

ASX release

23 October 2025



IAG upgrades FY26 guidance following RACQI acquisition

IAG today announced an upgrade to its FY26 guidance following the successful completion of the acquisition of the Royal Automobile Club of Queensland's (RACQ) insurance business.

IAG expects FY26 gross written premium (GWP) growth of approximately 10%, up from the previous 'low-to-mid single digit' range, reflecting the inclusion of RACQ Insurance (RACQI) from 1 September 2025.

Reported insurance profit is now expected to be in the range of \$1,550m to \$1,750m, up \$100m from the previous range of \$1,450m to \$1,650m. This broadly equates to a reported insurance margin range of 14% to 16% and assumes:

- FY26 natural peril allowance of \$1,470m which has been adjusted to include RACQI;
- no material prior period reserve releases or strengthening; and
- no material movement in macro-economic conditions including foreign exchange rates or investment markets.

Commenting on the acquisition of RACQI and guidance upgrade at today's IAG Annual General Meeting, IAG Managing Director and CEO Nick Hawkins said: "We're pleased to confirm that the RACQI business is performing slightly ahead of our expectations.

"The internally funded acquisition is strategically aligned with our growth ambitions, and the integration process is progressing smoothly. It strengthens our position in the Queensland market and supports our 'through the cycle' targets of a 15% reported insurance margin and 15% return on equity." Mr Hawkins said.

This release has been authorised by the IAG Board.

About IAG

IAG is the parent company of a general insurance group with operations in Australia and New Zealand. IAG's main businesses underwrite over \$17 billion of insurance premium per annum under many leading brands, including: NRMA Insurance, RACV (under a distribution agreement with RACV), RACQI (under a distribution agreement with RACQ), CGU and WFI (Australia); and NZI, State, AMI and Lumley (New Zealand). For further information, please visit www.iag.com.au.

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