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Financial Results

Half year ended 31 December 2024

13 February 2025

Important information



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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 or performance are also forward looking statements. While IAG believes the forward-looking statements to be reasonable, such statements involve risks (both known and unknown) and assumptions, many of which are beyond IAG's control (including adverse

natural peril events causing losses to exceed forecasts, and uncertainties in the Australian and global economic environment). This may cause actual results, outcomes, conditions or circumstances to differ from those expressed, anticipated or implied in such statements. For further information on some of IAG's key risks see 'Note 3.1 Risk and Capital Management' in IAG's FY24 Annual Report available at www.iag.com.au

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 FY25. 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.

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References to currency are to Australian dollars, unless otherwise specified. Prevailing exchange rates have been used to convert local currency amounts into Australian dollars, where appropriate.

Further information, including IAG's business structure, portfolio and partnerships is available on IAG's website at <https://www.iag.com.au/about-us/what-we-do>.



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Nick Hawkins

Managing Director and Chief Executive Officer

Introduction





Acknowledgement of Country

IAG acknowledges Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities.

We pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

We show our support by empowering Aboriginal and Torres Strait Islander peoples, businesses and communities.

Making your world a safer place

Delivering on our purpose in 1H25



Helping customers when they need us most

- Paid \$5.2 billion in claims, helping customers recover from unexpected loss
- Preparing to help and serve 1.7m members of RACQ following announcement of 25-year strategic alliance*
- Supported more than 10,000 customers facing financial hardship
- NRMA Insurance - entering centenary year - awarded Australia's most trusted insurance brand for 3rd consecutive year**

* Subject to regulatory approvals and other conditions

** Roy Morgan 2024

Building customer and community resilience

- Helped over 740,000 people improve their safety and preparedness via NRMA Insurance's Help Nation in Australia, and AMI's New Zealand road and workplace initiatives
- Investing ~\$5m in education and engagement programs for resilience and preparedness
- NRMA Insurance and Australian Red Cross partnered to deliver 276 Australian Red Cross EmergencyRedi™ workshops
- AMI provided 1,200 new NZ drivers one-year free roadside assistance

Making Australia and New Zealand safer and stronger

- Successfully placed 2025 catastrophe reinsurance program, complementing long-term natural perils volatility protection for FY25 to FY29 secured in June 2024
- Commenced transition of tool-of-trade fleet to electric and hybrid vehicles
- Launched global research study into safe use and storage of lithium-ion batteries
- NRMA Insurance helicopter deployed to support NSW RFS over Christmas period

Strength and resilience for more Australians and New Zealanders

Delivering outcomes

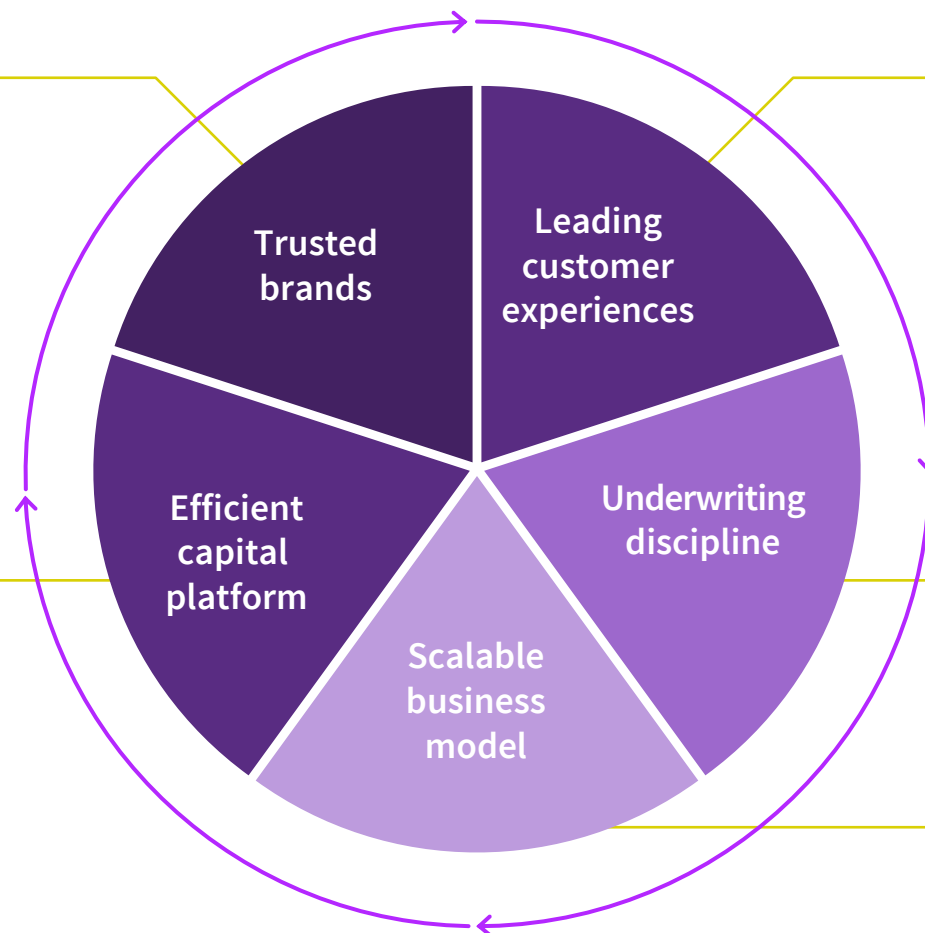


Leading brands, high trust

- NRMA Insurance #1 most trusted insurance brand in Australia, 3rd consecutive year* and Top 10 Strongest Brand**
- +42.3 (Aust), +52.4 (NZ) Customer tNPS
- ~90% renewal in Australian Retail

Innovative reinsurance protection

- Long-term strategic agreements
- Long-term natural perils volatility protection



Meeting more customer needs, faster

- AI enablement
- Communications simplification
- Complaints transformation
- Open retail claims reduced by ~32k in Aust and NZ
- Improved time to service
- Increased supplier capacity

Expert, disciplined underwriting

- Risk remediation
- Enhanced perils modelling

Scalable platform and financial strength

- Retail Enterprise Platform – adding 300k policies/month
- Commercial Enablement underway
- Strong balance sheet

* Roy Morgan 2024

** Brand Finance 2025

Net profit after tax

\$778m

Includes \$140m post-tax
Business Interruption provision
release

Insurance profit

\$957m

Natural perils \$215m
below allowance

Gross Written Premium

\$8.4bn

Up 6.0%

Underlying insurance margin

15.1%

Up 140bps

Interim dividend

12cps

Up 20%

Strong capital position

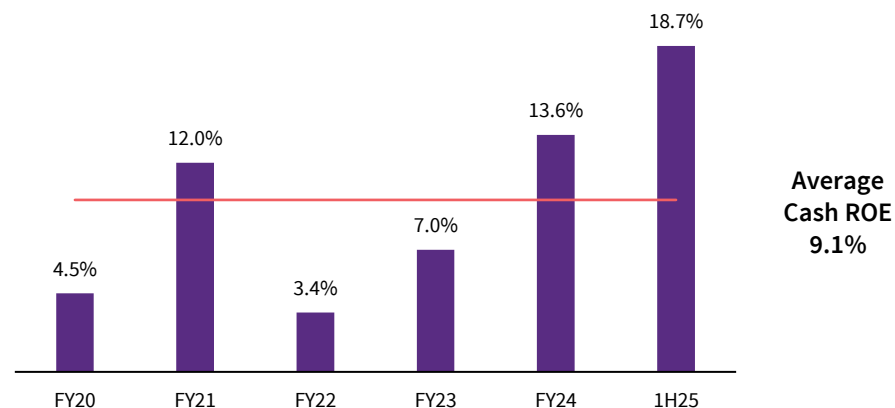
1.42 CET1

Well above 0.9 to 1.1 target range

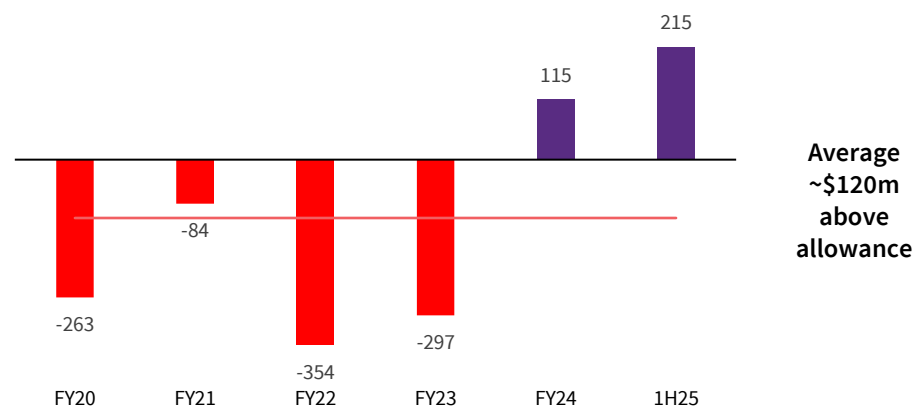
ROEs impacted by perils over last 5 years – 1H25 favourable impact



Cash ROE

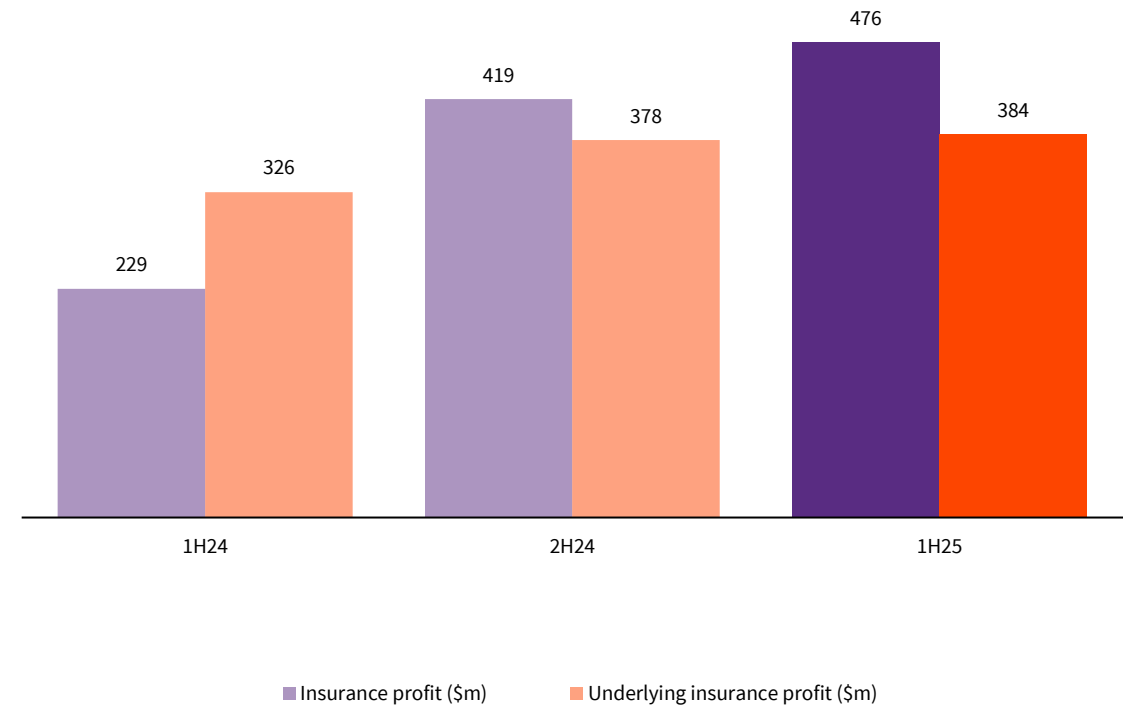


Perils above(-)/below (+)
allowance (\$m, pre-tax)



Key highlights

- Solid 1H25 GWP growth driven by Motor (↑ 6.3%) and Home (↑ 6.1%)
- Strong renewal rates– close to 90% in Motor and over 90% in Home
- Reported insurance margin improved to 19.0% (1H24: 10.0%)
- Underlying insurance margin improved to 15.2% (1H24: 14.3%) reflecting lower claims ratio
- ~17k reduction in open claims during 1H25
- \$160m run-rate claims value achieved out of \$400m target
 - Improvement of motor supply chain
 - Enhancements to fraud detection capabilities
- NRMA Insurance awarded Most Trusted Insurance Brand in Australia for 2024 by Roy Morgan, with NSW policy growth of 1% in Motor and 0.5% in Home



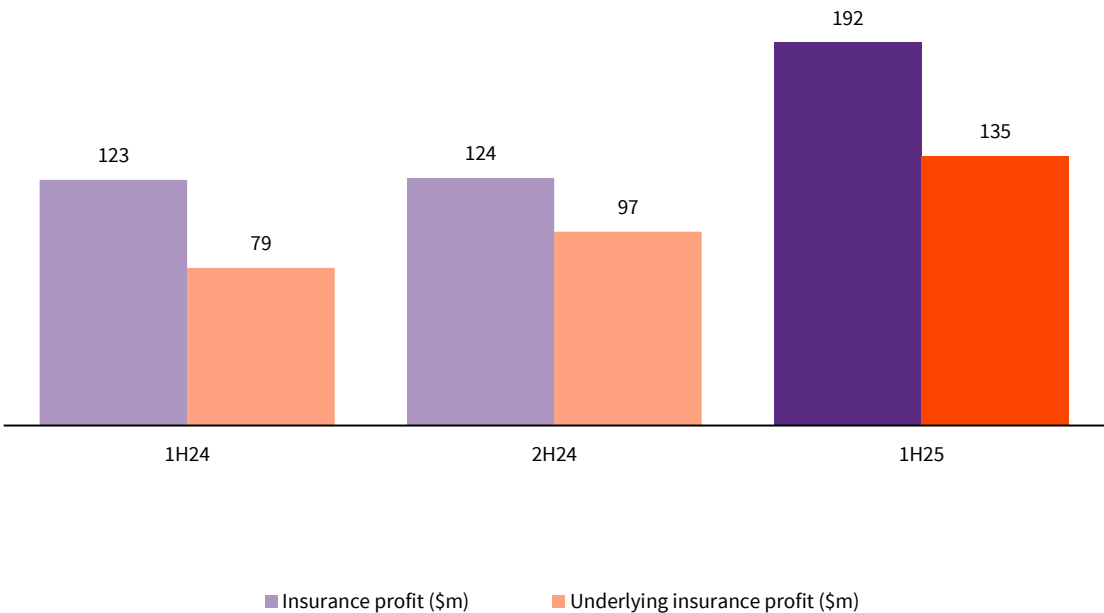
Key highlights

- GWP growth of 10.3% with strong growth in workers' compensation, including impact of multi-year policies (~\$80m)
- Lower reported insurance margin of 12.8% (1H24: 14.7%) but stable underlying insurance margin of 11.5% (1H24: 11.5%)
- Stable reserving position, net reserve release of \$9m
- 50bps reduction in expense ratio
- IIA saw a 4.6pts increase in NPS from 1H24 to 1H25
- Foundations set for delivery of sustainable profitable growth across CGU & WFI, and will be further enabled through transformation and delivery of Commercial Enablement technology uplift



Key highlights

- GWP up 3.2% to A\$1,067m
- NZ\$ underlying GWP growth of ~8% adjusting for timing of premium processing changes. Impacted by a softening economy resulting in modest volume loss
- Strong reported insurance margin of 30.5% (1H24: 22.3%), following benign perils experience
- Underlying insurance margin of 21.4% (1H24: 14.3%)
- ~15k reduction in open claims during 1H25
- Expanded AMI MotorHub to 10 sites across New Zealand, including a new Wellington site, covering ~30% of driveable repairs and delivering improved customer satisfaction and ~20% lower costs
- Enterprise Platform rollout - successful BNZ and AMI & State motor go-live in November, with State motor recording unit growth



Key highlights

- GWP decline by 1.2% to A\$820m
- NZ\$ GWP growth of ~1%
- Strong reported insurance profit margin of 26.0% (1H24: 18.8%)
- Underlying insurance margin of 16.8% (1H24: 15.5%)
- Retained 34 of 35 large accounts during most recent renewals
- Underwriting discipline maintained in a softening commercial insurance environment
- NZI saw ~5pts increase in NPS in 1H25



William McDonnell

Chief Financial Officer

Financials



Financial summary



	1H24	1H25	Change	
GWP (\$m)	7,947	8,426	6.0%	▲
NEP (\$m)	4,496	4,930	9.7%	▲
Administration expense ratio ex-levies (%)	12.2	11.9	30bps	▼
Reported insurance profit (\$m)	614	957	55.9%	▲
Reported insurance margin (%)	13.7	19.4	570bps	▲
Underlying insurance profit (\$m)	614	747	21.7%	▲
Underlying insurance margin (%)	13.7	15.1	140bps	▲
Net profit after tax (\$m)	407	778	91.2%	▲
Cash earnings (\$m)	415	640	54.2%	▲
Dividend (cps)	10.0	12.0	20.0%	▲
CET1 ratio	1.16	1.42	26pts	▲

Solid top-line growth



Reported 1H25 GWP growth of 6.0%: (underlying growth ~7%¹)

- Ongoing premium increases reflecting moderating claims inflation and increased perils allowance
- Strong renewal rates for direct channels in Australia and New Zealand
- Relatively flat volumes across Home and Motor portfolios in RIA, with modest volume decline in New Zealand
- Strong focus on underwriting discipline in commercial portfolios, with signs of softening particularly in New Zealand

Gross Earned Premium (GEP) growth of 10.8%

Net Earned Premium (NEP) growth of 9.7%

Group GWP, GEP & NEP growth (%)



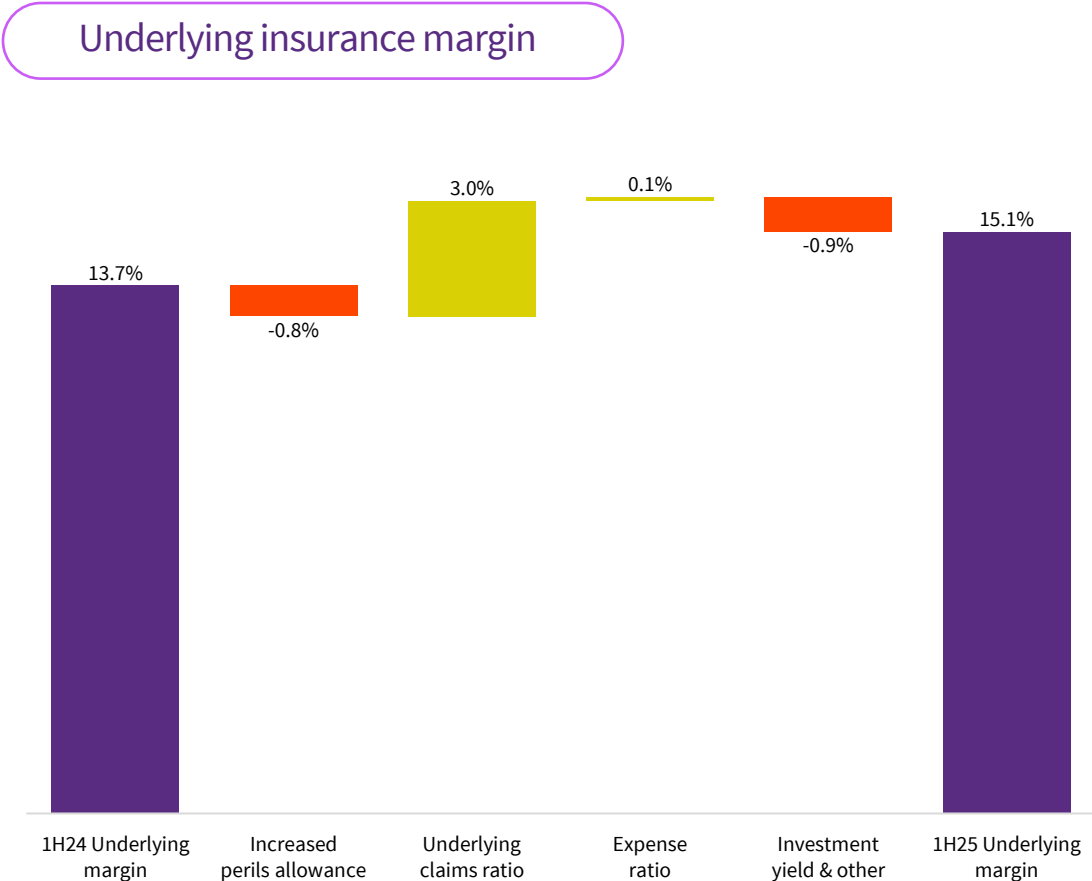
¹ Underlying GWP growth adjusts for Coles exit, multi-year workers' compensation, crop, premium processing timing changes and FX effects.

Increased underlying insurance margin



Underlying insurance margin improved to 15.1% (1H24: 13.7%):

- Increased perils allowance to \$641m (1H24: \$549m)
- 300bps underlying claims ratio improvement
- Expense ratio decrease to 23.6% (1H24: 23.7%), with a modest reduction in commission ratio and flat administration ratio, including higher levies
- Lower investment yield

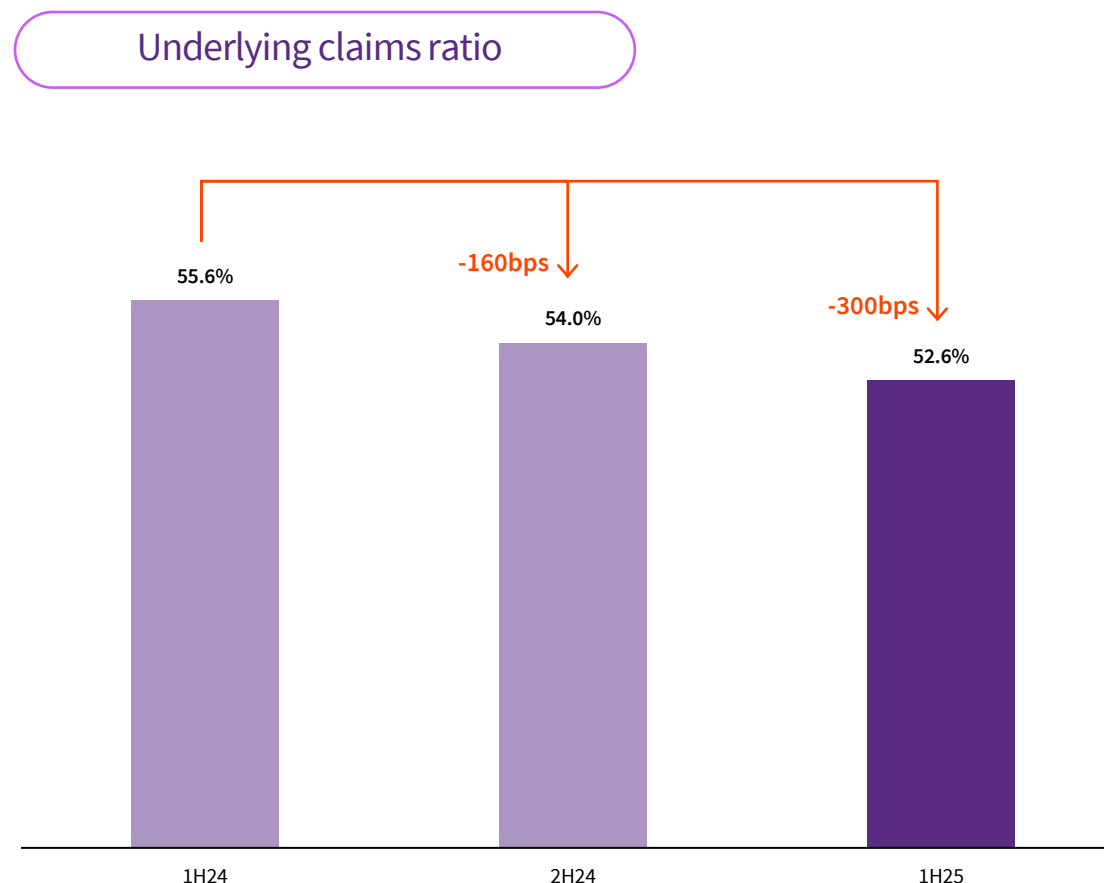


Improvement in underlying claims ratio



Drivers of 300bps improvement in underlying claims ratio

- Moderating claims inflation, particularly in New Zealand
- Improved supply chain and motor repair network capacity and benefit from lower total loss motor claims costs in RIA
- Improvement in long-tail experience, with short-tail classes in line with expectation in IIA
- Claims initiatives to reduce fraud
- Strong improvement in New Zealand with lower frequency levels supplementing reduction in open claims and expansion of motor repair network



Favourable perils experience and strong reinsurance protection



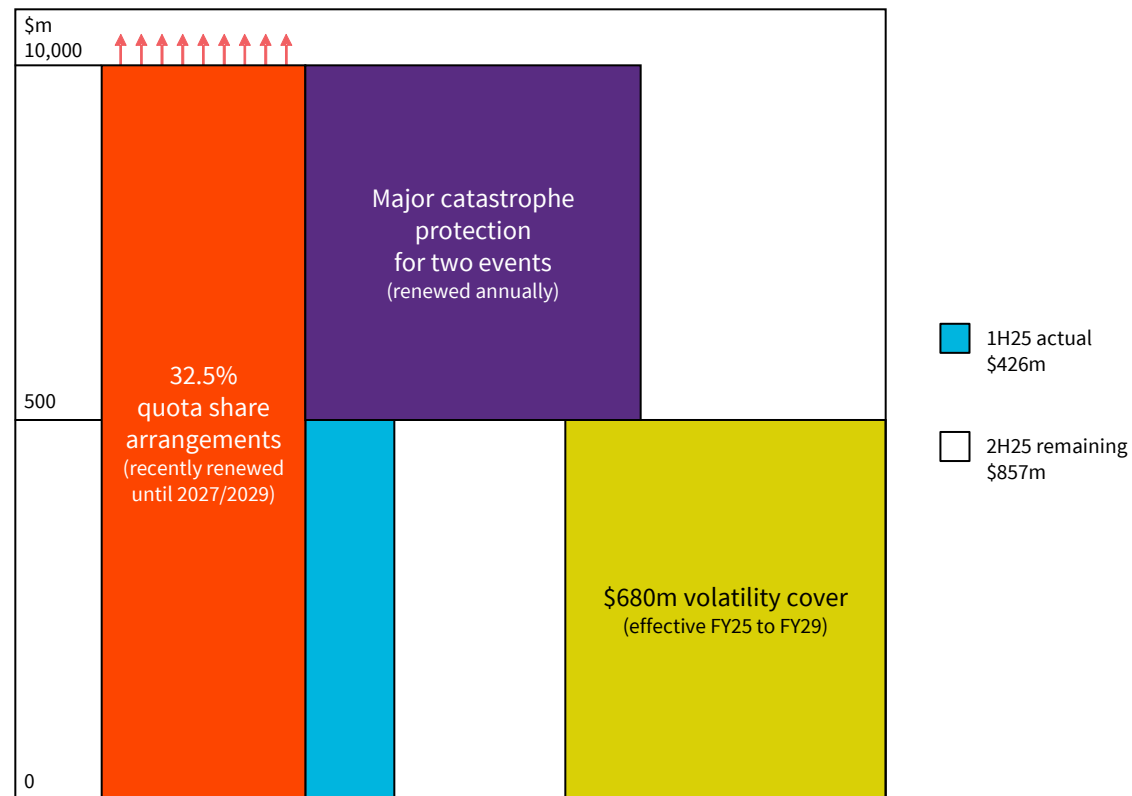
1H25 net perils costs of \$426m, \$215m below allowance

- One major event of \$53m in August 2024
- Continue to adopt prudent reserving approach reflecting Hunter Hail experience

Maintain FY25 perils allowance of \$1,283m

- In line with attachment point for perils volatility cover
- Prudent approach to allow for uncertainty of 2H25 perils outcome
- Maximum Event Retention of \$337m (67.5% of \$500m)
- January/February 2025 net perils costs of ~\$100m above expectation, reducing the year-to-date favourability to ~\$100m

Catastrophe reinsurance program



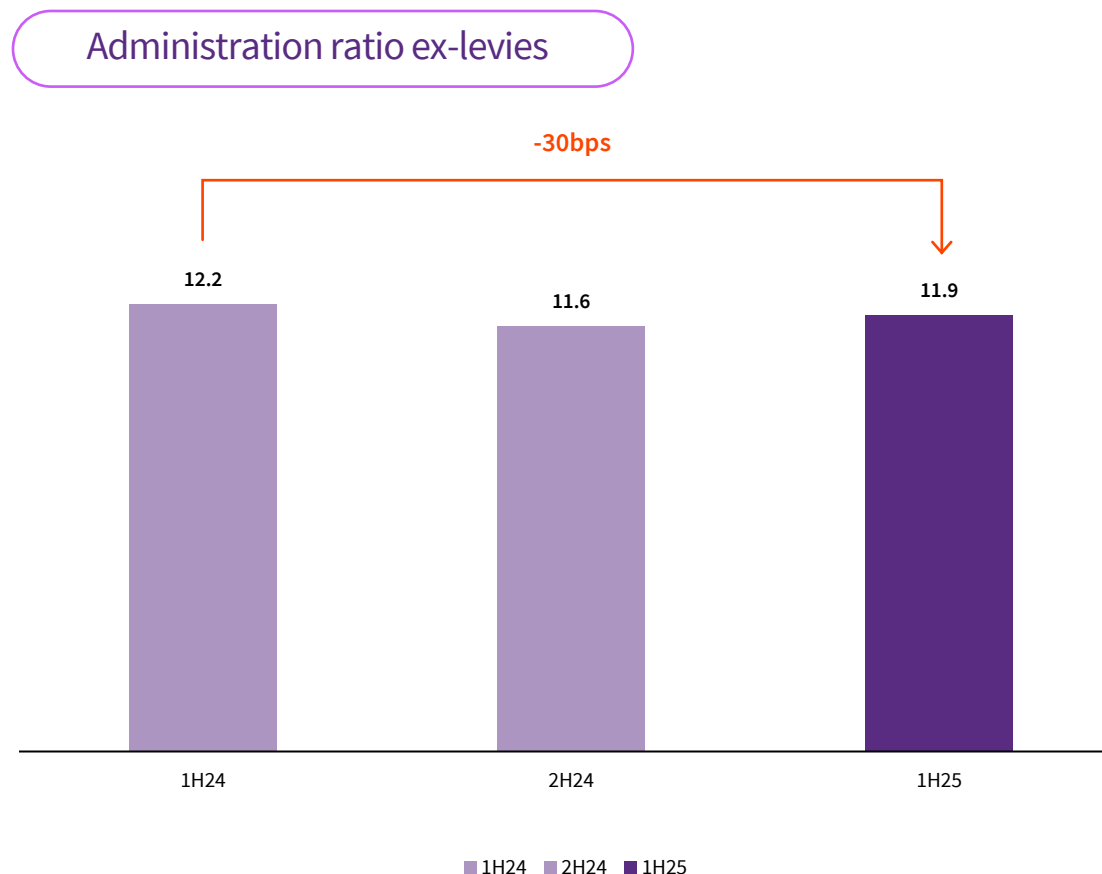
Improvement in administration expense ratio



1H25 admin ratio ex-levies 30bps improvement compared to 1H24

- Administration expenses ex-levies up 5.1% including higher technology costs including amortisation
- Proportionally greater increase in costs to 'Grow', including transformation
- Ongoing investment in automation and artificial intelligence to increase operational efficiency

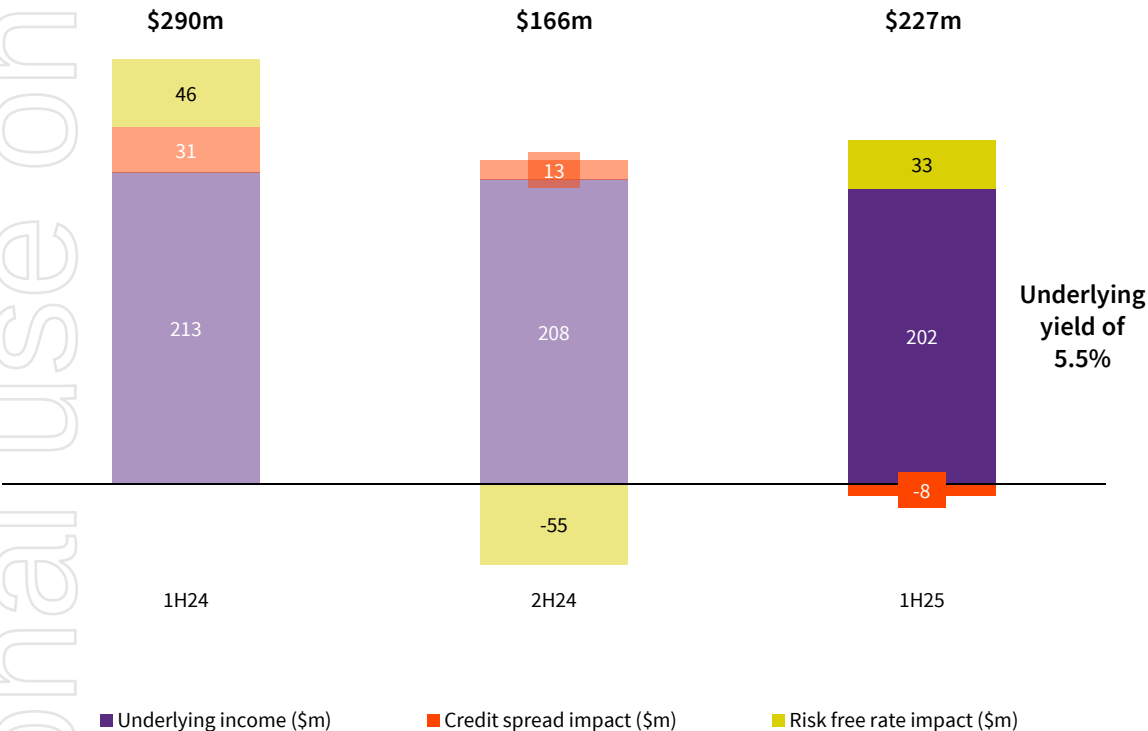
Group administration ratio ex-levies expected to reduce to under 11% in FY27



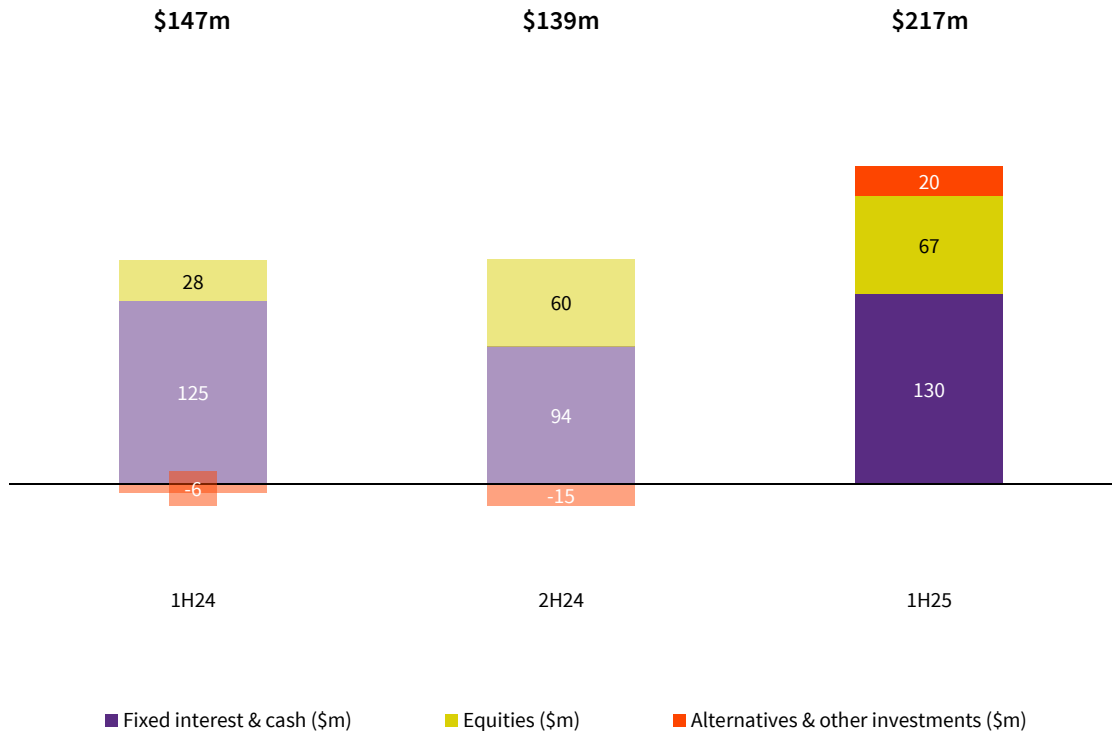
Strong investment result across all asset classes



Technical reserves income
(~\$7bn portfolio)



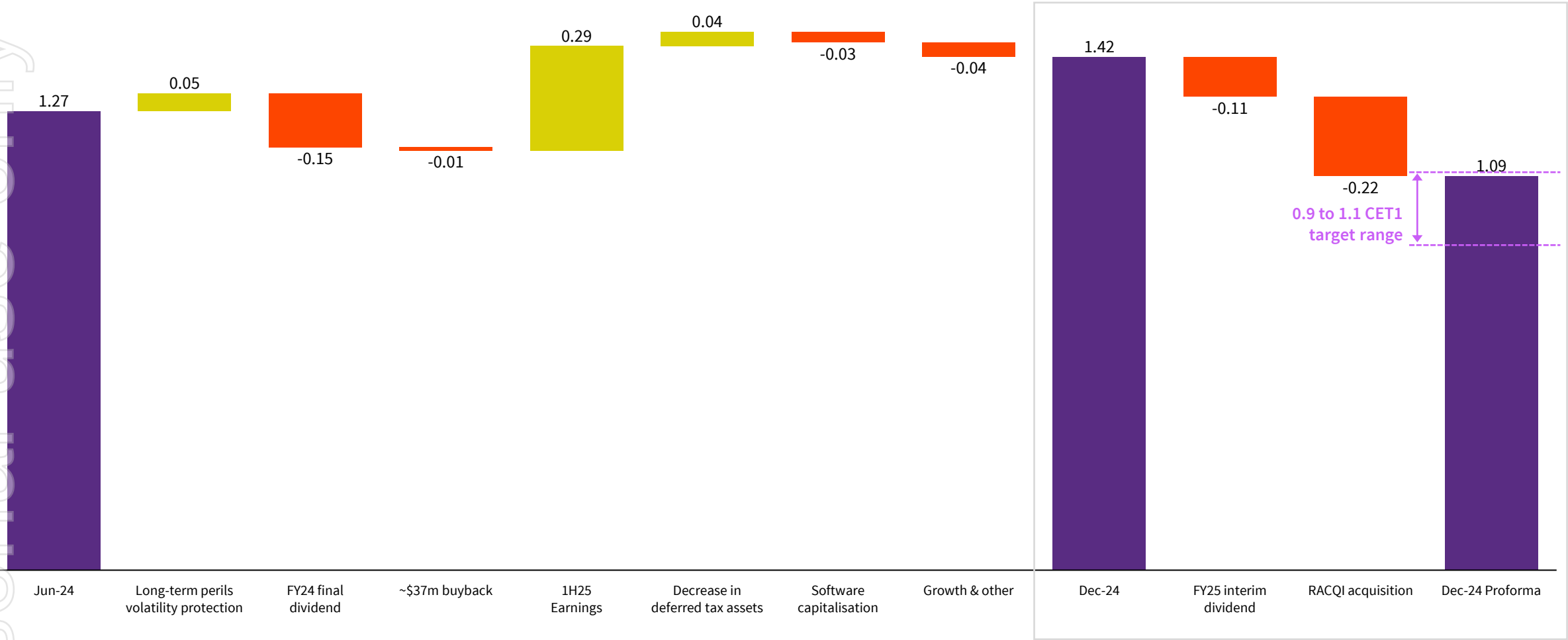
Shareholders' funds income
(~\$6bn portfolio)



Strong CET1 capital position



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Nick Hawkins

Managing Director and Chief Executive Officer

Guidance & Outlook



Reported insurance profit of \$1,400m to \$1,600m, which assumes:

- FY25 natural peril costs of \$1,283 million with 2H25 costs of \$857 million (1H25: \$426 million);
 - January/February 2025 perils ~\$100m above expectation
- continued positive momentum in the underlying performance of IAG's businesses;
- no material prior period reserve releases or strengthening; and
- no material movement in macro-economic conditions including foreign exchange rates or investment markets.

Reported insurance margin of 13.5% to 15.5% which, based on the factors above, is **expected to be towards the top of the range.**

GWP growth of 'mid-to-high single digit' which, based on improving claims trends driving a moderation in premium increases, is **expected to be towards the lower end of the range.**

¹ Refer to Important Information disclaimer on page 2.

IAG is well positioned for growth now and into the future



Scalable business set to expand beyond our 7.2m customers

Direct

Australia



New Zealand

Partner

Australia



New Zealand



Improving efficiency and margin

Intermediated

Australia



New Zealand



Efficient Capital Platform

Financial Results

Half year ended 31 December 2024

13 February 2025



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Appendix 1. Group Profit & Loss



GROUP RESULTS	1H24 A\$m	2H24 A\$m	1H25 A\$m
Gross written premium	7,947	8,453	8,426
Gross earned premium	7,550	7,875	8,366
Reinsurance expense	(3,054)	(3,127)	(3,436)
Net earned premium	4,496	4,748	4,930
Net claims expense	(3,108)	(2,987)	(3,039)
Commission expense	(418)	(443)	(453)
Administration expense	(646)	(660)	(708)
Underwriting profit/(loss)	324	658	730
Investment income on technical reserves	290	166	227
Insurance profit/(loss)	614	824	957
Net corporate expense	(7)	-	200
Interest	(85)	(100)	(92)
Profit/(loss) from fee-based business	(12)	(24)	(3)
Investment income on shareholders' funds	147	139	217
Profit/(loss) before income tax and amortisation	657	839	1,279
Income tax expense	(201)	(257)	(381)
Profit/(loss) after income tax (before amortisation)	456	582	898
Non-controlling interests	(46)	(89)	(118)
Profit/(loss) after income tax and non-controlling interests (before amortisation)	410	493	780
Amortisation and impairment	(3)	(2)	(2)
Profit/(loss) attributable to IAG shareholders	407	491	778

Appendix 2. Group Insurance Ratios



Insurance Ratios	1H24	2H24	1H25
Loss ratio	69.1%	62.9%	61.6%
Immunised loss ratio	68.5%	63.7%	61.3%
Expense ratio	23.7%	23.2%	23.6%
Commission ratio	9.3%	9.3%	9.2%
Administration ratio	14.4%	13.9%	14.4%
Administration ex levies ratio	12.2%	11.6%	11.9%
Combined ratio	92.8%	86.1%	85.2%
Immunised combined ratio	92.2%	86.9%	84.8%
Reported insurance margin	13.7%	17.4%	19.4%
Underlying insurance margin	13.7%	15.3%	15.1%

Appendix 3. RIA Profit & Loss and Insurance Ratios



	1H24 A\$m	2H24 A\$m	1H25 A\$m
RETAIL INSURANCE AUSTRALIA			
Gross written premium	4,058	4,264	4,305
Gross earned premium	3,769	3,999	4,242
Reinsurance expense	(1,486)	(1,568)	(1,729)
Net earned premium	2,283	2,431	2,513
Net claims expense	(1,758)	(1,643)	(1,660)
Commission expense	(110)	(123)	(124)
Administration expense	(336)	(343)	(364)
Underwriting profit/(loss)	79	322	365
Investment income on technical reserves	150	97	111
Insurance profit/(loss)	229	419	476
Profit/(loss) from fee based business	(3)	(18)	(2)
Total divisional result	226	401	474
Insurance Ratios			
	1H24	2H24	1H25
Loss ratio	77.0%	67.6%	66.0%
Immunised loss ratio	76.6%	68.1%	65.7%
Expense ratio	19.5%	19.2%	19.4%
Commission ratio	4.8%	5.1%	4.9%
Administration ratio	14.7%	14.1%	14.5%
Combined ratio	96.5%	86.8%	85.4%
Immunised combined ratio	96.1%	87.3%	85.1%
Reported insurance margin	10.0%	17.2%	19.0%
Underlying insurance margin	14.3%	15.5%	15.2%

Appendix 4. IIA Profit & Loss and Insurance Ratios



	1H24 A\$m	2H24 A\$m	1H25 A\$m
INTERMEDIATED INSURANCE AUSTRALIA			
Gross written premium	2,025	2,257	2,233
Gross earned premium	2,072	2,080	2,225
Reinsurance expense	(840)	(817)	(895)
Net earned premium	1,232	1,263	1,330
Net claims expense	(780)	(776)	(844)
Commission expense	(195)	(200)	(204)
Administration expense	(189)	(189)	(202)
Underwriting profit/(loss)	68	98	80
Investment income on technical reserves	113	55	91
Insurance profit/(loss)	181	153	171
Profit/(loss) from fee based business	(3)	(3)	(1)
Total divisional result	178	150	170
Insurance Ratios			
	1H24	2H24	1H25
Loss ratio	63.3%	61.4%	63.5%
Immunised loss ratio	62.0%	63.3%	62.9%
Expense ratio	31.1%	30.8%	30.6%
Commission ratio	15.8%	15.8%	15.4%
Administration ratio	15.3%	15.0%	15.2%
Combined ratio	94.4%	92.2%	94.1%
Immunised combined ratio	93.1%	94.1%	93.5%
Reported insurance margin	14.7%	12.1%	12.8%
Underlying insurance margin	11.5%	11.7%	11.5%

Appendix 5. NZ Profit & Loss and Insurance Ratios



	1H24 A\$m	2H24 A\$m	1H25 A\$m
NEW ZEALAND			
Gross written premium	1,864	1,932	1,887
Gross earned premium	1,709	1,796	1,898
Reinsurance expense	(728)	(742)	(812)
Net earned premium	981	1,054	1,086
Net claims expense	(570)	(567)	(533)
Commission expense	(113)	(120)	(125)
Administration expense	(121)	(128)	(142)
Underwriting profit/(loss)	177	239	286
Investment income on technical reserves	27	14	25
Insurance profit/(loss)	204	253	311
Profit/(loss) from fee based business	-	(1)	-
Total divisional result	204	252	311
Insurance Ratios	1H24	2H24	1H25
Loss ratio	58.1%	53.8%	49.1%
Immunised loss ratio	57.9%	53.8%	48.8%
Expense ratio	23.8%	23.5%	24.6%
Commission ratio	11.5%	11.4%	11.5%
Administration ratio	12.3%	12.1%	13.1%
Combined ratio	81.9%	77.3%	73.7%
Immunised combined ratio	81.7%	77.3%	73.4%
Reported insurance margin	20.8%	24.0%	28.6%
Underlying insurance margin	14.9%	18.7%	19.5%

Appendix 6. NZ Retail Profit & Loss and Insurance Ratios



NEW ZEALAND - RETAIL	1H24 A\$m	2H24 A\$m	1H25 A\$m
Gross written premium	1,034	1,041	1,067
Gross earned premium	919	959	1,057
Reinsurance expense	(368)	(375)	(428)
Net earned premium	551	584	629
Net claims expense	(342)	(359)	(330)
Commission expense	(25)	(27)	(30)
Administration expense	(76)	(82)	(91)
Underwriting profit/(loss)	108	116	178
Investment income on technical reserves	15	8	14
Insurance profit/(loss)	123	124	192
Profit/(loss) from fee-based business	-	(1)	-
Total divisional result	123	123	192
Insurance Ratios	1H24	2H24	1H25
Loss ratio	62.1%	61.5%	52.5%
Immunised loss ratio	61.9%	61.5%	52.1%
Expense ratio	18.3%	18.6%	19.3%
Commission ratio	4.5%	4.6%	4.8%
Administration ratio	13.8%	14.0%	14.5%
Combined ratio	80.4%	80.1%	71.8%
Immunised combined ratio	80.2%	80.1%	71.4%
Reported insurance margin	22.3%	21.2%	30.5%
Underlying insurance margin	14.3%	16.6%	21.4%

Appendix 7. NZ Intermediated Profit & Loss and Insurance Ratios



NEW ZEALAND - INTERMEDIATED	1H24 A\$m	2H24 A\$m	1H25 A\$m
Gross written premium	830	891	820
Gross earned premium	790	837	841
Reinsurance expense	(360)	(367)	(384)
Net earned premium	430	470	457
Net claims expense	(228)	(208)	(203)
Commission expense	(88)	(93)	(95)
Administration expense	(45)	(46)	(51)
Underwriting profit/(loss)	69	123	108
Investment income on technical reserves	12	6	11
Insurance profit/(loss)	81	129	119
Profit/(loss) from fee-based business	-	-	-
Total divisional result	81	129	119
Insurance Ratios	1H24	2H24	1H25
Loss ratio	53.0%	44.3%	44.4%
Immunised loss ratio	52.8%	44.3%	44.2%
Expense ratio	31.0%	29.6%	32.0%
Commission ratio	20.5%	19.8%	20.8%
Administration ratio	10.5%	9.8%	11.2%
Combined ratio	84.0%	73.9%	76.4%
Immunised combined ratio	83.8%	73.9%	76.2%
Reported insurance margin	18.8%	27.4%	26.0%
Underlying insurance margin	15.5%	21.2%	16.8%