

1H26 Results



for the half year ended 31 December 2025

Higher natural hazard costs but resilient underlying margins and strong capital position

Results overview

"While Suncorp's 1H26 reported profits and shareholder returns have been challenged by an elevated level of natural hazard costs and lower investment returns over the half, our underlying business remains resilient as we continue to deliver on our strategic imperatives and drive good momentum leading into the second half of the financial year.

"Suncorp dealt with nine declared natural hazard events through the half, resulting in more than 71,000 claims at a net cost of around \$1.3 billion. The destructive thunderstorms and widespread hailstorms that hit the east coast of Australia, particularly south-east Queensland through October and November, contributed to the majority of claims received over the half, with the giant hailstorm event in November likely to be among our costliest in recent history.

"Despite this, the business continues to perform strongly, reflected in the solid growth of our Consumer business, and our underlying insurance trading ratio, which has remained towards the top half of our target operating range at 11.7%.

"Importantly, we have thrown our full support behind our customers impacted by these severe weather events, while also working hard to finalise complex claims from major events earlier in the year including ex-Tropical Cyclone Alfred and flooding across parts of Queensland and New South Wales.

"These events continue to underscore our purpose and the important role we play in our communities and economies. I am particularly proud of our enhanced ability to respond to such large-scale weather events and claims volumes with speed and efficiency, demonstrating the benefits of our strategic investments in disaster management capability.

"The value and quality of our brands, products and services continue to support customer growth, particularly across our Consumer portfolio which experienced Gross Written Premium growth of 6.3% and unit growth of 2% in Motor and 0.4% in Home. This was encouraging in what remains a highly competitive market and at a time when cost-of-living pressures continue to impact households. We have maintained a focus on strengthening the mix and quality of our portfolios, with enhanced risk selection and pricing supporting growth in low risk, target segments.

"Our balance sheet and capital position remain strong and the Board has determined to pay a fully franked interim ordinary dividend of 17 cents per share, representing 68% of cash earnings.

"We are making good progress on our strategic imperatives to modernise our platforms and transform our operations by leveraging artificial intelligence at scale.

"Our disciplined approach to capital management has enabled us to complete \$168 million of our on-market share buy-back program, which began in September. We continue to target around \$400 million through this program by the end of FY26.

"Looking ahead, GWP growth is expected to be around the bottom of the mid-single digits range given the current cycle in Commercial in Australia and New Zealand, while underlying ITR is expected to remain in the top half of the 10% to 12% range."

Profit after tax

\$263m

NPAT

1H25: \$1,100m

\$270m

Cash earnings

1H25: \$828m

The result was impacted by elevated natural hazard experience (\$453 million above allowance) and negative mark-to-market movements on investments from higher yields.

Gross written premium

\$7,689m

1H25: \$7,487m

General Insurance gross written premium (GWP) growth of 2.7%ⁱ was supported by strong growth in the Consumer portfolio. Growth in the Commercial portfolios and price increases in Compulsory Third Party (CTP) were partly offset by a decline in Workers' Compensation. In New Zealand, growth was negative, impacted by the soft commercial market cycle including heightened competition from international capital, a slowing economy and softening prices in Consumer in response to lower claims.

Dividends and buy-back

17cps

Interim dividend

\$168m

Buy-back completed

Fully franked interim ordinary dividend represents a payout ratio of 68% of cash earnings. The interim dividend will be paid on 31 March 2026.

Strong capital position with Common Equity Tier 1 (CET1) excess to the target mid-point of \$700 million. Completed \$168 million on-market buy-back during the half, with around \$400 million expected to be completed over FY26.

Steve Johnston – CEO

Underlying ITR

11.7%

1H25: 11.8%

The underlying insurance trading ratio (UITR) of 11.7% remains in the top half of the target range. Key dynamics include higher loss ratios in the Commercial & Personal Injury (C&PI) portfolio partially offset by the continued earn through of pricing in Consumer. Whilst New Zealand margins improved, negative GWP growth resulted in it being a drag on the Group margin.

Net incurred claims

\$5,479m

1H25: \$4,440m

Elevated natural hazard experience and ongoing working claims inflation in some portfolios drove a 23.4% increase in net incurred claims.

Working claims were impacted by ongoing industry-wide construction and labour inflationary pressures in the Consumer Home portfolio, and more persistent parts and labour inflation in Motor. New Zealand working claims experience moderated. C&PI benefited from prior year reserve releases across most portfolios, partially offset by some strengthening in Consumer.

Natural hazards

\$1,319m

1H25: \$503m

Natural hazards costs were \$453 million above the half year allowance. Suncorp responded to nine separate weather events above \$10 million and managed more than 71,000 natural hazard claims.

Suncorp's main catastrophe cover remains in place, with the retention for a next large Australian event of \$260 million based on current estimates. The natural hazard allowance for FY26 is \$1,770 million, and for 2H26 is \$904 million.

Net investment returns

\$259m

1H25: \$374mⁱⁱ

Net investment income was impacted by negative mark-to-market movements, primarily driven by increases in risk-free rates, noting the benefits of the higher yield on future periods. Underlying yield remained strong at 4.9%. Investment income on shareholders' funds was supported by strong returns in property and infrastructure.

Operating expenses

\$893m

1H25: \$855mⁱⁱⁱ

Ongoing investment in growing the business was the key driver of the increase in operating expenses. Grow-the-business expenses included the Digital Insurer program costs and investment in Artificial Intelligence. Marketing costs also increased to drive growth, strengthen brand positioning and respond to competition.

The expense ratio of 18.0% is down from 18.4%, reflecting disciplined cost management and revenue growth.

Capital

\$700m

CET1 above mid-point of target range

2H25: \$997m

Capital settings remain strong, with CET1 \$700 million above the midpoint of the target range.

During the half, Suncorp completed \$168 million on-market share buy-back, representing a cancellation of 8 million shares. The share buy-back will recommence post results, with up to \$400 million targeted to be completed in FY26.

Suncorp continues to be disciplined in managing capital and remains committed to returning excess capital to shareholders.

FY26 outlook

Growth: GWP growth expected to be around the bottom of the mid-single digit range, given the current cycle in Commercial in Australia and New Zealand.

Underlying ITR: Expected to be in the top half of the 10% to 12% range supported by the continued earn through of higher premium rates from prior periods in Consumer and C&PI. Offsetting this is the drag from New Zealand on group margins.

Prior year reserves: Releases in CTP are expected to be around 0.3% of Group net insurance revenue.

Operating expenses: Expense ratio expected to be approximately 50 basis points below FY25 with an increasing proportion allocated to growing the business.

Strategic targets: Delivering a growing business with a sustainable return on equity expected to be above the through-the-cycle cost of equity.

Capital management: Disciplined approach to active capital management, with a payout ratio around the mid-point of the 60% - 80% range of cash earnings. An on-market share buy-back of up to \$400 million in total is targeted to be completed by the end of FY26. Suncorp remains committed to returning capital in excess of the needs of the business to shareholders.

Divisional results

Consumer Insurance

Insurance trading result

\$(137)m (1H25: \$509m)

The Consumer insurance trading loss was primarily due to the elevated natural hazard experience in the half. The result was also impacted by lower investment returns, partly offset by the earn through of pricing in response to an increased natural hazards allowance and ongoing claims inflation.

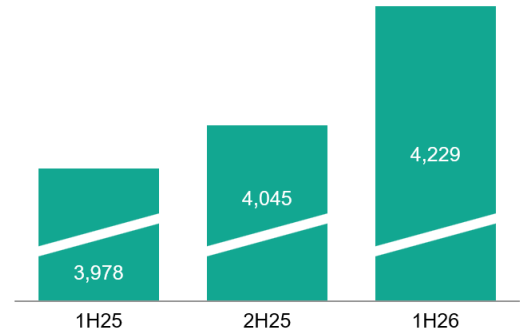
The UITR increased from 9.4% to 9.9%, driven by the earned impact of pricing changes.

GWP increased 6.3%, supported by unit growth of 2.0% in the Motor portfolio and 0.4% in the Home portfolio.

Net incurred claims increased 37.7% to \$3,471 million, with working claims impacted by stickier claims inflation and some prior year reserve strengthening.

Gross written premium

\$4,229m



Commercial & Personal Injury Insurance

Insurance trading result

\$204m (1H25: \$224m)

The C&PI result reflects higher natural hazard costs and lower investment income, partly offset by strong prior year reserve releases.

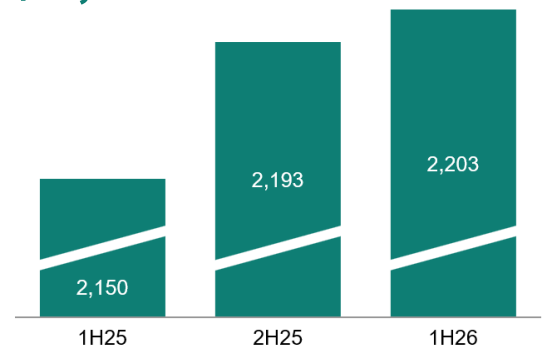
The UITR reduced from 10.0% to 9.4%, reflecting increased competition and lower underlying investment income.

GWP of \$2,203 million increased 2.5%, with Personal Injury benefitting from significant pricing increases in key CTP schemes, whilst Workers' Compensation GWP contracted. Commercial benefitted from strong growth in Fleet, albeit partially offset by the impact of the cycle on Property and Professional and Financial Lines.

Net incurred claims of \$1,467 million increased 6.5%, reflecting the natural hazards experience and portfolio growth.

Gross written premium

\$2,203m



Suncorp New Zealand

Insurance trading result

NZ\$290m (1H25: NZ\$283m)

The result was impacted by elevated natural hazards experience, reduced written premium amid a softening commercial market cycle and weak economy, and lower investment income.

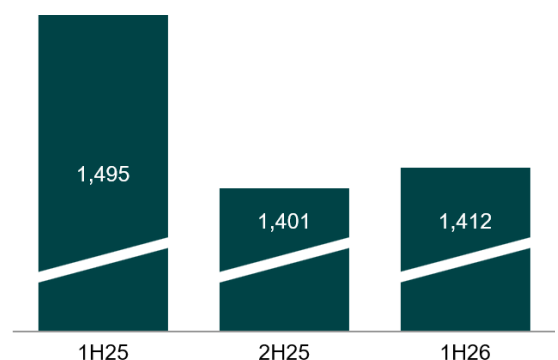
The UITR increased to 21.3% following a moderation in working claims, however, is expected to moderate to target levels over the second half.

GWP decreased 5.6% reflecting challenging market conditions in the intermediated business with softening prices in Commercial, and the exit of a consumer lines brokered book of business. In Consumer, the direct consumer AA business continued to perform well, with good unit growth.

Net incurred claims increased 2.4%, following the October heavy rain and wind event and elevated attritional weather-related claims.

Gross written premium

NZ\$1,412m



Delivering for customers

\$5.1 billion

Claims paid (up from \$4.8 billion)

NPS +12.9

Consumer Australia Net Promoter Score (up from +6.9)^{iv}

Improving customer experience

Digital uptake continues to grow

73.3% of sales made online (up from 69.9%)

63.1% of service transactions online (up from 59.0%)^v

Improving household maintenance

10K+ maintenance tasks completed in Suncorp Insurance's "My Home" cashback rewards program; 250K+ *Suncorp Haven* website visits to understand their home risks.

Vero's award-winning service and culture

Won the Gold Mansfield Award for Claims Excellence for the sixth year in a row and NIBA's Large General Insurer of the Year for third consecutive year – as voted by brokers.

Driving improvements for motor customers

Average life of a customer motor claim reduced by 7 days

Pop up motor centre assessed 4000+ hail-damaged vehicles in two weeks, speeding up the repair process

Motor claims Net Promoter Score +59.4 (up 4.4 points)

Community engagement

6000+ preparedness conversations with community members at 11 community events; new educational resources on a range of topics including lithium-ion batteries and home repair process.

AAMI Driving Test

100,000+ new AAMI app downloads in the nationwide safer driving initiative, the *AAMI Driving Test*.

Leading in extreme weather response

On the ground with our customers

Mobile Disaster Response Hubs and Customer Support Teams engaged customers in 27 communities.

Advocating for safer communities

Hosted a Future Housing Roundtable at Parliament House in Canberra, and National Adaptation Framework Panel in Auckland.

Proactive communications

3,300+ welfare calls and 460,000+ SMS messages, providing safety information, guidance and reassurance to disaster impacted customers.

Mental health support

Partnered with Black Dog Institute on new resources for customers and community members, designed to provide tips and advice before and after a severe weather event.

Enabled by technology

Conversational AI customer support

15 chatbots handled more than 1.6 million digital customer interactions in the half, up more than 28%.

Support at the scene of a car accident

New *Crash Detection* feature in the AAMI app helps customers collect key information after an accident.

Authorised for lodgement with the ASX by the Suncorp Group Board.

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ⁱ All changes refer to the prior corresponding period unless otherwise stated.

ⁱⁱ Net investment income is investment income on insurance funds and shareholders' funds net of discount unwind and rate adjustments on claims liabilities.

ⁱⁱⁱ Total General Insurance operating expenses includes direct and non-directly attributable expenses.

^{iv} RFI Global – Atlas. Performance measured as at December 2025 amongst an aggregate of Suncorp Group Australian consumer insurance customers.

^v Digital sales and service transactions for all Consumer insurance brands (excluding TSI), Home, Motor & NSW CTP products. Previously reported as Mass brands only.