly Business Review (QBR) process enables the monitoring and tracking of delivery progress of any initiatives planned in response to climate-related opportunities.

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) and IAG New Zealand Limited (NZ). IMA and NZ maintain their own risk management frameworks, which are consistent with the requirements of the Group RMFS, including for the purpose of climate-related risk management.

An outline of our broader RMFS is provided within the Financial Report in this Annual Report (refer Note 3 on page 134). 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 existing IAG Level 1 risk classes as noted:

- **Financial Risk** includes Reinsurance Coverage risk.
- **Insurance Risk** includes Pricing, Claims Management Practices, Portfolio Strategy, and Insurance Concentration Management risks.
- **Operational Risk** includes Business Disruption risk.
- **Regulatory Risk & Compliance** includes Regulatory Change and Compliance Obligations risk.
- **Strategic Risk** includes Environmental Social & 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 Risk Profile (SRP)

The SRP procedure outlines our approach to identifying and managing significant strategic risks that could impact the organisation, including climate-related risks. The process helps to identify strategic risks and analyse the likelihood and severity of risks and drive responding actions. The SRP is refreshed annually. The current SRP risks include failure to prepare and adapt the Group's strategy and business model to climate change. Responses to prioritised strategic risks in the SRP are recorded in Divisional Business Plans.

C. Group Risk Appetite Statement (RAS)

The RAS supports the assessment and monitoring of risks including climate-related risks to ensure they remain within agreed thresholds and is also a requirement of the Australian Prudential Regulation Authority's (APRA) Prudential Standard CPS 220 Risk Management (CPS 220). The updated FY26 RAS includes a qualitative statement on integration of climate-related physical and transition risks into strategic planning and operations.

D. Business Divisional Licenses and Aggregate Concentration Monitoring

Business Divisional Licences (BDLs) provide guardrails for aggregate exposure which considers climate risk. Geographical aggregate concentration monitoring is managed through exposure modelling and reporting.

E. 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 Management Policy – Major Events Management

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

3.3 Specific Climate Related Risk & Opportunity Process (CRR&O Process)

In FY25 a CRR&O Process was developed to identify and assess potential climate-related physical and transition risks (including liability risks) and opportunities that could have a material impact on IAG over the short-, medium-, and longer-term time horizons. It is informed by input from subject matter expertise from across the Group and supported by climate scenarios relevant to IAG's operations and value chain. The process is both qualitative and quantitative in nature.

Further information regarding this process including the inputs and parameters used can be found in the climate-related strategy section 1.4.

3.4 Changes relative to prior periods

The processes outlined in this report for the identification, assessment, prioritisation and monitoring of climate related risks and opportunities differ to those used in the previous period. During FY 25, we made the following changes:

- The RMFS was updated to reflect climate specific governance structures and escalation pathways.
- The Group RAS was updated for FY26 to include a qualitative statement on the integration of climate-related risks.
- The introduction of a new CRR&O Process, as noted above.
- The introduction of specific climate risk monitoring, including risk event, risk profile and risk control monitoring.

Climate–related governance

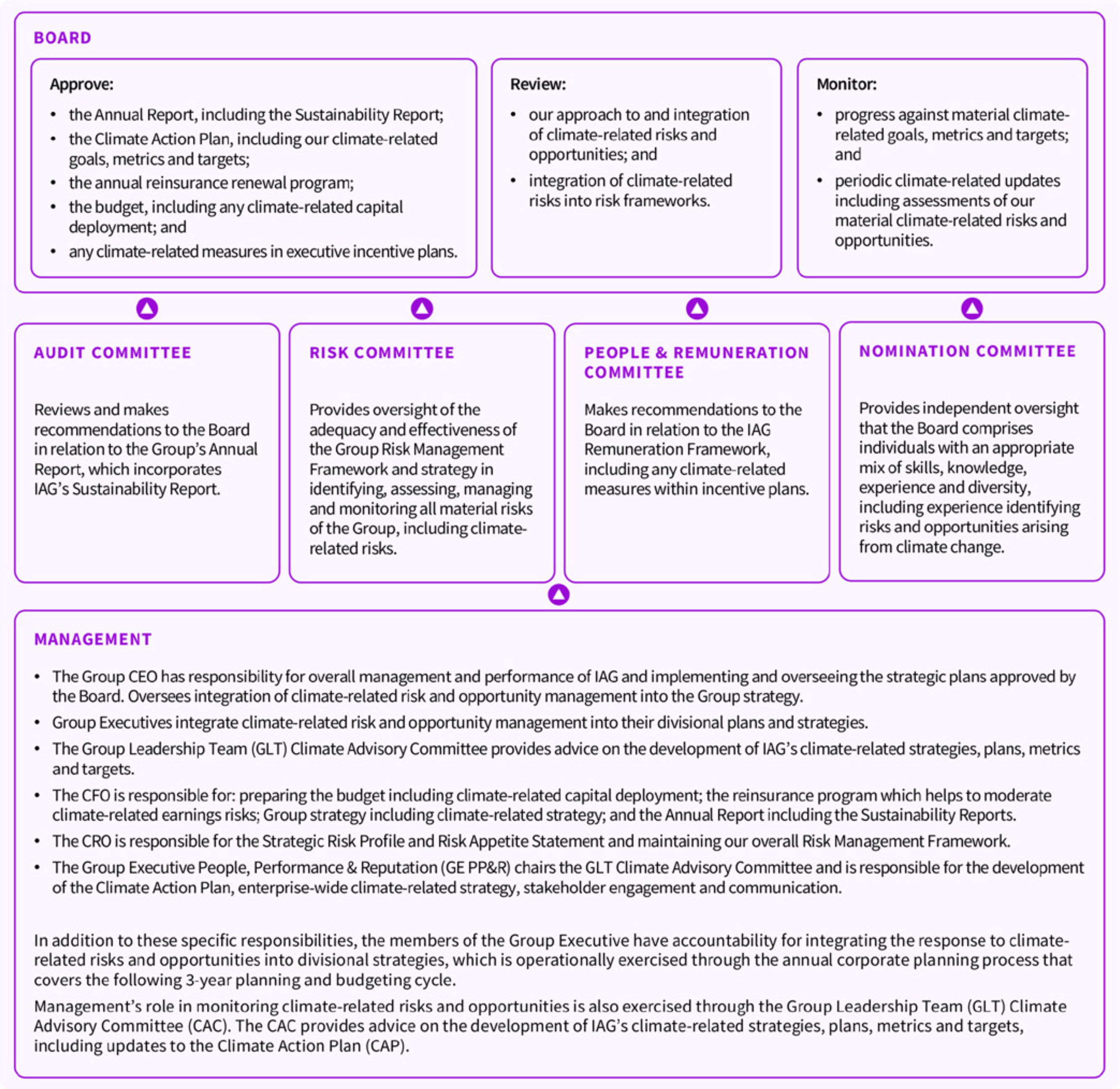
4. Climate-related governance

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 FY25 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 Climate Action Plan, including our climate-related goals, metrics and targets;
- the annual reinsurance renewal program;
- 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 IAG'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 independent 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. 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 Reports.
- The CRO is responsible for the Strategic Risk Profile and Risk Appetite Statement and maintaining our overall Risk Management Framework.
- 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, which is 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).

4.1 Informing the Board and Committees

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

- annual review of the Strategic Risk Profile, including climate-related risks;
- strategy education session on material climate-related risks and opportunities;
- twice yearly sustainability updates;
- annual reinsurance program renewal;
- updates to the Climate Action Plan;
- annual review of the Risk Appetite Statement, including climate-related risks; and
- review of our preparation to meet the new mandatory climate-reporting regime.

4.2 Target setting and performance monitoring

During development of our CAP the Audit Committee was engaged to review our updated FY30 emissions reduction interim targets for Scope 1 and 2 GHG emissions and limited upstream operational Scope 3 GHG emissions. This feedback was incorporated into the CAP prior to Board approval in August 2024. Ongoing Board oversight of our progress against the goal and targets set out in the CAP is provided through 6-monthly sustainability and climate-related Board updates.

Management is accountable for delivery against our interim targets in the CAP. To support monitoring of progress against the CAP interim targets and drive performance, dedicated tracking against the CAP implementation plans was introduced in FY25. This performance monitoring is supported by the Climate Steering Committee which meets a minimum of four times a year and makes recommendations to the CAC.

For FY24 and FY25, we linked our GHG emissions reduction performance to Executive remuneration through a Short Term Incentive (STI) emissions reduction measure with a 5% weighting into the Group Balanced Scorecard (BSC), and certain Executives' Divisional BSCs. For FY26, the emissions reduction goal in the Group BSC has been replaced with a broader set of climate-related goals in relevant Executives' Divisional BSCs.

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.

4.3 Strategy and decision making

In October 2024, our updated material climate-related risks and opportunities assessment was presented to the Board for discussion, including the business impacts across different climate scenarios in the short, medium, and longer term. This provided the Board an opportunity to consider this approach in addition to discussing how the business is managing and responding to the identified climate-related risks and opportunities.

The Board Committees have specific areas of responsibility as detailed in the Committee Charters. In FY25, the Audit Committee reviewed our sustainability reporting assurance phasing against the different category requirements of the AASB S2 standards.

The Risk Committee conducts an annual review of the Group Strategic Risk Profile, which considers each of the material risks facing the organisation, including climate change. Actions planned in response to priority risks, including the integration of climate-related risks and opportunities into IAG strategy and ambitions, 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.

The Risk Committee is also accountable for reviewing and providing recommendations to the Board concerning the approval of the RAS and underlying risk metrics. In FY25, the FY26 RAS was updated to include a qualitative statement on integration of climate-related physical and transition risks into strategic planning and operations.

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 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 climate change.

Further information regarding the Directors' skills and competencies is provided in the FY25 Corporate Governance Statement which can be found in the Corporate Governance section of our website (www.iag.com.au).

As part of the Directors' continuing educational and professional development program, a Climate Education Session was held in November 2024. This session provided an overview of our GHG emissions management framework, progress on understanding material Scope 3 GHG emissions, and potential decarbonisation pathways.

Supporting notes to the climate–related disclosures

5. Supporting notes to the climate-related disclosures

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 2025.

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 with reference to the requirements of the Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* issued by the Australian Accounting Standards Board on 20 September 2024.

This is the first set of the Group's climate-related financial disclosures prepared with reference to AASB S2. Previously, they were informed by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

IAG has elected to provide comparative information for FY24, where information is available without undue cost and effort.

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 (excluding category F) on pages 163–164 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's *FY25 Assurance Report* is available in the Sustainability reporting section of our website (www.iag.com.au). KPMG's report outlines the information subject to limited assurance for the year ended 30 June 2025.

E. New Zealand Financial Markets Conduct Exemption Notice

Insurance Australia Group Limited is a climate reporting entity for the purposes of New Zealand's climate-related disclosure requirements under the Financial Markets Conduct Act 2013 (NZ) (FMCA). Insurance Australia Group Limited is relying on the exemptions in clauses 8 and 10 of the Financial Markets Conduct (Climate-related Disclosures for Foreign Listed Issuers) Exemption Notice 2024 (NZ) in respect of the financial year ended 30 June 2025. The effect of relying on the exemptions is that for the financial year ended 30 June 2025, Insurance Australia Group Limited is not required to prepare and lodge a group climate statement in New Zealand under Part 7A of the FMCA in respect of that financial year for both its New Zealand and other businesses.

Insurance Australia Group Limited's New Zealand subsidiary, IAG New Zealand Limited, prepares a group climate statement that includes information about Insurance Australia Group Limited's New Zealand business.

Insurance Australia Group Limited has voluntarily prepared these climate-related disclosures for the financial year ended 30 June 2025. IAG New Zealand Limited's climate statements for the financial year ended 30 June 2025 can be accessed at: www.iag.co.nz/sustainability/reporting.

Climate–related glossary

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

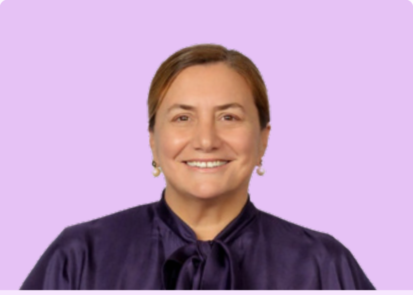
Term	Definition
AASB S2	AASB S2 *Climate-related disclosures* is the standard developed by the AASB that sets out the requirements for an entity to disclose information about its climate-related risks and opportunities.
Carbon credits	An emissions unit issued by a carbon crediting program that represents a reduction or removal of greenhouse gas emissions. These credits are uniquely identified, issued, tracked, and cancelled through an electronic registry.
Carbon footprint	The total amount of greenhouse gases (GHGs) emitted directly or indirectly by an individual, organisation, event, or product, usually expressed in equivalent tonnes of carbon dioxide (tCO2e).
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 plausible 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	Ability to withstand and recover from climate-related impacts, while effectively managing vulnerabilities.
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).
Net Zero Scope 1 and 2 emissions	The balance between the amount of GHGs emitted and the amount removed from the atmosphere, achieved by reducing Scope 1 and 2 emissions by at least 90% and implementing measures to offset remaining emissions through carbon removals.
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 are categorised into 15 categories — as 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 the goal of limiting global temperature rises to 2°C above pre-industrial levels.
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.

Management

Group Leadership Team

Nick Hawkins
Managing Director and Chief Executive Officer

Started in role 2 November 2020



Julie Batch
Chief Executive Officer, NRMA Insurance

Started in role 10 March 2021

Robert Cutler
Group General Counsel

Started in role 4 April 2024

Jarrod Hill
Chief Executive Officer, CGU and WFI

Started in role 13 September 2021

William McDonnell
Chief Financial Officer

Started in role 11 December 2023

Neil Morgan
Chief Operating Officer

Started in role 10 March 2021

Christine Stasi
Group Executive, People Performance and Reputation

Started in role 4 November 2019

Peter Taylor
Group Chief Risk Officer

Started in role 18 May 2022

Amanda Whiting
Chief Executive Officer, IAG New Zealand

Started in role 1 July 2021

For detailed information about our Group Leadership Team, visit www.iag.com.au.

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 2025 (FY25). This report covers the reporting period 1 July 2024 to 30 June 2025 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 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.

Chair

Thomas (Tom) W Pockett

BCom, CA – Chair and Independent Non-Executive Director

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.

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).

Managing Director

Nicholas (Nick) B Hawkins

BCom, FCA – Managing Director and Chief Executive Officer, Executive Director

Insurance industry experience

Nick Hawkins was appointed Managing Director and Chief Executive Officer of the Company 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

BCom, BSc, CFInstD, DFInFinNZ – Independent Non-Executive Director

Insurance industry experience

Simon Allen was appointed as a Director of the Company 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. Simon is Chair of its Nomination Committee and is a member of its People and Remuneration Committee and Risk Committee.

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);
- Z Energy Limited (September 2022 – December 2023); and
- Channel Infrastructure NZ Limited (December 2014 – June 2022).

David H Armstrong AM

BBus, FCA, MAICD – Independent Non-Executive Director

Insurance industry experience

David Armstrong was appointed as a Director of the Company on 1 September 2021 and became Chair of our Audit Committee on 22 October 2021. He is also a member of our Risk Committee.

Other business and market experience

David is a former Partner of PricewaterhouseCoopers, with more than 40 years' experience in professional services. He has a deep knowledge and understanding of banking and capital markets, real estate and infrastructure, and is well versed in reporting, regulatory and risk challenges faced by the industry.

David is the former Chair of the Opera Australia Capital Fund Limited, Chair of The George Institute for Global Health and a Non-Executive Director of the National Australia Bank, where he chaired the Audit Committee, and was a member of its Risk & Compliance Committee.

David is a Fellow of the Institute of Chartered Accountants in Australia and a member of the Australian Institute of Company Directors.

Directorships of other listed companies held in the past three years

- National Australia Bank (August 2014 – December 2023).

Helen M Nugent AC

BA (Hons), PhD, MBA (Dist), HonDBus, HonDUniv – Independent Non-Executive Director

Insurance industry experience

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

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

Other business and market experience

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.

Helen has given back extensively to the community in the arts, education and health and disability. In the arts, she has been 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 appointed as Chairman of the Order of Australia Association Foundation Limited effective August 2022. She has also been awarded Honorary Doctorates from the University of Queensland and Bond University. She has also been awarded an Order of Merit by the Australian Olympic Committee.

Directorships of other listed companies held in the past three years

- TPG Telecom (since July 2020).

Scott J Pickering

ANZIIF – Independent Non-Executive Director

Insurance industry experience

Scott Pickering was appointed as a Director of the Company on 1 November 2021 and is a member of our Audit Committee.

Scott was appointed as a Non-Executive Director of IAG New Zealand Limited and IAG (NZ) Holdings Limited on 8 February 2024.

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 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 Kiwibank and Bowls New Zealand Aotearoa.

Scott is currently an advisor for Bain International Inc., and a Director in Engage Consulting Limited.

George D Sartorel

MBA from Heriot-Watt University – Independent Non-Executive Director

Insurance industry experience

George Sartorel was appointed as a Director of the Company on 1 September 2021. He is a member of our People and Remuneration Committee and Risk Committee.

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.

Directors' report (continued)

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 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).

George Savvides AM

BEng (Hons), MBA, FAICD – Independent Non-Executive Director

Insurance industry experience

George Savvides was appointed as a Director of the Company on 12 June 2019. He is a member of our People and Remuneration Committee, Risk Committee, and Nomination Committee.

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).

George was Non-Executive Chair of the Australian Securities Exchange (ASX) listed biotech company Next Science (July 2018 – May 2021) and Non-Executive Director of New Zealand's Exchange (NZX) listed entity, Ryman Healthcare (April 2013 –June 2023).

He is also a former Deputy Chair (February 2017 – July 2020 and Chair (July 2020 –July 2025) of 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 February 2018.

Directorships of other listed companies held in the past three years

- Ryman Healthcare (April 2013 – June 2023).

JoAnne Stephenson

BCom, LLB (Hons) – Independent Non-Executive Director

Insurance industry experience

JoAnne Stephenson was appointed as a Director of the Company on 12 May 2025. She is a member of our Audit Committee and Risk Committee.

JoAnne is a Non-Executive Director of Helia Group Limited.

Other business and market experience

JoAnne is 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 Infrastructure Board (Victoria) and a Non-Executive Director of Challenger Limited, 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, including leading one of the two national advisory divisions as a member of the firm's leadership team. 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); and
- Myer Holdings Ltd (November 2017 – November 2023).

Wendy Thorpe OAM

BA, BBus, Grad Dip Applied Finance & Investment, FFin, Harvard AMP, GAICD – Independent Non-Executive Director

Insurance industry experience

Wendy Thorpe was appointed as a Director of the Company 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 served as an Independent Non-Executive Director of Tower Limited (March 2018 – March 2023), where she was more recently the Risk Committee Chair. 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 and auDA.

Wendy 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.

Wendy is also a member of Chief Executive Women.

Directorships of other listed companies held in the past three years

- Tower Limited (March 2018 – March 2023).

Michelle K Tredenick OAM

BSc, FAICD, F Fin – Independent Non-Executive Director

Insurance industry experience

Michelle Tredenick was appointed as a Director of the Company 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 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

- Hub24 Limited (since June 2024); and
- IDP Education Limited (since September 2022).

Directors who ceased during the financial year

Jonathan (Jon) Nicholson retired from the Board of Directors on 9 October 2024. Mr Nicolson had been a Non-Executive Director of the Company since 1 September 2015.

Company Secretaries of Insurance Australia Group Limited

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 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), GAICD, 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 King & Wood 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 Graduate of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Meetings of Directors

The Board of IAG met ten times during the year ended 30 June 2025. In addition, the Directors attended Board Strategy sessions and Special Purpose Committee Meetings 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.

	Board of Directors		Board Sub Committee		Audit Committee		Nomination Committee		People and Remuneration Committee		Risk Committee	
Total number of Meetings held	10		4		6		3		5		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	10	10	4	4	-	-	3	3	-	-	-	-
Nick Hawkins	10	10	4	4	-	-	-	-	-	-	-	-
Simon Allen	10	10	-	-	-	-	-	-	5	5	5	5
David Armstrong	10	10	4	4	6	6	-	-	-	-	5	5
Helen Nugent	10	10	-	-	6	6	3	3	-	-	5	5
Scott Pickering	10	10	-	-	6	6	-	-	-	-	-	-
George Sartorel	10	10	2	2	-	-	-	-	5	5	5	5
George Savvides	10	10	-	-	-	-	3	3	5	5	5	5
JoAnne Stephenson[1]	1	1	-	-	1	1	-	-	-	-	1	1
Wendy Thorpe	10	10	-	-	6	6	1	1	5	5	-	-
Michelle Tredenick	10	8	2	2	-	-	-	-	5	5	5	5
Former Directors												
Jon Nicholson[2]	3	2	-	-	-	-	1	1	2	1	1	1

1. JoAnne Stephenson was appointed as a Director of the Company and appointed as a member of the Audit and Risk Committee in May 2025.
2. Jon Nicholson retired as a Director of the Company in October 2024.

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 51% 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, Australia wide (excluding VIC); • RACV in Victoria, via a distribution relationship and underwriting joint venture with RACV; and • ROLLiN' Insurance. The division includes travel insurance and income protection products which are underwritten by third parties. 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 • Business packages • Farm • Commercial motor Long-tail insurance: • Professional indemnity • Compulsory Third Party (motor injury liability)
Intermediated Insurance Australia 26% 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 23% 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 and Lumley Insurance brands. 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 FY26 Guidance and outlook section on page 70, Review of financial condition section on pages 70 to 71, and Strategy and risk management section on pages 71 to 75.

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 FY25 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 Reports.

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

Reconciliation between the FY25 statutory result (IFRS) to FY25 management result (non-IFRS)

The FY25 statutory result has been re-presented as a management view below 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 $2,213 million is unchanged from the statutory result.

The re-presentation of the line items is outlined in a further reconciliation on page 62.

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.

IAG's results for the current period also contain the impact from a $330 million pre-tax release in the provision for business interruption related claims as detailed in Note 2.2.1.

This provision release is not expected to be a feature of the Group's future sustainable earnings profile. As a result, and to ensure consistency of the reporting of key insurance measures and metrics, this item has been shown in the 'Net corporate expense' line in the management reported view of the current period's results, consistent to the treatment in prior periods.

30 June 2025	Statutory result IFRS $m	Reclassification $m	Reinsurance cashflows $m	Statutory result (re-presented) Non-IFRS[1] $m	BI provision reclassification $m	Management 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.

FY24 statutory result to FY24 management result reconciliation

30 June 2024	Statutory result IFRS $m	Reclassification $m	Reinsurance cashflows $m	Management result Non-IFRS[1] $m
Insurance revenue	15,425	(15,425)	-	-
Insurance service expense	(12,776)	12,785	(9)	-
Reinsurance held expense	(2,196)	6,181	(3,985)	-
Reinsurance held income	702	(3,354)	2,652	-
Insurance service result	**1,155**	**187**	**(1,342)**	**-**
Insurance finance income/(expense)	(345)	345	-	-
Reinsurance finance income/(expense)	172	(172)	-	-
Insurance operating result	**982**	**360**	**(1,342)**	**-**
Analysed as:				
Gross written premium	**-**	**16,400**	**-**	**16,400**
Gross earned premium	-	15,425	-	15,425
Reinsurance expense	-	(6,181)	-	(6,181)
Net earned premium	**-**	**9,244**	**-**	**9,244**
Net claims expense	-	(6,095)	-	(6,095)
Commission expense	-	(1,284)	423	(861)
Administration expense	-	(2,225)	919	(1,306)
Underwriting profit/(loss)	**-**	**(360)**	**1,342**	**982**
Investment income on assets backing insurance liabilities, net of expenses	456	-	-	456
Insurance profit	**1,438**	**-**	**-**	**1,438**
Net corporate expense	(7)	-	-	(7)
Net other operating income/(expense)	60	-	-	60
Profit/(loss) before income tax	**1,491**	**-**	**-**	**1,491**
Income tax expense	(458)	-	-	(458)
Profit/(loss) after income tax	**1,033**	**-**	**-**	**1,033**
Non-controlling interests	(135)	-	-	(135)
Profit/(loss) attributable to IAG shareholders	**898**	**-**	**-**	**898**

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

Directors' report (continued)

Reconciliation of the Statutory to Management re-presentation

Additionally, a reconciliation of the re-presentation from management to statutory view has been provided below to assist the users of the financial statements in understanding the remapping impact of *AASB 17*.

	Net earned premium		Net claims expense		Commission expense		Administration expense		Investment income[1]		Statutory Total	
For the year ended 30 June	2025 $m	2024 $m	2025 $m	2024 $m	2025 $m	2024 $m	2025 $m	2024 $m	2025 $m	2024 $m	2025 $m	2024 $m
Insurance revenue	16,774	15,425	2	-	-	-	-	-	-	-	16,776	15,425
Insurance service expense	-	-	(9,106)	(9,267)	(1,351)	(1,284)	(2,529)	(2,225)	-	-	(12,986)	(12,776)
Reinsurance held expense	(6,790)	(6,181)	2,947	2,643	442	423	1,059	919	-	-	(2,342)	(2,196)
Reinsurance held income	-	-	445	702	-	-	-	-	-	-	445	702
Insurance service result	**9,984**	**9,244**	**(5,712)**	**(5,922)**	**(909)**	**(861)**	**(1,470)**	**(1,306)**	**-**	**-**	**1,893**	**1,155**
Net insurance finance income/(expense)	-	-	(284)	(173)	-	-	-	-	-	-	(284)	(173)
Insurance operating result	**9,984**	**9,244**	**(5,996)**	**(6,095)**	**(909)**	**(861)**	**(1,470)**	**(1,306)**	**-**	**-**	**1,609**	**982**
Investment income[1]	-	-	-	-	-	-	-	-	464	456	464	456
Insurance profit	**9,984**	**9,244**	**(5,996)**	**(6,095)**	**(909)**	**(861)**	**(1,470)**	**(1,306)**	**464**	**456**	**2,073**	**1,438**

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

Key Metrics

Key results	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**	FY25 vs FY24 Mvt
Net profit after tax	407	491	778	**581**	898	**1,359**	+51.3%
Insurance profit	614	824	957	**786**	1,438	**1,743**	+21.2%
Gross written premium (GWP)	7,947	8,453	8,426	**8,680**	16,400	**17,106**	+4.3%
Net earned premium (NEP)	4,496	4,748	4,930	**5,054**	9,244	**9,984**	+8.0%
Reported insurance margin	13.7%	17.4%	19.4%	**15.6%**	15.6%	**17.5%**	+190bps
Underlying insurance margin	13.7%	15.3%	15.1%	**15.8%**	14.5%	**15.5%**	+100bps
Earnings per share (cents per share)	16.77	20.57	32.88	**24.59**	37.31	**57.49**	+54.1%
Diluted earnings per share (cents per share)	16.21	20.09	31.31	**24.28**	36.24	**56.14**	+54.9%
Return on equity (ROE)	12.2%	14.6%	22.7%	**16.2%**	13.5%	**19.4%**	+590bps
Cash earnings	415	490	640	**533**	905	**1,173**	+29.6%
Cash earnings per share (cents per share)	17.10	20.55	27.05	**22.56**	37.62	**49.61**	+31.9%
Diluted cash earnings per share (cents per share)	16.50	20.07	26.15	**22.40**	36.52	**48.86**	+33.8%
Cash return on equity (ROE)	12.4%	14.6%	18.7%	**14.9%**	13.6%	**16.8%**	+320bps
Dividend (cents per share)	10.0	17.0	12.0	**19.0**	27.0	**31.0**	+14.8%
Prescribed Capital Amount (PCA) multiple	2.07	2.23	2.40	**2.43**	2.23	**2.43**	+20pts
Common Equity Tier 1 Capital (CET 1) multiple	1.16	1.27	1.42	**1.47**	1.27	**1.47**	+20pts
Net tangible assets per ordinary share	1.21	1.22	1.35	**1.44**	1.22	**1.44**	+18.0%

The Group's profit after tax for the full year was $1,359 million (FY24: $898 million). This result was driven by:

- a $305 million increase in pre-tax insurance profit to $1,743 million (FY24: $1,438 million), driven by an 8.0% increase in net earned premiums, and a 190bps improvement in the reported insurance margin;
- a higher pre-tax investment income on shareholders' funds of $403 million (FY24: income of $286 million); and
- a $231 million post-tax release from the business interruption provision.

The insurance profit of $1,743 million (FY24: $1,438 million) equates to a reported insurance margin of 17.5% (FY24: 15.6%). The reported insurance profit included net natural perils experience of $1,088 million, which was $195 million favourable to allowance, a net release of prior year reserves of $32 million and a $26 million negative impact from the widening of credit spreads.

The underlying insurance margin of 15.5% was 100bps higher than FY24. This reflects a combination of influences including the 8.0% increase in net earned premiums and a 260bps improvement in the underlying claims ratio, partially offset by a 40bps increase in the expense ratio and a lower investment yield on technical reserves. The underlying insurance margin in 2H25 of 15.8% was an improvement compared to both the two prior halves (1H25: 15.1%, 2H24: 15.3%).

Detailed Management Profit & Loss and Ratios

Group Results	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Gross written premium	7,947	8,453	8,426	**8,680**	16,400	**17,106**
Gross earned premium	7,550	7,875	8,366	**8,408**	15,425	**16,774**
Reinsurance expense	(3,054)	(3,127)	(3,436)	**(3,354)**	(6,181)	**(6,790)**
Net earned premium	4,496	4,748	4,930	**5,054**	9,244	**9,984**
Net claims expense	(3,108)	(2,987)	(3,039)	**(3,287)**	(6,095)	**(6,326)**
Commission expense	(418)	(443)	(453)	**(456)**	(861)	**(909)**
Administration expense	(646)	(660)	(708)	**(762)**	(1,306)	**(1,470)**
Underwriting profit	324	658	730	**549**	982	**1,279**
Investment income on technical reserves	290	166	227	**237**	456	**464**
Insurance profit	614	824	957	**786**	1,438	**1,743**
Net corporate expense	(7)	-	200	**70**	(7)	**270**
Interest	(85)	(100)	(92)	**(100)**	(185)	**(192)**
Profit/(loss) from fee-based business	(12)	(24)	(3)	**(5)**	(36)	**(8)**
Investment income on shareholders' funds	147	139	217	**186**	286	**403**
Profit before income tax and amortisation	657	839	1,279	**937**	1,496	**2,216**
Income tax expense	(201)	(257)	(381)	**(297)**	(458)	**(678)**
Profit after income tax (before amortisation)	456	582	898	**640**	1,038	**1,538**
Non-controlling interests	(46)	(89)	(118)	**(58)**	(135)	**(176)**
Profit after income tax and non-controlling interests (before amortisation)	410	493	780	**582**	903	**1,362**
Amortisation and impairment	(3)	(2)	(2)	**(1)**	(5)	**(3)**
Profit/(loss) attributable to IAG shareholders	407	491	778	**581**	898	**1,359**
Insurance Ratios	1H24	2H24	1H25	**2H25**	FY24	**FY25**
Loss ratio	69.1%	62.9%	61.6%	**65.0%**	65.9%	**63.4%**
Immunised loss ratio	68.5%	63.7%	61.3%	**64.1%**	66.0%	**62.7%**
Expense ratio	23.7%	23.2%	23.6%	**24.1%**	23.4%	**23.8%**
Commission ratio	9.3%	9.3%	9.2%	**9.0%**	9.3%	**9.1%**
Administration ratio	14.4%	13.9%	14.4%	**15.1%**	14.1%	**14.7%**
Administration ex-levies ratio	12.2%	11.6%	11.9%	**12.5%**	11.9%	**12.2%**
Combined ratio	92.8%	86.1%	85.2%	**89.1%**	89.3%	**87.2%**
Immunised combined ratio	92.2%	86.9%	84.8%	**88.2%**	89.4%	**86.5%**
Reported insurance margin	13.7%	17.4%	19.4%	**15.6%**	15.6%	**17.5%**
Underlying insurance margin	13.7%	15.3%	15.1%	**15.8%**	14.5%	**15.5%**

Premiums

The Group's reported FY25 GWP of $17,106 million increased by 4.3% on the prior corresponding period (FY24: $16,400 million). Divisional premium trends are as follows:

Retail Insurance Australia (RIA)

Growth of 5.1% to $8,749 million (FY24: $8,322 million) was achieved in RIA. This included Partners and Platforms GWP decreasing 18.0% to $682 million, impacted by the exit of the Coles portfolio. Growth of 7.7% to $8,067 million was achieved in the Direct segment:

- Motor GWP increased by 6.7% to $3,960 million driven by rate increases to cover claims inflation. Modest volume growth in NSW from strong new business was partly offset by a modest loss in Victoria. Renewal rates improved compared to 1H25 across the majority of the states to slightly below 90%.
- Home GWP rose by 8.7% to $2,855 million reflecting rate increases to cover claims inflation and natural perils costs. A moderation of rate increases in 2H25, along with improved digital and pricing capabilities, resulted in volume growth, particularly in NSW and Victoria. Renewal rates have also strengthened compared to 1H25 and remain strong at above 90% across the majority of states.
- Long tail (CTP) GWP increased by 11.6% to $829 million driven by higher average premium in NSW, reflecting a higher claims frequency, as well as volume growth in ACT and South Australia, of which the latter was driven by the lead Claimant Service Rating for most of FY25.

Intermediated Insurance Australia (IIA)

Growth of 6.3% to $4,550 million (FY24: $4,282 million) was achieved in IIA:

- Commercial short-tail GWP increased 3.0% to $2,602 million predominantly driven by rate increases, partially offset by some volume loss in strata.
- Commercial long-tail GWP increased 10.6% to $1,250 million, including the impact of workers' compensation multi-year policies (~$105 million). Normalising for this, underlying GWP growth was 3.4% with rate and wage growth in workers' compensation offset by volume declines in professional risks and liability.
- Personal lines GWP grew 11.7% to $698 million, reflecting low double-digit rate increases coupled with solid volume growth in home. This was partially offset by a volume decline in motor.

New Zealand

Growth of 0.3% to $3,807 million (FY24: $3,796 million) was achieved in New Zealand. In local currency terms, growth of 1.7% to NZ$4,173 million was achieved:

- Direct local currency GWP increased 4.7% to NZ$1,745 million.
  - Private motor GWP saw a modest decline with relatively flat rates reflecting lower claims experience. New business levels have improved while renewal rates are slightly down.
  - Home owner GWP increased over 10%, driven by strong rate increases and an improvement in new business levels.
- Bank partner local currency GWP growth of 6.9% to NZ$616 million was achieved, with the key personal lines portfolios delivering strong growth, driven by rate increases, partly offset by lower volumes.
- In NZI, the broker intermediated channel, local currency GWP decreased by 2.6% to NZ$1,812 million.
  - Commercial lines GWP was impacted by a challenging market, however the business remains focused on exercising disciplined underwriting and leveraging NZI's strong brand and value-added propositions.
  - Personal lines GWP saw modest premium growth driven by rates increases across all portfolios, partially offset by lower volumes.

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	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Reported insurance profit	614	824	957	**786**	1,438	**1,743**
Reserve releases/(strengthening)	(59)	1	3	**29**	(58)	**32**
Natural perils	(521)	(462)	(426)	**(662)**	(983)	**(1,088)**
Natural peril allowance	549	549	641	**642**	1,098	**1,283**
Credit spreads	31	13	(8)	**(18)**	44	**(26)**
Underlying insurance profit	614	723	747	**795**	1,337	**1,542**
Reported insurance margin	13.7%	17.4%	19.4%	**15.6%**	15.6%	**17.5%**
Reserve releases/(strengthening)	(1.3%)	0.0%	0.1%	**0.6%**	(0.6%)	**0.3%**
Natural perils	(11.6%)	(9.7%)	(8.6%)	**(13.1%)**	(10.6%)	**(10.9%)**
Natural peril allowance	12.2%	11.6%	13.0%	**12.7%**	11.9%	**12.9%**
Credit spreads	0.7%	0.3%	(0.2%)	**(0.4%)**	0.5%	**(0.3%)**
Underlying insurance margin	13.7%	15.3%	15.1%	**15.8%**	14.5%	**15.5%**

The increase in underlying margin from 14.5% in FY24 to 15.5% in FY25 reflects a combination of influences. On the positive side, this included a 260bps improvement in the underlying claims ratio due to the 8.0% increase in net earned premiums, moderating inflation and efficient claims management initiatives. This was partially offset by:

- a ~17% increase in the natural perils allowance from $1,098 million to $1,283 million, which aligns with the attachment point of the long-term natural perils volatility cover;
- an increase in the expense ratio of 40bps reflecting an increase in the administration ratio, partially offset by an improved commission ratio; and
- a decrease in the underlying investment yield on technical reserves to ~5.3% (FY24: ~5.7%).

The FY25 reported insurance profit of $1,743 million equated to a 17.5% reported insurance margin (FY24: 15.6%). In addition to the underlying margin influences outlined above, this included:

- natural perils experience of $195 million favourable to allowance, compared to favourable experience of $115 million in FY24;
- a $32 million positive impact from prior year reserve releases, compared to a strengthening of $58 million in FY24; and
- an unfavourable impact from the widening of credit spreads of $26 million (FY24: $44 million positive impact).

Divisional insurance margins

Divisional insurance margins	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Retail Insurance Australia						
Insurance profit	229	419	476	**333**	648	**809**
Underlying insurance profit	326	378	384	**407**	704	**791**
Reported insurance margin	10.0%	17.2%	19.0%	**13.0%**	13.7%	**15.9%**
Underlying insurance margin	14.3%	15.5%	15.2%	**15.8%**	14.9%	**15.6%**
Intermediated Insurance Australia						
Insurance profit	181	153	171	**157**	334	**328**
Underlying insurance profit	142	149	152	**156**	291	**308**
Reported insurance margin	14.7%	12.1%	12.8%	**11.6%**	13.4%	**12.2%**
Underlying insurance margin	11.5%	11.7%	11.5%	**11.5%**	11.7%	**11.5%**
New Zealand						
Insurance profit	204	253	311	**295**	457	**606**
Underlying insurance profit	146	197	212	**231**	343	**443**
Reported insurance margin	20.8%	24.0%	28.6%	**26.1%**	22.5%	**27.4%**
Underlying insurance margin	14.9%	18.7%	19.5%	**20.5%**	16.9%	**20.1%**

Directors' report (continued)

RIA reported an insurance profit of $809 million in FY25 (FY24: $648 million) and a reported insurance margin of 15.9% (FY24: 13.7%). This included a higher underlying insurance margin driven by an improved underlying loss ratio. The reported insurance margin was assisted by favourable perils experience of $43 million below allowance, partially offset by a modest $12 million strengthening of prior period reserves.

IIA delivered an insurance profit of $328 million in FY25 (FY24: $334 million) and a reported insurance margin of 12.2% (FY24: 13.4%). The underlying insurance margin of 11.5% (FY24: 11.7%) represented an improving trend normalising for the cost of additional reinsurance protection and noting the impact of lower investment yields. The reported margin featured a $33 million prior period reserve release and a modest loss from credit spreads widening.

New Zealand delivered an insurance profit of $606 million in FY25 (FY24: $457 million) and a reported insurance margin of 27.4% (FY24: 22.5%). The higher underlying insurance margin of 20.1% (FY24: 16.9%) was driven by a significantly improved underlying loss ratio, partly offset by a higher expense ratio. The reported insurance margin reflected favourable perils experience of $156 million below allowance.

Reinsurance expense

The total reinsurance expense includes the cost of all covers purchased, including catastrophe, casualty, facultative and proportional protection.

Reinsurance Expense	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Quota-share reinsurance expense	2,553	2,652	2,810	**2,821**	5,205	**5,631**
Non quota-share reinsurance expense	501	475	626	**533**	976	**1,159**
Total reinsurance expense	3,054	3,127	3,436	**3,354**	6,181	**6,790**

Quota share-related reinsurance expense of $5,631 million (FY24: $5,205 million) increased 8.2%, broadly in line with gross earned premium growth.

Non-quota share reinsurance expense increased by 18.8% to $1,159 million (FY24: $976 million) reflecting costs associated with the long-term natural perils volatility and adverse development covers, announced in June 2024, which provide significant protection for natural perils and long tail reserves. It also includes a full year of costs associated with entering into the Cyclone Reinsurance Pool. Including the benefit of recognition of profit commission on non-quota share reinsurance arrangements that is included in the 'Net claims expense' line, non-quota share reinsurance expense increased around 10%.

Claims

IAG's immunised underlying loss ratio, which reflects trends in underlying or working claims, was 52.1% in FY25, a 260bps improvement on the 54.7% in FY24. This ratio excludes all prior year reserve releases or strengthening, natural perils costs and discount rate adjustments. It includes a recognition of profit commission on reinsurance arrangements.

Immunised loss ratio – Group	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Reported net claims expense	3,108	2,987	3,039	**3,287**	6,095	**6,326**
Discount rate adjustment	(28)	37	(19)	**(46)**	9	**(65)**
Reserving and perils effects	(580)	(461)	(423)	**(633)**	(1,041)	**(1,056)**
Immunised underlying net claims expense	2,500	2,563	2,597	**2,608**	5,063	**5,205**
Reported loss ratio	69.1%	62.9%	61.6%	**65.0%**	65.9%	**63.4%**
Discount rate adjustment	(0.6%)	0.8%	(0.4%)	**(0.9%)**	0.1%	**(0.7%)**
Reserving and peril effects	(12.9%)	(9.7%)	(8.6%)	**(12.5%)**	(11.3%)	**(10.6%)**
Immunised underlying loss ratio	55.6%	54.0%	52.6%	**51.6%**	54.7%	**52.1%**

Divisional underlying claims trends

Immunised loss ratio – Retail Insurance Australia	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Reported net claims expense	1,758	1,643	1,660	**1,844**	3,401	**3,504**
Discount rate adjustment	(10)	13	(9)	**(20)**	3	**(29)**
Reserving and perils effects	(430)	(285)	(269)	**(428)**	(715)	**(697)**
Immunised underlying net claims expense	1,318	1,371	1,382	**1,396**	2,689	**2,778**
Reported loss ratio	77.0%	67.6%	66.0%	**71.7%**	72.1%	**68.9%**
Discount rate adjustment	(0.4%)	0.5%	(0.4%)	**(0.8%)**	0.1%	**(0.6%)**
Reserving and peril effects	(18.8%)	(11.7%)	(10.7%)	**(16.6%)**	(15.2%)	**(13.7%)**
Immunised underlying loss ratio	57.7%	56.4%	54.9%	**54.3%**	57.0%	**54.6%**

RIA's immunised underlying loss ratio was 54.6% in FY25 compared to 57.0% in FY24, which reflects the net effect of a few key factors:

- 10% increase in Gross Earned Premium from earn-through of prior year rate increases;
- Moderating motor inflation to mid-to-high single digit, impacted by higher theft claims most notably in Victoria and higher third-party claims driven by credit hire activities;
- High single digit home inflation, including the impact of lower volume and severity of large claims including fire; and
- Ongoing benefit from supply chain management and fraud optimisation.

Immunised loss ratio – Intermediated Insurance Australia	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Reported net claims expense	780	776	844	**879**	1,556	**1,723**
Discount rate adjustment	(16)	24	(7)	**(27)**	8	**(34)**
Reserving and perils effects	(117)	(147)	(138)	**(150)**	(264)	**(288)**
Immunised underlying net claims expense	647	653	699	**702**	1,300	**1,401**
Reported loss ratio	63.3%	61.4%	63.5%	**64.9%**	62.4%	**64.2%**
Discount rate adjustment	(1.3%)	1.9%	(0.5%)	**(2.0%)**	0.3%	**(1.3%)**
Reserving and peril effects	(9.5%)	(11.6%)	(10.4%)	**(11.1%)**	(10.6%)	**(10.7%)**
Immunised underlying loss ratio	52.5%	51.7%	52.6%	**51.8%**	52.1%	**52.2%**

IIA has maintained a similar immunised underlying loss ratio in FY25 of 52.2% relative to FY24 (52.1%). This includes:

- Over 6% increase in Gross Earned Premium from earn-through of prior year rate increases;
- Continued realisation of claims initiative benefits including reduced leakage and claims finalisation rates; and
- Improvement in long-tail experience, with short-tail classes in line with expectation.

Immunised loss ratio – New Zealand	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**
Reported net claims expense	570	567	533	**566**	1,137	**1,099**
Discount rate adjustment	(2)	-	(3)	**1**	(2)	**(2)**
Reserving and perils effects	(33)	(29)	(16)	**(55)**	(62)	**(71)**
Immunised underlying net claims expense	535	538	514	**512**	1,073	**1,026**
Reported loss ratio	58.1%	53.8%	49.1%	**50.1%**	55.9%	**49.6%**
Discount rate adjustment	(0.2%)	0.0%	(0.3%)	**0.1%**	(0.1%)	**(0.1%)**
Reserving and peril effects	(3.4%)	(2.8%)	(1.5%)	**(4.9%)**	(3.0%)	**(3.2%)**
Immunised underlying loss ratio	54.5%	51.0%	47.4%	**45.3%**	52.8%	**46.3%**

New Zealand experienced an improved immunised underlying loss ratio of 46.3% in FY25 (FY24: 52.8%), comprising:

- 9% increase in Gross Earned Premium from earn-through of prior year rate increases;
- Reduced frequency levels compared to the prior year across the home and motor portfolios;
- Lower large (greater than NZ$100,000) home owner and commercial construction claims; partially offset by
- Mid-single digit increase in average claims costs, which includes benefits from claims handling and supply chain initiatives.

Reserve releases/strengthening

Prior period reserve releases of $32 million occurred in FY25, an improvement from $58 million strengthening in FY24, where adverse claim development in short-tail classes resulted from inflation-driven increases in claims settlement costs.

The positive outcome was driven by releases across most long-tail commercial classes, CTP in Australia and favourable settlement of historical claims in New Zealand. This was partly offset by a $5 million increase in the onerous contract liability as at 30 June 2025 and some motor strengthening due to late lodgements and higher third-party costs.

The net prior period reserve release of $32 million in FY25 comprised $33 million in IIA and $11 million in New Zealand, partially offset by a strengthening of $12 million in RIA. 2H25 delivered prior period reserve releases of $29 million, compared to $3 million in 1H25.

Natural perils

Net natural perils claims costs in FY25 were $1,088 million (FY24: $983 million), being $195 million favourable to the $1,283 million allowance for the period, with the major events listed in the table below. Generally favourable conditions in 1H25 saw net perils costs for the period of $426 million, whilst net perils costs were significantly higher in 2H25 at $662 million, mainly in Australia, with the largest events being the NSW Severe Thunderstorms in January 2025 and the NSW Mid North Coast and Hunter Floods in May 2025.

FY25 net natural perils costs by event	$m
Southern Australia Destructive Winds (September 2024)	42
VIC/NSW Storms and Casterton Hail (October 2024)	19
QLD/NSW Severe Thunderstorms and SEQ Hail (October 2024)	21
NSW/QLD Glen Innes and Stanthorpe Hail (January 2025)	34
NSW Severe Thunderstorms (January 2025)	101
NSW Armidale Hail (January 2025)	35
QLD Townsville Coast Floods (January 2025)	41
Harden Hail and VIC/NSW Severe Storms (February 2025)	63
Tropical Cyclone Alfred QLD/NSW (March 2025)	58
NZ Ex-Tropical Cyclone Tam (April 2025)	18
NSW Mid North Coast and Hunter Floods (May 2025)	108
Other events (<$15m)	548
Total	**1,088**

Expenses

Administration expenses of $1,470 million increased 12.6% predominantly due to additional efficiency and growth investments, as well as a material increase in levies. The levies increase of 33.3% reflects a higher collection of Emergency Services Levy in NSW and an increase to the transitional excess profits and excess losses (TEPL) provision, related to the capped profitability of the new NSW CTP scheme. The administration ratio on an ex-levies basis increased 30bps to 12.2% in FY25 (FY24: 11.9%).

Commission expenses of $909 million increased 5.6% due to the top-line growth, however earned premium growth resulted in the commission ratio decreasing to 9.1% in FY25 (FY24: 9.3%).

Expenses	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**	FY25 vs FY24 Mvt
Administration expense	646	660	708	**762**	1,306	**1,470**	12.6%
Commission expense	418	443	453	**456**	861	**909**	5.6%
Total net expenses	1,064	1,103	1,161	**1,218**	2,167	**2,379**	9.8%

Administration Expenses	1H24 $m	2H24 $m	1H25 $m	**2H25 $m**	FY24 $m	**FY25 $m**	FY25 vs FY24 Mvt
Administration expense	646	660	708	**762**	1,306	**1,470**	12.6%
Net levies	99	108	133	**143**	207	**276**	33.3%
Administration expense ex-levies	547	552	575	**619**	1,099	**1,194**	8.6%
Administration expense ex-levies ratio	12.2%	11.6%	11.9%	**12.5%**	11.9%	**12.2%**	+30bps

The 8.6% increase in administration expense ex-levies in FY25 reflected higher technology and system investment across IAG's Enterprise Platform, including associated amortisation, as part of an ongoing program to transform IAG's capacity to meet the needs of customers. This includes investments in artificial intelligence engineering and activation to increase operational efficiency. Other additional impacts include those related to operating model changes, that will provide a future benefit, and the new licencing project.

Net investment income/loss on assets backing insurance liabilities

Net investment income on technical reserves contributed $464 million in FY25 (FY24: $456 million). Key components of the investment return in FY25 were:

- an underlying income of $395 million representing an annualised return of approximately 5.3%;
- $26 million in losses from a net widening in credit spreads; and
- a positive impact of $95 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 $270 million benefit was recorded in FY25 (FY24: $7 million expense) which reflected the net effect of a $330 million release from the business interruption provision, partially offset by a $30 million impairment of capitalised software which has been assessed as no longer providing future economic benefit, and $30 million of transaction costs associated with acquisition activity.

Fee-based businesses

There was a modest loss of $8 million in Fee-based businesses in FY25, an improvement on the $36 million loss in FY24.

Net investment income on shareholders' funds

Net investment income on shareholders' funds was a profit of $403 million in FY25, compared to a profit of $286 million in FY24, reflecting:

- a return of $262 million from fixed interest and cash (FY24: $237 million);
- a return of $139 million from equities (FY24: $88 million);
- a return of $25 million from alternatives (FY24: $53 million); partially offset by
- a $6 million fair value loss in the ventures fund; and
- $17 million in management fees.

At 30 June 2025, the weighting to growth assets (equities and alternatives) in the shareholders' funds was 25%, comparable to 25% at 30 June 2024.

Tax expense

IAG reported a tax expense of $678 million in FY25, an increase on the $458 million in FY24. IAG's effective tax rate (pre-amortisation and impairment) was approximately 30.6%. The difference between the effective tax rate and the Australian corporate rate of 30% is predominantly due to the non-deductible impact of capital note payments.

Non-controlling interests

Profit after tax attributable to non-controlling interests in FY25 was $176 million (FY24: $135 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, Victoria and the ACT form a significant part of RIA. IMA posted a higher profit in FY25, which contributed to RIA's reported insurance margin increasing to 15.9% in FY25 from 13.7% in FY24.

Acquired intangible amortisation and impairment

Amortisation and impairment expense of $3 million was recorded in FY25 compared to $5 million in FY24.

Net profit after tax and earnings per share (EPS)

Net profit after tax of $1,359 million (FY24: $898 million) represents a basic EPS of 57.49 cents (FY24: 37.31 cents) and diluted EPS of 56.14 cents (FY24: 36.24 cents).

Cash EPS in FY25 was 49.61 cents (FY24: 37.62 cents). Diluted cash EPS in FY25 was 48.86 cents (FY24: 36.52 cents).

Diluted EPS calculations were based on 2,556 million shares, which includes the potential equity issuance from hybrid and debt conversion.

Cash earnings

Cash earnings of $1,173 million were up 29.6% (FY24: $905 million). Cash earnings reflect the net profit after tax adjusted for acquired intangible assets amortisation and unusual items. Unusual items in FY25 relates to the partial release of the business interruption provision, impairment of capitalised software and acquisition transaction costs.

Dividends

As noted in 'Events subsequent to reporting date' and in Note 7.2, the Board has determined to pay a final dividend of 19 cents per share, franked to 40% (2024 final dividend: 17.0 cents per share, franked to 50%). The final dividend is payable on 18 September 2025 to shareholders registered as at 5pm Australian Eastern Standard Time (AEST) on 22 August 2025.

This brings the full year dividend to 31 cents per share, which equates to a payout ratio of approximately 65% of reported net profit after tax (NPAT) excluding the after-tax impact from releases from the business interruption claim provision. IAG's dividend policy is to pay out 60% to 80% of NPAT.

As at 30 June 2025, IAG had approximately $372 million franking balance on a consolidated basis which includes franking balances in subsidiaries which are not part of the IAG Tax Consolidated Group (TCG). The IAG TCG currently has approximately $42 million franking credits available for distribution.

The dividend reinvestment plan (DRP) will operate for the final dividend for DRP-registered shareholders as at 5pm AEST on 25 August 2025. The issue price per share will be the Average Market Price as defined in the DRP terms, with no discount for participants. Shares allocated under the DRP are to be purchased on-market. Information about IAG's DRP is available on our website (www.iag.com.au) in the Shareholder Centre section.

FY26 Guidance and outlook

IAG's confidence in the underlying business is reflected in guidance for FY26 which includes:

- GWP growth of 'low-to-mid single digit'. This reflects premium increases that cover moderating claims inflation combined with direct customer and volume growth. At a divisional level, IAG expects:
  - RIA growth of 'mid-single digit';
  - IIA growth of 'low-single digit'; and
  - NZ GWP to be relatively flat.
- Reported insurance profit of $1,450 million to $1,650 million, roughly equating to a reported insurance margin of 14.0% to 16.0%, assumes:
  - a natural peril allowance of $1,316 million;
  - no material prior period reserve releases or strengthening; and
  - no material movement in macro-economic conditions including foreign exchange rates or investment markets.

The FY26 guidance does not include the benefit of the RACQI and RACI[1] acquisitions. The RACQI acquisition is expected to complete on 1 September 2025, which will result in GWP growth increasing to approximately 10%.

IAG's FY26 guidance, and the RACQI and RACI[1] acquisitions, align to the targets to deliver a 15% reported insurance margin and a reported ROE of 15% on a 'through the cycle' basis.

These targets are subject to assumptions and dependencies, including that there are no material adverse developments in macro-economic conditions and disruptions or events beyond IAG's control. As they span a number of years, these assumptions and dependencies have a greater level of uncertainty than the FY26 guidance. Refer to the forward-looking statements and other representations disclaimer on page 180 of this report.

Review of financial condition

A. Financial position

Total assets of the Group as at 30 June 2025 were $26,309 million compared to $25,617 million as at 30 June 2024. The net increase of $692 million includes:

- $599 million increase in investments, mainly driven by profitability including better market returns and mark-to-market impacts on fixed income as a result of lower yields;
- $314 million increase in reinsurance contract held assets, primarily driven by an increase in reinsurance recoveries and the impact of lower yields, partially offset by a net decrease in reinsurance related receivables and payables;
- $154 million increase in goodwill and intangible assets, driven by capitalised software costs; partially offset by
- $236 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; and
- $242 million decrease in deferred tax assets.

The total liabilities of the Group as at 30 June 2025 were $18,523 million compared with $18,500 million as at 30 June 2024. The net increase in liabilities of $23 million includes:

- $156 million increase in current tax liabilities; partially offset by
- $139 million decrease in trade and other payables, driven by a reduction in investment creditors due to timing differences related to unsettled trades at 30 June 2025; and
- $73 million decrease in insurance contract liabilities resulting from an underlying decrease in insurance liabilities, partially offset by impact of lower yields.

IAG shareholders' equity (excluding non-controlling interests) increased from $6,660 million as at 30 June 2024 to $7,329 million mainly reflecting the combined effect of:

- current year net profit attributable to shareholders of $1,359 million; and
- $687 million payments in respect of the 2024 final dividend and 2025 interim dividend.

B. Cash from operations

The net cash inflows from operating activities for the year ended 30 June 2025 were $1,352 million compared with $1,800 million for the prior corresponding year. The movement is mainly attributable to the net effect of:

- $650 million decrease in reinsurance held recoveries received driven by benign perils experience;
- $158 million increase in acquisition costs paid driven by higher levies and charges from increased premiums;
- $800 million increase in outwards reinsurance premium expense paid reflecting the purchase of a multi-year perils reinsurance cover, a long tail adverse development cover, and a higher amount ceded to whole-of-account quota share partners in line with premium growth; partially offset by
- $1,367 million increase in premiums received, mainly due to period-on-period premium growth.

C. Investments

The Group's investments as at 30 June 2025 totalled $13,504 million compared to $12,905 million at 30 June 2024. IAG's overall investment allocation is defensively positioned, with approximately 90% of total investments in fixed interest and cash as at 30 June 2025. 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 25% of shareholders' funds at 30 June 2025 (25% as at 30 June 2024).

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1. Subject to regulatory approvals and other conditions.

D. Capital mix and position

Under the Australian Prudential Regulation Authority's (APRA) Prudential Standards, IAG's Common Equity Tier 1 (CET1) capital was $3,939 million (FY24: $3,364 million) and total regulatory capital was $6,510 million (FY24: $5,879 million) at 30 June 2025. 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 2025, IAG had a CET1 multiple of 1.47 (FY24: 1.27) and a PCA multiple of 2.43 (FY24: 2.23).

This strong capital position is expected to allow IAG to fund the capital required for the RACQI and RACI[1] acquisitions from organic capital generation.

Please refer to "Significant changes in the state of affairs" on page 75 of this report for further information regarding these transactions.

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 has set its strategy to 'create a stronger, more resilient IAG'.

Four strategic pillars provide focus, inform IAG's operating model and underpin IAG's strategy:

- Grow with our customers
- Build better businesses
- Create value through digital
- Manage our risks

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 FY25 strategy section on page 8 of this report.

B. Business risk and risk management

IAG acknowledges that it has to take risk in an informed manner in pursuit of its strategic objectives and to meet expectations of its stakeholders, including customers, industry and regulators. 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.

IAG's Group Risk function provides regular reports 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 must manage them within the 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 managing risk at IAG; 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.

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[1] Subject to regulatory approvals and other conditions.

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.

Risk category	Risk description	Key actions
Financial	The risk of adverse financial outcomes arising from several types of risks including Capital, Credit, Reinsurance coverage, Market, and Liquidity (see below for further information on these risks).	IAG has policies and procedures in place to manage Financial risk (see below for further information on Capital, Credit, Reinsurance coverage, Market, and Liquidity).
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 manages risks to create shareholder value whilst meeting the objective of maintaining an appropriate level of capital to protect stakeholders' interests and meet the relevant requirements. IAG also has a documented description of its capital management process and reports annually on its operation to the Board.
Credit	The risk of IAG having excessive concentration to an individual debt issuer or counterparty, a counterparty defaulting on payments, the terms of a specific exposure being misunderstood and/or misalignment of credit quality with the credit policy. 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).	IAG maintains sufficiently diverse credit exposures, where its key exposure arises from investment activities and reinsurance recoveries, which assists in avoiding a concentration charge being added to the regulatory capital requirement.
Reinsurance coverage	The risk of not meeting regulatory requirements around contract certainty, not being able to obtain adequate reinsurance coverage, purchasing insufficient reinsurance coverage relative to exposure, and inability to fully recover reinsurance claims. 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, via IAG Reinsurance, 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 (e.g. 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 manages market risk through a range of policies, procedures and activities, including policies that describe the requirements governing the management of investments at IAG, IAG's approach to managing foreign exchange risk and IAG's Strategic Asset Allocation.
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,	IAG manages liquidity risk through its Group policy that sets out IAG's approach to managing liquidity risk. IAG also has a framework and procedures in

Risk category	Risk description	Key actions
	reinsurance and trade assets) leading to potential liquidity implications, financial loss through penalties and/or, reputational damage.	place to ensure an appropriate level of monitoring and management of liquidity.
Insurance	This risk includes the way IAG underwrites and manages its concentrations, designs and prices its products as well as 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, • inadequate or inappropriate claims management including reserving, or • insurance concentration risk (i.e. 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 Organisational Conduct and Customer risk through established policies and procedures. This includes a Code of Ethics and Conduct, along with other frameworks and policies designed to address behaviour, decision and conduct risks associated with product, pricing, underwriting, and claims management.
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, services providers and/or partners as well as operational impacts arising from extreme natural disasters.	IAG's focus on operational 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; models; fraud, corruption and financial crime; and suppliers and service providers).
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. IAG also conducts annual Business Continuity Plan and Disaster Recovery testing to ensure its plan remains suitable and continues to serve its purpose.
Models	The risk of making decisions based on or supported by incorrect, misapplied or misused Model outputs and reports, including automated decisions based on model output. This risk may arise due to a model being inadequately developed, implemented and/or maintained, users misunderstanding model outputs, reports or purposes, or inconsistent application of models with IAG's Values or Code of Ethics and Conduct leading to financial loss, adverse customer outcomes, poor decision making, reputational damage or regulatory sanctions and fines.	Models at IAG must comply with internal Group policies which set out how IAG manages and mitigates model risk that arises from the use of models across its business.
Fraud, corruption and financial crime	The risk of bribery or corruption, fraudulent activity by internal or external parties or risk of IAG conducting business with a sanctioned country, individual or entity, including the risk of	IAG policies set out the expectations for managing fraud, bribery and corruption, conflicts of interest, money laundering and terrorism financing risks at

Risk category	Risk description	Key actions
	IAG's products, services or channels being used to facilitate money laundering and other financial crimes. This risk may arise due to poor governance and oversight leading to financial loss, regulatory or legal consequences, reputational damage, or other harm to IAG customers, community and people as well as impacting access to international capital markets. There are a number of factors that may heighten the risk of bribery, fraud and corruption, including: • economic conditions/affordability pressures increasing motivation to commit fraud; and • evolution of technology creating more opportunities for fraud to be committed.	IAG including requirements for managing economic and trade sanctions obligations. The policies are supported by underlying standards, standard operating procedures/guidelines, fraud awareness campaigns, and training and educational material across various platforms. IAG has dedicated teams (covering external and internal fraud and financial crime risk) and controls in place to mitigate these risks including an industry standard automated sanctions screening process.
Suppliers and service providers	The risk of third parties (i.e. 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.	Suppliers and service providers to IAG are generally required to comply with the policies that set out IAG's approach to outsourcing, principles and minimum requirements for undertaking procurement activities on behalf of IAG and IAG's approach to governing third party distribution risks. IAG also has to comply with the associated standards, procedures and guidelines.
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 engages with regulators and regularly monitors developments in regulatory requirements to support ongoing compliance. IAG has policies and standards in place, supported by appropriate training, which set out the requirements for complying with laws, regulations and expectations. IAG seeks advice from internal and external legal counsel to ensure appropriate interpretation and application of legal and regulatory obligations.
Strategic	A variety of internal and external factors that influence the risk level that IAG is facing at the enterprise level, ranging from moderate to major impact, possible and likely. Risks are summarised within the Strategic Risk Profile (SRP) which is refreshed annually with Board review and approval. Causes and impacts are determined via desktop research, engagement with senior leaders and review by each of the GLT and Board.	The required response to strategic risk is determined by Group Risk, GLT and Board review and is recorded on the SRP Risk Radar. All identified strategic enterprise risks are categorised into Respond, Prepare, Assess or Watch. Risks identified as priority are added to Divisional Business Plans (approved by GLT members and shared with APRA) for formal response to ensure adequate consideration during the strategy and planning process, and to provide a mechanism for Group Risk support, oversight and challenge.

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 is 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.

Climate and ESG risks and risk management

We recognise that climate 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 climate-related risks are available in our Group Sustainability Report on pages 37 to 51, and further details regarding our broader ESG risks in the Sustainability section of our website (www.iag.com.au).

Corporate governance

At IAG we believe that corporate governance is the framework of systems, policies and processes that allows IAG to operate its business and deliver on its purpose and strategy.

We aim to continuously improve our governance practices and align them with our business and stakeholders' needs.

For the financial year ended 30 June 2025, IAG complied with the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition), as detailed in IAG's 2025 Corporate Governance Statement and ASX Appendix 4G. The 2025 Corporate Governance Statement is current as at 12 August 2025 and has been approved by the Board.

The 2025 Corporate Governance Statement is available on our website: www.iag.com.au/about-us/corporate-governance.

Significant changes in state of affairs

During the financial year, the following changes became effective:

- On 28 November 2024, Insurance Australia Group Limited and The Royal Automobile Club of Queensland (RACQ) entered into a 25-year exclusive strategic alliance to provide RACQ general insurance products and services for RACQ members and Queenslanders. Under the strategic alliance, IAG will acquire 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 10% in two years on consistent terms. The consideration of $855 million (subject to applicable completion adjustments) is for the initial 90% tranche and comprises net tangible asset value and entry into the exclusive 25-year distribution agreement. The transaction will be funded from surplus capital. On 22 May 2025, the Australian Competition & Consumer Commission (ACCC) announced it would not oppose the proposed acquisition. On 11 July 2025, APRA (as delegate for the Treasurer) approved the acquisition under the Insurance and Acquisition Takeovers Act and the Financial Sector (Shareholdings) Act. The transaction remains subject to completion of other requirements. Subject to satisfaction of the outstanding requirements, the transaction is expected to complete in the third quarter of calendar year 2025.
- On 5 March 2025, the Company issued $500 million of subordinated debt. The subordinated debt qualifies as Tier 2 Capital under APRA's capital adequacy framework for general insurers.
- On 15 May 2025, Insurance Australia Group Limited and The Royal Automobile Club of Western Australia (RAC) entered into a 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. Subject to regulatory approvals and other conditions, the transaction is expected to complete in the first half of calendar year 2026.
- On 16 June 2025, the Company redeemed $450 million of subordinated medium term notes.

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 2025, the Board determined to pay a 40% franked final dividend of 19.0 cents per share. The dividend will be paid on 18 September 2025. The DRP will operate by acquiring shares on-market for participants with no discount applied.

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 $1,858,000 in FY25 (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 104 and forms part of the Directors' Report for the year ended 30 June 2025.

Rounding of amounts

The Company is of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* 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
Group CRO	Group Chief Risk Officer
DARs	Deferred award rights
EPRs	Executive performance rights
FAR	Financial Accountability Regime
Group BSC	Group balanced scorecard
Group CEO	Managing Director and Chief Executive 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
ROE	Return on equity
STI	Short term incentive
tNPS	Transactional net promoter score
Trading window	Periods during which KMP may trade in IAG securities
TSR	Total shareholder return
VWAP	Volume weighted average price
WACC	Weighted average cost of capital

Aligning remuneration to create a stronger, more resilient IAG.

Wendy Thorpe
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 2025 Remuneration Report, my first as Chair of the PARC, following my appointment to the role on 1 September 2024.

In FY25, we continued to embed the changes introduced in recent years to strengthen alignment between executive remuneration and long-term shareholder value. During FY26, we will commission an independent review of the effectiveness of our remuneration framework in accordance with APRA Prudential Standard CPS 511 Remuneration (CPS 511). The PARC will consider the outcomes of the review and any recommendations. We will also take the opportunity to ensure the framework continues to support our purpose and business strategy, and is consistent with our remuneration principles, including alignment with shareholder outcomes.

Alignment of FY25 remuneration outcomes with business results

There were no changes in IAG's remuneration framework for FY25. The Board has determined remuneration outcomes for all Executives through balanced scorecards that include financial and non-financial measures. Executives were also assessed on their demonstration of IAG's values and behaviours, and risk performance.

IAG delivered a strong FY25 result, demonstrating management's success in building a stronger, more resilient business. Key outcomes include:

- Growth in GWP of 4.3% and continued high renewal rates of around 90% across Australian and New Zealand direct products
- Underlying insurance profit above target and approximately $200 million up on FY24. This was enabled through disciplined underwriting and improved claims performance, coupled with a focus on reducing outstanding claims across the Group
- ROE of 19.4%, an improvement on 13.5% in FY24, and a significant improvement in shareholder outcomes with a four year annualised TSR of 18.4%
- Additional reinsurance agreements providing lower volatility and improved Group financial performance quality
- Good progress against plan on the delivery of the Enterprise Platform for our retail businesses while protecting customer experience during transition and enhancing functionality for customers and partners. 69.8% of in-scope GWP is now enabled through the platform
- A similar technology transformation is underway to deliver efficiency and support growth in our intermediated businesses in Australia and New Zealand, through the modern, integrated Commercial Enterprise Platform. This will fundamentally reshape our operating model and how we underwrite and distribute products
- Successful negotiation by the management team of two material strategic alliances this year. The existing insurance businesses of RACQ and RAC (subject to regulatory approval and other conditions) will provide IAG with the opportunity to provide quality insurance products to an additional 3 million customers.

STI – FY25 outcomes

The Board considered the following factors when assessing performance outcomes and determining FY25 STI outcomes for the Executives:

- IAG's financial and non-financial performance, as assessed by the Group Balanced Scorecard (Group BSC), and informed by the Board's STI pool calculation principles
- For the Group CEO, the Group BSC outcome, reflecting progress towards delivery of IAG's strategy
- For other Executives, assessment of performance against their Divisional scorecard as well as their contribution to Group performance
- The performance of each Executive (including the Group CEO) also considered their demonstration of IAG's values and behaviours, and their overall risk management performance.

Key FY25 outcomes were:

- In line with the Group BSC result of 3.96/5, the Board approved a FY25 Executive STI pool of 83% of maximum opportunity
- In assessing the financial measures in the Group BSC, the Board applied the STI calculation principles and reduced:
  - NPAT by $231 million post-tax benefit associated with releases from the business interruption provision
  - Underlying insurance profit for the $30 million impairment on capitalised software relating to historical investments which are not expected to deliver any financial benefit

- The Group CEO's STI outcome was 85% of maximum, while the STI outcome for the other Executives ranged from 82% to 87% of maximum opportunity.

LTI – FY25 outcomes

FY22 LTI awards with Return on Equity (ROE) and Total Shareholder Return (TSR) performance measures were assessed at the end of their four year performance period on 30 June 2025. The overall vesting outcome of 72.8% reflects IAG's performance over the performance period 1 July 2021 to 30 June 2025, specifically:

- The FY22 ROE performance hurdle was partially met, and the Board determined the award would vest at 45.6%
- The FY22 TSR performance hurdle was fully met, and the Board determined 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.

Six current Executives including the Group CEO, participated in the FY22 LTI award. Further information is available in Section C.III.

Consideration of material risk and conduct events

In addition to considering Executives' overall risk management performance, the Board considers conduct and material risk matters across the Group when it determines Executive remuneration.

During FY25, following the finalisation of risk matters that emerged during FY22, the Board applied further downward adjustments to reduce unvested awards for two employees and the accountable former Executive.

No other material risk or conduct events requiring a remuneration consequence were identified through the Board's FY25 review.

FY26 Executive and Non-Executive Director remuneration

Executives – 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 4.0% for the Group CEO and an average fixed pay increase of 4.8% for the other Executives.

In determining the fixed pay increases, the Board considered:

- The need to retain key talent at a critical stage of delivery on IAG's business strategy and integration activities
- Relativities against other financial services companies.

Executives – incentives

No material changes have been made to Executive remuneration arrangements for FY26.

- The Board approved Group BSC measures that support our desired performance culture with two changes from FY25:
  - The strategic project measure will expand to capture the portfolios enabled by the Retail Enterprise Platform and the Commercial Enterprise Platform, as well as the RACQ integration. The Retail Enterprise Platform program is demonstrating strong customer and financial outcomes and continues in FY26 with the migration of a further seven portfolios across Australia and New Zealand. The Commercial Enterprise Platform will modernise and transform our intermediated businesses. It will deploy new core commercial technology, create digital efficiency, and improve our connectivity to brokers by providing straight through processing and automated controls. These projects directly support our strategic ambitions, underpin our growth objectives and will deliver further service improvements to customers. The Group BSC weighting for this measure will increase from 10% to 15%
  - The emissions reduction goal in our Group BSC will be replaced by a broader set of climate-related goals in relevant Executives' Divisional BSCs, ensuring a more specific and appropriate focus on climate-related goals at a divisional level
- The Board approved FY26 LTI awards for the Group CEO and other Executives. Vesting of these awards will be subject to meeting performance hurdles. The Group CEO's FY26 LTI award of $2,949 million, equivalent to 150% of Fixed Pay, will be submitted to shareholders as a resolution at the 2025 Annual General Meeting.

Non-Executive Directors

The Board reviewed the Company's Board and Committee fees to ensure fees remain competitive and approved an increase of 4% to the Company's Board and Committee fees, effective 1 September 2025. In setting the new fees, the Board considered:

- Benchmarking of board and committee fees paid to comparable companies
- The aggregate limit on Non-Executive Director fees (fee pool).

The Board is seeking approval from shareholders at the 2025 Annual General Meeting to increase the fee pool by $0.7 million from $4.0 million to $4.7 million. This is to ensure fees:

- remain competitive, keep pace with market conditions and allow the Company to continue to attract and retain high quality and suitability qualified directors;
- reflect increased regulatory demands;
- manage any future appointments and renewals to the IAG Board;
- recognise the increase in regulated subsidiaries with the establishment of CGUA as a separate licensed entity and the planned acquisition of RACQ and RAC (subject to regulatory approvals and other conditions); and
- respond to APRA's expectation to have Non-Executive Directors on the boards of key regulated subsidiaries to assist with oversight of those entities.

I am pleased to recommend this report to you. As in past years, we welcome your feedback.

Wendy Thorpe

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 FY25 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
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	Chief Executive, IAG New Zealand	Full year
Non-Executive Directors		
Tom Pockett	Chair, Independent Non-Executive Director	Full year
Simon Allen	Independent Non-Executive Director	Full year
David Armstrong	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	Commenced 12 May 2025
Wendy Thorpe	Independent Non-Executive Director	Full year
Michelle Tredenick	Independent Non-Executive Director	Full year
Former Non-Executive Director		
Jon Nicholson	Independent Non-Executive Director	Ceased 9 October 2024

B. Executive remuneration structure and overview of FY25 outcomes

I. Alignment of Executive reward to IAG's purpose and strategy in FY25

The diagram below provides an overview of the FY25 Executive remuneration framework. 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

<table>
<tr><th rowspan="2">Objective</th><th colspan="6">Delivery</th></tr>
<tr><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th><th>Year 6</th></tr>
<tr><td>Fixed pay
To attract high quality talent and remunerate Executives for performing their ongoing work.
Refer to Section D.I for further information.</td><td>Cash and superannuation paid over the year</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">STI
To reward annual performance across a range of financial and non-financial measures to support the delivery of IAG's strategy.
• Maximum opportunity of 100 – 150% of fixed pay
• Based on performance against Group and Divisional balanced scorecards (as applicable) using financial and non-financial measures.
Refer to Section D.II for further information.</td><td rowspan="2">Cash 50%</td><td>Group CEO
DARs 50%</td><td colspan="4">Portion may be deferred out to year six to meet CPS 511</td></tr>
<tr><td>Other Executives
DARs 25%</td><td>Other Executives
DARs 25%</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">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.</td><td colspan="4">Group CEO
EPRs 33.3%</td><td>Group CEO
EPRs 33.3%</td><td>Group CEO
EPRs 33.3%</td></tr>
<tr><td colspan="4">Other Executives
EPRs 50%</td><td>Other Executives
EPRs 50%</td><td></td></tr>
</table>

Consideration of material risk and conduct events

All variable remuneration may be subject to risk adjustment to ensure alignment between risk and remuneration outcomes. 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 FY25 performance and remuneration review outcomes

The following diagram shows the outcomes of the FY25 performance and remuneration review. Further detail regarding these outcomes is available in Section C for FY25 STI and LTI outcomes and Section D.I for fixed pay increases.

Fixed pay

Increase to Group CEO fixed pay
4.0%

Average increase to other Executives' fixed pay
4.8%

Fixed pay increases for Executives ranged from 3.4% to 8.8%.

STI

Group CEO FY25 STI outcome
85%
of maximum

Other Executives' FY25 STI outcomes
82-87%
of maximum

The average STI outcome for other Executives was 83%.

LTI

LTI awards
72.8%
vesting in FY25

ROE
45.6%

TSR
100%

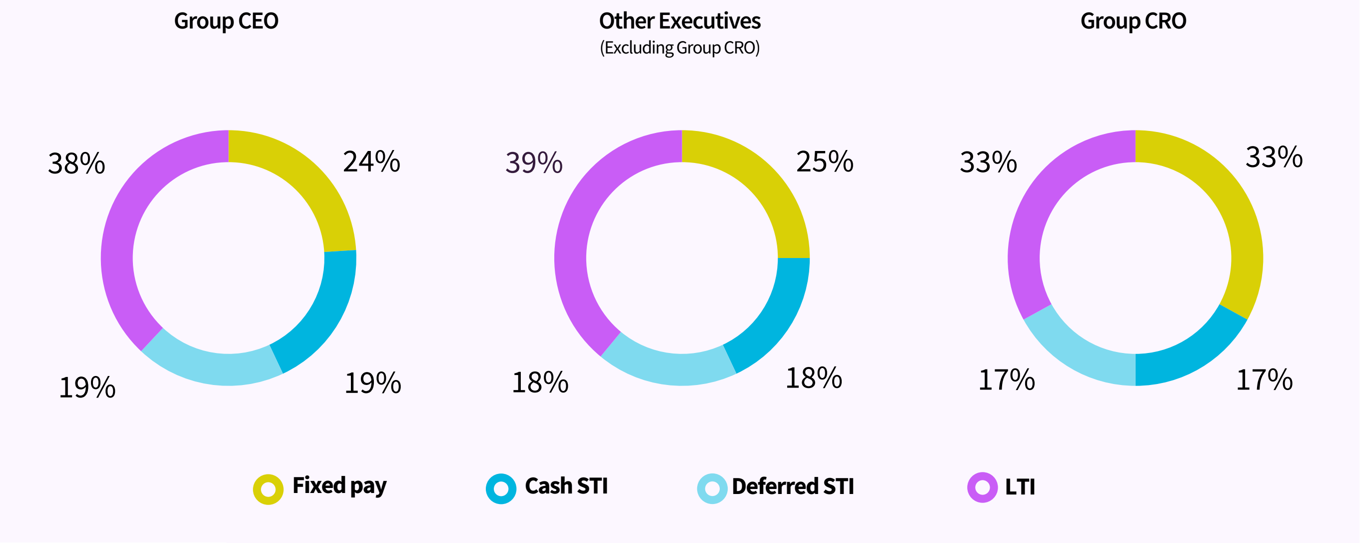
LTI awards last vested in August 2020.

III. Maximum potential remuneration mix for FY25

The following diagram illustrates the FY25 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 2025.

Information on actual remuneration received by the Executives for FY25 is provided in Section C.IV.



C. Aligning IAG's performance and shareholder experience with Executive reward

Executives are rewarded for IAG's short-term and long-term performance. STI outcomes for FY25 are described in Sections C.I and C.II while FY25 LTI outcomes are described in Section C.III. Section C.IV sets out the actual remuneration received by each Executive in FY25 and FY24.

I. Linking IAG's short-term performance and Executive short-term reward

3.96/5

FY25 Group BSC outcome

IAG's performance

The Board approved Group BSC FY25 objectives and targets are designed to deliver on IAG's strategic objectives. 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, risk and climate.

The Board also considers the quality of the Group BSC outcomes and any other relevant factors when determining STI outcomes. For FY25, in assessing the financial measures, the Board applied the STI calculation principles and reduced the NPAT result for business interruption provision releases and reduced the underlying insurance profit result for impairment on capitalised software.

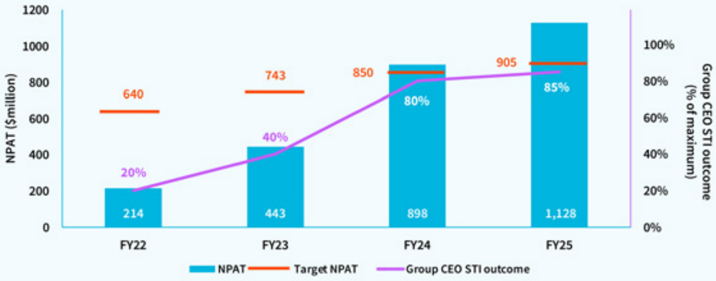
The Group BSC result was 3.96/5, against a target outcome of 3.00/5. This result includes outperformance on the financial measures, with above target NPAT and underlying insurance profit results (each weighted 30%) as well as solid progress on strategic objectives. Details of the Group BSC result are set out on the following page.

85%

FY25 Group CEO STI outcome
% of maximum

Group CEO STI outcome

The Group CEO's performance is assessed against the Group BSC as well as an assessment of values and behaviours and risk management. The Board determined to reward the Group CEO an FY25 STI outcome of 85% of maximum reflecting the Group BSC result and overall business performance. The Group CEO's STI outcomes over the last four 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.

83%

FY25 Executive STI pool outcome
% of maximum

Executive STI pool

The Executive STI pool is the total amount of funding available to reward other Executives for FY25 outcomes. The Group BSC result is the primary determinant in setting the size of the STI pool for the other Executives.

Considering performance for FY25, the Board approved an Executive STI pool of 83% of maximum. This was above the target pool of 67% of maximum, reflecting the above target Group BSC outcome.

82–87%

FY25 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 the delivery of IAG's strategy as well as an assessment of the Executive's values and behaviours and risk management. Executive contribution to Group performance is also a consideration.

In line with performance outcomes, the Board determined FY25 STI outcomes for the other Executives that range from 82% to 87% of maximum (see Section C.II). The average STI for Executives was 83% of maximum STI opportunity. The total STI awarded to other Executives was within the approved STI pool.

Overall FY25 Group balanced scorecard outcome

		Overall Result			
		Low	Target	High	Performance highlights
Group BSC outcome	The Board determined a Group BSC outcome of 3.96/5 which was above the target performance of 3.00/5.			3.96	The outcome reflects solid financial performance, with above target NPAT and underlying insurance profit results (30% weighting each), as well as progress on strategic objectives: continuing the transformation of IAG through leveraging technology delivery, enhancing risk maturity and building for the future.

FY25 Group balanced scorecard results

			Result			
Objective	Weight	Target / Target range	Low	Target	High	Performance highlights
Financial objectives	**60%**					
NPAT NPAT is a measure of profit that is strongly aligned to shareholder outcomes.	30%	$905 million			$1,128 million	IAG's FY25 NPAT was above target by $223 million and a 25.6% increase on FY24. This excluded a $231 million post-tax benefit associated with releases from the business interruption provision. The result was supported by benign perils experience, favourable underlying insurance profit and higher returns on shareholders' funds.
Underlying insurance profit Underlying insurance profit presents a normalised view of the performance of IAG's underwriting businesses.	30%	$1,478 million			$1,512 million	IAG's underlying insurance profit of $1,512 million was $34 million or 2.3% above target. This includes a $30 million adjustment to reflect the impairment of capitalised software which is included in the 'Net Corporate Expenses' line in the FY25 financial results. The FY25 result is a 13.1% increase on FY24. This outcome was achieved through disciplined pricing and improved claims performance across the Group.
Non-financial objectives	**40%**					
Customer number growth[1] Customer number growth assesses IAG's ability to attract new customers with compelling product and service offerings.	10%	191,000 additional customers	+57,776			IAG's customer growth was below target due to the necessary premium increases reflecting claims inflation and expectations of higher natural perils costs. Retention rates remained strong despite the weaker economic conditions. However net new customer growth of 57,776 was below target.
Enterprise Platform delivery Enterprise Platform delivery measures IAG's progress toward a simpler and more modern technology platform.	10%	>65% and <78.8% in-scope GWP enabled on Enterprise Platform (of in scope brands)		>69.8% in-scope GWP enabled and maintained customer experience		IAG made progress on delivery of the Enterprise Platform program with the majority of the FY25 roadmap delivered and 69.8% of in scope GWP enabled on the platform, while maintaining customer experience. At FY25 end, there were > 5.4 million policies and > 6.19 million risks active on Enterprise Platform. In-scope GWP includes Retail Insurance Australia's portfolios that are in-scope for migration to the Enterprise Platform.
Employee engagement Employee engagement measures IAG employees' levels of enthusiasm and commitment towards IAG.	5%	70% to 77% employee engagement		73%		IAG achieved its Employee Engagement score target range with a score of 73%. The result indicates that our people are feeling engaged and committed to IAG.

Objective	Weight	Target / Target range	Result			Performance highlights
			Low	Target	High	
Non-financial objectives (continued)						
Risk maturity acceleration The risk maturity acceleration program improves risk management practices and processes at IAG while delivering on strategy and achieving long-term sustainability.	10%	Risk maturity acceleration achieved		Target		IAG met the FY25 target for risk maturity acceleration (including meeting compliance requirements of APRA Prudential Standard CPS 230 Operational Risk Management) as part of its ongoing program of work to enhance risk management practices and culture. This program of work will continue throughout FY26.
Carbon emissions management Aligns to IAG's Climate Action Plan.	5%	25,406 tCO2e (5% reduction on FY24 baseline)			24,742 tCO2e	IAG's Greenhouse Gas (GHG) emissions were 24,742 tCO2e[2] in FY25, a reduction of –7.5% on FY24 baseline. This was driven by a decrease across Scope 1, 2 and 3 emissions.

1. Insurance customers only – brand scope includes RIA Direct (NRMA, SGIO, SGIC excluding SA CTP, CGU Direct, Swann, ROLLiN', RACV, LSV) and New Zealand Direct (AMI and State) and New Zealand Partners enabled on Enterprise Platform (ASB).
2. The Group BSC carbon emissions measure differs from the total GHG emissions reported on page 44 of the Sustainability Report. The Group BSC measure excludes emissions from certain subsidiaries including Motorserve and Repairhub in Australia and New Zealand Repairhub as well as energy use from data centres; utilises market-based Scope 2 emissions; and uses consistent emissions source factors for the FY24 baseline and the FY25 results.

II. FY25 STI outcomes

Based on consideration of the FY25 Group BSC outcome, the Board determined to award the Group CEO's STI reflecting the Group BSC result at 85% of maximum, with the outcome for other Executives ranging from 82% to 87% of maximum. The following table outlines the FY25 STI outcomes awarded to each Executive.

			FY25 STI awarded	FY25 STI forgone		
	FY25 Maximum STI	FY25 STI Awarded	% of maximum STI		FY25 Cash STI[1]	FY25 Deferred STI[2]
Nick Hawkins	2,809,110	2,387,743	85%	15%	1,193,871	1,193,872
Julie Batch	1,264,099	1,099,766	87%	13%	549,883	549,883
Robert Cutler	1,147,500	963,900	84%	16%	481,950	481,950
Jarrod Hill	1,264,099	1,036,561	82%	18%	518,280	518,281
William McDonnell	1,147,500	940,950	82%	18%	470,475	470,475
Neil Morgan	1,236,008	1,013,527	82%	18%	506,763	506,764
Christine Stasi	1,123,644	921,388	82%	18%	460,694	460,694
Peter Taylor	910,360	746,495	82%	18%	373,247	373,248
Amanda Whiting	1,184,584	971,359	82%	18%	485,679	485,680

1. FY25 cash STI will be paid to Executives in September 2025. The minimum amount is nil and the maximum amount is the amount shown.
2. FY25 deferred STI will be allocated in DARs to Executives in October 2025 and will be deferred for up to five years for the Group CEO and up to two years for the other Executives. Refer Section D.II.

III. FY25 LTI outcomes – linking IAG's long-term performance and long-term reward

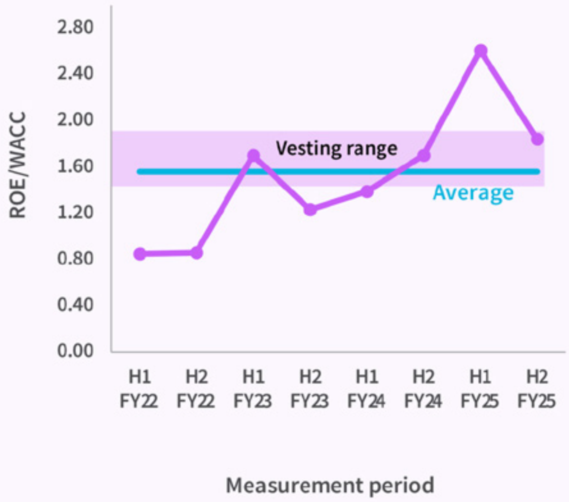
On 30 June 2025, the FY22 LTI awards with ROE and TSR performance hurdles reached the end of their four-year performance period and were tested. The following section summarises the LTI testing and vesting outcomes for these awards.

ROE

45.6%
vesting

For the FY22 ROE LTI, the average ROE/WACC was 1.56 times over the four-year performance period. ROE/WACC must be at or above 1.4 times to achieve vesting. Based on performance against the ROE vesting scale, the Board determined that 45.6% of the awards would vest and the remaining 54.4% would be forfeited.

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 ROE/WACC performance over the performance period.

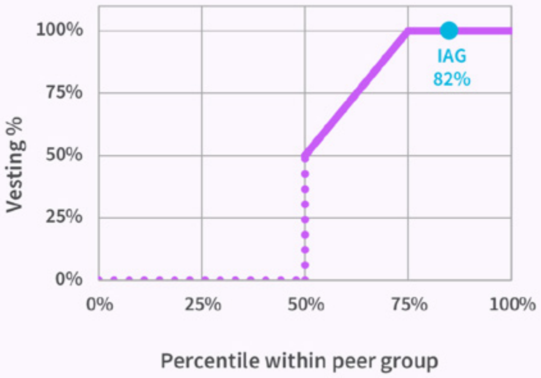


Relative TSR

100%
vesting

For the FY22 relative TSR LTI, the Company's TSR was ranked at the 82nd percentile of the peer group. The Company's TSR must be ranked at or above the 50th 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 FY22 LTI awards.



Total vesting outcome for the FY22 LTI awards	72.8%

The following table presents the performance IAG delivered to shareholders for the last five financial years on a range of measures. Reported ROE is the performance hurdle for LTI awards granted from FY23 onwards. tNPS was introduced as a performance hurdle for LTI awards granted from FY24 onwards.

	Year ended 30 June 2021	Year ended 30 June 2022	Year ended 30 June 2023	Year ended 30 June 2024	Year ended 30 June 2025
NPAT[1] ($m)	(427)	347	832	898	1,359
Underlying insurance profit[2] ($m)	1,095	1,157	1,119	1,337	1,512
Closing share price[3] ($)	5.16	4.36	5.70	7.14	9.03
Dividends per ordinary share (cents)	20.00	11.00	15.00	27.00	31.00
Basic earnings per share (cents)	(17.82)	14.09	33.92	37.31	57.49
Reported ROE (%)	(6.9)	5.6	13.0	13.5	19.4
Average ROE to WACC	(1.11)	0.86	1.46	1.54	2.23
tNPS	50.9	53.9	49.7	47.8	47.6

1. NPAT attributable to shareholders of the Parent.
2. Underlying insurance profit for the year ended 30 June 2025 includes the $30 million adjustment to reflect the impairment of capitalised software and for the year ended 30 June 2023 has been adjusted to exclude reinsurance reinstatement costs of $67 million.
3. The closing share price on 30 June 2020 was $5.77. The closing share price is the same as the opening share price on 1 July of the same year.

IV. Actual remuneration received by Executives

The table below presents remuneration paid or vested for Executives in relation to FY25 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 2025. This is the first time LTI has vested in five years (since August 2020).

The LTI values presented exclude the value of LTI awards granted during FY25.

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	**2025**	**1,873**	**54**	**1,194**	**602**	**3,409**	**7,132**
	2024	1,800	2	1,080	541	0	3,423
Julie Batch	**2025**	**936**	**14**	**550**	**252**	**1,421**	**3,173**
	2024	900	(7)	486	267	0	1,646
Robert Cutler[6]	**2025**	**850**	**27**	**482**	**-**	**-**	**1,359**
	2024	201	(1)	-	-	-	200
Jarrod Hill	**2025**	**936**	**40**	**518**	**362**	**1,421**	**3,277**
	2024	879	12	486	306	-	1,683
William McDonnell[6]	**2025**	**850**	**16**	**470**	**-**	**-**	**1,336**
	2024	474	173	255	-	-	902
Neil Morgan	**2025**	**916**	**(2)**	**507**	**246**	**1,389**	**3,056**
	2024	880	(2)	475	263	0	1,616
Christine Stasi	**2025**	**832**	**18**	**461**	**230**	**1,263**	**2,804**
	2024	800	7	432	231	0	1,470
Peter Taylor	**2025**	**910**	**26**	**373**	**553**	**-**	**1,862**
	2024	875	(11)	359	145	-	1,368
Amanda Whiting[7]	**2025**	**874**	**100**	**486**	**206**	**1,263**	**2,929**
	2024	805	97	449	152	0	1,503

1. Fixed pay 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 William McDonnell and Amanda Whiting.
3. Cash STI earned for the year ended 30 June 2025, to be paid in September 2025 (representing 50% of the STI award made for the financial year).
4. The following awards vested on 23 August 2024 (100% vested), valued using the five-day VWAP of $7.39: deferred rights granted as compensation for incentives forgone from their previous employer to Jarrod Hill and Peter Taylor and deferred STI granted on 3 November 2022 and 7 November 2023 to eligible Executives.
5. LTI for FY25 includes the FY22 TSR and ROE hurdled tranches of LTI, which reached the end of their performance period on 30 June 2025. The Board determined 72.8% vesting. Robert Cutler, William McDonnell and Peter Taylor did not participate in the LTI awards with performance periods ending 30 June 2025 or 30 June 2024. Jarrod Hill did not participate in the LTI award with a performance period ending 30 June 2024.
6. 2024 remuneration reflects part year service for Robert Cutler (from 4 April 2024) and William McDonnell (from 11 December 2023).
7. Remuneration for Amanda Whiting was determined in New Zealand dollars (NZD) and reported in Australian dollars (AUD) using the average exchange rate for the year ended 30 June 2025 of 1 NZD = 0.91232 AUD.

D. Overview of Executive remuneration elements

I. Fixed pay

Overview	Fixed pay comprises cash salary and superannuation (KiwiSaver is available for the Chief Executive, IAG New Zealand).
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 comparative 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 2025, the Board determined to apply a fixed pay increase of 4.0% for the Group CEO and an average fixed pay increase of 4.8% for the other Executives, effective September 2025.

II. STI

The table below outlines key features of the FY25 STI plan for Executives.

Design feature	Approach		
Objective	STI is a performance based, at risk, component of remuneration which is designed to motivate and reward Executives for financial and non-financial performance in the financial year.		
Participants	All Executives who meet minimum service requirements.		
STI maximum	**Role**	**FY25 maximum STI (% of fixed pay)**	**FY25 maximum STI (% of total remuneration)**
	Group CEO	150%	38%
	Other Executives (excluding Group CRO)	135%	35%
	Group CRO	100%	33%
	The minimum STI for all Executives is nil. FY26 STI opportunities are unchanged from FY25.		
Gateways	To be eligible for an STI, Executives must meet conduct and compliance gateways. These gateways assess adherence to IAG's Code of Ethics and Conduct and individual conduct in managing the business and completion of mandatory training.		
Funding	Funding for the STI pool is guided by the Group BSC outcome, subject to a financial performance review. The Executive STI pool target is set at 67% of maximum for Group BSC target outcome.		
Performance measures and assessment	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 FY25 Group BSC outcomes is set out in Section C of this report. The Board assessed the risk management performance, behaviours and conduct of each Executive 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 was applied for FY25 STI outcomes. **FY26 Group BSC changes** The Board approved Group BSC measures that support our desired performance culture with two changes from FY25: • The strategic project measure will expand to capture the portfolios enabled by the Retail Enterprise Platform and the Commercial Enterprise Platform, as well as the RACQ integration. The Retail Enterprise Platform program is demonstrating strong customer and financial outcomes and continues in FY26 with the migration of a further seven portfolios across Australia and New Zealand. The Commercial Enterprise Platform will modernise and transform our intermediated businesses. It will deploy new core commercial technology, create digital efficiency, and improve our connectivity to brokers by providing straight through processing and automated controls. These projects directly support our strategic ambitions, underpin our growth objectives and will deliver further service improvements to customers. The Group BSC weighting for this measure will increase from 10% to 15%		

Design feature	Approach
	• IAG has reduced its Scope 1, 2 and 3 carbon emissions, achieving a –7.5% reduction on the FY24 baseline to 24,742 tCO2e. For FY26 the existing emissions reduction goal will be removed from the Group BSC and replaced with a broader set of Divisional climate-related goals in the relevant Divisional BSCs. These measures and targets are designed to reflect the specific climate-related risks and opportunities relevant to each business area and are aligned with our overarching public goals and targets. This ensures our performance metrics remain relevant, forward-looking, and supportive of our ongoing commitments to sustainability.
Delivery	Half the STI award will be paid in cash in September 2025 (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 CPS 511 requirements. Deferred STI is typically paid in the form of DARs. DARs are rights that entitle participants to receive one share in the Company, granted at no cost to the Executives. No dividend is paid on any unvested, or vested and unexercised DARs. DARs are scheduled to be granted in October 2025. 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 2025. DARs will vest 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.
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 the expiry date.

III. LTI

The table below outlines key features of the FY25 LTI plan that was granted to Executives during the year ended 30 June 2025.

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 FY25 LTI awards on 6 November 2024. 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	FY25 maximum LTI (% of fixed pay)	FY25 maximum LTI (% of total remuneration)
Group CEO	150%	38%
Other Executives (excluding Group CRO)	150%	39%
Group CRO	100%	33%

	FY26 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.
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 2024).

Remuneration report (continued)

Design feature	Approach
Dividend entitlements	No dividend is paid or payable on any unvested, or vested and unexercised, EPRs.
Performance period	Four years. The FY25 LTI awards will reach the end of its performance period on 30 June 2028.
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 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 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 uses 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 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:

- Company Board fees (paid as cash, superannuation and/or Non-Executive Director Award Rights);
- Company Committee fees; and
- subsidiary board and committee fees.

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 Company Board and Committee fees

As outlined in the 2024 Remuneration Report, the Board approved an increase of 5% to the Company's Board and Committee fees effective 9 September 2024. The current aggregate Non-Executive Director fee pool of $4 million per annum was approved by shareholders at the 2023 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 fees for the Company's Board and Committees applying across FY25 is set out in the table below. The Company's Board and Committee fees are inclusive of superannuation.

	Prior to 9 September 2024		From 9 September 2024	
Board/Committee	Chair	Director/Member	Chair	Director/Member
Board	$577,116	$192,372	$605,950	$202,000
Audit Committee	$50,000	$25,000	$52,500	$26,250
Risk Committee	$50,000	$25,000	$52,500	$26,250
People and Remuneration Committee	$50,000	$25,000	$52,500	$26,250
Nomination Committee	N/A	N/A	N/A	N/A

IV. Changes to fee pool and 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 approved an increase of 4% to the Company's Board and Committee fees, effective 1 September 2025. In setting the Company's Board and Committee fees, the Board considered the fees paid to comparable companies including the ASX 100 financial services, companies of similar market capitalisation and major peers.

The Board is seeking approval from shareholders at the 2025 Annual General Meeting to increase the fee pool by $0.7 million from $4.0 million to $4.7 million. This is to ensure fees:

- remain competitive, keep pace with market conditions and allow the Company to continue to attract and retain high quality and suitability qualified directors;
- reflect increased regulatory demands;
- manage any future appointments and renewals to the IAG Board;
- recognise the increase in regulated subsidiaries with the establishment of CGUA as a separate licensed entity and the planned acquisition of RACQ and RAC (subject to regulatory approvals and other conditions); and
- respond to APRA's expectation to have Non-Executive Directors on the boards of key regulated subsidiaries to assist with oversight of those entities.

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 or 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, 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 2025 have met the applicable mandatory shareholding requirement.

VI. Non-Executive Director Award Rights Plan (NARs Plan)

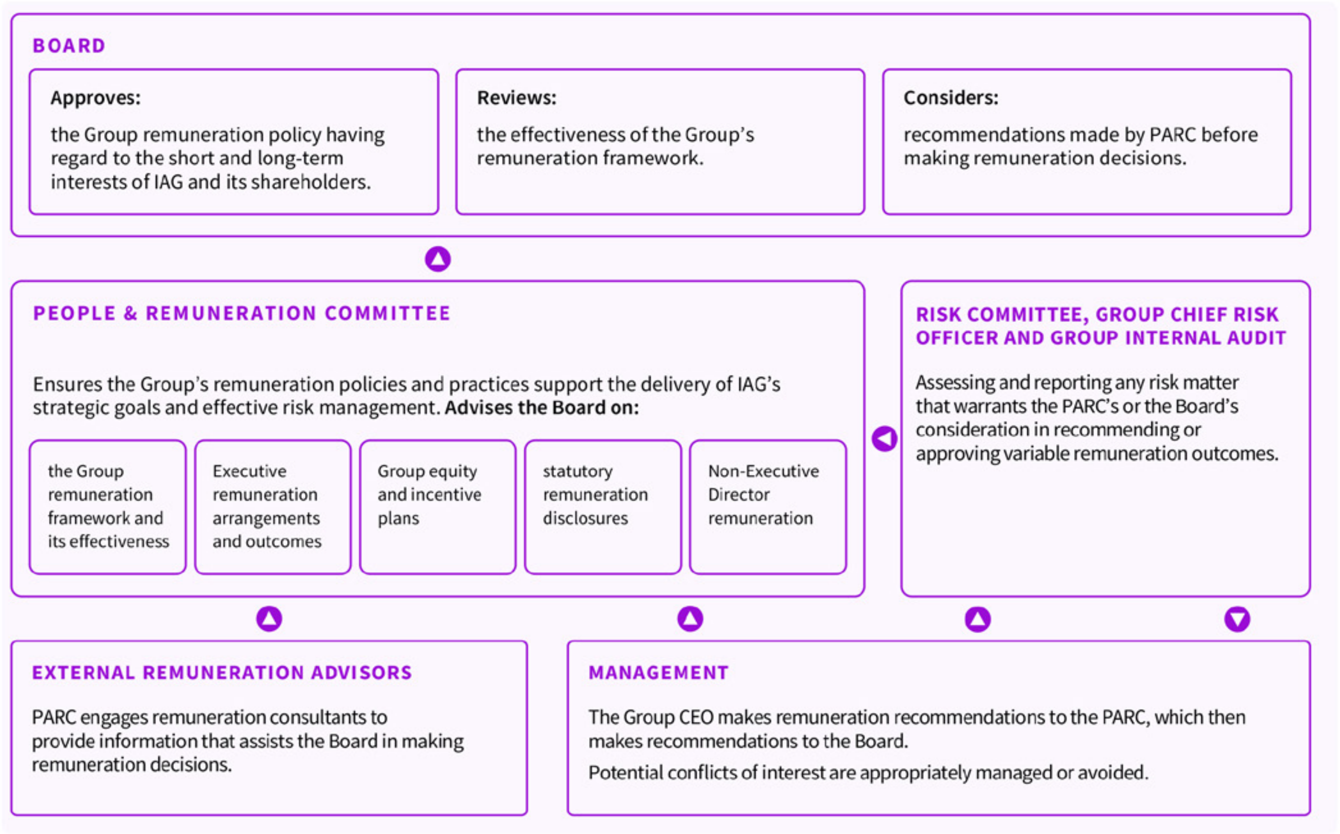
Non-Executive Directors may agree with IAG to receive some of their Company Board fees in rights over shares in the Company (NARs). Structuring Non-Executive Director fees in this manner supports Non-Executive Directors to build their shareholdings in the Company. This enhances the alignment of interest 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 twelve equal tranches. Vesting of each tranche is subject to continuous engagement as a director from the allocation date until that tranche vests. 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 FY25 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 6 November 2024, 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).



BOARD

Approves: the Group remuneration policy having regard to the short and long-term interests of IAG and its shareholders.

Reviews: the effectiveness of the Group's remuneration framework.

Considers: recommendations made by PARC before making remuneration decisions.

PEOPLE & REMUNERATION COMMITTEE

Ensures the Group's remuneration policies and practices support the delivery of IAG's strategic goals and effective risk management. **Advises the Board on:**

- the Group remuneration framework and its effectiveness
- Executive remuneration arrangements and outcomes
- Group equity and incentive plans
- statutory remuneration disclosures
- Non-Executive Director remuneration

RISK COMMITTEE, GROUP CHIEF RISK OFFICER AND GROUP INTERNAL AUDIT

Assessing and reporting any risk matter that warrants the PARC's or the Board's consideration in recommending or approving variable remuneration outcomes.

EXTERNAL REMUNERATION ADVISORS

PARC engages remuneration consultants to provide information that assists the Board in making remuneration decisions.

MANAGEMENT

The Group CEO makes remuneration recommendations to the PARC, which then makes recommendations to the Board.

Potential conflicts of interest are appropriately managed or avoided.

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.

Remuneration report (continued)

<table>
<tr><td>STI pool and LTI calculation principles – introduced from FY22</td><td colspan="2">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.</td></tr>
<tr><td rowspan="4">Risk adjustment</td><td colspan="2">The Board's assessment of identified risk events and determination of risk related adjustments to variable remuneration is outlined below.</td></tr>
<tr><td>1. Assessment of risk events</td><td>2. Determination and application of adjustment</td></tr>
<tr><td>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.</td><td>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. Judgment 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.</td></tr>
<tr><td colspan="2">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). During FY25, following the finalisation of risk matters that emerged during FY22, the Board applied further downward adjustments to reduce unvested awards for two employees and the accountable former Executive.</td></tr>
</table>

<table>
<tr><td>Clawback</td><td>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, 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 2 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.</td></tr>
<tr><td>Hedging</td><td>Executives may not enter into transactions or arrangements that operate to limit the economic risk of unvested entitlements to securities in the Company.</td></tr>
<tr><td>Mandatory shareholding requirement for Executives</td><td>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, 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 2025 have met the applicable mandatory shareholding requirement.
<table>
<tr><th></th><th>Ordinary shares to accumulate and hold</th><th>Period to accumulate</th></tr>
<tr><td>Group CEO</td><td>2 x base pay</td><td>Four years</td></tr>
<tr><td>Executives (other than Group CRO)</td><td>1 x base pay</td><td>Four years</td></tr>
<tr><td>Group CRO</td><td>1 x base pay</td><td>Five years</td></tr>
</table>
</td></tr>
</table>

III. Use of remuneration advisors

During the year external remuneration advisors were engaged to provide Executive and Non-Executive Director remuneration benchmarking, market insights and assistance with the remuneration framework. 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, 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 FY25, 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										
2025	**1,843**	**1,194**	**-**	**26**	**30**	**28**	**1,296**	**1,445**	**5,862**	**67**
2024	1,772	1,080	-	(25)	28	27	935	1,415	5,232	66
Julie Batch										
2025	**906**	**550**	**-**	**-**	**30**	**14**	**563**	**734**	**2,797**	**66**
2024	872	486	-	(20)	28	13	404	640	2,423	63
Robert Cutler[9]										
2025	**820**	**482**	**-**	**14**	**30**	**13**	**179**	**244**	**1,782**	**51**
2024	180	-	-	(4)	21	3	-	-	200	-
Jarrod Hill										
2025	**906**	**518**	**-**	**26**	**30**	**14**	**543**	**722**	**2,759**	**65**
2024	851	486	-	(1)	28	13	370	587	2,334	62
William McDonnell[9]										
2025	**820**	**470**	**3**	**-**	**30**	**13**	**320**	**604**	**2,260**	**62**
2024	458	255	120	46	16	7	63	166	1,131	43
Neil Morgan										
2025	**886**	**507**	**-**	**(16)**	**30**	**14**	**539**	**718**	**2,678**	**66**
2024	852	475	-	(15)	28	13	395	626	2,374	63
Christine Stasi										
2025	**802**	**461**	**-**	**6**	**30**	**12**	**494**	**653**	**2,458**	**65**
2024	772	432	-	(5)	28	12	362	580	2,181	63
Peter Taylor										
2025	**880**	**373**	**-**	**12**	**30**	**14**	**518**	**496**	**2,323**	**60**
2024	847	359	-	(24)	28	13	479	261	1,963	56
Amanda Whiting[10]										
2025	**874**	**486**	**15**	**85**	**-**	**-**	**500**	**656**	**2,616**	**63**
2024	805	449	9	88	-	-	332	530	2,213	59

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 2025, to be paid in September 2025 (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 FY25 are provided in Section G.II.
7. No termination benefits were provided in FY25.
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. 2024 remuneration reflects part year service for Robert Cutler (from 4 April 2024) and William McDonnell (from 11 December 2023).
10. Remuneration for Amanda Whiting was determined in NZD and reported in AUD using the average exchange rate for the year ended 30 June 2025 of 1 NZD = 0.91232 AUD.

II. Overview of equity awards expensed in FY25

Details of awards made to Executives that were partially expensed during the year ended 30 June 2025 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 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
FY25 DARs	Group CEO	October 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.
FY25 DARs	Other Executives	October 2025	01/07/2024	August 2027	Two tranches – 50% deferred for at least one year and 50% for at least two years.
FY24 DARs	Eligible Other Executives	06/11/2024	01/07/2023	15/08/2026	
FY23 DARs	Eligible Executives	07/11/2023	01/07/2022	15/08/2025	
FY22 DARs	Eligible Executives	03/11/2022	01/07/2021	23/08/2024	
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% are scheduled to vest in August 2025; 43% vested in August 2024 and 18% vested in August 2023.
FY22 DARs	CEO, CGU & WFI	04/11/2021	04/11/2021	23/08/2024	Three tranches provided as compensation for incentives forgone from his previous employer – 15% vested in August 2024; 33% in August 2023 and 52% vested in August 2022.
FY25 EPRs	All Executives	06/11/2024	01/07/2024	30/06/2028	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.
FY24 EPRs	Chief Financial Officer	28/06/2024	01/07/2023	30/06/2027	
	Eligible 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.
FY21 EPRs	Eligible Executives	05/11/2020	01/07/2020	30/06/2024	

1. The date the performance period commences or grant date.
2. End date refers to 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 2024 or 2025.

	Short-term employment benefits		Post-employment benefits	Share-based payments[1]	Total statutory remuneration
	Board fees received as cash $000	Other Board and Committee fees $000	Superannuation $000	Value of NARs $000	Total value $000
Non-Executive Directors					
Tom Pockett[2]					
2025	**601**	**192**	**-**	**-**	**793**
2024	572	183	7	-	762
Simon Allen[3]					
2025	**180**	**228**	**26**	**-**	**434**
2024	173	184	24	-	381
David Armstrong					
2025	**180**	**70**	**29**	**-**	**279**
2024	173	68	26	-	267
Helen Nugent					
2025	**180**	**47**	**26**	**-**	**253**
2024	173	41	24	-	238
Scott Pickering[4]					
2025	**180**	**151**	**23**	**-**	**354**
2024	173	77	22	-	272
George Sartorel					
2025	**180**	**47**	**26**	**-**	**253**
2024	173	45	24	-	242
George Savvides					
2025	**180**	**50**	**26**	**-**	**256**
2024	173	68	26	-	267
JoAnne Stephenson[5]					
2025	**25**	**7**	**4**	**-**	**36**
Wendy Thorpe[6]					
2025	**128**	**74**	**-**	**73**	**275**
2024	123	47	-	68	238
Michelle Tredenick					
2025	**199**	**77**	**2**	**-**	**278**
2024	192	71	-	-	263
Former Non-Executive Director					
Jon Nicholson[7]					
2025	**48**	**13**	**7**	**-**	**68**
2024	173	49	24	-	246

1. NARs are equity settled.
2. Fees for Tom Pockett include fees received in his capacity as Chair of the Insurance Manufacturers of Australia Pty Limited Board ($192,325). The fee for the Chair of the Insurance Manufacturers of Australia Pty Limited Board increased from $184,800 to $194,050 from 9 September 2024. The previous increase was in FY15.
3. Fees for Simon Allen include fees received in his capacity as the Chair of the IAG New Zealand Limited Board (NZD198,587). This amount was paid in NZD and reported in AUD using the exchange rate for the year ended 30 June 2025 of 1 NZD = 0.91232 AUD. The fee for the Chair of the IAG New Zealand Limited Board increased from NZD150,000 to NZD210,000 from 9 September 2024. The increase is based on available benchmarking data and reflects the time since the previous increase in FY14.
4. Fees for Scott Pickering include fees received in his capacity as a Non-Executive Director of the IAG New Zealand Limited Board and Committees (NZD140,000). This amount was paid in NZD and reported in AUD using the exchange rate for the year ended 30 June 2025 of 1 NZD = 0.91232 AUD.
5. JoAnne Stephenson commenced 12 May 2025.
6. Cash fees paid to Wendy Thorpe reflect Board fees sacrificed in respect of NARs awarded. The NARs granted to Wendy Thorpe in FY25 100% vested during FY25.
7. Jon Nicholson retired from the Board effective 9 October 2024.

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 2025 are set out in the table below. The DARs granted during the year ended 30 June 2025 were in relation to the FY24 STI plan. The EPRs granted during the year ended 30 June 2025 were in relation to the FY25 LTI plan. The NARs granted during the year ended 30 June 2025 represent the total number of rights the Non-Executive Director has agreed to receive as part of the payment of their base Board fees. The minimum possible value of unvested awards is nil if the award is fully forfeited or lapsed. The maximum possible value of unvested awards is subject to meeting service and performance conditions and the Company's share price on the day any vested rights are exercised.

		Rights on issue at 1 July 2024	Rights granted		Rights exercised		Rights lapsed		Rights on issue at 30 June 2025	Rights vested during the year	Rights vested and exercisable at 30 June 2025
		Number	Number	Value $000	Number	Value $000[1]	Number	Value $000[1]	Number	Number	Number[2]
Executives											
Nick Hawkins	DAR	132,120	165,090	1,197	(81,460)	604	-	-	215,750	81,460	-
	EPR	2,032,320	433,320	2,462	-	-	(365,300)	2,909	2,100,340	-	-
Julie Batch	DAR	54,390	74,280	541	(34,120)	253	-	-	94,550	34,120	-
	EPR	911,260	216,660	1,252	-	-	(174,400)	1,389	953,520	-	-
Robert Cutler	EPR	-	194,880	1,126	-	-	-	-	194,880	-	-
Jarrod Hill	DAR	68,238	74,280	541	(48,988)	365	-	-	93,530	48,988	-
	EPR	736,860	216,660	1,252	-	-	-	-	953,520	-	-
William McDonnell	DAR	-	38,920	283	-	-	-	-	38,920	-	-
	EPR	239,190	194,880	1,126	-	-	-	-	434,070	-	-
Neil Morgan	DAR	53,170	72,640	529	(33,360)	247	-	-	92,450	33,360	-
	EPR	894,950	211,860	1,224	-	-	(174,400)	1,389	932,410	-	-
Christine Stasi	DAR	50,020	66,040	481	(31,110)	232	-	-	84,950	31,110	-
	EPR	813,620	192,600	1,113	-	-	(158,600)	1,263	847,620	-	-
Peter Taylor	DAR	144,008	54,840	399	(74,929)	556	-	-	123,919	74,929	-
	EPR	327,360	140,430	812	-	-	-	-	467,790	-	-
Amanda Whiting	DAR	44,680	68,620	500	(27,840)	207	-	-	85,460	27,840	-
	EPR	682,590	204,000	1,179	-	-	(29,500)	235	857,090	-	-
Non-Executive Directors											
Wendy Thorpe[3]	NAR	12,096	9,689	73	(12,096)	89	-	-	9,689	9,689	9,689

1. Rights have no exercise price and are exercised at no cost to the KMP. 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 2025, which was $7.965. The EPRs that lapsed during the financial year are in respect of the LTI awards granted in FY21 that were fully forfeited in August 2024.
2. All rights that vested during FY25 have been exercised, except for Wendy Thorpe.
3. The fair value of each NAR granted to Wendy Thorpe on 6 November 2024 was $7.571.

VI. Details of awards granted during the year ended 30 June 2025 to Executives

The table below provides details as required by Australian Accounting Standards. The number of rights granted to eligible Executives in FY25 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
FY24 DARs (Group CEO)	06/11/2024	Service	79%	7.406	N/A	August 2025	06/11/2031
			21%	6.909		August 2027	
				6.672		August 2028	
				6.444		August 2029	
FY24 DARs (Eligible Other Executives)	06/11/2024	Service	50%	7.406	N/A	August 2025	06/11/2031
			50%	7.153		August 2026	
FY25 EPRs (Group CEO)	06/11/2024	Reported ROE	33.3%	6.711	30/06/2028	August 2028	06/11/2031
				6.482		August 2029	
				6.260		August 2030	
		tNPS	33.3%	6.711		August 2028	
				6.482		August 2029	
				6.260		August 2030	
		TSR	33.3%	4.217		August 2028	
				4.073		August 2029	
				3.933		August 2030	
FY25 EPRs (Other Executives)	06/11/2024	Reported ROE	33.3%	6.711	30/06/2028	August 2028	06/11/2031
				6.482		August 2029	
		tNPS	33.3%	6.711		August 2028	
				6.482		August 2029	
		TSR	33.3%	4.217		August 2028	
				4.073		August 2029	

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 vesting.

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 FY25. No ordinary shares in the Company or other equity instruments were granted during FY25 as remuneration.

	Shares held at 1 July 2024[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 2025[3,4]	Shares held nominally at 30 June 2025[4,5]
	Number	Number	Number	Number	Number	Number	Number
Non-Executive Directors							
Tom Pockett	109,465	-	-	-	4,106	113,571	-
Simon Allen	50,000	-	-	-	-	50,000	50,000
David Armstrong	45,650	-	-	-	-	45,650	-
Helen Nugent	38,167	-	-	-	-	38,167	38,167
Scott Pickering	33,222	-	-	-	-	33,222	33,222
George Sartorel	20,000	-	-	-	5,000	25,000	-
George Savvides	46,917	-	-	-	-	46,917	46,917
JoAnne Stephenson	-	-	-	-	-	-	-
Wendy Thorpe	2,540	-	-	12,096	95	14,731	12,096
Michelle Tredenick	37,815	-	-	-	-	37,815	24,294
Former Non-Executive Director							
Jon Nicholson	35,961	-	-	-	-	35,961	25,184
Executives							
Nick Hawkins	508,734	81,460	-	-	-	590,194	-
Julie Batch	146,121	34,120	-	-	-	180,241	34,120
Robert Cutler	-	-	-	-	-	-	-
Jarrod Hill	123,806	48,988	-	-	3,849	176,643	106,454
William McDonnell	-	-	-	-	-	-	-
Neil Morgan	247,132	33,360	-	-	10,515	291,007	290,833
Christine Stasi	119,069	31,110	-	-	-	150,179	71,342
Peter Taylor	-	74,929	-	-	-	74,929	74,929
Amanda Whiting	81,283	27,840	-	-	-	109,123	70,630

1. Opening number of shares represents the balance as at the later of the date of appointment to a KMP role or 1 July 2024.
2. Net movement of shares relates to acquisition and disposal transactions by the KMP and their related parties during the year.
3. This represents the relevant interest of each Director in ordinary shares issued by the Company, as notified by the Directors to the ASX in accordance with section 205G of the Corporations Act 2001 until the date the financial report was signed. Trading in ordinary shares in the Company is covered by the restrictions that limit the ability of a Director and other Executives to trade in the securities of the Group where they are in a position to be aware of, or are aware of, price sensitive information.
4. For former Non-Executive Director, Jon Nicholson the amount represents his holdings at the date he ceased to be KMP.
5. Shares nominally held are included in the column headed 'Total shares held at 30 June 2025' 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 (2024: 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 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

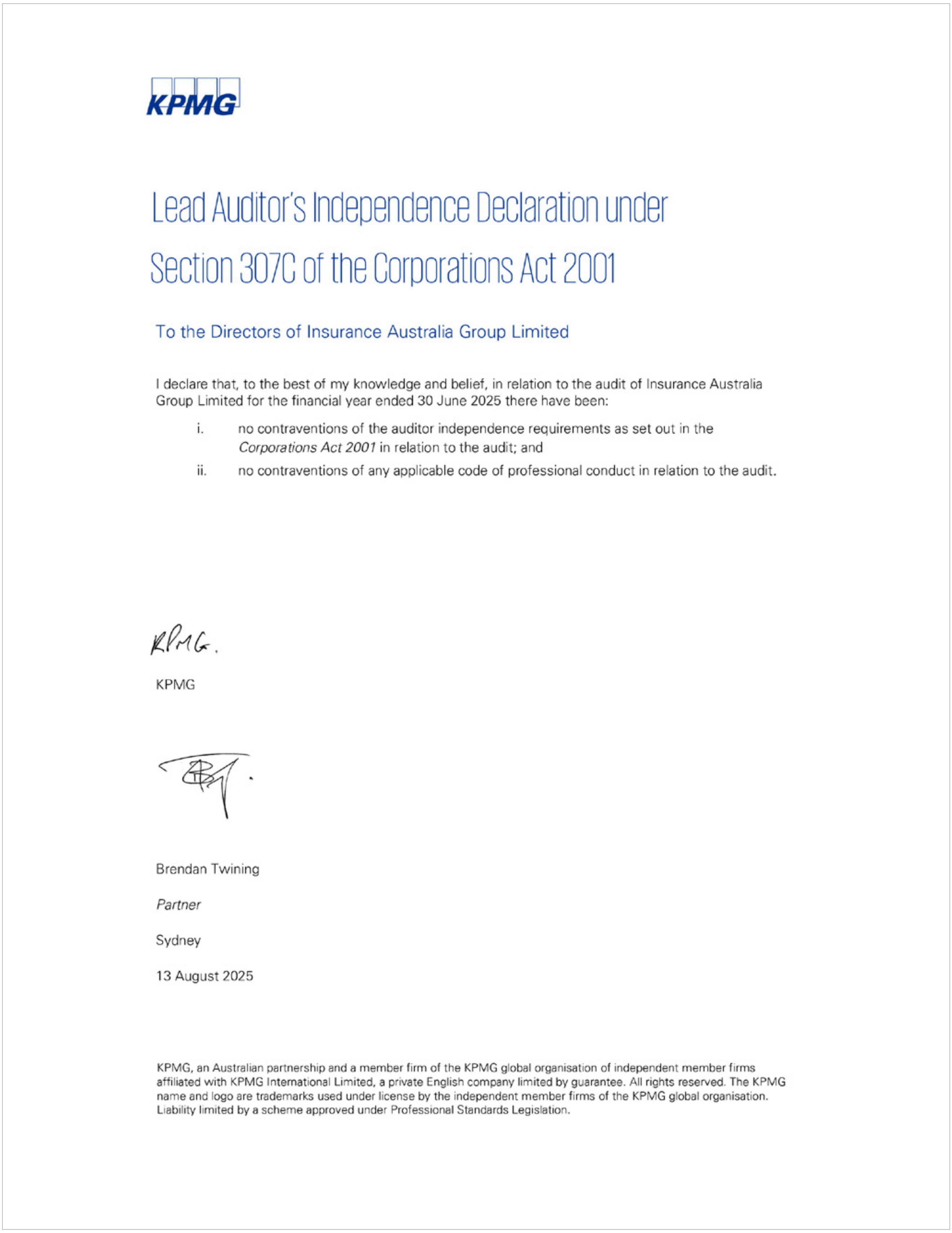
The Directors' Report is signed at Sydney this 13th day of August 2025 in accordance with a resolution of the Directors.

Signature

Nick Hawkins

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 Insurance Australia Group Limited for the financial year ended 30 June 2025 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

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG.

KPMG

Brendan Twining

Partner

Sydney

13 August 2025

Financial report

Consolidated statement of comprehensive income

For the financial year ended 30 June 2025

	Note	2025 $m	2024 $m
Insurance revenue	2.2.2	**16,776**	15,425
Insurance service expense	2.2.2	**(12,986)**	(12,776)
Reinsurance held expense	2.2.3	**(2,342)**	(2,196)
Reinsurance held income	2.2.3	**445**	702
Insurance service result		**1,893**	1,155
Insurance finance expense	2.2.2, 2.5	**(602)**	(345)
Reinsurance finance income	2.2.3, 2.5	**318**	172
Investment income on assets backing insurance liabilities, net of expenses	2.5	**464**	456
Insurance profit		**2,073**	1,438
Investment income on shareholders' funds, net of expenses	2.5	**403**	286
Fee and other income		**65**	158
Finance costs		**(192)**	(185)
Fee-based, corporate and other expenses		**(136)**	(206)
Profit before income tax		**2,213**	1,491
Income tax expense for the year	5.2	**(678)**	(458)
Profit for the year		**1,535**	1,033
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Net movement in foreign currency translation reserve, net of tax		**18**	(15)
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans, net of tax		**10**	4
Other comprehensive income, net of tax		**28**	(11)
Total comprehensive income for the year, net of tax		**1,563**	1,022
Profit for the year attributable to			
Shareholders of the Parent		**1,359**	898
Non-controlling interests		**176**	135
Profit for the year		**1,535**	1,033
Total comprehensive income for the year attributable to			
Shareholders of the Parent		**1,387**	887
Non-controlling interests		**176**	135
Total comprehensive income for the year, net of tax		**1,563**	1,022
Earnings per share			
Basic earnings per ordinary share (cents)	4.3	**57.49**	37.31
Diluted earnings per ordinary share (cents)	4.3	**56.14**	36.24

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 2025

	Note	2025 $m	2024 $m
Assets			
Cash held for operational purposes	8.1	**703**	631
Investments	2.4	**13,504**	12,905
Reinsurance contract held assets	2.2	**6,687**	6,373
Trade and other receivables		**586**	822
Current tax assets		**52**	52
Deferred tax assets	5.2	**206**	448
Right-of-use assets	5.4	**282**	312
Property and equipment		**235**	208
Other assets		**142**	108
Goodwill and intangible assets	5.1	**3,912**	3,758
Total assets		**26,309**	25,617
Liabilities			
Trade and other payables		**844**	983
Current tax liabilities		**274**	118
Deferred tax liabilities	5.2	**55**	46
Insurance contract liabilities	2.2	**13,846**	13,919
Lease liabilities	5.4	**401**	438
Provisions	5.3	**528**	476
Other liabilities		**19**	21
Interest-bearing liabilities	4.1	**2,556**	2,499
Total liabilities		**18,523**	18,500
Net assets		**7,786**	7,117
Equity			
Share capital	4.2	**6,799**	6,836
Treasury shares held in trust		**(46)**	(21)
Reserves		**93**	40
Retained earnings		**483**	(195)
Parent interest		**7,329**	6,660
Non-controlling interests		**457**	457
Total equity		**7,786**	7,117

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 2025

	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 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**
Balance at 1 July 2023	7,264	(21)	4	41	(635)	404	7,057
Profit for the year	-	-	-	-	898	135	1,033
Other comprehensive income/(expense)	-	-	(15)	-	4	-	(11)
Total comprehensive income/(loss) for the year	-	-	(15)	-	902	135	1,022
Transactions with owners in their capacity as owners							
On-market share buy-back, including transaction costs	(428)	(15)	-	-	-	-	(443)
Shares vested and expensed	-	15	-	10	(2)	-	23
Dividends paid	-	-	-	-	(460)	(77)	(537)
Additional investment in subsidiary	-	-	-	-	-	4	4
Disposal of subsidiary	-	-	-	-	-	(9)	(9)
Balance at 30 June 2024	6,836	(21)	(11)	51	(195)	457	7,117

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 2025

	Note	2025 $m	2024 $m
Cash flows from operating activities			
Premium received	2.2.2	**16,764**	15,397
Reinsurance held recoveries received	2.2.3	**3,615**	4,265
Claims and other expenses paid	2.2.2	**(11,824)**	(11,730)
Insurance acquisition cash flows	2.2.2	**(1,829)**	(1,671)
Reinsurance held premium paid net of ceding commission	2.2.3	**(5,504)**	(4,704)
Dividends, interest and trust distributions received		**603**	578
Finance costs paid		**(184)**	(179)
Income taxes paid		**(277)**	(152)
Other operating receipts		**1,115**	1,100
Other operating payments		**(1,127)**	(1,104)
Net cash flows from operating activities	8.1	**1,352**	1,800
Cash flows from investing activities			
Net cash flows on (acquisition)/disposal of subsidiaries and associates		**(4)**	9
Net cash flows from sale/(purchase) of investments, plant and equipment, and intangible assets		**42**	(637)
Net cash flows from investing activities		**38**	(628)
Cash flows from financing activities			
On-market share buy-back, net of transaction costs		**(84)**	(443)
Proceeds from borrowings, net of transaction costs		**496**	748
Repayment of borrowings		**(450)**	(375)
Principal element of lease payments		**(82)**	(75)
Dividends paid to shareholders of the Parent		**(687)**	(460)
Dividends paid to non-controlling interests		**(175)**	(77)
Net cash flows from financing activities		**(982)**	(682)
Net movement in cash held		**408**	490
Effects of exchange rate changes on balances of cash held in foreign currencies		**4**	(2)
Cash and cash equivalents at the beginning of the financial year		**1,841**	1,353
Cash and cash equivalents at the end of the financial year	8.1	**2,253**	1,841

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 2025.

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 2025 and complies with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the *Corporations Act 2001*, Australian Accounting Standards (AASBs) 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 2016/191*.

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 2025. A list of the entities that were part of the consolidated group as at 30 June 2025 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.

Notes to the financial statements (continued)

For the financial year ended 30 June 2025

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 and consolidated cash flow statement are 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.

III. Restatement of comparatives

Where necessary, comparative figures have been restated to conform to any changes in presentation made in this financial report.

The Partners and Platform business is included under the Retail Insurance Australia segment instead of the Intermediated Insurance Australia segment in the current year. This has resulted in the following items being restated from IAG's prior year financial report to conform to the current year's presentation basis:

- segment reporting (refer to Note 1.3 for further details); and
- goodwill for impairment testing (refer to Note 5.1.D for further details).

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 which were prepared under AASB, and 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 2025 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.

To enhance the alignment of resources, activities, and capabilities of the IAG Group, the internal management reporting to the chief operating decision maker was modified during the current year. Consequently, the Direct Insurance Australia segment has been renamed Retail Insurance Australia, and the results of the Partners and Platform business are now included under the Retail Insurance Australia segment instead of the Intermediated Insurance Australia segment. The comparative information provided has been restated accordingly to conform to the current period's presentation.

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), and 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) primarily using the NZI and Lumley Insurance brands. 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.

Notes to the financial statements (continued)

For the financial year ended 30 June 2025

B. Financial information

	Retail Insurance Australia $m	Intermediated Insurance Australia $m	New Zealand $m	Corporate and other $m	Total $m
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 expenses	**(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**
Restated 2024[2]					
Insurance revenue	7,768	4,152	3,505	-	15,425
Insurance service expense	(6,781)	(3,365)	(2,629)	(1)	(12,776)
Reinsurance held expense	(1,044)	(583)	(569)	-	(2,196)
Reinsurance held income	519	61	122	-	702
Insurance service result	462	265	429	(1)	1,155
Insurance finance expenses	(128)	(158)	(59)	-	(345)
Reinsurance finance income	67	59	46	-	172
Investment income/(expense) on assets backing insurance liabilities, net of expenses	247	168	41	-	456
Insurance profit	648	334	457	(1)	1,438
Investment income/(expense) on shareholders' funds, net of expenses	-	-	-	286	286
Finance costs	-	-	-	(185)	(185)
Other net operating result	(21)	(6)	(1)	(20)	(48)
Profit/(loss) before income tax	627	328	456	80	1,491
Income tax expense					(458)
Profit/(loss) after income tax					1,033
Other segment information					
Capital expenditure[1]	-	-	-	297	297
Depreciation, amortisation and impairment expense	112	56	25	3	196

1. Capital expenditure includes acquisitions of property and equipment, intangibles and other non-current segment assets.
2. The results of the Partners and Platform business have now been included under the Retail Insurance Australia segment instead of the Intermediated Insurance Australia segment.

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 contracts no longer meeting 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 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 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 represents 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 is 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 measured using the GMM.

All ADC reinsurance contracts held which are measured under GMM are assessed to be in a net cost position at inception, with the loss recognised immediately in the profit or loss.

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 represents 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 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.

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 of 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

		2025			2024		
As at 30 June	Note	**Premium allocation approach $m**	**General Measurement Model $m**	**Total $m**	Premium allocation approach $m	General measurement model $m	Total $m
Insurance contract liabilities	2.2.2	**13,846**	-	**13,846**	13,919	-	13,919
Reinsurance contract assets	2.2.3	**(5,661)**	**(1,026)**	**(6,687)**	(5,762)	(611)	(6,373)
Net insurance contract liabilities/(assets)		**8,185**	**(1,026)**	**7,159**	8,157	(611)	7,546

2.2.1 Changes during the year

A. Business interruption

The provision for business interruption claims associated with COVID-19 was $52 million at 30 June 2025 (2024: $380 million).

On 20 September 2024, the Federal Court delivered a judgment stating an intention to declass the representative proceeding filed against Insurance Australia Limited (IAL). On 5 December 2024, the Federal Court held a further case management hearing and subsequently made orders that:

- the proceeding no longer continues as a class action with effect from 26 March 2025;
- group members will be bound by certain rulings to reflect the findings of the Federal Court in the earlier business interruption test cases unless they “opt-out” of the class action by 24 March 2025; and
- a notice will be distributed and published on the Slater & Gordon and Federal Court websites to inform group members of the declassing, how they can “opt-out” of the class action by 24 March 2025 if they do not wish to be bound by the rulings made by the Federal Court, and how they can make a claim directly with IAL.

The representative proceeding was declassed with effect from 26 March 2025 in accordance with the above orders.

IAG has reviewed its business interruption provision as at 30 June 2025. IAG has released approximately $330 million of the liability since 30 June 2024. The remaining provision reflects the potential for further valid business interruption claims to emerge.

B. 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 purported Greensill policies. A number of those claims are now the subject of complex litigation proceedings currently 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.

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 Greensill parties. 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 parties alleging 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 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 proceedings provide a meaningful indication of any potential exposure of IAL. If aggregated, these would amount to approximately A$7 billion plus interest (applying exchange rates as at 30 June 2025). 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 refinancing and repayments;
- IAL's multiple defences in the proceedings – including that IAL is not bound by the policies, and 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;
- 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 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.

The trade credit liability for incurred claims at 30 June 2025 is $442 million (2024: $454 million). The movement since 30 June 2024 is due to the continued payment of legal costs relating to the defence of the litigation. This liability for incurred claims has been determined in accordance with IAG's usual claims reserving practices. IAG has also recognised an equivalent amount of $442 million (2024: $454 million) of reinsurance contracts held asset for incurred claims in respect of trade credit related claims.

C. Reinsurance arrangements

IAG has entered into a comprehensive five-year natural perils reinsurance agreement starting from July 2024 with National Indemnity Company, a subsidiary of Berkshire Hathaway Inc and Canada Life Reinsurance, providing up to $680 million of additional protection annually, and up to $2.8 billion over the entire five-year period. This has been measured using the general measurement model (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. This CSM is subsequently released to profit or loss according to the expected pattern of release as the reinsurers provide services.

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 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	(14,994)	7	(14,987)	11,489	(292)	11,197	(3,790)
Insurance finance (income)/expense	-	6	6	524	72	596	602
Effect of movement in exchange rates	(54)	-	(54)	57	1	58	4
Amounts recognised in profit or loss	(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

	Liability for remaining coverage			Liability for incurred claims			
As at 30 June 2024	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 2023	2,117	69	2,186	10,665	1,383	12,048	14,234
Changes in the statement of comprehensive income:							
Insurance revenue	(15,425)	-	(15,425)	-	-	-	(15,425)
Insurance service expense:							
Incurred claims and other expenses	-	(82)	(82)	10,967	256	11,223	11,141
Amortisation of insurance acquisition cash flows	1,542	-	1,542	-	-	-	1,542
Changes that relate to past service	-	-	-	383	(310)	73	73
Losses and reversal of losses on onerous contracts	-	20	20	-	-	-	20
Total insurance service expense	1,542	(62)	1,480	11,350	(54)	11,296	12,776
Insurance service result	(13,883)	(62)	(13,945)	11,350	(54)	11,296	(2,649)
Insurance finance (income)/expense	-	13	13	294	38	332	345
Effect of movement in exchange rates	38	-	38	(45)	-	(45)	(7)
Amounts recognised in profit or loss	(13,845)	(49)	(13,894)	11,599	(16)	11,583	(2,311)
Cash flows:							
Premiums received (including premium refunds)	15,397	-	15,397	-	-	-	15,397
Insurance acquisition cash flows	(1,671)	-	(1,671)	-	-	-	(1,671)
Claims and other expenses paid	-	-	-	(11,730)	-	(11,730)	(11,730)
Total cash flows	13,726	-	13,726	(11,730)	-	(11,730)	1,996
Closing insurance contract liabilities at 30 June 2024	1,998	20	2,018	10,534	1,367	11,901	13,919

Notes to the financial statements (continued)

For the financial year ended 30 June 2025

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 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
Reinsurance cash flows not contingent on claims	(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 income/(expense)	**(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	**(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**

	Reinsurance contract held assets for remaining coverage			Reinsurance contract held assets for incurred claims				
					Contracts under the premium allocation approach			
	Excluding loss recovery component	Loss recovery component	Total	Contracts not under the premium allocation approach	Estimated present value of future cash flows (excludes risk adjustment)	Risk adjustment	Total	Reinsurance contract held assets total
As at 30 June 2024	$m	$m	$m	$m	$m	$m	$m	$m
Opening reinsurance contract held assets at 1 July 2023	905	23	928	-	5,948	388	6,336	7,264
Changes in the statement of comprehensive income:								
Reinsurance held expense	(2,196)	-	(2,196)	-	-	-	-	(2,196)
Amounts recoverable from reinsurers								
Recoveries of incurred claims including other insurance expenses	-	(24)	(24)	67	407	88	562	538
Changes that relate to past service	-	-	-	-	273	(117)	156	156
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	8	8	-	-	-	-	8
Reinsurance cash flows not contingent on claims	(2,712)	-	(2,712)	-	2,712	-	2,712	-
Total reinsurance held income	(2,712)	(16)	(2,728)	67	3,392	(29)	3,430	702
Net reinsurance held income/(expense)	(4,908)	(16)	(4,924)	67	3,392	(29)	3,430	(1,494)
Reinsurance finance income/(expense)	9	1	10	-	147	15	162	172
Effects of movements in exchange rates	9	-	9	-	(17)	-	(17)	(8)
Amounts recognised in profit or loss	(4,890)	(15)	(4,905)	67	3,522	(14)	3,575	(1,330)
Cash flows:								
Reinsurance premiums paid net of any ceding commissions and including any other directly attributable reinsurance expenses paid	4,704	-	4,704	-	-	-	-	4,704
Recoveries from reinsurers	-	-	-	(67)	(4,198)	-	(4,265)	(4,265)
Total cash flows	4,704	-	4,704	(67)	(4,198)	-	(4,265)	439
Closing reinsurance contract held assets at 30 June 2024	719	8	727	-	5,272	374	5,646	6,373

Notes to the financial statements (continued)

For the financial year ended 30 June 2025

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 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	-	-	-	-
Investment components and premium refunds	-	-	-	-
Insurance service result (net income/expense 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**

As at 30 June 2024	Reinsurance contract held assets for remaining coverage and assets for incurred claims 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 2023	471	234	-	705
Changes relating to current service:				
CSM recognised for services received in the year	-	-	-	-
Risk adjustment changes in estimates	-	(14)	-	(14)
Experience adjustments	20	-	-	20
Total changes relating to current service	20	(14)	-	6
Changes relating to future service:				
Contracts initially recognised in the period	(175)	132	-	(43)
Changes in estimates that adjust CSM	-	-	-	-
Changes in loss recoveries on onerous contracts	-	-	-	-
Changes in estimates that do not adjust CSM	-	-	-	-
Total changes relating to future service	(175)	132	-	(43)
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	-	-	-	-
Investment components and premium refunds	-	-	-	-
Insurance service result (net income/expense from reinsurance held)	(155)	118	-	(37)
Finance income/(expense) from reinsurance contract held	8	2	-	10
Effect of movement in exchange rates	-	-	-	-
Amounts recognised in profit or loss and other comprehensive income	(147)	120	-	(27)
Cash flows:				
Reinsurance premiums paid	-	-	-	-
Reinsurance acquisition cash flows paid	-	-	-	-
Recoveries from reinsurers	(67)	-	-	(67)
Total cash flows	(67)	-	-	(67)
Closing reinsurance contract held assets at 30 June 2024	257	354	-	611

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.

	2025			2024		
	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**	128	-	128
Estimates of the present value of future cash outflows	**(1,979)**	**-**	**(1,979)**	(303)	-	(303)
Risk adjustment for non-financial risk	**190**	**-**	**190**	132	-	132
CSM	**773**	**-**	**773**	-	-	-
Net cost of cover on reinsurance contract held assets/(liabilities)	**-**	**-**	**-**	(43)	-	(43)

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.

	2025 $m	2024 $m
Within 1 year or less	**148**	-
Within 1 to 2 years	**168**	-
Over 2 years	**393**	-
Total	**709**	-

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.

	2015 and prior $m	2016 $m	2017 $m	2018 $m	2019 $m	2020 $m	2021 $m	2022 $m	2023 $m	2024 $m	2025 $m	Total $m
Net ultimate claim payments												
Development												
At end of accident year		5,002	5,308	4,529	3,964	4,234	4,334	4,486	5,280	5,248	5,501	
One year later		4,956	5,254	4,444	4,027	4,776	4,317	4,519	5,393	5,185		
Two years later		4,897	5,219	4,433	4,050	4,677	4,180	4,489	5,345			
Three years later		4,837	5,226	4,449	4,111	4,333	4,173	4,499				
Four years later		4,842	5,262	4,464	4,101	4,337	4,085					
Five years later		4,853	5,289	4,441	4,093	4,208						
Six years later		4,851	5,308	4,450	4,073							
Seven years later		4,853	5,303	4,453								
Eight years later		4,845	5,309									
Nine years later		4,839										
Current estimate of net ultimate claim payments		4,839	5,309	4,453	4,073	4,208	4,085	4,499	5,345	5,185	5,501	
Cumulative payments made to date		4,797	5,211	4,379	3,979	4,049	3,874	4,177	4,878	4,402	3,061	
Net undiscounted liability for incurred claims	189	42	98	74	94	159	211	322	467	783	2,440	4,879
Discount to present value	(2)	(5)	(11)	(5)	(7)	(9)	(15)	(24)	(35)	(57)	(114)	(284)
Net discounted liability for incurred claims	187	37	87	69	87	150	196	298	432	726	2,326	4,595
Reconciliation												
Claims handling costs and counterparty credit risk allowance												493
Risk adjustment												519
Reinsurance held receivables												(1,176)
Asset for remaining coverage related to adverse development covers held												895
Contracts issued payables												876
Net liability for incurred claims												**6,202**

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 when calculating the risk adjustment to the extent the benefit of diversification is included when determining the compensation that is required for bearing that risk. 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	**2025** **%**	2024 %
Net risk adjustment applied (all portfolios including run-off and emerging risks)	**10.2%**	12.8%
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	
	2025	2024	**2025**	2024
Discounted average term to settlement	**1.89 years**	1.95 years	**2.15 years**	2.17 years
Inflation rate	**0.0% – 8.0%**	0.0% – 9.0%	**0.0% – 8.0%**	0.0% – 9.0%
Superimposed inflation rate	**0.0% – 5.0%**	0.0% – 7.5%	**0.0% – 5.0%**	0.0% – 7.5%
Discount rate	**3.3% – 5.6%**	4.4% – 5.8%	**3.3% – 5.6%**	4.4% – 5.8%
Claims handling costs ratio	**4.5%**	4.4%	**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 methods, inputs, and assumptions used in estimating profit commission are consistent with those applied in estimating claims experience and the Group's financial performance. However, as profit commission is contingent on future performance, its calculation inherently involves significant uncertainty.

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.

Notes to the financial statements (continued)

For the financial year ended 30 June 2025

	Movement in assumption	Profit or loss	
		Gross of Reinsurance $m	Net of Reinsurance $m
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**
2024			
Discounted average term to settlement	+10%	118	52
	-10%	(118)	(52)
Inflation/superimposed inflation rate	+1%	(209)	(99)
	-1%	200	96
Discount rate	+1%	201	96
	-1%	(214)	(102)
Claims handling costs ratio	+1%	(121)	(83)
	-1%	121	83

Note 2.4 Investments

	2025 $m	2024 $m
A. Investment composition		
I. Interest-bearing investments		
Cash and cash equivalents	**1,550**	1,210
Government and semi-government bonds	**1,710**	2,091
Corporate bonds and notes	**7,005**	6,280
Subordinated securities	**1,102**	1,415
Other	**750**	570
Total interest-bearing investments	**12,117**	11,566
II. Growth investments		
Equity investments	**1,343**	1,325
III. Other investment		
Derivatives	**44**	14
Total investments	**13,504**	12,905

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 recorded 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 and unlisted equity held via unlisted trusts.

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.

Notes to the financial statements (continued)

For the financial year ended 30 June 2025

The table below separates the total investment balance by hierarchy category:

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
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**
30 June 2024				
Interest-bearing investments	3,267	7,729	570	11,566
Growth investments	815	237	273	1,325
Other investments	-	14	-	14
	4,082	7,980	843	12,905

The following table provides a movement analysis of investments valued with reference to level 3 inputs:

	2025 $m	2024 $m
At 1 July	**843**	879
Purchases	**437**	374
Sales	**(372)**	(417)
Fair value and other movement recognised in profit or loss	**75**	7
At 30 June	**983**	843

Level 3 financial instruments are valued using models that incorporate assumptions typically associated with discounted cash flow methods such as discount rates, credit spreads, cash flow timings etc. The Group employs a robust 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.

	2025 $m	2024 $m
A. Insurance finance income/(expense) recognised in profit or loss		
Discount unwind on claims liabilities	**(462)**	(378)
Market rate adjustments on claims liabilities	**(140)**	33
Total insurance finance expenses	**(602)**	(345)
B. Reinsurance finance income/(expense) recognised in profit or loss		
Discount unwind on claims recoveries	**245**	194
Market rate adjustments on claims recoveries	**73**	(22)
Total reinsurance finance income	**318**	172
C. Investment income		
Net income/(expense) from financial instruments measured at fair value through profit or loss	**304**	223
Interest revenue	**563**	552
Net loss from disposal of subsidiary	**-**	(33)
Total net investment income	**867**	742
Represented by:		
Investment income/(loss) on assets backing insurance liabilities	**487**	472
Investment expenses on assets backing insurance liabilities	**(23)**	(16)
Net investment income on assets backing insurance liabilities	**464**	456
Investment income/(loss) on shareholders' funds	**420**	314
Investment expenses on shareholders' funds	**(17)**	(28)
Net investment income/(loss) on shareholders' funds	**403**	286
Total net investment income	**867**	742
Total net finance expense	**(284)**	(173)
Total net investment income and net finance expense	**583**	569

D. Recognition and measurement

Investment income is accounted on an accrual basis. Revenue on investments in equity securities and property trusts 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 Risk Appetite Statement, 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 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 Cyber and Model)
- Regulatory and compliance

The risk classes, their definition and structured arrangements for their management are included in IAG's Risk Management Framework and Strategy (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 Risk Profile (SRP).

IAG uses an internally developed Risk Maturity Model to measure progress in maturing its risk management practices. IAG's current "Integrated" maturity level is consistent with the significant investment in recent years designing and implementing enhanced risk management tools and practices appropriate to IAG's nature, scale and complexity of business. Integrated risk maturity reflects risk management practices that are consistently and proactively integrated into the management of the business and leveraged for risk informed decision-making.

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 Group Risk Appetite Statement (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. 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.

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.

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 is a Board-approved document which directly supports the Group's strategic intent, purpose, values, and business sustainability activities. IAG uses Group policies and other supporting documents to help ensure the 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.

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 impact and loss in the event of a significant incident by providing a clear and organised response strategy supported by pre-defined response procedures; 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 active 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 which access data driven customer insights 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 Risk Management Framework and Strategy, including its prioritisation through IAG's Strategic Risk Profile and strategic planning process. The financial impact of assessed material climate risks is mitigated through our reinsurance strategy, underwriting standards and advocacy with government and industry. 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.

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 significant risk to IAG and its shareholders through the potential for volatility of investment returns, changes to input prices, and reduced demand for insurance products. IAG is monitoring the situation and is committed to acting to mitigate the associated risks.

C. Organisational conduct and customer risk

Organisational conduct and customer risk (OCCR) relates to the risk that IAG's conduct, behaviours and decisions negatively impact IAG's ability 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: employees 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. The 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 for its products, and manages 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 Management).

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 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 and priced. IAG's claims management and provisioning, reinsurance and capital management further 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 maximum 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 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 certain large man-made catastrophic events such as industrial accidents and building fires. 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 (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 or similar 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 modelled Probable Maximum Loss (PML). Natural perils are inherently uncertain, which presents model risk. As a result, the loss from an actual event could exceed the modelled PML.

To facilitate the reinsurance process, manage counterparty exposure and create economies of scale, IAG has established a centralised reinsurance operating structure. IAG Reinsurance acts as the interface between the external providers of reinsurance capital and the operating business divisions. Additionally, when operating as a captive on behalf of IAL, IAG Reinsurance 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 IAG Reinsurance. 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:

- 32.5% whole-of-account quota share arrangements;
- a Group catastrophe reinsurance program that operates on an excess of loss basis and for calendar year 2025 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 of 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 Group'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 and translation of financial performance recognised in profit or loss).	Designated hedging instruments – forward foreign exchange contracts (derivatives).
Interest-bearing liabilities denominated in currencies other than the Australian dollar.	Some are designated as hedging instruments where the currency matches the functional currency of investments in foreign operations.
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	**2025 $m** **Impact directly to equity**	2024 $m Impact directly to equity
Net investments in foreign operations and related hedge arrangements		
New Zealand dollar	**156**	158

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		**2025 $m** **Impact to profit**	2024 $m Impact to profit
Investments in equity, debt/equity hybrids and trust securities and related equity derivatives	+10%	**114**	78
	-10%	**(114)**	(76)

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		**2025 $m Impact to profit**	2024 $m Impact to profit
Investments in interest-bearing securities and related interest rate derivatives	+1%	**(180)**	(177)
	-1%	**186**	183

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]	**2025 $m**	2024 $m
AAA	**5,497**	5,442
AA	**4,182**	3,672
A	**1,460**	1,634
BBB	**70**	70
Below BBB or unrated	**908**	748
	12,117	11,566

[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 asset for incurred claims (including assets related to adverse development covers) by counterparty credit rating (Standard & Poor's) and the secured collateral:

	2025		2024	
Credit rating of reinsurance contract held assets for incurred claims[1]	**$m**	**% of total**	$m	% of total
AAA	**169**	**2.5%**	4	0.1%
AA	**5,997**	**90.6%**	5,840	89.0%
A	**455**	**6.9%**	714	10.9%
Below BBB or unrated	**1**	**0.0%**	2	0.0%
Total	**6,622**	**100.0%**	6,560	100.0%

1. Total reinsurance contract held assets for incurred claims of $6,622 million (2024: $6,560 million) includes the assets for remaining coverage related to adverse development covers of $896 million (2024: $914 million) for the purposes of the above credit rating analysis.

Of these, approximately $1,577 million (2024: $1,746 million) is secured directly as follows, reducing the credit risk:

- deposits held in trust: $16 million (2024: $17 million); and
- letters of credit: $1,561 million (2024: $1,729 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.

Maturity analysis	Insurance contract liabilities – liability for incurred claims 2025 $m	 2024 $m	Reinsurance contract held assets – asset for incurred claims[1] 2025 $m	 2024 $m
Within 1 year or less	**(6,144)**	(5,937)	**3,472**	3,428
Within 1 to 2 years	**(1,705)**	(2,036)	**819**	978
Within 2 to 5 years	**(2,838)**	(2,560)	**1,501**	1,261
Over 5 years	**(1,241)**	(1,368)	**830**	893
Total	**(11,928)**	(11,901)	**6,622**	6,560

1. Total reinsurance contract held assets for incurred claims of $6,622 million (2024: $6,560 million) includes the assets for remaining coverage related to adverse development covers of $896 million (2024: $914 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
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**
2024						
Principal repayments[1]	1,665	-	-	-	1,665	1,665
Contractual interest payments[1]		161	132	281	-	574
Total contractual undiscounted payments		161	132	281	1,665	2,239

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 32.5% 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.

Notes to the financial statements (continued)

For the financial year ended 30 June 2025

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 2025 has been calculated in accordance with APRA Prudential Standards that came into effect on 1 July 2023.

Regulatory capital position	**2025** **$m**	2024 $m
Common Equity Tier 1 capital (CET1 capital)	**3,939**	3,364
Additional Tier 1 capital	**850**	850
Total Tier 1 capital	**4,789**	4,214
Tier 2 capital	**1,721**	1,665
Total regulatory capital	**6,510**	5,879
Total PCA	**2,677**	2,641
PCA multiple	**2.43**	2.23
CET1 multiple	**1.47**	1.27

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 issues and actions to address 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.

APRA's prudential standard *CPS 230 Operational Risk Management* commenced on 1 July 2025. The cross-industry standard sets out minimum requirements for managing operational risk, including updated requirements for business continuity and service provider management, and will replace and supersede a number of existing standards and guidance. IAG delivered on its program of work to meet the compliance requirements by 1 July 2025, and has implemented a program of work to prepare for full compliance in line with regulatory timeframes.

IAG continues to uplift operational risk management capability as part of its ongoing focus on operational resilience.

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. 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 seeks to manage cyber and data breach risks by continuing to evolve its data governance and cyber risk management framework which is designed to protect its customers and stakeholders' personal information and other confidential information, reviewing its data retention and destruction practices, taking steps to de-identify and destroy data that is no longer required by the business, and improving its operational resilience in the face of any cyber incident.

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, pricing, measuring risk, claims responses, determining capital, reserving adequacy and increasingly automating processes aligned with IAG's digital strategy.

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.

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 reflects the ongoing strengthening of regulatory expectations and the focus on enforcement, which has been observed through the increased frequency and scale of regulatory review activities. ASIC remains focused on consumer protection, targeting poor product design and distribution, insurance claims and complaints handling and technology risks, as well as conduct that unfairly impacts small businesses. APRA continues to emphasise the need for transparency in the insurance industry and resilience of the general insurance sector. This emphasis extends to addressing the growing protection gap, especially the risks associated with natural catastrophes.

From time to time, the Group is the subject of various investigations and reviews, including where regulators are investigating whether there has been a 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 in relation to the civil penalty proceedings commenced by ASIC in the Federal Court of Australia against Insurance Australia Limited and Insurance Manufacturers of Australia Pty Limited on 24 August 2023. IAG continues to defend these proceedings.

The Enforceable Undertaking (EU) with the Fair Work Ombudsman (FWO) has progressed as planned for FY25. IAG has implemented a new time and attendance system to enhance ongoing compliance with entitlements. Outstanding tasks are on track for completion by April 2026.

The regulatory change agenda is expected to continue unabated, with IAG remaining focused on implementing required legislative changes in a timely and efficient manner.

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

				2025		2024	
Final maturity date	Issue date	Principal amount	Section	**Carrying value $m**	**Fair value $m**	Carrying value $m	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**	**361**	350	354
No fixed date	22 Dec 2022	$500 million	C.II	**500**	**518**	500	517
				850	**879**	850	871
Tier 2 regulatory capital							
AUD subordinated term notes							
15 June 2037[1]	5 Mar 2025	$500 million	C.III	**500**	**491**	-	-
15 December 2038	8 Nov 2023	$400 million	C.IV	**400**	**409**	400	411
15 December 2036	24 Aug 2020	$450 million	C.V	**450**	**455**	450	458
15 June 2045[2]	28 Mar 2019	$450 million		**-**	**-**	450	453
				1,350	**1,355**	1,300	1,322
NZD subordinated term notes[3]							
15 June 2038	5 Apr 2022	NZ$400 million	C.VI	**371**	**366**	365	344
II. Operational nature							
Other interest-bearing liabilities				**1**	**1**	1	1
Less: capitalised transaction costs				**(16)**		(17)	
				2,556	**2,601**	2,499	2,538

1. On 5 March 2025, the Company issued the $500 million of subordinated term notes due 15 June 2037.
2. On 16 June 2025, the Company redeemed the $450 million of subordinated term notes due 15 June 2045.
3. At the reporting date, the Company recognised accrued interest of $1 million (2024: $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).

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 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).

IV. 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).

V. 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).

VI. 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 variable number of ordinary shares of the Company, or, if conversion does not occur when required, written off.

Note 4.2 Equity

	2025	2024	**2025**	2024
	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	**2,370**	2,441	**6,836**	7,264
On-market share buy-back, including transaction costs	**(5)**	(71)	**(37)**	(428)
Balance at the end of the financial period	**2,365**	2,370	**6,799**	6,836

B. Changes during the year

I. On-Market share buy-back

On 21 August 2024, IAG announced an additional on-market share buy-back of up to $350 million. During the current financial year, the Company has acquired on-market 5 million shares for a consideration of $37 million (including transaction costs) at an average price per share of $7.46.

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 5.8 million (2024: 2.3 million) at an average price per share of $8.17 (2024: $6.37).

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

	2025 cents	2024 cents
A. Reporting period values		
Basic earnings per ordinary share[1]	**57.49**	37.31
Diluted earnings per ordinary share[2]	**56.14**	36.24

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.

	2025 $m	2024 $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	**1,359**	898
Finance costs of dilutive convertible securities, net of tax	**76**	111
Profit attributable to shareholders of the Parent which is used in calculating diluted earnings per share	**1,435**	1,009

	2025 Number of shares in millions	2024 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	**2,364**	2,407
Weighted average number of dilutive potential ordinary shares relating to:		
Eligible Convertible securities	**190**	375
Unvested share-based remuneration rights supported by treasury shares held in trust	**2**	2
	2,556	2,784

Note 4.4 Dividends

	2025		2024	
	Cents per share	$m	Cents per share	$m
A. Ordinary shares				
2025 60% franked interim dividend paid on 7 March 2025 (2024: 40% franked interim dividend)	**12.0**	**284**	10.0	240
2024 50% franked final dividend paid on 26 September 2024	**17.0**	**403**	9.0	220
		687		460
B. Dividend not recognised at reporting date				
2025 40% franked final dividend (2024: 50% franked final dividend) to be paid on 18 September 2025	**19.0**	**449**	17.0	403
C. Dividend franking amount				
Franking credits available for subsequent financial periods based on a tax rate of 30%		**295**		302

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 2025 final dividend (40% franked), the Company will have no franking credits available for distribution.

In addition, for FY25 the Group has NZ$65 million (FY24: NZ$7 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 2025 interim dividend paid on 7 March 2025 was settled with the on-market purchase of approximately 5 million shares priced at $7.8750 per share (based on a VWAP for 5 trading days from 21 February 2025 to 27 February 2025 inclusive, with no discount applied).

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

		2025			2024	
	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	**15,983**	**13**	**-**	4,447	-	(21)
Share price index futures	**36**	**1**	**-**	10	-	-
Forward foreign exchange contracts	**5,746**	**31**	**-**	4,433	21	(5)
Total	**21,765**	**45**	**-**	8,890	21	(26)

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 $m	Software development expenditure $m	Customer relationships $m	Brands and other $m	Total $m
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**
Disposal through sale of businesses	**-**	**-**	**-**	**-**	**-**
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**
2024					
A. Composition					
Cost	2,821	1,651	194	111	4,777
Accumulated amortisation and impairment	(10)	(797)	(187)	(25)	(1,019)
Balance at the end of the financial year	2,811	854	7	86	3,758
B. Reconciliation of movements					
Balance at the beginning of the financial year	2,830	705	10	87	3,632
Additions acquired and developed	6	209	-	-	215
Disposal through sale of businesses	(10)	-	-	-	(10)
Amortisation and impairment	(10)	(60)	(3)	-	(73)
Net foreign exchange movements	(5)	-	-	(1)	(6)
Balance at the end of the financial year	2,811	854	7	86	3,758

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 is recognised within fee-based, corporate and other expenses in the consolidated statement of comprehensive income, whilst the amortisation of capitalised software is recognised within the insurance profit. 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; and
- brands and other: up to 20 years, except for certain brands with an indefinite useful life.

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 three-year 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.

	2025			2024		
	Goodwill $m	**Discount Rate %**	**Growth Rate %**	Goodwill (restated)[1] $m	Discount Rate %	Growth Rate %
Retail Insurance Australia	**782**	**11.3%**	**3.7%**	781	12.2%	3.7%
Intermediated Insurance Australia	**1,376**	**11.5%**	**3.3%**	1,375	12.6%	3.3%
New Zealand	**666**	**12.1%**	**3.3%**	655	13.1%	3.3%
Total	**2,824**			2,811		

1. The goodwill of the Partners and Platform business ($176 million) has now been included under the Retail Insurance Australia segment instead of the Intermediated Insurance Australia segment.

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

	2025 $m	2024 $m
A. Income tax expense		
Current tax	**436**	230
Deferred tax	**246**	224
(Over)/under provided in prior year	**(4)**	4
Income tax expense	**678**	458
B. Reconciliation of prima facie tax to income tax expense		
Profit for the year before income tax (A)	**2,213**	1,491
Income tax calculated at 30% (2024: 30%)	**664**	447
Amounts which are not deductible/(taxable) in calculating taxable income		
Disposal of associate	**-**	9
Effect of tax rate in foreign jurisdictions	**(16)**	(10)
Rebatable dividends	**(2)**	(3)
Interest on capital notes	**16**	12
Other	**20**	(1)
Income tax expense applicable to current year	**682**	454
Adjustment relating to prior year	**(4)**	4
Income tax expense attributable to profit for the year from continuing operations after impact of tax consolidation (B)	**678**	458
Effective tax rate (B) / (A)	**30.6%**	30.7%
C. Deferred tax assets		
I. Composition		
Tax losses	**23**	237
Insurance provisions	**162**	162
Provisions	**13**	21
Property and equipment	**189**	182
Employee benefits	**130**	118
Defined benefit superannuation plans	**(5)**	(1)
Lease liabilities	**108**	121
Other	**34**	41
	654	881
Amounts set-off against deferred tax liabilities	**(448)**	(433)
	206	448
II. Reconciliation of movements		
Balance at the beginning of the financial year	**881**	1,057
(Charged)/credited to profit or loss	**(254)**	(138)
(Charged)/credited to other comprehensive income[1]	**(5)**	(2)
Adjustments relating to prior year	**16**	(13)
Others	**16**	(23)
Balance at the end of the financial year prior to set-off	**654**	881

1. 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.

	2025 $m	2024 $m
D. Deferred tax liabilities		
I. Composition		
Investments	**73**	42
Right-of-use assets	**67**	84
Other	**363**	353
	503	479
Amounts set-off against deferred tax assets	**(448)**	(433)
	55	46
II. Reconciliation of movements		
Balance at the beginning of the financial year	**479**	400
Charged to profit or loss	**(8)**	86
Charged to other comprehensive income[1]	**(2)**	1
Adjustments relating to prior year	**34**	(8)
Balance at the end of the financial year prior to set-off	**503**	479

[1] 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.

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 and is effective for the income year ending on 30 June 2025. The Group has performed an assessment as to the potential Pillar Two tax liability for the financial year ended 30 June 2025. Based on this assessment, the Group estimates its current tax expense related to Pillar Two for the financial year ended 30 June 2025 is nil.

Note 5.3 Provisions

	2025 $m	2024 $m
A. Provisions		
Employee benefits	**422**	390
Other provisions	**106**	86
Total provisions	**528**	476

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 the five days leading up to 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 in the period in which the award is approved.

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) issued after July 2013 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 are also recognised as an employee benefit expense, but with a corresponding adjustment to the employee benefit obligation in the balance sheet.

	2025 $m	2024 $m
C. Employee benefits		
I. Expense recognised in the consolidated statement of comprehensive income		
Defined contribution superannuation plans	**158**	145
Defined benefit superannuation plans	**4**	4
Share-based remuneration	**48**	20
Salaries and other employee benefits expense	**2,061**	1,949
	2,271	2,118
II. Provision recognised on the consolidated balance sheet		
Short-term and other benefits[1]	**281**	261
Long service leave	**141**	131
Defined benefit superannuation plans[2]	**-**	(2)
	422	390

1. Short-term and other benefits include annual leave entitlements and cash-based incentive arrangements.
2. In FY25, the defined benefit superannuation plans were in a net surplus position of $17 million and recognised within other assets in the consolidated balance sheet.

The employee benefits provision includes $73 million (2024: $67 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	Equipment $m	Motor vehicles $m	Total $m
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**
2024				
Balance at the beginning of the financial year	361	1	3	365
Additions to right-of-use assets	57	-	3	60
Depreciation and impairment	(69)	(1)	(2)	(72)
Derecognition of right-of-use assets	(40)	-	-	(40)
Net foreign exchange movements	(1)	-	-	(1)
Balance at the end of the financial year	308	-	4	312

II. Lease liabilities

The below table shows the current and non-current portion of lease liability along with the undiscounted maturity analysis.

	2025 **$m**	2024 $m
Current	**81**	70
Non-current	**320**	368
Carrying value of lease liabilities	**401**	438
Due within 1 year	**86**	82
Due within 1 to 2 years	**82**	77
Due within 2 to 5 years	**223**	207
Due after 5 years	**46**	112
Total undiscounted lease liabilities	**437**	478

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 $31 million (2024: $24 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

	2025 $m	2024 $m
Depreciation and impairment (included in underwriting expense and fee-based, corporate and other expenses)	**(72)**	(72)
Interest expense (included in finance costs)	**(14)**	(15)
Expense relating to short-term leases (included in underwriting expense and fee-based, corporate and other expenses)	**(2)**	(3)
Interest income from sub-leasing right-of-use assets (included in fee and other income)	**1**	1

During the 2025 financial year, there was an impairment of $12 million (2024: $3 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.

	2025 $m	2024 $m
Total cash outflow for leases	**97**	93

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 as at 30 June 2025, 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.

	2025 $m	2024 $m
A. Financial results		
Profit/(loss) for the year	**1,055**	329
Total comprehensive income/(expense) for the year, net of tax	**1,055**	329
B. Financial position		
Current assets	**755**	227
Total assets	**12,457**	12,419
Current liabilities	**38**	91
Total liabilities	**3,013**	3,307
C. Shareholders' equity		
Share capital	**6,799**	6,836
Retained earnings	**2,645**	2,276
Total shareholders' equity	**9,444**	9,112

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 (2024: 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%	
		2025 %	2024 %
A. Ultimate Parent			
Insurance Australia Group Limited	Australia		
B. Subsidiaries			
I. Australian general insurance operations			
Insurance Australia Limited	Australia		
Insurance Manufacturers of Australia Pty Limited	Australia	**70.00**	70.00
II. New Zealand general insurance operations			
IAG New Zealand Limited	New Zealand		

Note 6.3 Non-controlling interests

A. Summarised financial information

Set out below is summarised financial information (before intercompany eliminations) of controlled entities of the Parent where significant non-controlling interests exist, being Insurance Manufacturers of Australia Pty Limited (IMA), of which IAG's beneficial interest is 70%. IMA's principal place of business is in Australia and 30% of its voting rights are held by RACV.

	Insurance Manufacturers of Australia Pty Limited	
	2025	2024
	$m	$m
I. Summarised statement of comprehensive income		
Insurance profit	**722**	534
Profit after tax attributable to the Parent entity	**410**	307
Profit after tax attributable to non-controlling interest	**176**	132
Other comprehensive income	**1**	1
Total comprehensive income	**587**	440
II. Summarised balance sheet		
Total assets	**4,525**	4,314
Total liabilities	**(3,034)**	(2,824)
Net assets	**1,491**	1,490
Carrying amount of non-controlling interest	**447**	447
III. Summarised cash flow		
Net cash flows from operating and investing activities	**682**	264
Dividends paid to other IAG entities	**(412)**	(179)
Dividends paid to non-controlling interest	**(175)**	(77)
Total net cash flows	**95**	8

Note 6.4 Acquisitions subject to regulatory approval

A. The Royal Automobile Club of Queensland

On 28 November 2024, Insurance Australia Group Limited and The Royal Automobile Club of Queensland (RACQ) entered into a 25-year exclusive strategic alliance to provide RACQ general insurance products and services for RACQ members and Queenslanders. Under the strategic alliance, IAG will acquire 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 10% in two years on consistent terms. The consideration of $855 million (subject to applicable completion adjustments) is for the initial 90% tranche and comprises net tangible asset value and entry into the exclusive 25-year distribution agreement. The transaction will be funded from surplus capital. On 22 May 2025, the Australian Competition & Consumer Commission (ACCC) announced it would not oppose the proposed acquisition. On 11 July 2025, APRA (as delegate for the Treasurer) approved the acquisition under the Insurance and Acquisition Takeovers Act and the Financial Sector (Shareholdings) Act. The transaction remains subject to completion of other requirements. Subject to satisfaction of the outstanding requirements, the transaction is expected to complete in the third quarter of calendar year 2025.

B. The Royal Automobile Club of Western Australia

On 15 May 2025, Insurance Australia Group Limited and The Royal Automobile Club of Western Australia (RAC) entered into a 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. Subject to regulatory approvals and other conditions, the transaction is expected to complete in the first half of calendar year 2026.

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 2025, 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 and 20 November 2020 (inclusive), in relation to IAG's disclosure of the potential impact of COVID-19 related business interruption claims. 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.
- 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. This class action relates 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. This class action follows the class action proceedings noted above and relates 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. IAL and IMA are continuing to defend the allegations.

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 them in the financial statements for the current reporting period ended 30 June 2025.

- On 13 August 2025, the Board determined to pay a 40% franked final dividend of 19.0 cents per share. The dividend will be paid on 18 September 2025. The dividend reinvestment plan will operate by acquiring shares on-market for participants with no discount applied.

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

	2025 $m	2024 $m
A. Composition of cash and cash equivalents		
Cash held for operational purposes	**703**	631
Cash and cash equivalents held in investments	**1,550**	1,210
Cash and cash equivalents	**2,253**	1,841
B. Reconciliation of profit for the year to net cash flows from operating activities		
Profit/(loss) for the year	**1,535**	1,033
I. Non-cash items		
Net (gains)/losses on investments	**(316)**	(207)
Amortisation of intangible assets and impairment	**113**	73
Depreciation of right-of-use assets and property and equipment and impairment	**107**	127
Other non-cash items	**(214)**	(197)
II. Movement in operating assets and liabilities		
Reinsurance contract held assets	**(314)**	891
Insurance contract liabilities	**(72)**	(315)
Net movement in other operating assets and liabilities	**72**	(7)
Net movement in tax assets and liabilities	**407**	319
Provisions	**34**	83
Net cash flows from operating activities	**1,352**	1,800

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.

	2025 **$000**	2024 $000
Short-term employee benefits	**16,986**	15,836
Post-employment benefits	**409**	434
Other long-term benefits	**122**	54
Share-based payments	**11,297**	8,799
	28,814	25,123

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

	2025 **$000**	2024 $000
KPMG		
Audit services for the statutory financial reports of the Parent and controlled entities	**8,936**	9,307
Assurance services that are required by legislation to be provided by the external auditor	**838**	667
Other assurance and agreed upon procedures under other legislation or contractual arrangements	**510**	288
Other services	**1,348**	978
Total remuneration of auditors	**11,632**	11,240

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 principally include reviews of internal controls systems and assurance and attestation relating to sustainability reporting.

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. In addition, other notable projects in FY25 include GST data analytics and share trust review. Other assurance includes support in relation to CPS 230 readiness and sustainability related metrics review.

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 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
AASB 2022-5	Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
AASB 2022-6	Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
AASB 2023-1	Amendments to Australian Accounting Standards – Supplier Finance Arrangements

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 will replace *AASB 101 Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. 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 2021-7c	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 July 2025
AASB 2023-5	Amendments to Australian Accounting Standards – Lack of Exchangeability	1 July 2025
AASB 2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 July 2026
AASB 2024-2	Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 July 2026
AASB 2025-1	Amendments to Australian Accounting Standards – Contracts Referencing Nature dependent Electricity	1 July 2026
AASB 2024-3	Amendments to Australian Accounting Standards – Annual Improvements Volume 11	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 2025:

		Body corporates		Tax residency	
Entity name	Entity type	Place formed or incorporated	% of issued share capital held directly or indirectly by the Parent	Australian or foreign	Jurisdiction for 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
CGU Workers Compensation (VIC) Proprietary Limited	Body Corporate	Australia	100	Australian	N/A
IAG Agencies Pty Ltd (formerly Allied Global Underwriting Pty Ltd)	Body Corporate	Australia	100	Australian	N/A
IAL Life Pty Limited	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
NRMA Personal Lines Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
Cylo Australia Pty Limited	Body Corporate	Australia	100	Australian	N/A
C. New Zealand operations					
151 Insurance Limited (formerly New Zealand 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 (formerly NZI-State Finance 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[1]	Trust	Australia	N/A	Australian	N/A
Fixed Interest Technical Provisions Fund[1]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Global Equity Trust[1]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Technical Provisions Credit Strategies Fund [1]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Alternative Investments Trust [1]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Cash Management Trust[1]	Trust	Australia	N/A	Australian	N/A
IAG Asset Management Equity Trust[1]	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[1]	Trust	Australia	N/A	Australian	N/A

Consolidated entity disclosure statement (continued)

		Body corporates		Tax residency	
Entity name	Entity type	Place formed or incorporated	% of issued share capital held directly or indirectly by the Parent	Australian or foreign	Jurisdiction for foreign tax residency
IAG Asset Management Sustainable Investment Trust[1]	Trust	Australia	N/A	Australian	N/A
IAGAM Infrastructure Trust[1]	Trust	Australia	N/A	Australian	N/A
The IAG Share and Rights Plans Trust[2]	Trust	Australia	N/A	Australian	N/A
IAG Employee Share Trust[2]	Trust	Australia	N/A	Australian	N/A
IAG New Zealand Limited Employee Share Plan[2]	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
AssureMe Pty Ltd	Body Corporate	Australia	70	Australian	N/A
Motorserve Pty Limited	Body Corporate	Australia	100	Australian	N/A
Empire Equity Australia 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
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
Swann Insurance (Aust) Pty Ltd	Body Corporate	Australia	100	Australian	N/A
F. Entities under liquidation					
IAG Re Labuan (L) Berhad[3]	Body Corporate	Malaysia	100	Foreign	Malaysia
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. The body corporate IAG Asset Management Limited is a trustee for these trusts.
2. The body corporate IAG Share Plan Nominee Pty Limited is a trustee for these trusts.
3. This body corporate was liquidated on 22 July 2025.

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 *Corporation Acts 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 2025

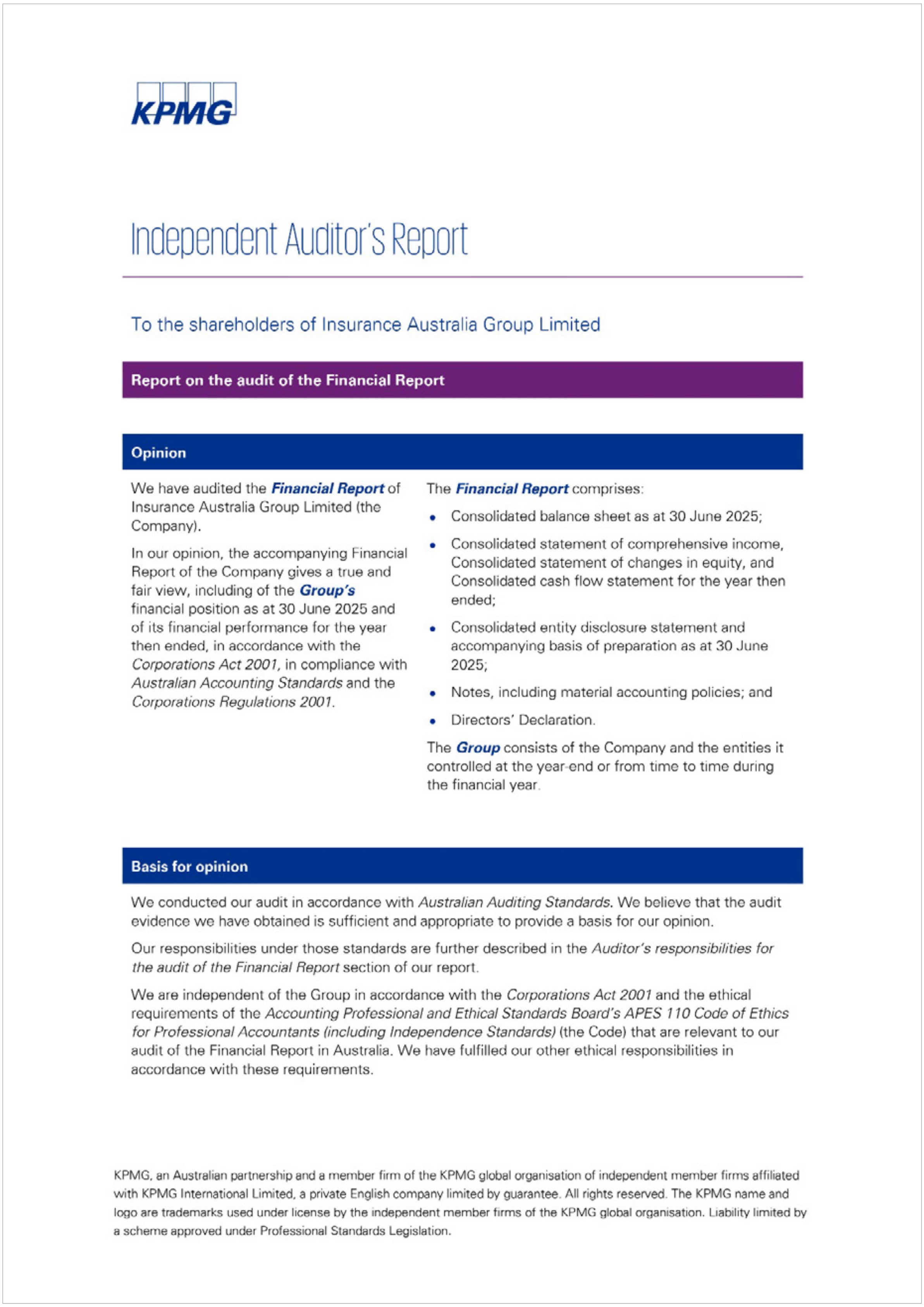
1. In the opinion of the Directors of Insurance Australia Group Limited:
   a. the financial statements and Notes 1 to 8.4 are in accordance with the *Corporations Act 2001* including:
      i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for 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 2025 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 2025.
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 2025 in accordance with a resolution of the Directors.

Nick Hawkins

Nick Hawkins
Director

Independent Auditor's Report



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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 2025 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 2025;
- 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 2025;
- 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.

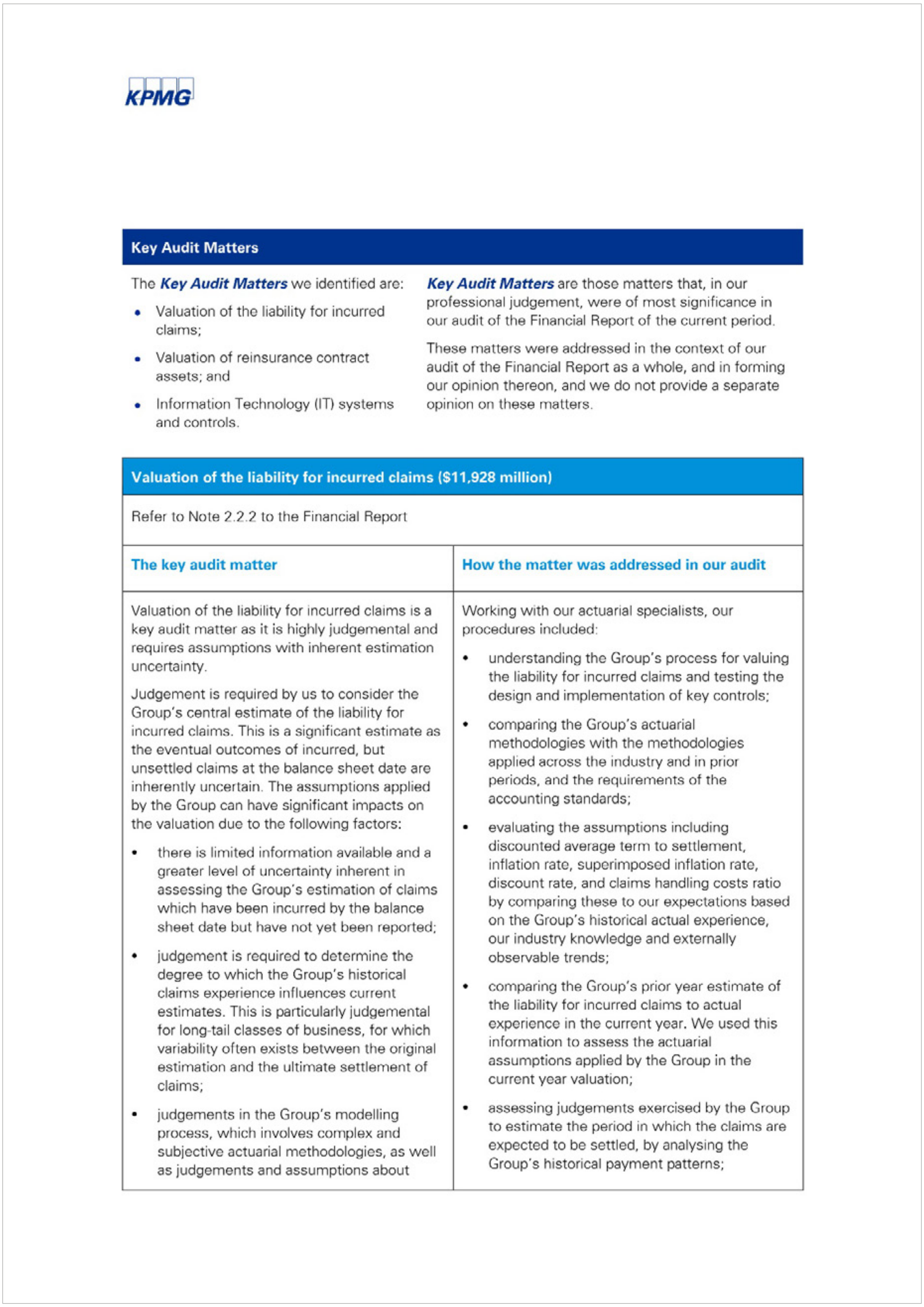
Basis for opinion

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report (continued)



Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of the liability for incurred claims;
- Valuation of reinsurance contract assets; and
- Information Technology (IT) systems and controls.

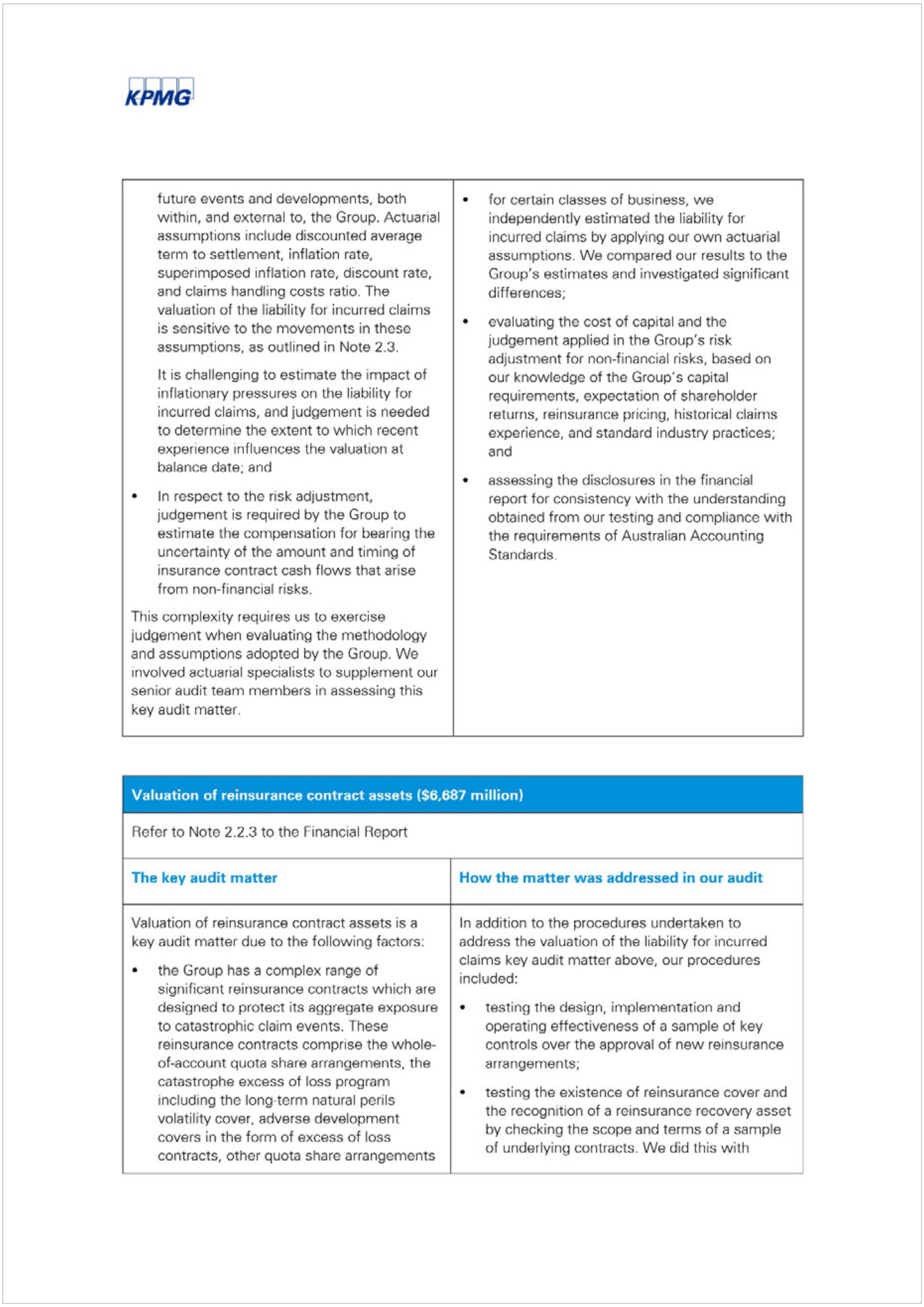
Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

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 ($11,928 million)

Refer to Note 2.2.2 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Valuation of the liability for incurred claims is a key audit matter as it is highly judgemental and requires assumptions with 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 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 claims; • judgements in the Group's modelling process, which involves complex and subjective actuarial methodologies, as well as judgements and assumptions about	Working with our actuarial specialists, our procedures included: • 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 experience in the current year. We used this information to assess the actuarial assumptions applied by the Group in the current year valuation; • 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;



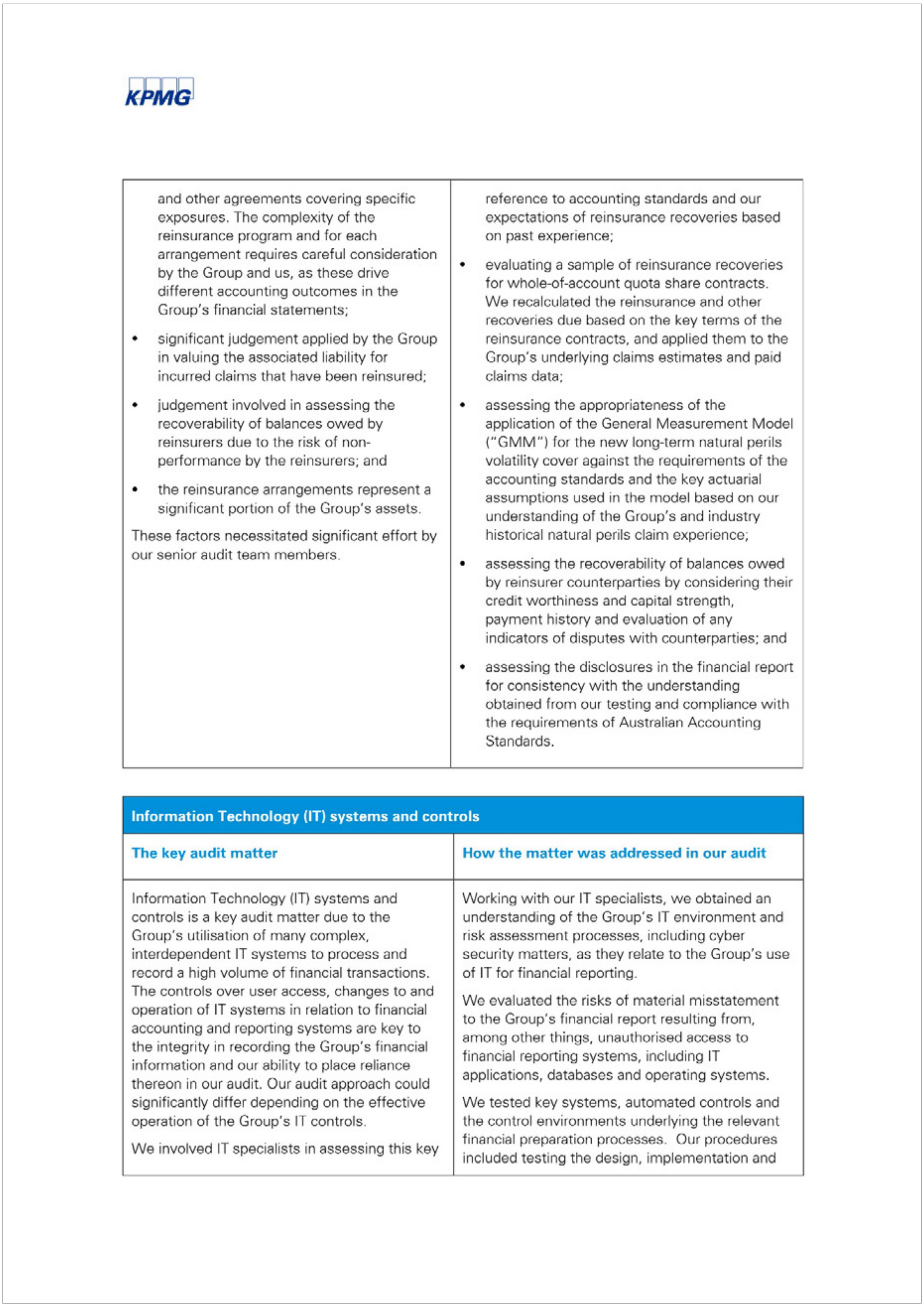
future events and developments, both within, and external to, the Group. Actuarial assumptions include discounted average term to settlement, inflation rate, superimposed inflation rate, discount rate, and claims handling costs ratio. The valuation of the liability for incurred claims is sensitive to the movements in these assumptions, as outlined in Note 2.3. 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 date; and • In respect to 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 that arise from non-financial risks. This complexity requires us to exercise judgement when evaluating the methodology and assumptions adopted by the Group. We involved actuarial specialists to supplement our senior audit team members in assessing this key audit matter.	• 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 the 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 ($6,687 million)

Refer to Note 2.2.3 to the Financial Report

The key audit matter	**How the matter was addressed in our audit**
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 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	In addition to the procedures undertaken to address the valuation of the liability for incurred claims key audit matter above, our procedures included: • 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

Independent Auditor's Report (continued)



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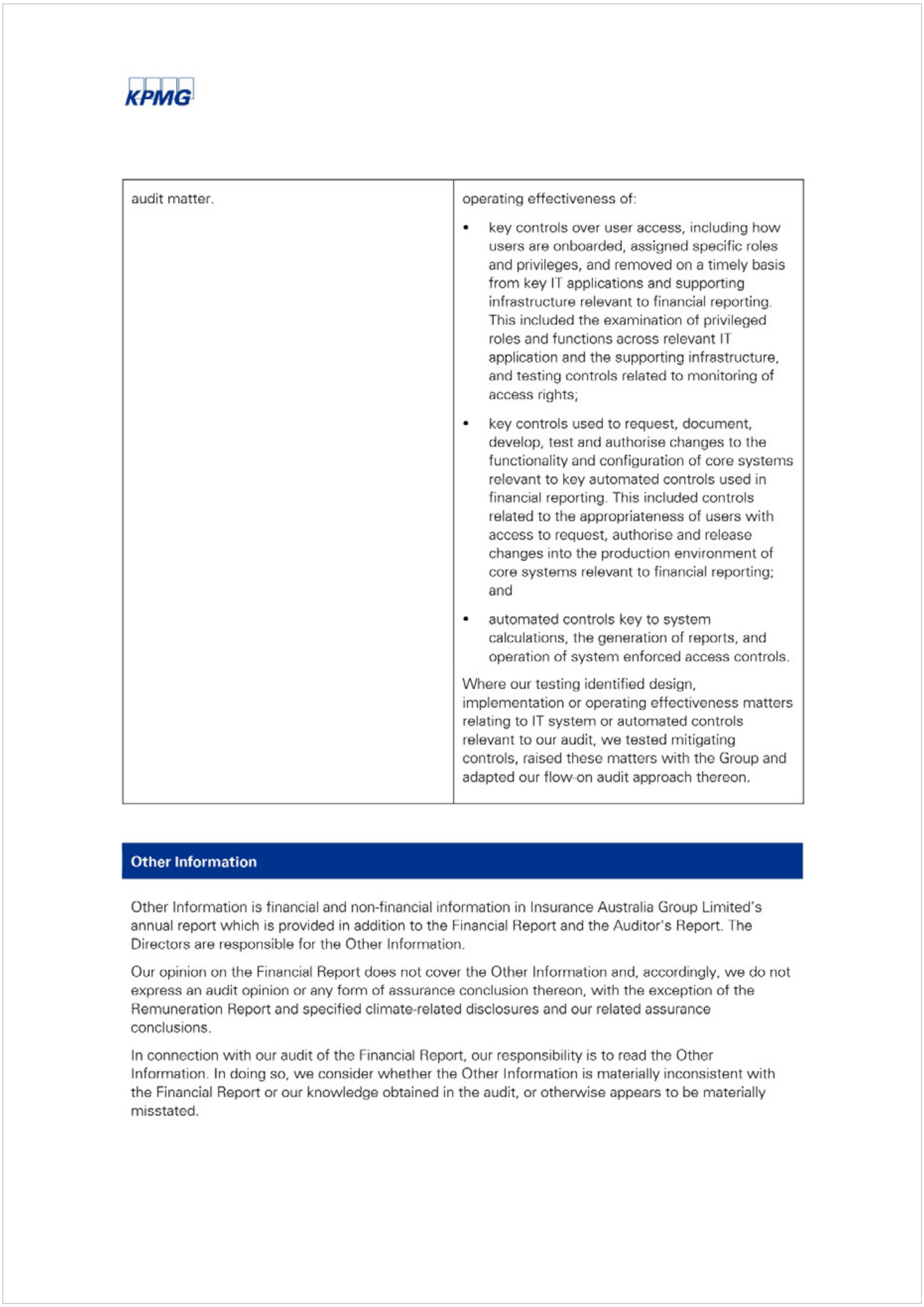
and other agreements covering specific exposures. The complexity of the reinsurance program and for each arrangement requires careful consideration by the Group and us, as these drive different accounting outcomes in the Group's financial statements; • significant judgement applied by the Group in valuing the associated liability for incurred claims that have been reinsured; • judgement involved in assessing the recoverability of balances owed by reinsurers due to the risk of non-performance by the reinsurers; and • the reinsurance arrangements represent a significant portion of the Group's assets. These factors necessitated significant effort by our senior audit team members.	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 recalculated 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 appropriateness of the application of the General Measurement Model ("GMM") for the new long-term natural perils volatility cover against the requirements of the accounting standards and the key actuarial assumptions used in the model based on our understanding of the Group's and industry historical natural perils claim experience; • assessing the recoverability of balances owed 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.

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 IT specialists in assessing this key	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



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audit matter.	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. Where our testing identified design, implementation or operating effectiveness matters relating to IT system or automated controls relevant to our audit, we tested mitigating controls, raised these matters with the Group and adapted our flow-on audit approach thereon.

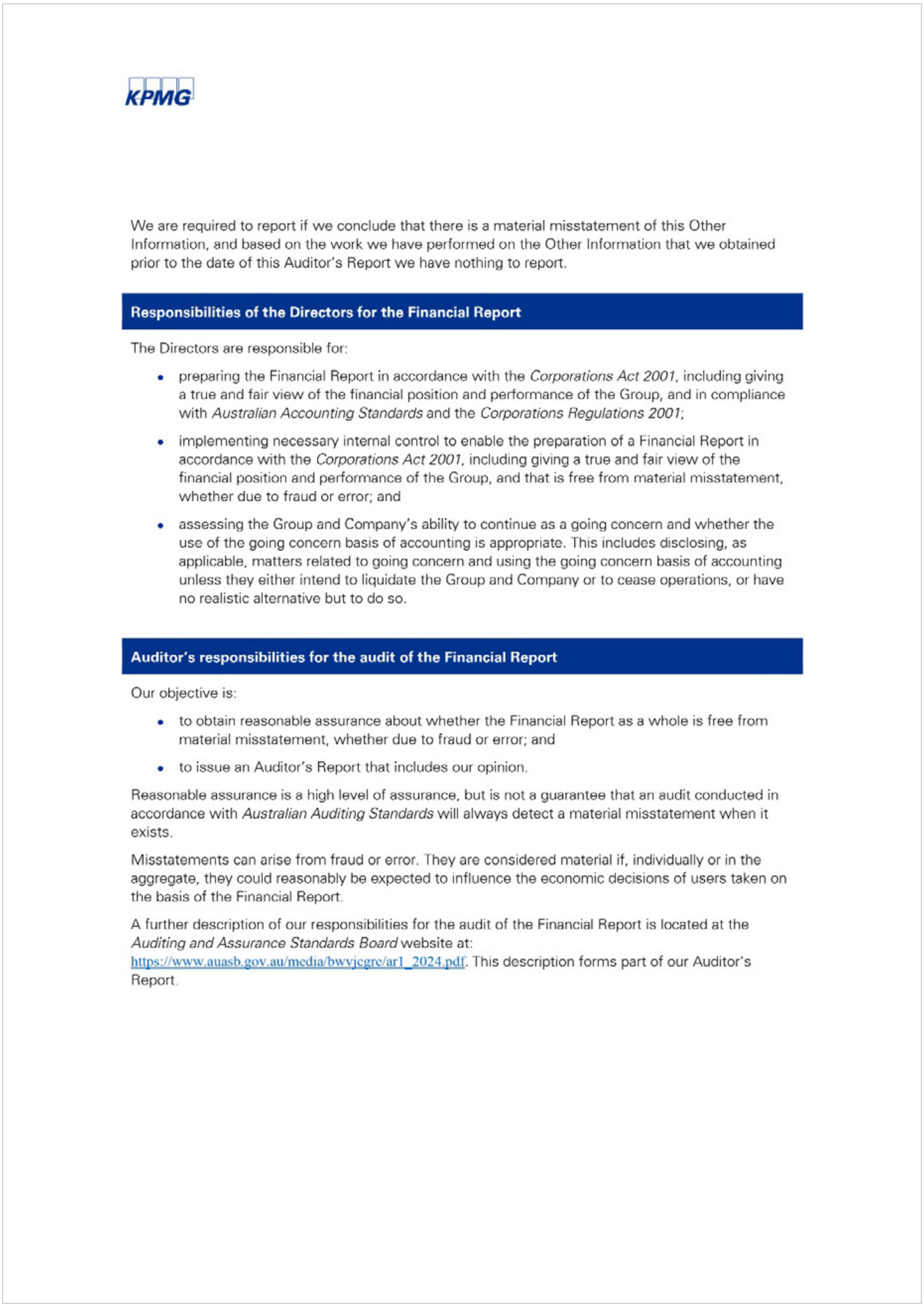
Other Information

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 climate-related disclosures and our related assurance conclusions.

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.

Independent Auditor's Report (continued)



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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.

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 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.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Insurance Australia Group Limited for the year ended 30 June 2025, 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 77 to 102 of the Directors' report for the year ended 30 June 2025.

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

Andrew Reeves
Partner

Sydney
13 August 2025

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 2025 Annual General Meeting (AGM) of the Company will commence at 9:30am (Sydney time) on Thursday, 23 October 2025.

Online voting

Shareholders can lodge voting instructions electronically either as a direct vote or by appointing a proxy for the 2025 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 16 October 2025.

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 methods

The Company does not issue dividend payments by cheque to shareholders resident in Australia or New Zealand. Shareholders should provide the share registry with their alternative instructions as detailed below.

IAG ordinary shares

- Paid directly into an Australian or New Zealand nominated account; or to an Australian bank, credit union, building society or nominated account; or
- 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 9 July 2025	Number of shares	% of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	734,121,507	31.05
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	309,622,932	13.09
CITICORP NOMINEES PTY LIMITED	234,550,633	9.92
NATIONAL INDEMNITY COMPANY	97,513,199	4.12
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	79,238,150	3.35
BNP PARIBAS NOMS PTY LTD	44,418,604	1.88
NATIONAL NOMINEES LIMITED	29,375,858	1.24
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	17,022,104	0.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,628,467	0.45
ONE MANAGED INVESTMENT FUNDS LTD <NRMA TREASURY LTD A/C>	10,001,357	0.42
BNP PARIBAS NOMS (NZ) LTD	6,008,777	0.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	5,477,731	0.23
BNP PARIBAS NOMINEES PTY LTD BARCLAYS	5,354,011	0.23
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	5,264,754	0.22
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	4,730,114	0.20
BUTTONWOOD NOMINEES PTY LTD	4,000,000	0.17
UBS NOMINEES PTY LTD	3,388,535	0.14
IAG SHARE PLAN NOMINEE PTY LIMITED <2023 EST UNALLOCATED A/C>	2,886,020	0.12
IAG SHARE PLAN NOMINEE PTY LIMITED <IAG DAP UNALLOCATED ACCOUNT>	2,534,217	0.11
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,455,503	0.10
Total for top 20	**1,608,592,473**	**68.01**

Range of ordinary shareholders as at 9 July 2025	Number of holders	Number of shares	% of issued shares
1–1,000	328,977	167,775,114	7.09
1,001–5,000	205,790	400,753,330	16.94
5,001–10,000	11,756	80,497,844	3.40
10,001–100,000	4,257	77,057,836	3.26
100,001 and over	92	1,639,199,692	69.31
Total	**550,872**	**2,365,283,816**	**100.00**
Shareholders with less than a marketable parcel of 60 shares as at 9 July 2025	7,841	182,798	

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	60% franked	12.0 cents	**7.875**	7 March 2025
Ordinary	Final	40% franked	19.0 cents	*	18 September 2025

* The DRP issue price for the final dividend is scheduled to be announced on 9 September 2025.

Substantial shareholding information

Substantial shareholders as at 9 July 2025	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

IAGPE Capital Notes 2 information

Twenty largest Capital Notes 2 holders as at 9 July 2025	Number of notes	% of issued notes
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	351,805	7.04
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	302,268	6.05
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	248,865	4.98
CITICORP NOMINEES PTY LIMITED	164,326	3.29
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	104,982	2.10
MUTUAL TRUST PTY LTD	92,131	1.84
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	72,170	1.44
IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	71,382	1.43
BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS>	52,382	1.05
JOHN E GILL TRADING PTY LTD	38,565	0.77
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	34,972	0.70
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	32,592	0.65
IOOF INVESTMENT SERVICES LIMITED <IISL NAL ISMA 2 A/C>	29,771	0.60
REGION HALL PTY LTD	26,091	0.52
INVIA CUSTODIAN PTY LIMITED <WEHI – INVESTMENT POOL A/C>	24,925	0.50
TRUSTEES OF CHURCH PROPERTY FOR THE DIOCESE OF NEWCASTLE <SAVINGS & DEVELOPMENT A/C>	20,870	0.42
IOOF INVESTMENT SERVICES LIMITED <IISL NAL ISMA 1 A/C>	15,165	0.30
ANGUS DOWNS PTY LTD	12,000	0.24
SPECIALIST NOMINEES PTY LIMITED	11,770	0.24
INVIA CUSTODIAN PTY LIMITED <RISF A/C>	11,000	0.22
Total for top 20	**1,718,032**	**34.38**

Range of Capital Notes 2 holders at 9 July 2025	Number of holders	Number of notes	% of issued notes
1–1,000	5,368	1,862,245	37.24
1,001–5,000	572	1,149,955	23.00
5,001–10,000	39	269,768	5.40
10,001–100,000	15	545,786	10.92
100,001 and over	5	1,172,246	23.44
Total	**5,999**	**5,000,000**	**100.00**
Capital Notes 2 holders with less than a marketable parcel of 5 notes as at 9 July 2025	3	3	

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 9 July 2025	Number of notes	% of issued notes
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	172,953	4.94
MUTUAL TRUST PTY LTD	160,871	4.60
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	125,481	3.59
CITICORP NOMINEES PTY LIMITED	124,545	3.56
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	112,045	3.20
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	84,199	2.41
BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS>	54,691	1.56
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	39,656	1.13
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	34,482	0.99
KAILZIE PTY LTD <KIRKTON A/C>	22,300	0.64
IOOF INVESTMENT SERVICES LIMITED <IOOF IDPS A/C>	21,866	0.62
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	21,236	0.61
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
MIZNER PTY LTD	11,046	0.32
FARRAR SUPERANNUATION PTY LTD <FARRAR SUPER FUND A/C>	11,000	0.31
INVIA CUSTODIAN PTY LIMITED <ROYAL FREEMASONS HOMES A/C>	10,000	0.29
SPECIALIST NOMINEES PTY LIMITED	10,000	0.29
Total for top 20	**1,091,720**	**31.20**

Range of Capital Notes 3 holders at 9 July 2025	Number of holders	Number of notes	% of issued notes
1–1,000	2,914	1,093,925	31.25
1,001–5,000	496	1,061,490	30.33
5,001–10,000	39	272,865	7.80
10,001–100,000	14	375,825	10.74
100,001 and over	5	695,895	19.88
Total	**3,468**	**3,500,000**	**100.00**
Capital Notes 3 holders with less than a marketable parcel of 5 notes as at 9 July 2025	-	-	

Capital Notes 3 holders have no voting rights in respect of meetings of the Company unless and until ordinary shares are issued to them.

Shareholder information (continued)

Share rights

As at 9 July 2025, there were 4,678,441 Deferred Award Rights held by 480 participants, 16,785,520 Executive Performance Rights held by 70 participants, and 9,689 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	
2025 financial year-end	30 June 2025
Full year results and final dividend announcement	13 August 2025
Final dividend for ordinary shares	
Ex-date	21 August 2025
Record date	22 August 2025
Payment date	18 September 2025
Annual General Meeting information	
Written questions for the auditor close	16 October 2025
Proxy return close	21 October 2025
Annual General Meeting	23 October 2025
2026 half year-end	31 December 2025
Half year results and interim dividend announcement	12 February 2026
Interim dividend for ordinary shares	
Ex-date	17 February 2026
Record date	18 February 2026
Payment date	13 March 2026
Quarterly distributions for Capital Notes 2 (IAGPE)[1]	
Ex-date	2 September 2025
Record date	3 September 2025
Payment date	15 September 2025[2]
Ex-date	2 December 2025
Record date	3 December 2025
Payment date	15 December 2025[2]
Quarterly distributions for Capital Notes 3 (IAGPF)[1]	
Ex-date	2 September 2025
Record date	3 September 2025
Payment date	15 September 2025[2]
Ex-date	2 December 2025
Record date	3 December 2025
Payment date	15 December 2025[2]

1. Dates for 2025 calendar year.
2. Adjusted to the next business day as the distribution payment date falls on a day that is not a business day under the applicable capital notes terms.

Corporate directory

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Forward-looking statements and other representations

Forward-looking statements and other representations

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", "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) and assumptions, many of which are beyond IAG's control.

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 such forward-looking statements (except as required by law).

Some of the 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 and goals. As the strategy and related targets, ambitions and goals span a number of years, they are subject to assumptions and dependencies which have greater levels of uncertainty than guidance given for FY26. IAG's ability to execute its strategy and realise its targets, ambitions and goals will depend upon its ability to respond and adjust its business plans (as and when developed) to any changes in such assumptions and dependencies, including disruptions or events that are beyond IAG's control.

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

Members of the Group's management may also make forward-looking statements in connection with this report, whether spoken or written. These statements carry the same qualifications, limitations and assumptions as those included in the report.

Climate-related statements and other representations

There are also particular risks and uncertainties associated with forward-looking statements and other 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 upstream operational 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. 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 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. The information in this report should be read in conjunction with the qualifications, limitations and assumptions contained in IAG's sustainability report.

Glossary

Term	Definition
APRA	Is the 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. This was previously referred to as probability of adequacy under AASB 1023.
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.
Failure to adapt risk ratings	Insufficient risk rating capability underlying our pricing and underwriting could result in higher risk losses and concentration, resulting in reduced revenue and market share, increased claims cost, poorer capital adequacy and potential margin reductions.
Gross written premium (GWP)	Is the total amount of insurance premiums that we receive from customers.
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 our insurance profit as a percentage of our net earned premium.
Insurance profit	Is our underwriting result plus the investment income on assets backing our technical reserves.
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.
Life and General Insurance Capital (LAGIC)	Is APRA's revised regulatory capital regime, which came into effect from 1 January 2013.
Long tail	Classes of insurance are those 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 our 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).

Glossary (continued)

Term	Definition
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) are those 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 recoveries and premium debtors.
Underlying margin	Is defined by IAG as the reported insurance margin adjusted for net natural peril claim costs less related allowance for the period; reserve releases in excess of 1% of net earned premium; and credit spread movements.
Volume weighted average price (VWAP)	A measure of the average trading price during a period, adjusted for the volume of transactions. This is often used for determining the share price applicable to dividend and other share-related transactions.

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