SUNCORP GROUP LIMITED AND SUBSIDIARIES
ABN 66 145 290 124

Consolidated interim financial report

For the half-year ended 31 December 2024

Contents Page

Directors' report

The directors present their report together with the consolidated interim financial statements of Suncorp Group Limited (the Company) and its subsidiaries (the Suncorp Group, Suncorp or the Group) for the half-year ended 31 December 2024 and the auditor's review report thereon.

1. Directors

The directors of the Company at any time during or since the end of the half-year are:

Non-executive

Christine McLoughlin, AM (Chairman)	Director since 2015, Chairman since 2018
Gillian Brown	Director since 2024
Sylvia Falzon	Director since 2018
Elmer Funke Kupper	Director since 2020
Ian Hammond	Director since 2018
Sally Herman, OAM	Director since 2015
Simon Machell	Director since 2017
Lindsay Tanner	Director since 2018
Duncan West	Director since 2021

Executive

Steve Johnston (Chief Executive Officer and Managing Director)	Executive Director since 2019

2. Dividends and capital return

A fully franked 2024 final dividend of $560 million (44 cents per share) was paid on 25 September 2024. A fully franked 2025 interim dividend of $802 million (63 cents per share, comprising 41 cents per ordinary dividend and a 22 cents per share special dividend – refer below) has been determined since balance date by the directors.

Further details of dividends on ordinary shares provided for or paid are set out in note 8 to the consolidated interim financial statements.

On 12 February 2025, Suncorp announced the return of capital of $4.1 billion from the sale of Suncorp Bank, along with a pro-rata share consolidation.

The net proceeds from the sale of Suncorp Bank of $4.1 billion will be distributed to ordinary shareholders in the form of a $3.8 billion capital return equating to $3.00 per share, and a fully franked special dividend of 22 cents per share. The capital return will be accompanied by a pro-rata share consolidation.

The pro-rata share consolidation will be implemented in a manner which ensures each shareholder's proportionate interest in Suncorp remains unchanged following the capital return. The consolidation ratio is 0.8511.

Refer to the Group's ASX Announcement 1H25 Financial Results on 12 February 2025 for further information on share consolidation and key dates.

3. Review of operations

3.1 Overview of the Suncorp Group

The Suncorp Group delivered a profit after tax attributable to owners of the Company of $1,100 million for the half-year ended 31 December 2024 (December 2023: $582 million).

Profit after tax increased by 89.0% from the prior comparative period primarily driven by favourable natural hazards experience, positive investment returns, the non-recurrence of prior year reserve strengthening and the profit on the sale of Suncorp Bank.

On 31 July 2024, the Group completed the sale of Suncorp Bank to Australia and New Zealand Banking Group Limited, resulting in a statutory gain on sale of $245 million. For further details, refer below to section 4. *Significant changes in Suncorp Group's state of affairs*.

On 31 January 2025, the Group completed the sale of its New Zealand Life Insurance business, Asteron Life Limited, to Resolution Life NOHC. For further details, refer below to section 4. *Significant changes in Suncorp Group's state of affairs*.

3.2 Financial position and capital structure

Net assets of Suncorp increased from $13,884 million at 30 June 2024 to $14,525 million at 31 December 2024. The increase in net assets of $641 million is primarily driven by the total comprehensive income for the half-year, partially offset by the payment of the 2023-24 financial year final dividend.

Suncorp's capital management strategy seeks to optimise shareholder value by managing the level, mix and use of capital resources. The primary objective is to ensure sufficient capital resources are available to maintain and grow the business. The quality and quantum of capital required is driven by a range of factors, in particular, Suncorp's external and internal requirements and risk appetite. Various tools and methodologies are available to manage capital including dividend policies (encompassing the dividend reinvestment plan), ordinary share issuances or buybacks, reinsurance, and the level and mix of Tier 2 subordinated debt and Additional Tier 1 capital notes.

Embedded within Suncorp's capital management strategy, is a disciplined approach to active capital management, including returning capital in excess of the needs of the business to shareholders via a consistent dividend policy, and on-market buybacks. Following the sale of Suncorp Bank, and in keeping with previous guidance, Suncorp will return net excess capital of $4.1 billion via a pro-rata capital return of $3.8 billion and a special dividend of $280 million. The capital return will be accompanied by a pro-rata share consolidation to neutralise the impact of the capital return on the share price. Suncorp's excess capital position, post return of Bank proceeds, also provides capacity to consider buybacks, subject to regulatory approval.

At 31 December 2024, total Group Excess Common Equity Tier 1 (CET1) capital to mid-point of target ranges prior to the capital return and special dividend is $4,878 million after adjusting for the 2025 interim ordinary dividend (June 2024: $251 million after adjusting for the 2024 final dividend).

The General Insurance CET1 (post-ordinary dividend) capital ratio was 1.19 times the Prescribed Capital Amount (June 2024: 1.15 times).

3.3 Review of principal businesses

3.3.1 Consumer Insurance

Consumer Insurance profit after tax of $423 million (December 2023: $203 million) was up from prior comparative period, primarily due to more benign natural hazard experience relative to expectations, along with the earn through of pricing, and delivering profitable unit growth in line with the strategy.

Gross written premium (GWP) of $4,038 million (excluding Emergency Services Levies (ESL)) (December 2023: $3,663 million (excluding ESL)) increased by 10.2% from the prior comparative period, driven by growth in average written premiums (AWP) in both the Home and Motor portfolio. Motor AWP increases moderated, supported by a lower claims inflation. Home AWP increases remained stable with pricing continuing to reflect the working claims inflation pressures that emerged in the prior half and higher natural hazards allowance. Units continued to grow in Motor, while unit growth in Home was flat due to heightened competition.

Net insurance revenue of $3,493 million (December 2023: $3,050 million) increased 14.5% from prior comparative period mainly reflecting the earned impact of prior period pricing changes that reflected inflation, natural hazards and reinsurance costs.

Prior year reserve strengthening was $26 million (December 2023: $116 million) and predominantly related to an unfavourable cost development in the Motor portfolio for total loss claims.

Net incurred claims of $2,546 million (December 2023: $2,443 million) increased 4.2% from prior comparative period, reflecting increased exposure from portfolio growth and ongoing working claims inflation, partly offset by lower natural hazards experience and prior year strains.

The total expense ratio reduced from 15.6% in prior comparative period to 14.3%, despite inflationary impacts, due to effective cost management with targeted investment in growth related spend.

3.3.2 Commercial and Personal Injury

The Commercial & Personal Injury portfolio delivered profit after tax of $208 million (December 2023: $194 million), up 7.2% from prior comparative period. This was driven by the earn through of rate increases and favourable prior year reserve movements outside of Compulsory Third Party (CTP) portfolio compared to strains in prior comparative period.

GWP of $2,090 million (December 2023: $1,905 million) increased 9.7% from prior comparative period, with growth across all portfolios. Platforms grew 15.4%, driven by strong new business in Commercial Motor. Commercial (Tailored Lines) portfolio was up 9.7% driven by Fleet and CTP was up 9.0% driven by Queensland following RACQ's exit from the scheme in October 2023.

Net insurance revenue of $1,895 million (December 2023: $1,705 million) increased 11.1% reflecting the earn through of rate increases in recent periods and unit growth, particularly in the short tail and Queensland CTP portfolios.

Prior year reserve releases (excluding transitional excess profits and losses (TEPL)) were $38 million (December 2023: $21 million strengthening), largely driven by the CTP and Workers' Compensation portfolios.

Net incurred claims of $1,358 million (December 2023: $1,234 million) increased 10.0% from prior comparative period. This increase was driven by portfolio growth, higher loss ratios and unfavourable product mix, partly offset by favourable natural hazards experience and the non-recurrence of prior year reserve strengthening in some portfolios.

The total expense ratio of 20.0% (December 2023: 20.6%) reduced from the prior comparative period due to focus on improving cost efficiency.

3.3.3 Suncorp New Zealand

Suncorp New Zealand reported a profit after tax of $225 million for the half-year ended 31 December 2024 (December 2023: $87 million). This comprises a profit after tax of $208 million (December 2023: $74 million) from the New Zealand General Insurance business and a profit after tax of $17 million (December 2023: $13 million) from the New Zealand Life Insurance business.

The New Zealand General Insurance business benefitted from the premium earn through from prior year pricing increases, a moderation in working claims experience, benign natural hazard claims experience, and higher investment income. The prior comparative period was significantly impacted by higher reinsurance costs resulting from two large natural hazard events in early 2023.

GWP grew by 4.1% to $1,359 million (December 2023: $1,306 million) driven by growth through both pricing increases and unit growth in the Consumer portfolio, while growth in the Commercial portfolios moderated due to the economic and competitive environment.

Net incurred claims of $541 million (December 2023: $573 million) decreased by 5.6% from prior comparative period, driven by lower natural hazard costs relative to the prior year, while working claims experience benefitted from a moderation in claims volumes and inflationary pressures.

Prior year reserves release was $6 million (December 2023: $24 million strengthening), reflecting releases relating to open prior year claims from the Liability portfolio and weather event claims from the second half of the financial year ending 30 June 2024.

Investment income increased to $60 million (December 2023: gain of $46 million) from prior comparative period primarily due to strong underlying yields, mark-to-market gains and strong global equities returns.

The total expense ratio of 29.5% (December 2023: 31.6%) remained relatively flat from the prior comparative period.

Life Insurance profit after tax of $17 million (December 2023: $13 million) was up 30.8% from prior comparative period, benefitting from increases in planned profit margins and the prior period being impacted by project costs associated with the transition to IFRS 17 *Insurance Contracts*.

4. Significant changes in Suncorp Group's state of affairs

Sale of Suncorp Bank

On 18 July 2022, following a comprehensive strategic review, the Group announced it had signed a share sale and purchase agreement (SPA) with Australia and New Zealand Banking Group Limited (ANZ) to sell Suncorp Bank.

The sale of Suncorp Bank to ANZ completed on 31 July 2024 and final completion account adjustments were agreed in January 2025.

The transaction generated net proceeds of $4.1 billion, consistent with the estimate reported in the consolidated financial report for the financial year ended 30 June 2024, and resulted in a statutory gain on sale of $245 million, recognised in the consolidated interim statement of comprehensive income for the current period.

As part of the sale, Suncorp Group provided warranties and indemnities to ANZ under the SPA and Transition Services Agreement, which are disclosed in note 11.2 of the consolidated interim financial statements.

The Group has exercised judgement in estimating post-completion separation costs including the provision for warranties and indemnities (refer to note 2.1 of the consolidated interim financial statements). The Group will continue to review these estimates for subsequent measurement in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Sale of Asteron Life (New Zealand)

On 4 April 2024, the Group announced it had signed a SPA with Resolution Life NOHC, Resolution Life Group's holding company in Australia and New Zealand (Resolution Life) to sell its New Zealand life insurance business, Asteron Life Limited (Asteron Life).

The sale was completed on 31 January 2025. In accordance with the signed SPA with Resolution Life, the total cash consideration includes:

- An upfront payment of NZ$250 million (equivalent to an Australian dollar amount of $227 million as at 31 January 2025) received on 31 January 2025.
- A subsequent payment of NZ$160 million due 18 months after completion, with interest to be earned on the remaining balance during this period.
- An additional payment for any excess capital adjustments and standard completion adjustments calculated as per the SPA, expected to be finalised no later than six months from completion date. The preliminary excess capital amount of NZ$37 million (equivalent to an Australian dollar amount of $34 million as at 31 January 2025) was received on 31 January 2025.

The transaction is expected to result in a statutory gain on sale of $105 million, which will be recognised in the second half of the financial year ending 30 June 2025.

5. Events subsequent to reporting date

The sale of Asteron Life to Resolution Life was completed subsequent to the end of the half-year on 31 January 2025. For details of the financial impact of the transaction, refer to note 12 of the consolidated interim financial statements. Completion is a non-adjusting subsequent event.

On 12 February 2025, Suncorp announced a 22 cents per share fully franked special dividend and a $3.8 billion return of capital from the sale of Suncorp Bank, along with an associated pro-rata share consolidation (refer to note 7 of the consolidated interim financial statements).

In the directors' opinion, between the end of the half-year and the date of this report, no other transaction or event of a material and unusual nature has arisen to significantly affect the operations of the Group, the result of those Operations, or the state of affairs of the Company in future financials years.

6. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the half-year ended 31 December 2024.

7. Rounding of amounts

The Company is of a kind referred to in *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191* and in accordance with that legislative instrument, amounts in the Directors' Report and consolidated interim financial statements have been rounded to the nearest one million dollars unless otherwise stated.

Signed in accordance with a resolution of the directors.

Christine McLoughlin

Christine McLoughlin, AM

Chairman
12 February 2025

Steve Johnston

Chief Executive Officer and Managing Director
12 February 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Suncorp Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Suncorp Group Limited for the half-year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Scott Guse

Partner

Brisbane

12 February 2025

Consolidated interim statement of comprehensive income

For the half-year ended 31 December 2024

	Note	Dec 2024 $M	Dec 2023 $M
Insurance revenue	4.1	7,509	6,702
Insurance service expense		(5,856)	(5,634)
Reinsurance premium expense		(725)	(756)
Reinsurance recoveries		71	94
Insurance service result		999	406
Insurance investment income	5	608	629
Insurance finance expense	5	(230)	(266)
Reinsurance finance income	5	19	43
Investment result		397	406
Fees and other income		173	66
Fees, overheads and other expenses		(259)	(77)
Amortisation and depreciation expense		(82)	(113)
Profit before income tax		1,228	688
Income tax expense		(363)	(220)
Profit after tax from continuing operations		865	468
Profit after tax from discontinued operation[1]	12.1	263	128
Profit for the period		1,128	596
Profit for the period attributable to:			
Owners of the Company		1,100	582
Non-controlling interests		28	14
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of financial assets of discontinued operation[1]		60	163
Reserves reclassified to profit or loss on disposal of discontinued operation[1]		89	-
Exchange differences on translation of foreign operations		(9)	9
Related income tax expense		(45)	(49)
Total other comprehensive income for the period		95	123
Total comprehensive income for the period		1,223	719
Total comprehensive income for the period attributable to:			
Owners of the Company		1,195	705
Non-controlling interests		28	14
Earnings per share		Cents	Cents
Basic earnings per share		86.56	45.94
Diluted earnings per share		84.45	45.09
Basic earnings per share from continuing operations		65.86	35.84
Diluted earnings per share from continuing operations		64.89	35.75

The consolidated interim statement of comprehensive income is to be read in conjunction with the accompanying notes.

1 "Discontinued operation" pertains to Suncorp Bank. Comparative information has been re-presented for discontinued operation – Suncorp Bank, as detailed in note 12.

Consolidated interim statement of financial position

As at 31 December 2024

	Note	Dec 2024 $M	Jun 2024 $M
Assets			
Cash and cash equivalents		1,056	734
Assets held for sale[1]	12.3	780	85,166
Derivatives	6	80	73
Investment securities	6	23,934	18,252
Insurance contract assets	4.2	-	180
Reinsurance contract assets	4.2	1,165	1,158
Property, plant and equipment		421	484
Deferred tax assets		296	208
Goodwill and other intangible assets		4,908	5,006
Other assets		564	449
Total assets		33,204	111,710
Liabilities			
Liabilities directly associated with assets held for sale[1]	12.3	595	79,614
Derivatives	6	141	75
Payables and other liabilities		2,363	2,538
Insurance contract liabilities	4.2	12,337	12,542
Provisions and employee benefit liabilities		681	483
Deferred tax liabilities		37	49
Loan capital		2,525	2,525
Total liabilities		18,679	97,826
Net assets		14,525	13,884
Equity			
Share capital	7	12,468	12,469
Reserves		8	(11)
Retained profits		2,003	1,386
Total equity attributable to owners of the Company		14,479	13,844
Non-controlling interests		46	40
Total equity		14,525	13,884

The consolidated interim statement of financial position is to be read in conjunction with the accompanying notes.

1 Amounts represent Asteron Life and discontinued Suncorp Bank assets and liabilities reclassified to held for sale in the current period and prior period, respectively. In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, comparatives balances of Asteron Life are not required to be reclassified to held for sale.

Consolidated interim statement of changes in equity

For the half-year ended 31 December 2024

		Equity attributable to owners of the Company					
	Note	Share capital $M	Reserves $M	Retained profits $M	Total $M	Non-controlling interests $M	Total equity $M
Balance as at 1 July 2023		12,384	(46)	962	13,300	34	13,334
Profit for the period		-	-	582	582	14	596
Other comprehensive income (loss) for the period		-	124	(1)	123	-	123
Total comprehensive income for the period		-	124	581	705	14	719
Transactions with owners, recorded directly in equity							
Dividends paid	8	-	-	(342)	(342)	(4)	(346)
Shares issued	7	49	-	-	49	-	49
Share-based payments	7	(4)	-	-	(4)	-	(4)
Treasury share movements	7	7	-	-	7	-	7
Transfers		-	(13)	13	-	-	-
Other movements		11	-	(15)	(4)	-	(4)
Balance as at 31 December 2023		12,447	65	1,199	13,711	44	13,755
Balance as at 1 July 2024		12,469	(11)	1,386	13,844	40	13,884
Profit for the period		-	-	1,100	1,100	28	1,128
Other comprehensive income for the period		-	95	-	95	-	95
Total comprehensive income for the period		-	95	1,100	1,195	28	1,223
Transactions with owners, recorded directly in equity							
Dividends paid	8	-	-	(560)	(560)	(22)	(582)
Share-based payments	7	(18)	-	-	(18)	-	(18)
Treasury share movements	7	17	-	-	17	-	17
Transfers[1]		-	(76)	76	-	-	-
Other movements		-	-	1	1	-	1
Balance as at 31 December 2024		12,468	8	2,003	14,479	46	14,525

The consolidated interim statement of changes in equity is to be read in conjunction with the accompanying notes.

1 General equity reserve was reclassified to retained profits on disposal of discontinued operation – Suncorp Bank.

Consolidated interim statement of cash flows

For the half-year ended 31 December 2024

	Dec 2024 $M	Dec 2023 $M
Cash flows from (used in) operating activities		
Premiums received	7,383	6,992
Insurance acquisition costs paid	(1,119)	(972)
Claims and insurance service expenses paid	(5,707)	(5,095)
Interest received	376	2,258
Interest paid	(298)	(1,376)
Reinsurance recoveries received	308	797
Reinsurance premiums paid	(1,079)	(1,121)
Fees and other operating income received	339	179
Dividends and trust distributions received	34	26
Fees and operating expenses paid	(935)	(676)
Income tax paid	(315)	(193)
Changes in operating assets and liabilities arising from cash flow movements associated with discontinued operation – Suncorp Bank		
Trading securities	(152)	(1,129)
Loans and advances	(206)	(1,199)
Deposits	604	1,126
Net cash used in operating activities	(767)	(383)
Cash flows from (used in) investing activities		
Proceeds from disposal of discontinued operation – Suncorp Bank	6,247	-
Proceeds from the sale or maturity of investment securities	17,302	15,708
Payments for acquisition of investment securities	(22,894)	(16,516)
Proceeds from other investing activities	-	10
Payments for other investing activities	(249)	(174)
Net cash from (used in) investing activities	406	(972)
Cash flows from (used in) financing activities		
Net proceeds from (repayments of) borrowings	(1,104)	(468)
Proceeds from issue of loan capital, including transaction costs	-	596
Payment on call of loan capital, including transaction costs	-	(600)
Proceeds from other financing activities	39	170
Payments for other financing activities	(62)	(21)
Dividends paid	(560)	(255)
Net cash used in financing activities	(1,687)	(578)
Net decrease in cash and cash equivalents	(2,048)	(1,933)
Cash and cash equivalents at the beginning of the period	3,097	5,575
Effect of exchange rate fluctuations on cash held	20	(1)
Cash and cash equivalents at the end of the period[1]	1,069	3,641

The consolidated interim statement of cash flows is to be read in conjunction with the accompanying notes and is inclusive of cash flows pertaining to discontinued operation – Suncorp Bank (refer to note 12).

1 Includes $nil (2023: $848 million) of receivables due from other banks and $nil (2023: $106 million) of payables due to other banks pertaining to discontinued operation – Suncorp Bank.

Notes to the consolidated interim financial statements

For the half-year ended 31 December 2024

Overview

Suncorp Group Limited (SGL, the Company) is listed on the Australian Securities Exchange (ASX) and is a for-profit entity. The Company and its subsidiaries (referred to as the "Group" or "Suncorp") offer insurance products and services through some of Australia's and New Zealand's most recognisable brands.

Sale of Suncorp Bank

On 18 July 2022, following a comprehensive strategic review, the Group announced it had signed a share sale and purchase agreement (SPA) with Australia and New Zealand Banking Group Limited (ANZ) to sell Suncorp Bank.

The sale of Suncorp Bank to ANZ completed on 31 July 2024 and the final completion accounts were agreed in January 2025. For details of the net proceeds and statutory gain on sale, refer to note 12.

Sale of Asteron Life (New Zealand)

On 4 April 2024, the Group announced it had signed a SPA with Resolution Life NOHC, Resolution Life Group's holding company in Australia and New Zealand (Resolution Life) to sell its New Zealand life insurance business, Asteron Life Limited (Asteron Life).

In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations* (AASB 5), the assets and liabilities of Asteron Life are classified as held for sale in the consolidated interim statement of financial position (SoFP) as at 31 December 2024. The Group's New Zealand life insurance business does not represent a major line of business, and therefore does not meet the criteria to be classified as a discontinued operation under AASB 5. As such, the results of Asteron Life are not separately presented in the consolidated interim statement of comprehensive income (SoCI).

The transaction was completed subsequent to the end of the half-year on 31 January 2025. In accordance with the signed SPA with Resolution Life, the total cash consideration includes:

- An upfront payment of NZ$250 million (equivalent to an Australian dollar amount of $227 million as at 31 January 2025) received on 31 January 2025.
- A subsequent payment of NZ$160 million due 18 months after completion, with interest to be earned on the remaining balance during this period.
- An additional payment for any excess capital adjustments and standard completion adjustments calculated as per the SPA, expected to be finalised no later than six months from completion date. The preliminary excess capital amount of NZ$37 million (equivalent to an Australian dollar amount of $34 million as at 31 January 2025) was received on 31 January 2025.

The transaction is expected to result in a statutory gain on sale of $105 million, which will be recognised in the second half of the financial year ending 30 June 2025.

All intercompany balances with Asteron Life were settled on or immediately prior to the completion date. Following completion, the Group entered into a Transition Services Agreement (TSA) with Resolution Life.

1. Reporting entity

The Company is a public company domiciled in Australia. Its registered office is at Level 23, 80 Ann Street, Brisbane, Qld, 4000. The consolidated interim financial statements for the half-year ended 31 December 2024 comprise the Company and its subsidiaries and were authorised for issue by the Board of Directors (the Board) on 12 February 2025.

2. Basis of preparation

The consolidated interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial statements do not include all of the information required for a full consolidated annual financial report, and should be read in conjunction with the consolidated financial report of the Suncorp Group for the financial year ended 30 June 2024 and any public announcements made by the Suncorp Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules. The consolidated financial report of the Suncorp Group for the financial year ended 30 June 2024 is available upon request from the Company's registered office or at suncorpgroup.com.au/investors/reports.

As the Company is of a kind referred to in *Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191*, all financial information presented has been rounded to the nearest one million dollars unless otherwise stated.

The accounting policies and methods of computation applied in the consolidated interim financial statements are consistent with those applied in the Group's consolidated annual financial report as at and for the financial year ended on 30 June 2024, except as set out in the relevant note disclosures.

Where appropriate, comparative information has been re-presented to conform to changes in presentation in the current half-year. This includes changes due to the classification of Suncorp Bank as a discontinued operation in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (AASB 5). For details on the sale of Suncorp Bank, refer to note 12.

2.1 Use of estimates and judgements

The preparation of consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts reported in the consolidated interim financial statements.

Significant estimates, judgements and assumptions considered material to the financial statements are discussed in the following notes:

- Measurement of insurance and reinsurance contracts (refer to note 4.3).
- Valuation of financial instruments (refer to note 6).
- Contingent assets and liabilities (refer to note 11).
- Sale of Suncorp Bank – provision for separation costs including warranties and indemnities (refer to note 12).

2.2 New and amended accounting standards

International Tax Reform – Pillar Two Model Rules

The Organisation for Economic Co-operation and Development (OECD) issued the Pillar Two framework to ensure Multinational organisations pay a minimum effective corporate tax rate of 15%. This framework has been legislated in Australia and New Zealand and effective from 1 July 2024.

AASB 12 *Income Taxes* was amended in response to Pillar Two and requires a mandatory temporary exception from the recognition and disclosure of deferred taxes in respect of Pillar Two. This amendment did not impact Suncorp's tax disclosures as the group is not expected to incur top-up tax under the Pillar Two rules.

Financial performance

3. Segment reporting

Operating segments are identified based on separate financial information which is regularly reviewed by the Group's Chief Operating Decision Maker (CODM), represented by the Chief Executive Officer and Managing Director (CEO and MD) and his Executive Leadership Team (ELT), in assessing performance and determining the allocation of resources.

3.1 Operating segments

Following the sale of Suncorp Bank, the Suncorp Group comprises the following ongoing operating segments.

Reportable segments	Segment information
Consumer Insurance	– Provision of insurance products to customers in Australia including home and contents, motor and boat.
Commercial & Personal Injury	– Provision of insurance products to customers in Australia including commercial motor, commercial property, marine, industrial special risks, public liability and professional indemnity, workers' compensation and compulsory third party.
Suncorp New Zealand	– Provision of general and life insurance products to customers in New Zealand. – Key products include home and contents, motor, commercial property, public liability and professional indemnity, life, trauma, total and permanent disablement and income protection. The sale of the New Zealand life insurance business to Resolution Life was completed on 31 January 2025.
Corporate & Internal Reinsurance	– Investment of the Group's capital, Suncorp Group business strategy activities (including business combinations, divestments and internal reinsurance) and Suncorp Group shared services.

Only profit or loss information is reviewed by the CODM at an operating segment level.

The basis of measurement of segment results are the same as those applied by the Suncorp Group in its consolidated financial report for the financial year ended 30 June 2024.

	Consumer Insurance $M	Commercial & Personal Injury $M	Suncorp Bank (discontinued)[1] $M	Suncorp New Zealand $M	Corporate & Internal Reinsurance $M	Total $M
Half-year ended 31 December 2024						
External revenue	4,225	2,443	390	1,581	131	8,770
Inter-segment revenue	-	-	-	-	51	51
Gain on sale of Suncorp Bank, net of transaction and separation costs	-	-	-	-	306	306
Total segment revenue	4,225	2,443	390	1,581	488	9,127
Segment profit before income tax	603	296	25	316	319	1,559
Segment income tax expense	(180)	(88)	(7)	(91)	(65)	(431)
Segment profit after income tax	423	208	18	225	254	1,128
Half-year ended 31 December 2023						
External revenue	3,914	2,250	2,111	1,341	29	9,645
Inter-segment revenue	-	-	-	-	56	56
Total segment revenue	3,914	2,250	2,111	1,341	85	9,701
Segment profit (loss) before income tax	289	277	274	123	(93)	870
Segment income tax (expense) benefit	(86)	(83)	(82)	(36)	13	(274)
Segment profit (loss) after income tax	203	194	192	87	(80)	596

1 Suncorp Bank was classified as a discontinued operation effective 1 July 2023 until completion of the sale on 31 July 2024. Accordingly, in the current financial period, amounts represent Suncorp Bank's operations for the period 1 July 2024 to 31 July 2024 (prior financial period: 1 July 2023 to 31 December 2023). Refer to note 12 for further details.

3.2 Reconciliation of reportable segment revenue and profit before tax

	Dec 24	Dec 23	Dec 24	Dec 23
	Revenue[1] $M	$M	Profit before income tax $M	$M
Segment total	9,127	9,701	1,559	870
Attributable to discontinued operation – Suncorp Bank[1]	(696)	(2,111)	(331)	(182)
Inter-segment revenue – Internal reinsurance	(51)	(56)	-	-
Consolidated total from continuing operations	8,380	7,534	1,228	688

1 Current financial period comprises Suncorp Bank's revenue of $390 million for the period 1 July 2024 to 31 July 2024 and a $306 million gain on sale of Suncorp Bank, net of transaction and separation costs (prior financial period: Suncorp Bank's revenue of $2,111 million for the period 1 July 2023 to 31 December 2023).

Insurance activities

4. Insurance and reinsurance contracts

4.1 Insurance revenue

	Dec 2024 $M	Dec 2023 $M
Insurance contracts measured under the premium allocation approach	7,435	6,651
Insurance contracts not measured under the premium allocation approach	74	51
Total insurance revenue	7,509	6,702

4.2 Carrying amounts of insurance and reinsurance contracts

The Group's insurance and reinsurance contracts are aggregated into portfolios, each comprising contracts that are of similar risks and managed together.

Insurance contract liabilities

	Note	Dec 2024 $M	Jun 2024 $M
Liability for remaining coverage	4.3	2,728	2,360
Liability for incurred claims	4.3	9,609	9,715
General insurance contract liabilities		12,337	12,075
Life insurance contract liabilities		412	467
Less: insurance contract liabilities reclassified to liabilities held for sale	12.3	(412)	-
Insurance contract liabilities		12,337	12,542

Insurance contract assets

	Note	Dec 2024 $M	Jun 2024 $M
Life insurance contract assets		183	180
Less: insurance contract assets reclassified to assets held for sale	12.3	(183)	-
Insurance contract assets		-	180

Reinsurance contract assets

	Note	Dec 2024 $M	Jun 2024 $M
Asset for remaining coverage	4.3	298	43
Asset for incurred claims	4.3	867	1,056
General reinsurance contract assets		1,165	1,099
Life reinsurance contract assets		61	59
Less: reinsurance contract assets reclassified to assets held for sale	12.3	(61)	-
Reinsurance contract assets		1,165	1,158

4.3 General insurance and reinsurance contract assets and liabilities

There were no portfolios of general insurance contracts issued that were assets or portfolios of reinsurance contracts that were liabilities at the balance date and at 30 June 2024.

	Dec 2024				Jun 2024			
	Liability/Asset for remaining coverage				Liability/Asset for remaining coverage			
	Excluding loss/loss-recovery component $M	Loss/loss-recovery component $M	Liability/Asset for incurred claims[1] $M	Total $M	Excluding loss / loss-recovery component $M	Loss/loss-recovery component $M	Liability/Asset for incurred claims[1] $M	Total $M
Insurance contract liabilities	2,688	40	9,609	12,337	2,321	39	9,715	12,075
Reinsurance contract assets	298	-	867	1,165	43	-	1,056	1,099

1 Liability for incurred claims comprises present value of future cash flows of $8,942 million (June 2024: $9,040 million) and a risk adjustment of $667 million (June 2024: $675 million).

Asset for incurred claims comprises present value of future cash flows of $812 million (June 2024: $988 million) and a risk adjustment of $55 million (June 2024: $68 million).

Significant estimates, judgements and assumptions

Allowance has been made in the valuations for potential inflation; however, the extent of future inflation may be different to that assumed, leading to different outcomes in claims costs for future reporting periods.

In addition to price and wage inflation, allowance is made for superimposed (or social) inflation for long-tail classes of business. This represents the tendency for claims costs to increase faster than normal inflation and can be due to a number of factors, such as changes to court awards and precedents, increased costs of medical treatment, and social and environmental pressures. Superimposed inflation experience can have periods of non-existence followed by periods of high superimposed inflation which can have a significant impact on ultimate cost of claims. As for price and wage inflation, allowance has been made for potential superimposed inflation, but experience may be different to that assumed.

The Group continues to measure a 75% probability of adequacy for the risk adjustment as at 31 December 2024.

Investment activities

5. Investment result

The following table analyses the Group's net insurance investment income, net insurance finance expense and net reinsurance finance income recognised in profit or loss.

	Dec 2024 $M	Dec 2023 $M
Insurance investment income:		
Interest income	335	281
Dividend and trust distribution income	34	26
Net gain on financial assets at fair value through profit or loss	239	322
Net insurance investment income	608	629
Insurance finance expense:		
Discount unwind on claims liabilities	(215)	(211)
Market rate adjustments on claims liabilities	(9)	(50)
Other movements[1]	(6)	(5)
Net insurance finance expense	(230)	(266)
Reinsurance finance income (expense):		
Discount unwind on claims recoveries	21	38
Market rate adjustments on claims recoveries	(2)	4
Other movements	-	1
Net reinsurance finance income	19	43
Investment result	397	406

1 Other movements in insurance finance expense pertain to changes in the value of underlying assets of Asteron life insurance contracts.

6. Fair value of financial instruments

Fair values are categorised by a three-level hierarchy which identifies the inputs to valuation techniques used to measure fair value:

- Level 1: derived from quoted prices (unadjusted) in active markets for identical financial instruments that the Suncorp Group can access at the measurement date.
- Level 2: derived from other than quoted prices included within level 1 that are observable for the financial instruments, either directly or indirectly. The valuation techniques include the use of discounted cash flow analysis, option pricing models and other market accepted valuation models.
- Level 3: fair value is determined using valuation techniques which include significant inputs that are unobservable. The valuation techniques include the use of discounted cash flow models for loans and advances. The fair value of investments in infrastructure assets and property related assets (held via unlisted trusts) are determined based on the Group's share of the net asset value of the unlisted trusts, as advised by the external investment manager. The fair value of other unlisted equity securities is determined as the cost of the investment adjusted for known increments or decrements as this is considered to be the most reliable measure of fair value.

There have been no transfers between level 1 and level 2 during the current and prior half-year.

Financial assets and liabilities measured at fair value categorised by fair value hierarchy

	Dec 2024				Jun 2024			
	Level 1 $M	Level 2 $M	Level 3[3] $M	Total $M	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
Financial assets								
FVTPL[1]	3,044	20,314	576	23,934	3,232	14,468	552	18,252
Derivatives	9	71	-	80	3	70	-	73
Assets held for sale[2]	6	515	-	521	2	12,284	-	12,286
	3,059	20,900	576	24,535	3,237	26,822	552	30,611
Financial liabilities								
FVTPL[1]	-	339	-	339	-	300	-	300
Derivatives	11	130	-	141	5	70	-	75
Liabilities held for sale[2]	-	-	-	-	-	304	-	304
	11	469	-	480	5	674	-	679

1 Fair value through profit or loss (FVTPL). Financial assets and liabilities at FVTPL are respectively disclosed within the consolidated interim SoFP category of 'Investment securities' and 'Payables and other liabilities'.

2 Amounts as at 31 December 2024 represent Asteron Life assets and liabilities reclassified to held for sale. Amounts as at 30 June 2024 represent Suncorp Bank assets and liabilities reclassified to held for sale.

3 During the half-year, $2 million additional units of level 3 assets were purchased (June 2024: $35 million) while there were no redemptions (June 2024: $nil). Fair value gain of $22 million (June 2024: $3 million loss) was recognised through 'Insurance investment income' in the consolidated interim SoCI.

Capital structure

7. Share capital

	Number of ordinary shares	Issued capital $M	Share-based payments $M	Treasury shares $M	Total share capital $M
Balance as at 1 July 2023	1,266,542,392	12,369	40	(25)	12,384
Shares issued under DRP[1]	3,720,322	49	-	-	49
Share-based payments	-	-	(4)	-	(4)
Treasury share movements	-	-	-	7	7
Other movements[2]	-	11	-	-	11
Balance as at 31 December 2023	1,270,262,714	12,429	36	(18)	12,447
Shares issued under DRP[1]	2,053,378	33	-	-	33
Share-based payments	-	-	9	-	9
Treasury share movements	-	-	-	(20)	(20)
Balance as at 30 June 2024	1,272,316,092	12,462	45	(38)	12,469
Share-based payments	-	-	(18)	-	(18)
Treasury share movements	-	-	-	17	17
Balance as at 31 December 2024	1,272,316,092	12,462	27	(21)	12,468

1 Dividend Reinvestment Plan (DRP).

2 Other movements represent an $11 million tax adjustment related to share buy-back costs incurred in financial year 2021-22.

Dividend Reinvestment Plan

During the current period, the DRP has been satisfied by acquiring existing shares on market (June 2024: satisfied by issuing new shares).

Return of capital and share consolidation

On 12 February 2025, Suncorp announced the return of excess capital of $4.1 billion from the sale of Suncorp Bank, along with an associated pro-rata share consolidation.

The net proceeds from the sale of Suncorp Bank of $4.1 billion will be distributed to ordinary shareholders in the form of a $3.8 billion capital return equating to $3.00 per share, and a fully franked special dividend of 22 cents per share. The capital return will be accompanied by a pro-rata share consolidation.

The pro-rata share consolidation will be implemented in a manner which ensures each shareholder's proportionate interest in Suncorp remains unchanged following the capital return. The consolidation ratio is 0.8511.

8. Dividends

	Dec 2024		Dec 2023	
	Cents per share	$M	Cents per share	$M
Dividend payments on ordinary shares				
2024 final dividend (December 2023: 2023 final dividend)	44	560	27	342
Total dividends on ordinary shares paid to owners of the Company	44	560	27	342
Dividends not recognised in the consolidated interim statement of financial position[1]				
Dividends determined since balance date				
2025 interim dividend (December 2023: 2024 interim dividend)	41	522	34	432
2025 special dividend (December 2023: 2024 special dividend)	22	280	-	-
	63	802	34	432

1 The total 2025 interim dividend on ordinary shares determined but not recognised in the consolidated interim SoFP is estimated based on the total number of ordinary shares on issue without taking into account treasury shares as at 31 December 2024. The actual amount recognised in the consolidated financial statements for the year ending 30 June 2025 will be based on the actual number of ordinary shares on issue net of treasury shares on the record date.

Other disclosures

9. Share-based payments

The following awards are made under the Suncorp Group Equity Incentive Plan:

Long-term incentive (performance rights):

- Long-term incentives (LTI) are performance rights granted to eligible executives. During the half-year ended 31 December 2024, 549,785 (December 2023: 782,755) performance rights were offered at a total fair value of $6,880,000 (December 2023: $7,471,000). Total LTI performance rights expensed for the half-year ended 31 December 2024 is $2,629,000 (December 2023: $2,115,000).

Share rights plan:

- Share Rights are granted to eligible employees in specific roles that satisfy the eligibility criteria as approved by the Board. During the half-year ended 31 December 2024, 9,340 (December 2023: 436,824) share rights were offered at a total fair value of $169,000 (December 2023: $5,991,000). Total share rights expensed for the half-year ended 31 December 2024 is $816,000 (December 2023: $2,326,000).

Short-term incentive (STI) deferred plan:

- Share rights are offered to the CEO and MD, ELT and Executive General Managers as the deferred component of their total STI award. During the half-year ended 31 December 2024, 454,546 (December 2023: 712,420) share rights were offered at a total fair value of $8,098,000 (December 2023: $9,782,000). Total STI deferred into share rights expensed for the half-year ended 31 December 2024 is $3,488,000 (December 2023: $3,782,000).

Expenses relating to share-based payments are included in ‘Fees, overheads and other expenses’ in the consolidated interim SoCI.

10. Related parties

Arrangements for related parties continue to be in place as disclosed in the Group’s consolidated financial report for the financial year ended 30 June 2024. There have been no other transactions with related parties that are significant to understanding the changes in financial position and performance of the Group since 30 June 2024.

11. Contingent assets and liabilities

11.1 Contingent assets

Contingent assets are not recognised but are disclosed in the consolidated interim financial statements when inflows are probable. If inflows become virtually certain, an asset is recognised.

There are claims and possible claims made by the Group against external parties. Where considered appropriate, privileged legal advice has been obtained. The Group does not consider the outcome of any such claims known to exist at the date of this report, either individually or in aggregate, is likely to have a material effect on its operations or financial position. The Group is of the opinion that receivables are not required in respect of these matters, as the inflow of future economic benefits is probable but not virtually certain.

11.2 Contingent liabilities

Contingent liabilities are not recognised, but are disclosed in the consolidated interim financial statements, unless the possibility of settlement is remote, in which case no disclosure is made. If settlement is probable and the amount can be reliably estimated, a provision is recognised.

There are contingent liabilities facing the Group in respect of the matters below.

Regulatory and internal reviews

Reviews and enquiries from regulators may result in investigation and administrative costs, system changes, litigation, and regulatory enforcement action (and associated legal costs), compensation and/or remediation payments (including interest) or fines and penalties. The Group conducts its own internal reviews of its regulatory compliance, which it may disclose to the regulators in Australia and New Zealand, which may result in similar costs.

In recent periods, a number of regulators in Australia and New Zealand including ASIC, APRA, Australian Competition and Consumer Commission (ACCC), Australian Transaction Reports and Analysis Centre (AUSTRAC), the Australian Taxation Office (ATO), and the RBNZ and Financial Markets Authority (FMA) in New Zealand conducted reviews and/or made enquiries within the Group. There were a number of non-compliance instances identified and disclosed by the Group to various regulatory authorities including ASIC, APRA, AUSTRAC, the Office of the Australian Information Commissioner (OAIC), the Fair Work Ombudsman (FWO) and RBNZ.

The FMA initiated proceedings against AA Insurance Limited (AAI NZ) relating to multi-policy discount, New Zealand Automobile Association member discount, and no claims bonus (NCB) customer remediation activities, seeking a declaration of contravention of certain sections of the Financial Markets Conduct Act 2013 and a pecuniary penalty. On 3 October 2024, the Court imposed a penalty of $6.175 million payable by AAI to the FMA, which was provisioned for and has been subsequently paid. There were no other orders made as to costs. The matter is now considered closed.

An assessment of the likely cost to the Group resulting from the above regulatory and internal reviews has been made on a case-by-case basis but cannot always be reliably estimated. To the extent that the potential impact can be reliably estimated, the amount has been provisioned.

Customer remediation and complaints

The Group is currently undertaking a number of programs of work in both Australia and New Zealand to resolve prior issues that have impacted customers. Contingent liabilities may exist in respect of actual or potential claims, compensation payments and/or remediation payments (including interest) identified as part of existing programs of work or as part of future programs responding to regulatory or internal reviews, which have not been provided for.

The Australian Financial Complaints Authority (AFCA) has the power to award compensation within financial limits prescribed by its rules on complaints raised by customers and investigate matters they consider may be 'systemic'. The Group is working through individual cases that have been referred to AFCA as well as any systemic matters opened by AFCA.

An assessment of the likely cost to the Group of reviews and customer complaints has been made on a case-by-case basis but cannot always be reliably estimated. To the extent that the potential impact can be reliably estimated, the amount has been provisioned.

Litigation

As previously disclosed, a class action was filed against AAI Limited and MTAI Pty Ltd on behalf of persons who purchased add-on insurance products sold with the purchase or lease of motor vehicles at car dealerships between 1 May 2006 and 30 June 2018. The Group is defending this matter. The Group has made provision for legal, investigation and other defence costs. It is currently not possible to determine the ultimate financial impact, if any, of this matter.

As previously disclosed, various business interruption wordings have been examined through litigation including two significant industry test cases following the onset of the COVID-19 pandemic. The Full Federal Court broadly found in favour of the insurers concluding that, in most instances, the indemnity clauses did not trigger. In matters involving AAI, the AFCA have consistently applied the test case principles in respect of BI COVID-19 disputes and found in favour of AAI. Further class actions involving other industry participants were recently the subject of a de-classing orders by the Federal Court. Two of these matters are subject to appeal, with the remainder not to proceed due to the over-lap with the original test cases. There may be further individual litigation that may have broader industry application and impact the Group's future exposure.

The potential impact of these matters is uncertain and has been considered in the recognition of claims provisions and risk margins in the General Insurance contract liabilities as set out in note 4.3.

There are other outstanding court proceedings, potential fines, enquiries, industry reviews, claims and possible claims against the Group, the aggregate amount of which cannot be readily quantified. Where considered appropriate, privileged legal advice has been obtained. The Group does not consider the outcome of any such claims known to exist at the date of this report, either individually or in aggregate, likely to have a material effect on its operations or financial position.

An assessment of the likely cost to the Group of these matters has been made on a case-by-case basis but cannot always be reliably estimated. To the extent that the potential impact can be reliably estimated, the amount has been provisioned.

Sale of businesses

As part of the sale of SLSL during the financial year ended 30 June 2019, the Group provided warranties and indemnities to SLSL and TAL Dai-ichi Life Australia Pty Ltd (TAL). Warranties expired on 28 February 2024. Potential outflows relating to indemnities remain uncertain.

As part of the sale of Capital S.M.A.R.T and ACM Parts during the financial year ended 30 June 2020, the Group provided warranties in the respective Share Sale and Purchase Agreements entered into with AMA Group Limited (AMA). As at 30 June 2024, no claims are outstanding and the period within which claims may be commenced has expired, except for tax warranties. The period to commence tax warranty claims expires in October 2026. Any potential outflows remain uncertain.

As part of the sale of SPSL to LGIAsuper during the financial year ended 30 June 2022, Suncorp Life Holdings Limited provided warranties and indemnities to LGIA Trustee, as trustee of LGIAsuper. These included warranties, indemnities, and remediation obligations regarding the provision of services and products in accordance with the terms and conditions of the contractual arrangements. Any outflows relating to the indemnity remain uncertain.

As part of the sale of Suncorp's 50% stake in RACT Insurance to Royal Automobile Club of Tasmania during the financial year ended 30 June 2022, the Group provided certain warranties relating to title and capacity and a tax indemnity as part of the Share Purchase Agreement. Any potential outflows relating to the tax indemnity remain uncertain.

AA Finance, a 50 : 50 joint venture between Suncorp and the New Zealand Automobile Association, sold its motor vehicle loan book to UDC Finance in October 2023. As part of the sale, AA Finance provided certain warranties in relation to the loan book in the Sale and Purchase Agreement with both Suncorp and the New Zealand Automobile Association acting as a guarantor. Any potential outflow in relation to the warranties remain uncertain.

The sale of the Suncorp Bank to ANZ was completed on 31 July 2024. As part of the sale, the Group provided warranties and indemnities to ANZ for certain pre-Completion matters including breaches of Anti-Money Laundering and Counter-Terrorism Financing (AML / CTF) laws, certain litigation and regulatory matters and other market standard warranties and indemnities. The Group also provided warranties and indemnities concerning the transitional services to be provided to ANZ under the TSA. Any potential outflows in relation to the warranties and indemnities remain uncertain.

The sale of Asteron Life to Resolution Life was completed on 31 January 2025. As part of the sale, the Group provided certain warranties and indemnities to Resolution Life. Any potential outflows in relation to the warranties and indemnities remain uncertain.

Other

Under the terms of its contracts with New Zealand life insurance advisers, the Group could potentially acquire the entitlement of individual advisers to future income streams from life insurance renewal commission for business in-force as at 16 April 2021, should the advisers themselves be unable to find an approved buyer within six months of the date that the agreement ends. For in-force business written since 16 April 2021, the entitlement of individual advisers to future income streams from renewal commission if an approved buyer is not found within six months of the date that the agreement ends, is ceded to the Company at no cost. The liability for future renewal commission is contained in the Group's policy liabilities, and therefore these potential transactions do not result in any change to the Group's net assets or profit or loss. In practice, these transactions are not frequent, and management do not consider the consequent acceleration of the timing of underlying cash flows to be material.

Certain subsidiaries act as trustee for various trusts. In this capacity, the subsidiaries are liable for the debts of the trusts and are entitled to be indemnified out of the trust assets for all liabilities incurred on behalf of the trusts.

Some companies in the Group, apart from the Company, also provide financial guarantees to external parties and may be exposed to contingent liabilities.

12. Sale of businesses

Sale of Suncorp Bank

The sale of Suncorp Bank to ANZ completed on 31 July 2024 and final completion account adjustments were agreed in January 2025.

The transaction generated net proceeds of $4.1 billion, consistent with the estimate reported in the consolidated financial report for the financial year ended 30 June 2024, and resulted in a statutory gain on sale of $245 million, recognised in the consolidated interim SoCI for the current period.

As part of the sale, Suncorp Group provided warranties and indemnities to ANZ under the SPA and TSA, which are disclosed in note 11.2.

The Group has exercised judgement in estimating these separation costs including the provision for warranties and indemnities. The Group will continue to review these estimates for subsequent measurement in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

In accordance with AASB 5, the assets and liabilities comprising the Suncorp Bank disposal group were classified as held for sale in the consolidated interim SoFP as at 30 June 2024. Suncorp Bank, being a major business line, meets the definition of a discontinued operation as at 31 December 2024 in the consolidated interim financial statements.

Sale of Asteron Life (New Zealand)

On 4 April 2024, the Group announced it had signed a SPA with Resolution Life to sell its New Zealand life insurance business, Asteron Life.

In accordance with AASB 5, the assets and liabilities of Asteron Life are classified as held for sale in the consolidated interim SoFP as at 31 December 2024. The Group's New Zealand life insurance business does not represent a major line of business, and therefore does not meet the criteria to be classified as a discontinued operation under AASB 5. As such, the results of Asteron Life are not separately presented in the consolidated interim SoCI.

The sale of Asteron Life to Resolution Life was completed subsequent to the end of the half-year on 31 January 2025. In accordance with the signed SPA with Resolution Life, the total cash consideration includes:

- An upfront payment of NZ$250 (equivalent to an Australian dollar amount of $227 million as at 31 January 2025) million received on 31 January 2025.
- A subsequent payment of NZ$160 million due 18 months after completion, with interest to be earned on the remaining balance during this period.
- An additional payment for any excess capital adjustments and standard completion adjustments calculated as per the SPA, expected to be finalised no later than six months from completion date. The preliminary excess capital amount of NZ$37 million (equivalent to an Australian dollar amount of $34 million as at 31 January 2025) was received on 31 January 2025.

The transaction is expected to result in a statutory gain on sale of $105 million, which will be recognised in the second half of the financial year ending 30 June 2025.

12.1 Profit from discontinued operation – Suncorp Bank

Suncorp Bank, being a major business line, meets the definition of a discontinued operation as at 31 December 2024 in the consolidated interim financial statements. The table below presents the profit from discontinued operation – Suncorp Bank for the period year ended 31 December 2024 and the comparative period.

	Dec 2024 $M	Dec 2023 $M
Interest income	379	2,026
Interest expense	(258)	(1,360)
Net interest income	121	666
Other operating loss	(11)	(5)
Impairment expense on financial assets	-	(1)
Operating expenses	(85)	(386)
Net profit before income tax	25	274
Income tax expense	(7)	(82)
Profit after tax – Suncorp Bank	18	192
Gain on sale of Suncorp Bank, net of transaction and separation costs[1]	306	(92)
Tax (expense) benefit	(61)	28
Profit from discontinued operation – Suncorp Bank	263	128

1 Comparative information represents transaction and separation costs.

12.2 Cash flows from discontinued operation – Suncorp Bank

The table below presents the net cash from (used in) operating, investing and financing activities of discontinued operation – Suncorp Bank for the period ended 31 December 2024 and the comparative period. It includes the cash flows of Suncorp Bank, plus the incurred transaction and separation costs, which are part of the net cash used in investing activities.

	Dec 2024 $M	Dec 2023 $M
Net cash from (used in) operating activities	169	(1,009)
Net cash used in investing activities	(236)	(264)
Net cash used in financing activities	(1,104)	(592)
Net cash outflows used in discontinued operation – Suncorp Bank	(1,171)	(1,865)

12.3 Assets and liabilities held for sale

As at 31 December 2024, assets and liabilities held for sale represent Asteron Life. In the comparative period, assets and liabilities held for sale represent Suncorp Bank. In accordance with AASB 5, comparative balances of Asteron Life are not required to be reclassified to held for sale.

	Dec 2024[1] Asteron Life $M	Jun 2024[1] Suncorp Bank $M
Assets		
Cash and cash equivalents	13	1,742
Receivables due from other banks	-	739
Trading securities	-	2,154
Derivatives	-	283
Investment securities	521	9,849
Loans and advances	-	69,715
Insurance contract assets	183	-
Reinsurance contract assets	61	-
Property, plant and equipment	-	56
Deferred tax assets	2	121
Goodwill and other intangible assets	-	262
Other assets	-	245
Total assets held for sale	780	85,166
Liabilities		
Payables due to other banks	-	118
Deposits	-	53,755
Derivatives	-	304
Payables and other liabilities	152	659
Insurance contract liabilities	412	-
Provisions	-	2
Deferred tax liabilities	31	-
Borrowings	-	24,776
Total liabilities held for sale	595	79,614
Net assets	185	5,552

1 Amounts are net of intercompany balances.

13. Subsequent events

The sale of Asteron Life to Resolution Life was completed subsequent to the end of the half-year on 31 January 2025. For details of the financial impact of the transaction, refer to note 12. Completion is a non-adjusting subsequent event.

On 12 February 2025, Suncorp announced a 22 cents per share fully franked special dividend and a $3.8 billion return of capital from the sale of Suncorp Bank, along with an associated pro-rata share consolidation. For further details, refer to note 7.

In the director's opinion, between the end of the half-year and the date of this report, no other transaction or event of a material and unusual nature has arisen to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' declaration

The directors of Suncorp Group Limited (the Company) declare that in their opinion:

1. The consolidated interim financial statements and notes set out on pages 7 to 25, are in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the Suncorp Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Christine McLoughlin, AM	**Steve Johnston**
Chairman 12 February 2025	Chief Executive Officer and Managing Director 12 February 2025

KPMG

Independent Auditor's Review Report

To the shareholders of Suncorp Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Consolidated Interim Financial Report*** of Suncorp Group Limited

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Consolidated Interim Financial Report of Suncorp Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Consolidated Interim Financial Report*** comprises:

- Consolidated interim statement of financial position as at 31 December 2024
- Consolidated interim statement of comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the half-year ended on that date
- Notes 1 to 13 including selected explanatory notes
- The Directors' Declaration.

The ***Group*** comprises Suncorp Group Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Consolidated Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Consolidated Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001; and*
- such internal control as the Directors determine is necessary to enable the preparation of the Consolidated Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Consolidated Interim Financial Report

Our responsibility is to express a conclusion on the Consolidated Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Consolidated Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Consolidated Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Scott Guse

Partner

Brisbane

12 February 2025