

24 April 2026

FY27 Aggregate Reinsurance Cover and FY26 Outlook

Suncorp (ASX: SUN | ADR: SNMCY) today announces the purchase of a 5-year aggregate reinsurance cover and provides an update on the outlook for FY26.

Aggregate Reinsurance Cover

Suncorp has agreed to enter a 5-year aggregate reinsurance arrangement commencing on 30 June 2026. The agreement will provide \$800 million of protection annually, up to \$2.4 billion in total protection over the 5-year period.

Suncorp Acting CEO Jeremy Robson said the aggregate cover is an important component of Suncorp's reinsurance program. Over the past few years, in the harder reinsurance market cycle, we have taken the opportunity to add resilience to our natural hazard allowance. In order to further optimise the economics, the attachment point for the new cover is slightly above the natural hazard allowance. The improvement in market conditions have now made the aggregate cover a viable part of the overall program.

"This new reinsurance arrangement reinforces the sustainability of our commitment to our customers, as well as optimising long-term shareholder value," Mr Robson said.

"The underlying margin outlook remains unchanged at the upper end of our target range but with significantly improved resilience and reduced volatility in earnings. This additional aggregate cover, in combination with the remainder of our reinsurance program, increases the resilience of our business to natural hazards and the related uncertainties for the next five years."

The FY27 attachment point for the aggregate cover is \$1,850 million. The attachment point is indexed to Suncorp's growth in exposure over time. The \$1,850 million is \$50 million above the expected natural hazard allowance (NHA) for FY27 of \$1,800 million, excluding claims handling expenses (CHE) and profit commission. The FY27 NHA including CHE and profit commission is expected to be \$1,850 million (FY26: \$1,770 million). Further details of Suncorp's FY27 NHA will be provided at Suncorp's FY26 Results.

The aggregate cover is expected to effectively cap natural hazard costs at the attachment point in approximately 90% of scenarios in any given year.

The agreement includes protection previously provided by Suncorp's existing dropdown arrangements below \$350 million.

The agreement is expected to reduce the overall volatility in net claims costs resulting in a one-off capital release of approximately \$100 million through a modestly lower capital target.

The economic cost of the cover is expected to be broadly neutral in terms of the modelled expected recoveries and profit share commissions. The Underlying ITR margin outlook is expected to be unchanged, remaining at the upper end of the 10-12% range.

Suncorp continues to progress the renewal of the remainder of its reinsurance program for FY27, including its main catastrophe cover, which is on track to be finalised by 30 June 2026.

FY26 Outlook

Suncorp expects that Underlying ITR for FY26 will be towards the upper end of the 10-12% range.

In addition, the natural hazard experience for FY26 is now expected to be approximately \$250m above the FY26 allowance (1H26: \$453 million over the FY26 allowance), subject to there being no further material events.

FY26 GWP growth is now expected to be approximately 3%. GWP growth has been impacted predominately by the ongoing weakness in the NZD, which is expected to reduce growth by ~0.4¹ percentage points in AUD terms, and the impact from the improved risk mix shifts in Home.

There is no other change to the FY26 outlook previously provided.

¹ Average 2H FY26 AUD / NZD FX Rate assumed at time of the outlook provided at the 1H FY26 results was 0.88. Average 2H FY26 AUD / NZD FX Rate is now assumed to be 0.84.

ENDS

Authorised for lodgement with the ASX by the Suncorp Disclosure Committee.

For more information contact:

Media

James Spence

+61 436 457 886

james.spence@suncorp.com.au

Analysts / Investors

Nicholas Janu

+61 437 674 317

nicholas.janu@suncorp.com.au

Kyran McGushin

+61 438 087 980

kyran.mcgushin@suncorp.com.au

For personal use only