

18 February 2026

Chairman’s letter to shareholders – 1H26 Financial Results

Suncorp Group Limited (Suncorp) (ASX: SUN | ADR: SNMCY) has today released the attached letter from the Chairman to shareholders regarding Suncorp’s 1H26 Financial Results.

Authorised for lodgement with the ASX by the Company Secretary.

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Dear Shareholder,

Half year results to 31 December 2025

As your new chairman, I am writing to update you on Suncorp's performance over the first six months of the 2026 financial year.

It was a challenging period for both Suncorp and many of our customers and communities given the significant level of extreme weather events experienced.

Suncorp managed eight declared weather events in Australia and one in New Zealand over the half, resulting in more than 71,000 claims at a net cost of around \$1.3 billion. Hail was the most significant contributor, accounting for approximately three quarters of event-related claims and costs of more than \$700 million, with the majority arising from the severe storms across south-east Queensland in October and November.

Having visited customers west of Brisbane who were impacted by the November hailstorm event, I saw first-hand the destructive nature of this powerful storm cell and the significant damage it caused in a relatively short period of time.

Suncorp's priority has been supporting our customers affected by these weather events, while also continuing to work hard to return customers to their homes following ex-Tropical Cyclone Alfred and major flooding across parts of North Queensland and New South Wales in early 2025. More recently, this support has extended to our customers impacted by the devastating bushfires in Victoria, with our teams on the ground providing dedicated assistance as they rebuild their homes and lives.

It's been pleasing to see Suncorp's investment in end-to-end disaster management capability strengthening our response and recovery efforts and support for customers before, during and after extreme weather. Suncorp paid customers a total of around \$5.1 billion in claims over the half, reinforcing the important role we continue to play in the lives of our customers, communities and economies.

Performance and dividend

The elevated level of natural hazard costs, which were \$453 million above our allowance, combined with lower investment returns of \$259 million due to negative mark-to-market movements, have impacted our reported financial result and shareholder returns for the half year to December 2025. Net profit after tax of \$263 million and cash earnings of \$270 million were down from \$1,100 million and \$828 million respectively in 1H25, notwithstanding the contribution of the one-off profit of \$252 million from the sale of Suncorp's banking arm to the 1H25 reported profit. You can view the [ASX announcement here](#).

While the headline result has been impacted, the underlying business continues to perform strongly. General Insurance Gross Written Premium (GWP) growth of 2.7% reflects solid growth across our consumer business and our underlying insurance trading ratio has remained in the top half of our target range at 11.7%.

Suncorp's full year natural hazard allowance is \$1,770 million, and our reinsurance program continues to offer strong protection, with our main catastrophe cover remaining in place. Suncorp continues to review the structure of our reinsurance program in line with our goal to optimise protection for our business and maximise long-term shareholder value creation.

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, within the target payout ratio range of 60% to 80%. The interim dividend will be paid on 31 March 2026.

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 2025. We continue to target around \$400 million through this program by the end of FY26. Suncorp remains committed to returning capital in excess of the needs of the business to shareholders.

Looking ahead

As a leading Trans-Tasman general insurance company, Suncorp continues to focus on delivering on its strategic imperatives with a view to meeting the evolving needs of our customers and communities and creating long-term shareholder value.

Building a more resilient Australia and New Zealand that can better withstand extreme weather and addressing the affordability and availability of insurance are key to this and remain a priority. Suncorp's ongoing efforts to modernise our platforms and transform our operations by leveraging technologies including artificial intelligence are helping us build greater efficiency and effectiveness in the way we serve our customers and will ultimately underpin our ability to tackle these complex challenges.

On behalf of the Board, I would like to thank you for your continued support of Suncorp.

Sincerely,

Duncan West
Chairman