SUNCORP

Building futures and protecting what matters

26 February 2024

Financial results for the half year ended 31 December 2023

Suncorp Group Limited
ABN 66 145 290 124

Basis of Preparation

Suncorp Group ('Group', 'the Group', 'the Company' or 'Suncorp') is comprised of Suncorp Group Limited (SGL) and its subsidiaries, its interests in associates and jointly controlled entities. The Group's results and historical financial information are reported across four functions following a recent re-organisation: Consumer Insurance, Commercial and Personal Injury Insurance, Suncorp New Zealand and Suncorp Bank.

From 1 July 2023, reporting for the General Insurance and New Zealand Life business is under AASB 17, the new international accounting standard for insurance contracts and comparative periods have been restated. On 11 December 2023, further information regarding the accounting standard was provided to the ASX via a AASB 17 FY23 Proforma and presentation.

Net profit after tax (NPAT) for the Group is measured in accordance with Australian Accounting Standards. Profit after tax from functions, associated ratios and key statistics are based on the segment reporting disclosures that follow Suncorp's operating model.

All figures have been quoted in Australian dollars, rounded to the nearest million, unless otherwise denoted. The Suncorp New Zealand section reports the profit contribution table and underlying profit contribution table in both A$ and NZ$, and all other Suncorp New Zealand tables are commentary in NZ$.

All figures relate to the half year ended 31 December 2023 and comparatives are for 31 December 2022, unless otherwise stated. Where necessary, comparatives have been restated to reflect any changes in table formats or methodology. Movements within the financial tables have been labelled 'large' where there has been a percentage movement outside the range of 500% to (500%). If a line item changes from negative to positive (or vice versa) between periods, this has been labelled 'n/a'.

Group, General Insurance and divisional reporting tables and charts exclude emergency services levies (ESL) and transitional excess profits and losses (TEPL).

Suncorp announced the sale of Suncorp Bank to Australia and New Zealand Banking Group Limited (ANZ) on 18 July 2022. On 20 February 2024, the Australian Competition Tribunal granted authorisation for the proposed acquisition by ANZ. However, the sale is subject to the amendment of the State Financial Institutions and Metway Merger Act and approval from the Federal Treasurer under the Financial Sector (Shareholdings) Act, with completion targeted around the middle of the 2024 calendar year. The financial performance of Suncorp Bank will continue to be reported as an ongoing function until completion occurs.

Disclaimer

This report contains general information on the Group and its operations, which is current as at 26 February 2024. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to the Group or any product or service offered by Suncorp or any of its subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

This report should be read in conjunction with all other information concerning Suncorp filed with the Australian Securities Exchange (ASX). To the extent that the information may constitute forward-looking statements, the information reflects Suncorp's intent, belief or current expectations with respect to the business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices at the date of this report. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, many of which are beyond Suncorp's control, which may cause actual results to differ materially from those expressed or implied. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Suncorp undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report (subject to ASX disclosure requirements).

There are a number of other important factors which could cause actual results to differ materially from those set out in this presentation, including the risks and uncertainties associated with the Australian and global economic environments.

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SUNCORP

Suncorp Group Limited
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ASX Announcement

26 February 2024

Suncorp Group: 1H24 Financial Results

Group NPAT	Cash earnings	Net investment returns	General Insurance GWP	Bank Home lending	Dividend per share
$582 million	**$660 million**	**$396 million**	**$6.9 billion**	**$56.0 billion**	**34 cents**
pcp $552 million	pcp $580 million	pcp $167 million[i]	↑ 16.3%[ii]	↑ 2.2%[iii]	65% payout ratio

- Underlying insurance trading ratio (UITR) in the General Insurance business of 10.2%, up from 10.0%, and an underlying insurance services ratio (UISR) of 8.1%, up from 7.9%.
- Net investment returns of $396 million, up from $167 million.
- Suncorp Bank net interest margin (NIM) of 1.80%, down from 2.03%, and cost to income ratio of 58.4%, up from 49.9%.
- Common Equity Tier 1 (CET1) capital held at Group of $237 million, with appropriate levels of capital maintained across the business units.
- Suncorp welcomed the Australian Competition Tribunal's decision announced on 20 February to grant authorisation of the proposed sale of Suncorp Bank to Australia and New Zealand Banking Group (ANZ). Subject to Financial Sector (shareholdings) Act approval and Metway-Merger Act amendments, completion is expected to be around the middle of calendar year 2024.
- From 1 July 2023 the Group has adopted AASB 17, the new international accounting standard for insurance contracts. Comparative periods have been restated to reflect this application.

Suncorp Group Limited (ASX: SUN | ADR: SNMCY) today reported improved earnings, primarily driven by a significant improvement in investment returns. Group net profit after tax (NPAT) of $582 million, was up 5.4%, while cash earnings increased 13.8% to $660 million.

Strong equity market performance, higher running yields and favourable mark-to-market movements across the General Insurance business, resulted in higher net investment income of $396 million, compared to $167 million in 1H23. The Group's fixed interest and inflation-linked bond portfolio continued to support returns.

Gross written premium (GWP) growth of 16.3% in the General Insurance business reflected customer growth and targeted price increases required to respond to increasing reinsurance costs, elevated natural hazard experience and ongoing inflationary pressures. The Group's UITR of 10.2%, improved moderately from 10.0%, supported by improved investment yields and ongoing improvements to the business. The Bank demonstrated modest lending growth of $1.2 billion or 2.2% in the Home portfolio over the half, as growth was consciously balanced against industry-wide competitive pressures in deposits and lending that impacted NIM.

The total cost of natural hazard events was $568 million, $112 million below the Group's allowance in the half. Suncorp New Zealand benefitted from a relatively benign weather period with no natural hazard events over the half, whilst Australia was impacted by six significant weather events which occurred through November and December. This resulted in the Group managing around 45,000 natural hazard claims in 1H24.

The Group's natural hazard allowance for FY24 remains $1,360 million, and the Group has a comprehensive reinsurance program in place for major events. The full limits remain available on all the Group's reinsurance covers going into the second half of the financial year.

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Prior year reserves, net of the impact of loss component movements, were strengthened by $107 million across several portfolios. The reserve strengthening was driven by the combination of external challenges, including ongoing inflationary pressures in supply chains, resulting in higher repair costs and extended repair times in the motor portfolio. The Group has responded to these challenges including with appropriate pricing and bringing on new repair capacity.

Total Group operating expenses increased 7.0%[iv] to $1.21 billion, largely reflecting growth related expenditure and inflation. Insurance expense ratios declined supported by the benefits from productivity and strategic initiatives, and operating leverage.

Other loss after tax increased $28 million to $55 million, partially driven by restructuring costs of $11 million associated with the Group's new operating model and higher joint venture profit shares.

The Board has determined to pay a fully franked interim ordinary dividend of 34 cents per share. The Group's half year dividend payout ratio of 65% of cash earnings is within the target payout ratio range of 60% to 80%.

CET1 capital held at Group is $237 million, with improving General Insurance and Bank capital ratios. Suncorp will continue to be disciplined in managing capital and remains committed to returning capital in excess of the needs of the business to shareholders.

Suncorp Group CEO Steve Johnston said it was a challenging half for customers and the Group amid ongoing inflationary pressures and the impact of six severe weather events that battered Australian communities in November and December.

"Against this backdrop, the Group has continued to work hard to support its customers while also delivering improved earnings driven by increased customer demand for our products and services and positive investment performance over the half," Mr Johnston said.

"Net investment returns were up significantly from $167 million in 1H23 to $396 million, and this has been a key contributor to our reported earnings and profit for the half," he said.

"Our Australian and New Zealand general insurance businesses achieved strong premium growth, with customer growth across both our home and motor portfolios. This remains a good indication of the value our customers continue to see in our products and brands, and the protection they provide.

"The growth in gross written premiums is also reflective of targeted price increases in response to higher reinsurance costs, ongoing supply chain inflationary pressures resulting in higher repair costs for cars and homes, and an elevated level of natural hazards. We remain acutely alert to the affordability challenges facing customers and continue to focus on driving greater efficiencies in our own business. We are vocal advocates of policy reform and mitigation investment that helps reduce the risk of extreme weather to people and communities, which are critical in reducing insurance premiums for consumers, particularly in high-risk locations," he said.

"Our teams right across the country have been supporting customers impacted by the severe weather events experienced across the east coast of Australia since November 2023. Over the half, these resulted in around 45,000 claims at a cost of $568 million, which remains within our natural hazard allowance of $1,360 million for the 2024 financial year. While our business remains well protected through our comprehensive reinsurance program, more needs to be done to protect people before disaster strikes.

Mr Johnston said the Bank demonstrated modest home lending growth of 2.2% over the half, with asset quality remaining sound within our conservative portfolio.

"We continue to see intense industry-wide competitive pressure in both deposits and lending, which we are carefully balancing," Mr Johnston said.

"Last week we welcomed the Australian Competition Tribunal's decision to grant authorisation for the proposed sale of Suncorp Bank to ANZ Banking Group, which acknowledged the competitive banking environment for customers.

"The decision brings us one step closer to becoming a dedicated Trans-Tasman insurer proudly headquartered in Queensland.

We look forward to continuing to engage constructively with the Queensland Government and Federal Treasurer on the remaining approvals and remain fully committed to Suncorp Bank while the process continues."

	1H24 ($m)	1H23 ($m)	Change (%)
Consumer Insurance	203	32	large
Commercial & Personal Injury	194	231	(16.0)
Suncorp New Zealand	87	83	4.8
Suncorp Bank	192	256	(25.0)
Profit after tax from ongoing functions[v]	**715**	**607**	**17.8**
Other profit (loss) after tax	(55)	(27)	(103.7)
Cash earnings	**660**	**580**	**13.8**
Group net profit after tax	**582**	**552**	**5.4**

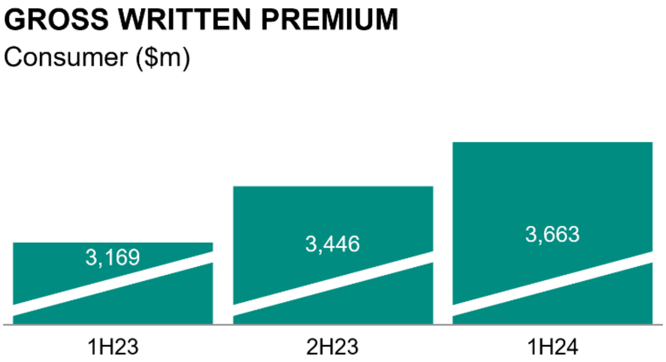
Consumer Insurance

Consumer Insurance profit after tax	GWP
$203m	**$3,663m** up 15.6%

Consumer Insurance delivered profit after tax of $203 million, up from $32 million, reflecting continued momentum in revenue growth and improved investment income.

The Home portfolio achieved GWP growth of 12.0%, with unit growth of 2.1% and Average Written Premium (AWP) growth of 9.9%.

Motor GWP grew 18.2%, with growth across mass and niche brands. Unit growth of 2.3% and AWP growth of 15.9% was achieved.



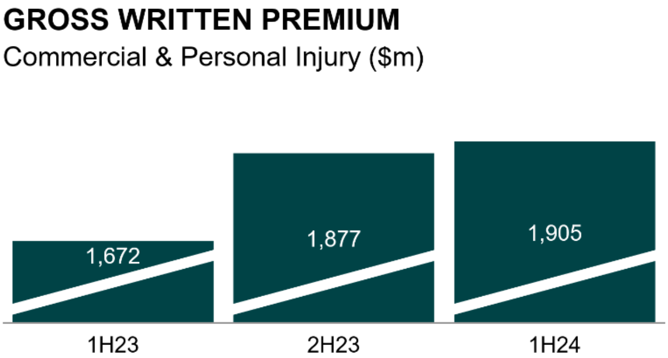
Net incurred claims increased by 10.4% to $2,443 million, driven by portfolio growth and persistent inflation, particularly in the Motor portfolio. Additional prior year reserve strengthening of $61 million, net of the impact of loss component movements, was due to increases in some prior year natural hazard event experiences, inflation and adverse claims experience in relation to water damage.

Commercial & Personal Injury Insurance

Commercial & Personal Injury profit after tax	GWP
$194m down 16.0%	**$1,905m** up 13.9%

Commercial & Personal Injury profit after tax of $194 million declined $37 million, with the pcp benefitting from the release of the business interruption provision of $124 million. Excluding the business interruption release, profit after tax increased 34.5%. Underying profit after tax of $211 million increased 21.3%.

GWP growth was achieved across all portfolios and was particularly strong across the Commercial (Tailored Lines) portfolio which was up 18.0% and Workers' Compensation which increased 19.7%.



Net incurred claims of $1,234 million increased 14.3% (excluding the business interruption release in 1H23), reflecting portfolio growth and claims inflation, partly offset by the impact of higher bond yields on the discounting of new claims.

Net prior year reserve strengthening of $21 million was largely attributable to an increase in reserving on lump sum costs in Workers' Compensation in Western Australia reflecting the ongoing impact of historical regulations, as well as modest increases in claims in run-off long tail portfolios. This was partly offset by a $24 million release in Compulsory Third Party (CTP) (excluding TEPL), primarily in New South Wales.

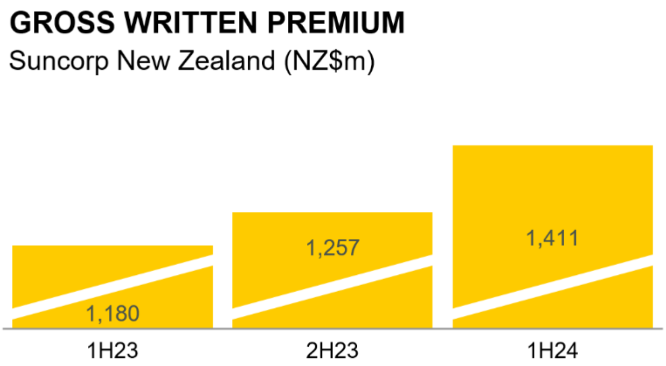
Suncorp New Zealand

Suncorp New Zealand profit after tax	GWP
NZ$94m up 3.3%	**NZ$1,411m** up 19.6%

Suncorp New Zealand delivered profit after tax of NZ$94 million.

General Insurance profit after tax of NZ$80 million increased 6.7%. The General Insurance business benefitted from a benign natural hazard claims experience and improved investment income. This was partially offset by increased reinsurance and commission costs.

GWP of NZ$1,411 million increased 19.6%, with the Vero Intermediated and AA Insurance brands recording growth of 17.3% and 24.8% respectively. Solid unit growth was experienced across the business, especially in the consumer portfolios.



Net incurred claims of NZ$620 million increased 6.9%. Higher working claims costs in the period were driven by inflationary pressures and unit growth. Natural hazards were NZ$14 million below allowance.

Prior year reserves were strengthened by NZ$26 million to reflect development on a small number of large commercial claims and the impact on claims processing capacity of the two weather events in early 2023.

Life Insurance profit after tax of NZ$14 million, was down NZ$2 million or 12.5%, with an increase in planned profit margins offset by an unfavourable experience. Annual in-force premium of NZ$330 million grew 7.1%.

Suncorp Bank

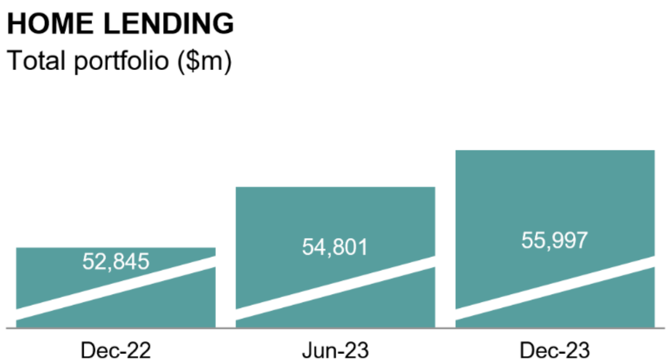
Suncorp Bank profit after tax	Home lending
$192m down 25.0%	**$55,997m** up 2.2%[iii]

Suncorp Bank profit after tax decreased 25.0% to $192 million, driven by competitive pressures impacting margin.

NIM decreased 23 basis points to 1.80%, with increased funding costs and asset margin contraction driven by persistent competition across the industry in deposits and lending.

The cost to income ratio increased from 49.9% in 1H23 to 58.4%, primarily due to a reduction in revenue and higher expenses from inflationary pressures, including wages and technology.

The Home lending portfolio grew $1.2 billion or 2.2% over the half (4.3% annualised). Business lending remained broadly flat, driven by growth in Commercial and SME, partly offset by a contraction in the Agribusiness portfolio.



Impairment expenses on loans and advances were flat, reflecting a high-quality lending portfolio and a largely benign credit environment. The Bank's ECL remained flat at $190 million.

Total customer deposits increased 2.1% to $52.5 billion over the half, with growth primarily driven by term deposits and at-call savings as customers showed ongoing demand for higher yield deposit products.

Group outlook for FY24

Strategic targets: Key strategic targets remain consistent with the previous aim of delivering a growing business with a sustainable return on equity above the through-the-cycle cost of equity.

Insurance:

– **Growth:** GWP growth now expected to be in the low to mid-teens for FY24, primarily driven by increases in AWP as the business responds to increased input costs, including from reinsurance, natural hazards and supply chain inflation.

– **Underlying ITR:** The Group's underlying ITR is supported by strong premium momentum, offset by reinsurance and natural hazard costs, and claims inflation. Investment yields are expected to moderate as market expectations for interest rate hikes ease, given a stabilisation in inflation and a pause in monetary tightening. For FY24, prior year reserve releases in CTP are expected to be around 0.7% of Group net insurance revenue, with releases in other portfolios expected to be neutral in 2H24. An underlying ITR around the midpoint of the 10% to 12% range remains the target for FY24.

– **Operating expenses:** Expense ratios in 2H24 are expected to remain in line with 1H24, noting expenses reflect ongoing investment in growing the business.

Global reinsurance markets have stabilised, however, natural hazard experience and inflation may impact the cost of reinsurance, and the degree of risk retention.

Bank:

– **Growth:** Overall, system growth is expected to slow as economic growth moderates and against a backdrop of significantly tighter monetary conditions. The Bank is targeting Home loan growth at around system.

– **NIM:** Competition in both lending and deposits has continued, with NIMs under pressure. The Bank expects NIM to be around the bottom of its 1.85% and 1.95% target range.

– **Cost to income ratio:** Considering the pressures to revenue from slowing credit growth and declining NIM, and cost pressures due to inflation, the Bank's cost to income ratio is expected to be in line with 1H24.

Capital: The Group will maintain its disciplined approach to active capital management, including holding appropriate capital buffers. The Group maintains its commitment to a 60% to 80% dividend payout ratio.

Bank Sale

On 20 February 2024, the Australian Competition Tribunal granted authorisation of the proposed sale of Suncorp Bank to ANZ. The transaction remains subject to the amendment of the State Financial Institutions and Metway Merger Act and approval from the Federal Treasurer under the Financial Sector (Shareholdings) Act. Subject to these being received, completion is expected to be around the middle of the 2024 calendar year. Expected net proceeds of $4.1 billion remain materially unchanged. As previously announced, the Group remains committed to returning to shareholders any capital that is excess to the needs of the business following completion.

Bank transition costs: In light of the Australian Competition Tribunal's decision to grant merger authorisation, progress on separating the Bank continues. The Group expects to incur $70 million post-tax of Bank separation costs in 2H24.

Authorised for lodgement with the ASX by the Suncorp Group Board

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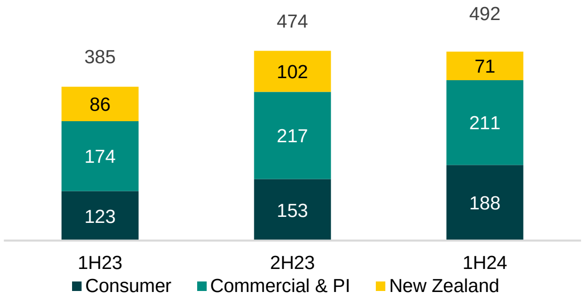
[i] Net investment income is investment income on insurance funds and shareholders' funds and discount unwind and market rate adjustments on claims liabilities.
[ii] All changes refer to the prior corresponding period unless otherwise stated.
[iii] Growth on the prior half.
[iv] Excludes emergency services levies, transitional excess profits and losses (TEPL) provision, commission and restructuring expenses.
[v] Profit after tax from functions includes Internal Reinsurance arrangements (1H24: $39 million, 1H23: $5 million).

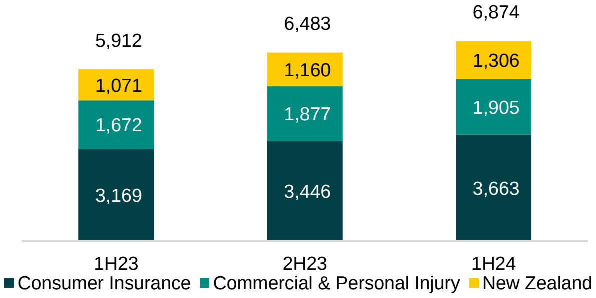
1. Group result overview

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Consumer Insurance	203	168	32	20.8	large
Commercial & Personal Injury	194	212	231	(8.5)	(16.0)
Suncorp New Zealand	74	(9)	68	n/a	8.8
Internal Reinsurance	39	52	5	(25.0)	large
General Insurance profit after tax	**510**	**423**	**336**	**20.6**	**51.8**
New Zealand Life	13	8	15	62.5	(13.3)
Suncorp Bank	192	214	256	(10.3)	(25.0)
Profit after tax from ongoing functions	**715**	**645**	**607**	**10.9**	**17.8**
Other profit (loss) after tax	(55)	(48)	(27)	(14.6)	(103.7)
Cash earnings	**660**	**597**	**580**	**10.6**	**13.8**
Net profit (loss) on sale of divested/divesting operations	(71)	(71)	(20)	–	(255.0)
Acquisition amortisation	(7)	(7)	(8)	–	12.5
Net profit after tax	**582**	**519**	**552**	**12.1**	**5.4**

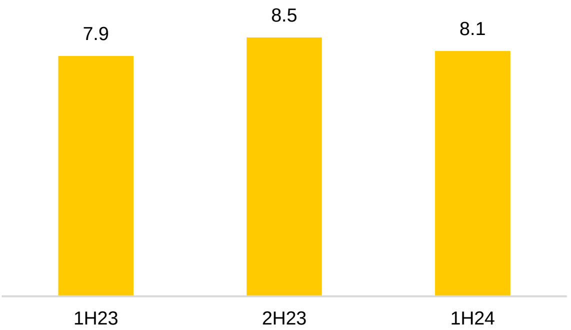
GENERAL INSURANCE UNDERLYING PROFIT ($M) [1]



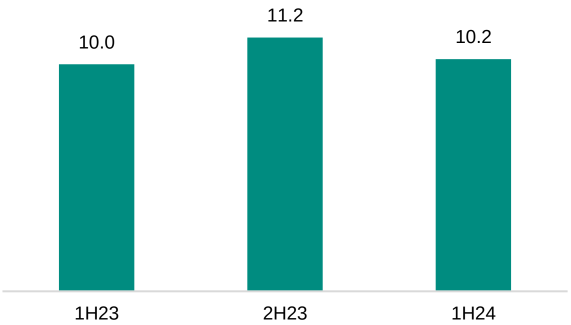
GROSS WRITTEN PREMIUM ($M)



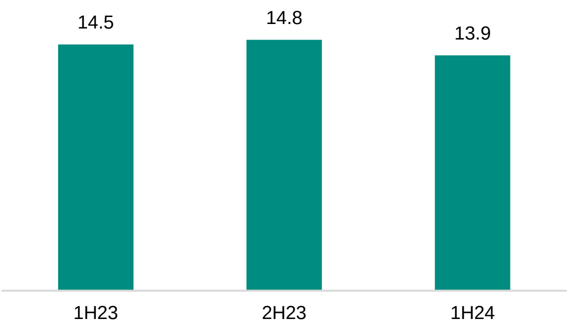
UNDERLYING ISR (%)



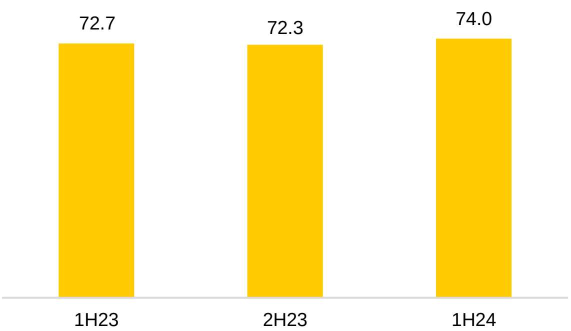
UNDERLYING ITR (%)



GENERAL INSURANCE OPERATING EXPENSE RATIO (%)



GENERAL INSURANCE LOSS RATIO (%)



1. Total general insurance underlying profit includes internal reinsurance profit of $2 million in 1H23, $2 million in 2H23 and $22 million in1H24.

Contribution to Profit

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
GROUP GENERAL INSURANCE					
Gross written premium	**6,874**	**6,483**	**5,912**	**6.0**	**16.3**
Insurance revenue	6,474	5,940	5,744	9.0	12.7
Reinsurance premium	(733)	(718)	(659)	(2.1)	(11.2)
Net insurance revenue	5,741	5,222	5,085	9.9	12.9
Net incurred claims	(4,250)	(3,775)	(3,695)	(12.6)	(15.0)
Direct operating expenses	(773)	(748)	(722)	(3.3)	(7.1)
Commission expenses	(324)	(303)	(289)	(6.9)	(12.1)
Insurance service result	**394**	**396**	**379**	**(0.5)**	**4.0**
Investment income on insurance funds	409	219	146	86.8	180.1
Discount unwind on claims liabilities	(168)	(146)	(97)	(15.1)	(73.2)
Market rate adjustments on claims liabilities	(44)	63	48	n/a	n/a
Non-directly attributable expenses	(23)	(24)	(16)	4.2	(43.8)
Insurance trading result	**568**	**508**	**460**	**11.8**	**23.5**
Investment income on shareholder funds	199	148	70	34.5	184.3
Managed schemes, JV and other	(43)	(58)	(54)	25.9	20.4
Profit before tax	**724**	**598**	**476**	**21.1**	**52.1**
Income tax	(214)	(175)	(140)	(22.3)	(52.9)
General Insurance profit after tax	**510**	**423**	**336**	**20.6**	**51.8**
Life Insurance profit after tax	13	8	15	62.5	(13.3)
SUNCORP BANK					
Net interest income	666	683	725	(2.5)	(8.1)
Total other operating income / (loss)	(5)	9	8	n/a	n/a
Operating expenses	(386)	(371)	(366)	(4.0)	(5.5)
Profit before impairment releases/(losses) on loans and advances	**275**	**321**	**367**	**(14.3)**	**(25.1)**
Impairment releases/(losses) on loans and advances	(1)	(15)	(2)	93.3	50.0
Profit before tax	**274**	**306**	**365**	**(10.5)**	**(24.9)**
Income tax	(82)	(92)	(109)	10.9	24.8
Suncorp Bank profit after tax	**192**	**214**	**256**	**(10.3)**	**(25.0)**
Profit after tax from functions	**715**	**645**	**607**	**10.9**	**17.8**
Other profit (loss) after tax	(55)	(48)	(27)	(14.6)	(103.7)
Cash earnings	**660**	**597**	**580**	**10.6**	**13.8**
Net profit (loss) on sale of divesting operations	(71)	(71)	(20)	(0.3)	(255.0)
Acquisition amortisation (after tax)	(7)	(7)	(8)	3.3	12.5
Net profit after tax	**582**	**519**	**552**	**12.1**	**5.4**

Group ratios and statistics

		1H24	2H23	1H23	1H24 v 2H23 %	1H24 v 1H23 %
PERFORMANCE RATIOS						
Earnings per share						
Basic	(cents)	45.94	41.08	43.75	11.8	5.0
Diluted	(cents)	45.09	40.29	42.23	11.9	6.8
Cash earnings per share [1]						
Basic	(cents)	52.10	47.33	45.97	10.1	13.3
Diluted	(cents)	50.78	46.08	44.28	10.2	14.7
Return on average shareholders' equity [1]	(%)	8.6	7.8	8.3		
Cash return on average shareholders' equity [1]	(%)	9.7	9.0	8.7		
Cash return on average shareholders' equity pre-goodwill [1]	(%)	15.0	13.8	13.6		
Cash return on average shareholders' equity pre goodwill and intangibles [1]	(%)	15.5	14.3	14.1		
General Insurance services ratio (net)	(%)	6.9	7.6	7.5		
General Insurance services ratio (gross)	(%)	6.1	6.7	6.6		
General Insurance underlying insurance services ratio (net)	(%)	8.1	8.5	7.9		
General Insurance underlying insurance services ratio (gross)	(%)	7.2	7.5	7.0		
General Insurance underlying trading ratio (net)	(%)	10.2	11.2	10.0		
Bank net interest margin (interest-earning assets)	(%)	1.80	1.89	2.03		
SHAREHOLDER SUMMARY						
Ordinary dividends per ordinary share	(cents)	34.0	27.0	33.0		
Special dividends per ordinary share	(cents)	-	–	–		
Payout ratio (ordinary dividend) [1]						
Cash earnings	(%)	65.4	51.3	70.9		
Weighted average number of shares						
Basic	(m)	1,266.9	1,263.5	1,261.8	0.3	0.4
Diluted	(m)	1,370.6	1,365.0	1,361.7	0.4	0.7
Number of shares at end of period [2]	(m)	1,268.8	1,264.5	1,262.6	0.3	0.5
Net tangible asset backing per share	($)	6.68	6.36	6.29	5.0	6.2
Share price at end of period	($)	13.85	13.49	12.04	2.7	15.0
PRODUCTIVITY						
General Insurance operating expense ratio	(%)	13.9	14.8	14.5		
Bank cost-to-income ratio	(%)	58.4	53.7	49.9		
FINANCIAL POSITION						
Total assets	($M)	108,808	108,037	104,510	0.7	4.1
Net tangible assets	($M)	8,476	8,040	7,947	5.4	6.7
Net assets	($M)	13,755	13,334	13,228	3.2	4.0
Average shareholders' equity	($M)	13,843	13,171	12,862	5.1	7.6
CAPITAL [3]						
General Insurance total capital PCA coverage[4]	(times)	1.67	1.63	1.63		
General Insurance Common Equity Tier 1 PCA coverage[4]	(times)	1.22	1.16	1.21		
Bank total capital ratio	(%)	14.23	14.31	14.37		
Bank Common Equity Tier 1 ratio	(%)	10.05	10.06	10.09		
Common Equity Tier 1 Capital held at Group	($M)	237	274	290	(13.5)	(18.3)

1. Refer to Glossary for definitions.
2. Excluding Treasury shares.
3. Ratios are presented post dividend.
4. 1H23 and 2H23 comparative ratios for General Insurance are prepared on a AASB1023 basis, as published in the FY23 Investor Pack

Group Capital

Capital management strategy

Suncorp Group'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 that there are sufficient capital resources to maintain and grow the business. The quality and quantum of capital required is driven by a range of factors and in particular, Suncorp Group's external and internal requirements and risk appetite. A range of instruments and methodologies are used to manage capital, including share issues, reinsurance, dividend policies, Tier 1 Capital instruments and Tier 2 Capital instruments.

Suncorp Group's Internal Capital Adequacy Assessment Process (ICAAP) provides the framework to ensure that Suncorp and each Regulated Entity is appropriately capitalised to meet internal and external requirements. The ICAAP is reviewed regularly and, where appropriate, adjustments are made to reflect changes in the capital needs and risk profile of Suncorp Group. Capital targets are structured according to risk appetite, the regulatory framework and APRA's non-operating holding companies (NOHC) conditions.

The Group's key capital metrics in 1H24 on a post dividend basis are:

- CET1 held at Group of $237 million;
- General Insurance CET1 ratio of 1.22x prescribed capital amount (PCA) (target range: 1.1x – 1.4x PCA);
- Bank CET1 ratio of 10.05% (target range: 10.0% - 10.5%);
- Group excess capital of $119 million (the sum of capital in excess of the midpoint of target operating ranges across the Group, net of eliminations); and
- Surplus capital within range of $674 million (the sum of capital in excess of the bottom of target operating ranges across the Group, net of eliminations).

Capital

	As at 31 December 2023					
	General Insurance $M	Bank $M	NZ Life & other businesses[2] $M	Corporate $M	Total[3] $M	30 June 2023 $M[4]
CET1 (pre div)	4,073	3,440	97	234	**7,844**	7,408
Midpoint of Target CET1 Range	3,880	3,374	71	(1)	**7,323**	7,056
Excess to Midpoint of Target CET1 Range (pre div)	193	66	26	235	**521**	352
Common Equity Tier 1 ratio (pre div)[1]	1.31	10.45%				
Group dividend					**(402)**	(318)
Group excess to CET1 target (ex div)					**119**	34
Total capital	5,472	4,815	97	234	**10,618**	10,188
Total target capital	5,276	4,526	71	(19)	**9,854**	9,593
Excess to target (pre div)	196	289	26	253	**764**	595
Group dividend					**(402)**	(318)
Group excess to target (ex div)					**362**	277
Total capital ratio	1.76	14.63%				

1. Capital ratios are expressed as coverage of the PCA for General Insurance and as a percentage of Risk Weighted Assets for the Bank.
2. The midpoint for "NZ Life and other businesses" represents the midpoint to the New Zealand Life insurance target operating range.
3. The Total Group represents the Level 3 PCR as specified under SGL's NOHC Conditions.
4. June 2023 comparative numbers are prepared on a AASB1023 basis, as published in the FY23 Investor Pack.

	Movement Jun-23 to Dec-23 $M
CET1 held at Group (Jun-23)	**274**
AASB17 transition impacts	99
Bank transaction costs	(102)
NPAT (excluding Bank transaction cost)	652
Dividend accrual (65% payout ratio and net of DRP)	(402)
GI capital usage	(158)
Bank capital usage	(60)
Movement in Net DTA (excluding Bank transaction DTA)	11
Other	44
Capital retained by the Business	(121)
CET1 held at Group (Dec-23)	**237**

Key factors impacting the capital position during 1H24 include:

— AASB 17 transitional benefit of $99 million, mainly driven by a temporary deferred tax liability (DTL) benefit, with $30 million unwinding before 30 June 2024 following the expected passing of tax legislation;
— Bank transaction costs of $102 million include both profit & loss and deferred tax assets (DTA) impacts associated with the sale of Suncorp Bank;
— Profit (excluding bank sale transaction costs) less dividends (at a 65% payout ratio net of dividend reinvestment plan (DRP)) contributed $250 million;
— General Insurance capital usage of $158 million largely driven by growth and inflation;
— Bank capital usage of $60 million driven by lending growth;
— $11 million decrease in net DTA excluding Bank sale transaction costs; and
— $44 million other capital benefit mainly consists of additional DRP participation above historic levels at the final FY23 dividend and amortisation of capitalised software costs.

Dividends

The Group's strong balance sheet has allowed the Board to declare a fully franked interim dividend of 34 cents per share (cps). This equates to a payout ratio of 65% of cash earnings.

The interim dividend will be paid on 11 April 2024. The ex-dividend date is 29 February 2024.

The Group's franking credit balance is set out in the table below. To ensure the Group can continue to fully frank dividends, it retains a franking account surplus to cover potential future volatility in the franking account due to changes in the split of the Group's earnings between Australia and New Zealand and differences between Australian accounting profit and Australian taxable income.

	1H24 $M	2H23 $M	1H23 $M
Franking credits available for subsequent financial periods based on a tax rate of 30% after proposed dividends	183	269	216

2. General Insurance

Underlying General Insurance profit contribution

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
GROUP GENERAL INSURANCE					
Gross written premium	**6,874**	**6,483**	**5,912**	**6.0**	**16.3**
Insurance revenue	6,474	5,940	5,744	9.0	12.7
Reinsurance premiums	(733)	(719)	(659)	(1.9)	(11.2)
Net insurance revenue	5,741	5,221	5,085	10.0	12.9
Net incurred claims[1]	(4,185)	(3,725)	(3,676)	(12.4)	(13.9)
Direct operating expenses[1]	(768)	(749)	(716)	(2.5)	(7.3)
Commission expenses	(323)	(303)	(289)	(6.6)	(11.8)
Underlying insurance service result	**465**	**444**	**404**	**4.7**	**15.0**
Investment income on insurance funds[2]	312	307	217	1.6	43.8
Discount unwind on claims liabilities	(168)	(146)	(97)	(15.1)	(73.2)
Non-directly attributable expenses	(23)	(18)	(16)	(27.8)	(43.8)
Underlying insurance trading result	**586**	**587**	**508**	**(0.2)**	**15.3**
Investment income on shareholder funds[2]	155	140	90	10.9	72.5
Managed schemes, JV and other	(43)	(59)	(53)	27.1	18.9
Underlying profit before tax	**698**	**668**	**545**	**4.5**	**28.1**
Income tax	(206)	(193)	(160)	(6.6)	(28.8)
Underlying General Insurance profit after tax	**492**	**474**	**385**	**3.6**	**27.8**
Reported reserve releases above / (below) long-run expectations	(202)	(26)	117	large	n/a
Natural hazards (above) / below allowances	112	5	(100)	large	n/a
Risk adjustment	(30)	(2)	(17)	large	(75.6)
Abnormal (simplification / restructuring) expenses	(5)	(6)	(6)	22.6	16.7
Loss component	54	(23)	(20)	n/a	n/a
Mark-to-market on investments	97	(16)	(43)	n/a	n/a
Tax on above	(8)	17	20	n/a	n/a
Reported General Insurance profit after tax	**510**	**423**	**336**	**20.7**	**52.0**

1. Direct operating expenses and net incurred claims are adjusted for TEPL (1H24 $25 million, 1H23 $25 million, 2H23 $52 million).
2. Underlying investment income excludes mark-to-market on interest-bearing securities.

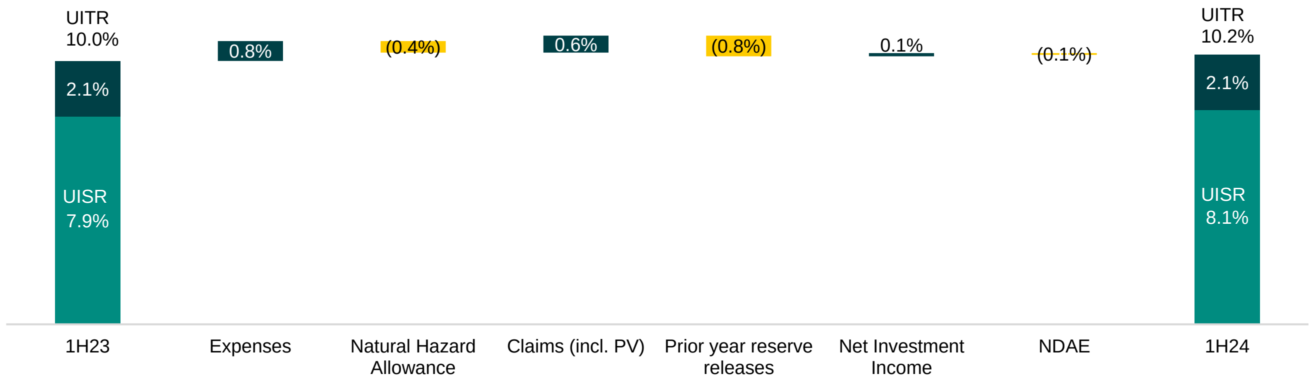
1H24 underlying General Insurance profit contribution by function

	Consumer	Commercial & Personal Injury	New Zealand	Internal Reinsurance	Total
Gross written premium	**3,663**	**1,905**	**1,306**	**–**	**6,874**
Insurance revenue	3,444	1,853	1,177	–	6,474
Reinsurance premium	(394)	(148)	(247)	56	(733)
Net insurance revenue	3,050	1,705	930	56	5,741
Net incurred claims	(2,439)	(1,160)	(561)	(25)	(4,185)
Direct operating expenses	(441)	(201)	(126)	–	(768)
Commission expenses	(20)	(146)	(157)		(323)
Underlying insurance service result	**150**	**198**	**86**	**31**	**465**
Investment income on insurance funds	109	186	17		312
Discount unwind on claims liabilities	(34)	(130)	(4)		(168)
Non-directly attributable expenses	(10)	(4)	(9)		(23)
Underlying insurance trading result	**215**	**250**	**90**	**31**	**586**
Investment income on shareholder funds	77	69	9	–	155
Managed schemes, JV and other	(24)	(18)	(1)		(43)
Underlying profit before tax	**268**	**301**	**98**	**31**	**698**
Income tax	(80)	(90)	(27)	(9)	(206)
Underlying profit after tax	**188**	**211**	**71**	**22**	**492**
Underlying insurance services ratio[1]	**4.9%**	**11.6%**	**9.2%**	**n/a**	**8.1%**
Underlying insurance trading result ratio	**7.0%**	**14.7%**	**9.7%**	**n/a**	**10.2%**

1. Differences between NZ UISR in AUD and NZD relate to the foreign exchange impact on cash flows

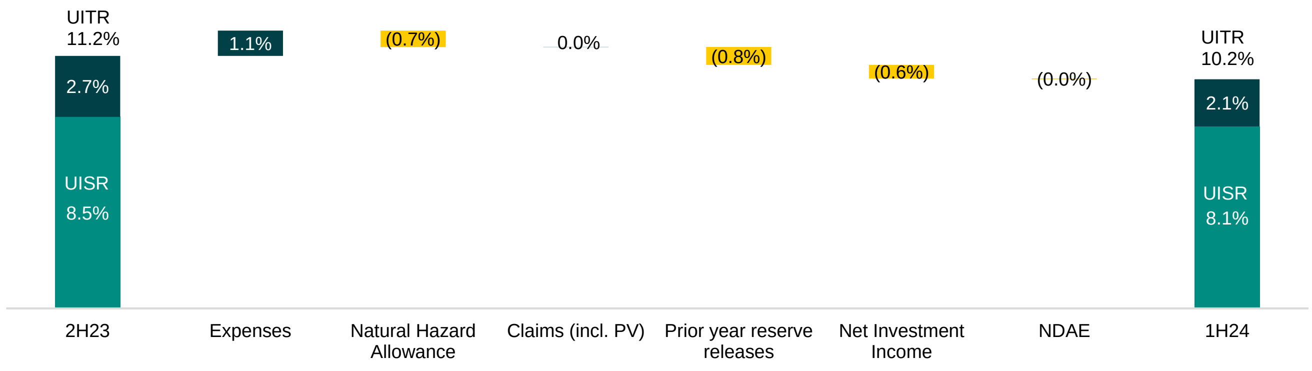
Group underlying margins

General Insurance underlying ITR movements



Underlying ITR increased from 10.0% in 1H23 to 10.2% in 1H24. The increase in insurance margin was driven by:

- Higher pricing being earned through (reflected in all underlying drivers);
- Controlled expense management that benefited operating expenses and claims handling expenses (CHE) (part of claims movement);
- Higher present value discounting on claims driven by rising yields, partially offset by;
- Higher natural hazard allowance from higher event retentions in the FY24 Group reinsurance placement;
- Lower long-run average reserve releases reducing from 1.5% of Group net insurance revenue (NIR) in 1H23, to 0.7% in 1H24; and
- Deteriorating working claims caused by ongoing inflationary pressures.



Underlying ITR decreased from 11.2% in 2H23 to 10.2% in 1H24. The decline was driven by:

- A higher natural hazard allowance reflecting the change in retentions in the FY24 Group reinsurance program. As rate increases continue to earn through, this is expected to drive improvement in margins in 2H24;
- Deterioration in working claims offset by the present value discounting from higher yields, and favourability in CHE;
- Reduction in long-run average reserve releases from 1.5% in 2H23 to 0.7% in 1H24 of Group NIR; and
- Lower underlying net investment income primarily from lower inflation carry result.

Prior year reserves and loss component

Prior year reserve strengthening / (releases)

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Consumer	116	(7)	(39)	n/a	n/a
Commercial & Workers' Compensation	45	6	(93)	large	n/a
Suncorp New Zealand	24	1	11	large	118.2
Total	**185**	**–**	**(121)**	n/a	n/a
CTP (excl TEPL)[1]	(24)	(51)	(72)	52.9	66.7
Total net reserve strengthening	**161**	**(51)**	**(193)**	n/a	n/a

1. CTP NSW excludes movement in TEPL provision of $24.6 million in 1H24, $52.0 million in 2H23, $25.4 million in 1H23

Prior year reserves were strengthened across several portfolios in 1H24 by a total of $161 million.

In Consumer, Motor reserve strengthening was driven by higher repair costs and extended repair times associated with the tail of COVID-19 related supply chain issues, especially in relation to third party settlements, as well as an increased level of total loss claims. These supply chain impacts have since started to moderate. A high volume of the third-party settlements had a claims period that exceeded twelve months, significantly increasing costs from initial estimates.

In Home, reserves were strengthened primarily driven by water damage claims. There was also strengthening across an abnormally high number of large fire claims that occurred late in FY23. Pricing has been updated to reflect the recent experience in water claims and the severity of recent fire events.

Commercial and Personal Injury strengthening was largely attributable to an increase in reserving on lump sum costs in Workers' Compensation in Western Australia, reflecting historical regulation changes, as well as a modest increase in claims in run-off long tail portfolios. Fleet also experienced strengthening with similar dynamics to the Consumer Motor portfolio.

These items were partially offset by a release in CTP, primarily in New South Wales. The CTP release has moderated, largely driven by broad-based super imposed inflation in Queensland, including medical and legal costs.

New Zealand strengthening was driven by large developments on a small number of large commercial claims, as well as the impact on claims capacity of the two weather events in early 2023.

Long run average reserve releases

	1H24 Expected % of Group NIR	2H23 Expected % of Group NIR	1H23 Expected % of Group NIR
Other portfolios	-	-	-
CTP	0.7%	1.5%	1.5%
Total long run average reserve releases	**0.7%**	**1.5%**	**1.5%**

The Group's reserve release assumption has decreased from 1.5% to 0.7%. The long run reserve release assumption relates to the long-tail CTP portfolio, predominantly reflecting the inherent uncertainty within the superimposed inflation assumption over time, whereby the Group expects a release in low inflation environments. Other smaller (by GWP and outstanding claims reserve volumes) or shorter duration portfolios do not have a reserve release assumption, given more certainty in the nearer term, and for smaller portfolios, the more general volatility rather than stable release view.

The reduction is driven by CTP scheme changes (including change in scheme regulation and administration, as well as scheme inflation) and strong relative growth in other portfolios, as the release is based on Group NIR.

Loss component

Balance sheet provision

	31-Dec-23 $M	30-Jun-23 $M	31-Dec-22 $M
Loss component provision	(44)	(98)	(75)

The loss component provision of $44 million at 31 December 2023 primarily relates to the CTP portfolio, with the residual relating to the Motor portfolio.

Profit & loss impact

	31-Dec-23 $M	30-Jun-23 $M	31-Dec-22 $M
Loss component	54	(23)	(20)

The loss component release of $54 million from the 30 June 2023 position in the Motor portfolio was driven by improved profitability as the inflationary related pricing response is reflected in renewals.

Natural hazards and reinsurance

1H24 Natural hazard experience

Date	Event	Net costs $M
Nov-23	November Rain and Storms	24
Dec-23	December Hail and Rain	51
Dec-23	Cyclone Jasper	56
Dec-23	Southern States Storms	22
Dec-23	SE QLD NSW Storms	15
Dec-23	East Coast Holiday Storms	212
Total events over $10 million		**380**
Other natural hazards		188
Total natural hazards		**568**
Less: allowance for natural hazards		(680)
Natural hazards costs above / (below) allowance		**(112)**

Total natural hazard costs were $568 million, $111 million below the pcp, and $112 million below the Group's half year allowance of $680 million. Consumer Insurance was $69 million favourable to allowance, Commercial & Personal Injury was $5 million favourable, and New Zealand was $13 million favourable. Head Office, which incorporates the internal reinsurance arrangements, was $25 million favourable to allowance.

In relation to Cyclone Jasper, the Group will recover approximately $14 million as part of the reinsurance arrangements with the Federal Governments Cyclone Reinsurance Pool (CRP).

FY24 Property catastrophe program

There have been no property reinsurance recoveries triggered over the half. The full limit of the property reinsurance program remains available for natural hazard events in the second half of the financial year.

The Group's maximum event retention for FY24 increased to $350 million (FY23: $250 million) with an upper limit of $6.4 billion (FY23: $6.8 billion) which covers the Home, Motor and Commercial property portfolios across Australia and New Zealand and includes one full prepaid reinstatement. The FY24 upper limit remains in excess of Australia and New Zealand regulatory requirements. The reduction from FY23 is due to the implementation of the Australian CRP and the increased earthquake coverage provided by the Toka Tu Ake Earthquake Commission in New Zealand.

The CRP provides reinsurance protection to Suncorp against cyclone losses and related flooding for up to 48 hours after a cyclone is downgraded for Consumer Home and SME customers. The CRP is underwritten by the Federal Government through the Australian Reinsurance Pool Corporation at rates that are generally lower than those provided by the global reinsurance market. Suncorp joined the CRP from 1 July and the benefit of reduced reinsurance is reflected in lower premiums. In the event of claims, customers continue to be covered in line with their policies with Suncorp, and Suncorp will then recover any monies from the CRP.

In addition to the Main Catastrophe program, the Group has purchased Group Dropdown protection that reduces the second, third and fourth event retention to $250 million.

Below the Group retentions, Suncorp has purchased an Australian Dropdown program that further reduces the third and fourth event retention for Australian events to $150 million (FY23: $100 million).

In New Zealand, buydown cover (including a prepaid reinstatement) has been 52% placed to provide cover between NZ$100 million and the Group's maximum event retention of $350 million. The Group's capital position allowed it to make a commercial decision on not placing the remaining 48% of the buydown cover. In FY23 the buydowns provided cover down to NZ$50 million for a first event and NZ$25 million for a second event. The part-placement and increase in retention reflect the increases in reinsurance costs following the North Island Floods and Tropical Cyclone Gabrielle that occurred during FY23.

Following comprehensive internal modelling on its cost and benefits, the aggregate excess of loss (AXL) cover has not been renewed.

The Group also has a quota share arrangement ceding 30% from the Queensland home insurance portfolio. Suncorp maintains strong market share within this market and the quota share reduces concentration risk in this region.

Suncorp also has a 50% quota share arrangement in place for large global property risks. Other quota share arrangements continue to be investigated and implemented where they provide sufficient capital and earnings benefits to offset the profit ceded to reinsurance partners.

Impact of internal reinsurance

Suncorp has a number of internal reinsurance arrangements between its subsidiaries. The primary purpose of the internal arrangements is to optimise capital held across the Group. There is no impact to the Group's consolidated Profit & Loss statement.

Reported

	1H24 $M	2H23 $M	1H23 $M
Initial premium	56	9	7
Reinstatement premium	–	89	–
Total premium	**56**	**98**	**7**
Natural hazard experience	–	(23)	–
Reported profit before tax impact	**56**	**75**	**7**
Income tax	(17)	(23)	(2)
Reported profit after tax impact	**39**	**52**	**5**

Underlying

	1H24 $M	2H23 $M	1H23 $M
Initial premium	56	9	7
Natural hazard allowance	(25)	(4)	(3)
Underlying profit before tax impact	**31**	**5**	**4**
Income tax	(9)	(2)	(1)
Underlying profit after tax impact	**22**	**3**	**3**

Investments

Suncorp invests in line with the Group's risk appetite and the Board approved investment strategy. The investment strategies for the insurance and shareholders' fund incorporates medium to long-term views of asset class returns, capital, profit volatility, liquidity and liability matching considerations.

Reported investment income breakdown

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Investment income on insurance funds					
Australia	382	198	139	92.9	174.8
New Zealand	27	21	7	28.6	285.7
Total investment income on insurance funds	**409**	**219**	**146**	**86.8**	**180.1**
Investment income on shareholders' funds					
Australia	180	134	66	34.5	173.0
New Zealand	19	14	4	35.7	375.0
Total investment income on shareholders' funds	**199**	**148**	**70**	**34.6**	**184.6**
Total investment income	**608**	**367**	**216**	**65.7**	**181.6**

Underlying investment income breakdown

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Investment income on insurance funds					
Australia	295	293	213	0.7	38.5
New Zealand	17	14	4	18.9	316.0
Total investment income on insurance funds	**312**	**307**	**217**	**1.5**	**43.6**
Investment income on shareholders' funds					
Australia	146	132	85	10.6	71.8
New Zealand	9	8	5	15.6	84.9
Total investment income on shareholders' funds	**155**	**140**	**90**	**10.9**	**72.5**
Total investment income	**467**	**447**	**307**	**4.4**	**52.1**

General insurance investment income on insurance funds

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Investment income on insurance funds	409	219	146	86.8	180.1
Less : Mark-to-market movements	(102)	77	108	n/a	n/a
Underlying yield	**307**	**296**	**254**	**3.7**	**20.9**
Discounting adjustment[1]	5	11	(37)	(54.5)	n/a
Underlying investment income	**312**	**307**	**217**	**1.6**	**43.8**
Discount unwind on claims liabilities	(168)	(146)	(97)	(15.1)	(73.2)
Net underlying investment income	**144**	**161**	**120**	**(10.6)**	**20.0**

1. Discounting Adjustment accounts for valuation methodology differences between assets and liabilities.

Australia

Investment income

Key market metrics for the year are set out in the table below.

	Dec-23	Jun-23	Dec-23 v Jun-23
3 year bond yield (%)	3.61	4.05	(0.44)
5 year breakeven inflation rate (%)	2.69	2.72	(0.03)
AA/A 3 year credit spreads (bp)	102	112	(11)
Australian equities (total return)	**95,767**	89,032	**8%**
International equities (hedged total return)	**2,622**	2,472	**6%**

Asset allocation

	Dec-23		Jun-23		Dec-22	
	$M	%	$M	%	$M	%
Insurance funds						
Cash	251	3	1,096	10	603	6
Interest-bearing securities	7,841	75	7,560	69	7,428	73
Inflation-linked bonds	2,335	22	2,233	21	2,167	21
TOTAL	**10,427**	**100**	**10,889**	**100**	**10,198**	**100**
Shareholders' funds						
Cash	899	18	435	11	478	14
Interest-bearing securities	2,374	50	2,091	53	2,049	58
Equities	663	14	617	16	377	11
Convertible bonds	283	6	279	7	262	7
Infrastructure and property	553	12	524	13	358	10
Total shareholders' funds	**4,772**	**100**	**3,946**	**100**	**3,524**	**100**
Total	**15,199**		**14,835**		**13,722**	
Shareholders' funds composition						
Domestic	3,052	64	2,334	59	2,238	64
International	1,720	36	1,612	41	1,286	36
TOTAL	**4,772**	**100**	**3,946**	**100**	**3,524**	**100**

In line with Suncorp's Responsible Investment Policy, Suncorp aims to seek out opportunities in impact investments. Suncorp has exceeded its target of investing 5% of shareholder funds in social and low carbon impact investments, with impact investments totalling 6% as of 31 December 2023.

Credit Quality

	Dec-23		Jun-23		Dec-22	
	$M	%	$M	%	$M	%
AAA	5,399	39	5,783	42	5,183	41
AA	3,202	23	3,212	23	2,337	19
A	2,714	19	2,214	16	2,397	19
BBB	2,595	19	2,606	19	2,684	21
Total	**13,910**	**100**	**13,815**	**100**	**12,601**	**100**

Sensitivity to Market Variables

	Movement	Insurance Funds $m	Shareholders' Funds $m
Bond Yields	+1bps	(2.2)	(0.6)
Credit Spread	+1bps	(1.4)	(0.6)
Australian Equities	1%	n/a	2.9
International Equities	1%	n/a	3.4

Sensitivities are indicative impacts on asset valuations resulting from changes in market variables. The actual impact on portfolios will depend on the prevailing portfolio exposures including active positioning, and market conditions.

Duration

	Dec-23 Years	Jun-23 Years	Dec-22 Years
Insurance funds			
Interest rate duration	2.1	2.2	2.4
Credit spread duration	1.4	1.4	1.4
Shareholders' funds			
Interest rate duration	1.4	1.6	1.7
Credit spread duration	1.4	1.5	1.5

All duration sensitivities are expressed relative to total fund. Previous disclosure of credit spread duration for Shareholders' fund was expressed relative to the fund's fixed income exposures only.

Investment performance

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Investment income on insurance funds					
Inflation-linked bonds	102	66	47	55	117
Cash and Interest-bearing securities	280	132	92	112	204
Total investment income on insurance funds	**382**	**198**	**139**	**93**	**175**
Investment income on shareholders' funds					
Cash and Interest-bearing securities	109	45	21	143	421
Equities	42	41	18	3	134
Infrastructure and property	21	19	8	8	157
Convertible bonds	8	17	8	(52)	3
Total investment income on shareholders' funds	**180**	**122**	**55**	**48**	**228**
Total investment income	**562**	**320**	**194**	**76**	**190**

As a result of changes in accounting standards, from 1H24 onwards investment income is reported gross of management fees. Prior periods are net of management fees in the above table (2H23: $12 million), (1H23: $11 million) but are correctly stated in all other tables.

Insurance funds

Investment income on insurance funds was $382 million, representing an annualised return of 7.3%. This reflects strong performance from risk-free rates, credit spreads and inflation carry above risk-free on inflation-linked bonds which supported yield income. Marked-to-market gains also contributed to total returns as bond yields fell and credit spreads tightened.

The underlying yield income was $290 million, representing an annualised return of 5.5%. This reflected the higher risk-free yields relative to the prior corresponding period, with credit spreads, inflation carry income and manager alpha also contributing to the underlying yield.

	1H24 $M	1H24 %	2H23 $M	2H23 %	1H23 $M	1H23 %
Underlying Yield						
Risk free	204	3.9	172	3.3	153	3.1
Credit spread	30	0.6	38	0.7	39	0.8
Inflation carry above risk-free	27	0.5	50	1.0	52	1.0
Manager Alpha	29	0.5	22	0.4	6	0.1
Total Underlying Yield	**290**	**5.5**	**282**	**5.4**	**250**	**5.0**
Mark-to-market movements						
Risk free	74	1.4	(117)	(2.2)	(90)	(1.8)
Credit spread	23	0.5	31	0.6	(5)	(0.1)
Inflation linked bonds	(5)	(0.1)	2	0.1	(16)	(0.3)
Total Mark-to-market movements	**92**	**1.8**	**(84)**	**(1.5)**	**(111)**	**(2.2)**
Total Investment Income on insurance funds	**382**	**7.3**	**198**	**3.9**	**139**	**2.8**
Less : mark-to-market	(92)		84		111	
Discounting adjustment[1]	5		11		(37)	
Total Underlying investment income	**295**		**293**		**213**	
Discount unwind on claims liabilities	(164)		(143)		(91)	
Net underlying investment income	**131**		**150**		**122**	

1. Discounting Adjustment accounts for valuation methodology differences between assets and liabilities.

Shareholders' funds

Investment income on shareholders' funds was $180 million, representing an annualised return of 8.4%. This reflected the strong fixed income performance as well as gains from growth assets including equities, infrastructure and convertibles.

New Zealand

Investment Income

The New Zealand investment portfolio includes insurance funds and shareholders' funds. The insurance funds are matched from an interest rate sensitivity perspective to the technical reserves within the balance sheet. The shareholders' funds support the capital position, whilst maintaining sufficient liquidity to enable the business to meet its commitments.

Asset allocation (NZD)

Asset allocations remain broadly consistent with the pcp and in accordance with risk appetite.

	Dec-23		Jun-23		Dec-22	
	$M	%	$M	%	$M	%
Insurance funds						
Cash and short-term deposits	218	25	312	37	249	32
Interest-bearing securities	649	75	527	63	535	68
Total Insurance funds	**867**	**100**	**839**	**100**	**784**	**100**
Shareholders' funds						
Cash and short-term deposits	37	8	43	10	45	10
Interest-bearing securities	220	48	222	50	223	52
Equities & Unit Trusts	204	44	179	40	164	38
Total shareholders' funds	**461**	**100**	**444**	**100**	**432**	**100**
Total	**1,328**	**–**	**1,283**	**–**	**1,216**	**–**
Shareholders' funds composition						
Domestic	375	81	370	83	363	84
International	86	19	74	17	69	16
Total	**461**	**100**	**444**	**100**	**432**	**100**

Credit quality (NZD)

The average credit rating for New Zealand investment assets remained largely consistent with the pcp.

	Dec-23		Jun-23		Dec-22	
	$M	%	$M	%	$M	%
AAA	214	19	189	17	190	18
AA	585	52	643	58	570	54
A	293	26	247	22	252	24
BBB	32	3	26	2	40	4
Total Insurance funds	**1,124**	**100**	**1,105**	**100**	**1,052**	**100**

Duration

	Dec-23	Jun-23	Dec-22
	Years	Years	Years
Insurance funds			
Interest rate duration	1.1	0.9	1.2
Shareholders' funds			
Interest rate duration	2.2	2.0	2.2

The interest rate duration of the insurance funds continues to closely match the duration of insurance liabilities, which comprises outstanding claims and premium liabilities.

Investment performance (NZD)

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Investment income on insurance funds					
Cash and short-term deposits	5	5	3	–	66.7
Interest-bearing securities and other	25	18	5	38.9	400.0
Total investment income on insurance funds	**30**	**23**	**8**	**30.4**	**275.0**
Investment income on shareholders' funds					
Cash and short-term deposits	2	1	1	100.0	100.0
Interest-bearing securities	11	8	1	37.5	large
Equities and unit trusts	8	7	2	14.3	300.0
Total investment income on shareholders' funds	**21**	**16**	**4**	**31.3**	**425.0**
Total investment income	**51**	**39**	**12**	**30.8**	**325.0**

Total investment income of $51 million, represents an annualised return of 8.0%, up from a gain of $12 million or 2.0% annualised return.

Strong underlying yields, mark-to-market gains and strong global equities returns have contributed to the improved investment income performance.

Insurance funds (NZD)

Investment income on insurance funds of $30 million, represents an annualised gain of 7.3%, up from a gain of $8 million or 2.1% annualised return. Underlying yield on insurance funds was 4.4%.

	1H24		2H23		1H23	
	$M	%	$M	%	$M	%
Underlying yield	18	4.4	15	3.8	5	1.4
Mark-to-market movements	12	2.9	8	1.9	3	0.7
Total Investment Income on Insurance funds	**30**	**7.3**	**23**	**5.7**	**8**	**2.1**
Less : mark-to-market movements	(12)		(8)		(3)	
Underlying Yield / Underlying Investment income	**18**	**4.4**	**15**	**3.8**	**5**	**1.4**
Discount unwind on claims liabilities	(5)		(1)		(6)	
Net underlying investment income	**13**		**14**		**(1)**	

Shareholders' funds (NZD)

Investment income on shareholders' funds of $21 million, represents an annualised gain of 9.4%, up from a gain of $4 million or 1.8% annualised return.

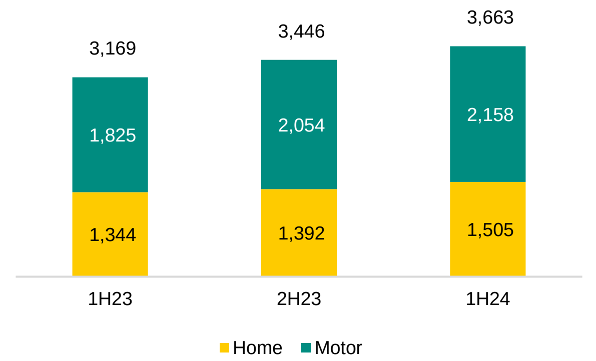
3. Consumer Insurance

Consumer Insurance offers a suite of Home, Contents and Motor insurance options in Australia through its network of brands including AAMI, Suncorp Insurance, GIO, Apia, CIL, Terri Scheer, Shannons and Bingle.

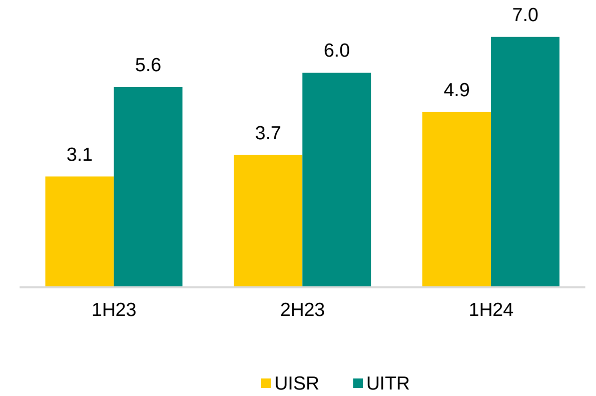
Result overview

- Consumer Insurance profit after tax of $203 million, up from $32 million, reflecting continued momentum in revenue growth offset by an increase in working claims and prior year claims strain with the UISR increasing from 3.1% to 4.9%.
- GWP of $3,663 million increased 15.6%. There was growth in both AWP and units across Home and Motor. AWP increases reflected the pricing responses to higher reinsurance and natural hazard costs in Home; and working claims inflation in Motor. Unit growth was positive in both the Motor and Home portfolios during the half.
- Net incurred claims of $2,443 million increased 10.4% reflecting the increase in units, unfavourable development of prior year claims and persistent inflation, particularly in Motor.
- Direct operating expenses increased 5.5% to $444 million as the business invested in growth with an 11% increase in marketing spend. The operating expense ratio reduced from 16.2% to 14.9%.
- Digital transactions for mass brands across Home and Motor products increased to 73.5% of all sales and 47.1% of all service transactions, up from 65.2% and 41.8% respectively.

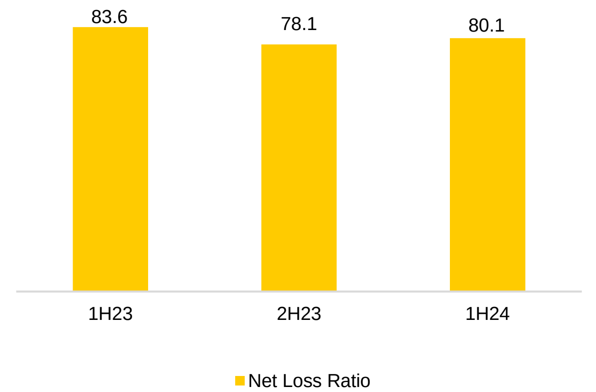
GROSS WRITTEN PREMIUM ($M)



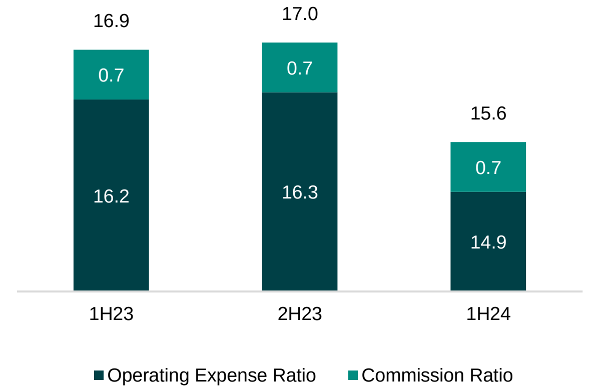
UNDERLYING MARGIN (%)



NET LOSS RATIO (%)



TOTAL EXPENSE RATIO (%)



Profit contribution

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**3,663**	**3,446**	**3,169**	**6.3**	**15.6**
Insurance revenue	3,444	3,157	3,039	9.1	13.3
Reinsurance premium	(394)	(428)	(393)	7.9	(0.3)
Net insurance revenue	3,050	2,729	2,646	11.8	15.3
Net incurred claims	(2,443)	(2,132)	(2,213)	(14.6)	(10.4)
Direct operating expenses	(444)	(430)	(421)	(3.3)	(5.5)
Commission expenses	(20)	(19)	(19)	(5.3)	(5.3)
Insurance service result	**143**	**148**	**(7)**	**(3.4)**	**n/a**
Investment income on insurance funds	122	74	60	64.9	103.3
Discount unwind on claims liabilities	(34)	(33)	(19)	(3.0)	(78.9)
Market rate adjustments on claims liabilities	(3)	9	2	n/a	n/a
Non-directly attributable expenses	(10)	(14)	(8)	28.6	(25.0)
Insurance trading result	**218**	**184**	**28**	**18.5**	**large**
Investment income on shareholder funds	95	68	34	39.7	179.4
Joint Venture and other[1]	(24)	(15)	(16)	(60.0)	(50.0)
Profit before tax	**289**	**237**	**46**	**21.9**	**large**
Income tax	(86)	(69)	(14)	(24.6)	large
Consumer Insurance profit after tax	**203**	**168**	**32**	**20.8**	**large**

1. Joint venture and other includes capital funding (1H24: $16 million), investment expenses (1H24: $7 million) and joint venture (1H24: $1 million)

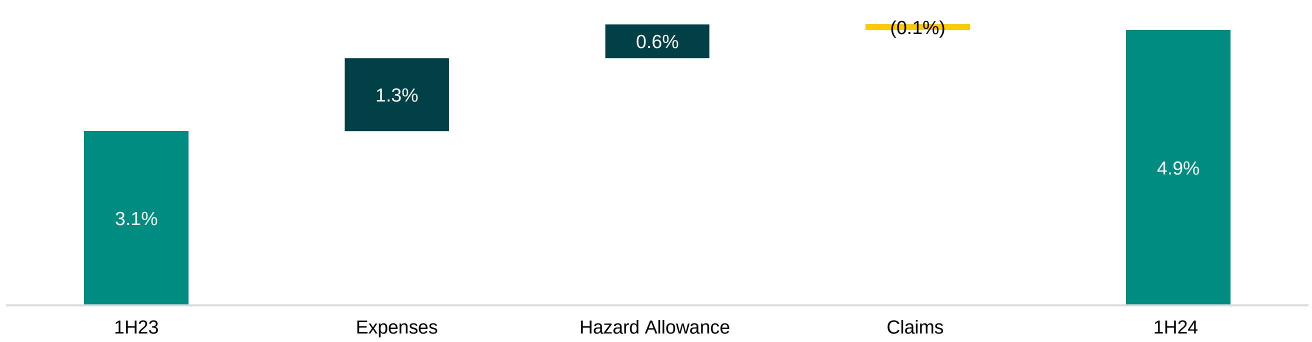
Key ratios

	1H24 %	2H23 %	1H23 %
Commission expense ratio	0.7	0.7	0.7
Operating expense ratio	14.9	16.3	16.2
Total expense ratio	15.6	17.0	16.9
Net loss ratio	80.1	78.1	83.6
Combined operating ratio	95.7	95.1	100.5
Insurance services ratio	4.7	5.4	(0.3)
Underlying insurance services ratio	4.9	3.7	3.1
Underlying insurance trading ratio	7.0	6.0	5.6

Underlying profit contribution

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**3,663**	**3,446**	**3,169**	**6.3**	**15.6**
Insurance revenue	3,444	3,157	3,039	9.1	13.3
Reinsurance premium	(394)	(428)	(393)	7.9	(0.3)
Net insurance revenue	3,050	2,729	2,646	11.8	15.3
Net incurred claims	(2,439)	(2,179)	(2,128)	(11.9)	(14.6)
Direct operating expenses	(441)	(430)	(417)	(2.6)	(5.8)
Commission expenses	(20)	(19)	(19)	(5.3)	(5.3)
Underlying insurance service result	**150**	**101**	**82**	**48.5**	**82.9**
Underlying investment income on insurance funds	109	109	92	–	18.5
Discount unwind on claims liabilities	(34)	(33)	(19)	(3.0)	(78.9)
Non-directly attributable expenses	(10)	(14)	(8)	28.6	(25.0)
Underlying insurance trading result	**215**	**163**	**147**	**31.9**	**46.3**
Underlying investment income on shareholder funds	77	68	43	13.2	79.1
Joint Venture and other	(24)	(15)	(16)	(60.0)	(50.0)
Underlying profit before tax	**268**	**216**	**174**	**24.1**	**54.0**
Income tax	(80)	(63)	(51)	(27.0)	(56.9)
Underlying Consumer profit after tax	**188**	**153**	**123**	**22.9**	**52.8**
Reported reserve releases above / (below) long-run expectations	(116)	7	39	n/a	n/a
Natural hazards (above) / below allowances	69	75	(84)	(8.0)	n/a
Risk adjustment	(12)	(4)	(17)	(200.0)	29.4
Abnormal (simplification / restructuring) expenses	(3)	–	(4)	n/a	25.0
Loss component	55	(31)	(23)	n/a	n/a
Mark-to-market on investments	28	(26)	(39)	n/a	n/a
Tax on above	(6)	(6)	37	–	n/a
Reported Consumer profit after tax	**203**	**168**	**32**	**20.8**	**large**

Underlying ISR movements



Underlying ISR increased to 4.9% from 3.1%. The improved ratio is supported by revenue growth from targeted price increases following material rises in reinsurance and natural hazard costs and to address ongoing Motor claims inflation. Underlying claims ratios are largely in line to the pcp. Expense and hazard allowance both increased to the pcp but outweighed by the revenue growth, resulting in positive contributions to underlying ISR.

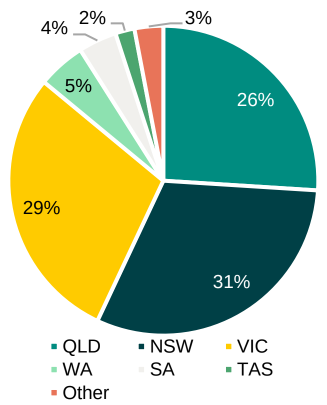
Gross written premium

GWP by product

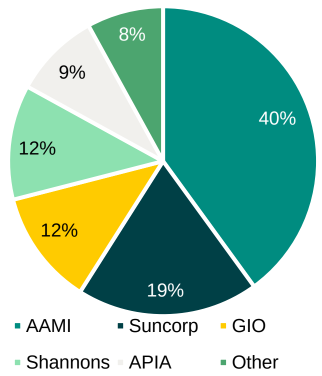
	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Motor	2,158	2,054	1,825	5.1	18.2
Home	1,505	1,392	1,344	8.1	12.0
Total GWP	**3,663**	**3,446**	**3,169**	**6.3**	**15.6**
Total ESL	70	63	59	11.1	18.6

GWP 1H24 % split

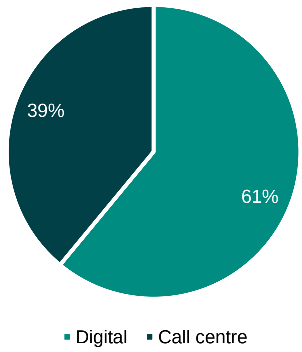
BY GEOGRAPHY



BY BRAND



BY DIRECT CHANNEL (NEW BUSINESS)



Motor

Motor GWP growth was 18.2%, reflecting AWP growth of 15.9% and unit growth of 2.3%. GWP growth was broad-based across all brands, as the Group continues to leverage the customer segmentation model to deliver targeted and differentiated customer propositions. The AWP growth reflects pricing for claims inflation including increases in sums insured. Investment in marketing activities has continued to drive growth, along with continuous improvements in digital functionality and product enhancements.

Home

Home achieved GWP growth of 12.0% with unit growth of 2.1% and AWP growth of 9.9%. Strong premium growth was attributed to price increases to reflect rising natural hazard and reinsurance costs and strong new business growth across the portfolio. Premium increases moderated in the half due to entry into the Cyclone Reinsurance Pool (CRP). The Terri Scheer portfolio experienced strong growth through both the Real Estate distribution model and digital channels. The Home portfolio achieved growth across some key markets with particularly strong growth in Queensland, South Australia and Western Australia. The portfolio composition continues to improve from improved risk selection.

Underlying net incurred claims

On an underlying basis (excluding the prior year reserve release movements and normalising hazards experience to allowance), net incurred claims increased 14.6%, slightly below the 15.3% increase in net insurance revenue. The increase in net incurred claims reflected portfolio growth, mix changes in the loss causes, and claims inflation.

Motor

Motor claims costs increased from ongoing industry-wide inflationary pressures such as supply chain capacity constraints and higher third-party settlements.

Management's responses to these challenges have included:

- Additional driveable repair capacity, including an agreement with the CARe network which went live in August 2023, which is increasing the availability and reducing the turnaround times of repair bookings;
- Broadening Suncorp's panel of fixed price non-driveable repairers to manage higher volumes and cost inflation, and additional capability and capacity to address increased total loss volumes;
- Targeted investment in Recoveries & Settlements resourcing to manage the surge of delayed third party settlements, as well as reduce the cycle time of receipts; and
- Continued investment in technology, process improvement, and productivity tools to improve the customer experience, particularly in assessing, total loss, and digital claims management.

The supply chain impacts mentioned above have since started to moderate.

Home

The increase in Home claims was largely driven by:

- Deteriorating claims experience in relation to water damage (including damage from burst flexi hoses); and
- Volatility of fire claims with a larger mix of more expensive claims, resulting in an increase cost of fire claims, partly offset by a lower frequency of new claims in other loss causes (in line with industry trends).

Management's responses to the challenges included:

- Strong vendor cost and performance management, and favourable annual benchmarking rate negotiations that have contributed to stable cost outcomes;
- Large loss project management model in place for fire claims and a dedicated specialist panel for water claims;
- Strategic system enhancements to support inflation tracking, vendor performance and volume allocation optimisation combined with optimised rate negotiation are delivering improvements; and
- An ongoing focus on the digital claims experience for customers and development of end-to-end solutions, such as zero touch and straight through processing contributing to improved digital lodgement rates.

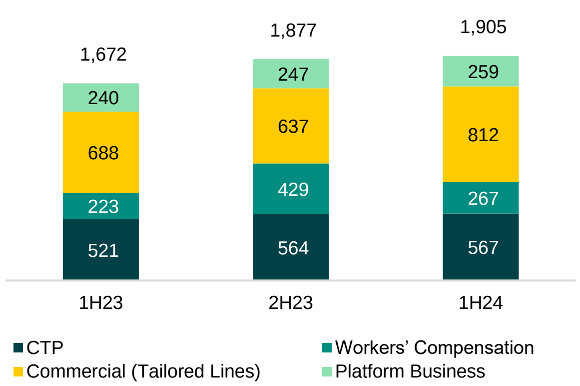
4. Commercial and Personal Injury Insurance

The Commercial and Personal Injury Insurance business supports the Commercial Insurance, Workers' Compensation and Compulsory Third Party (CTP) needs of its customers in Australia through brands including Vero, GIO, AAMI, Apia and Suncorp Insurance. The business is structured around four key customer segments; Commercial (Tailored Lines), CTP, Workers' Compensation, and SME and direct customers (Platforms).

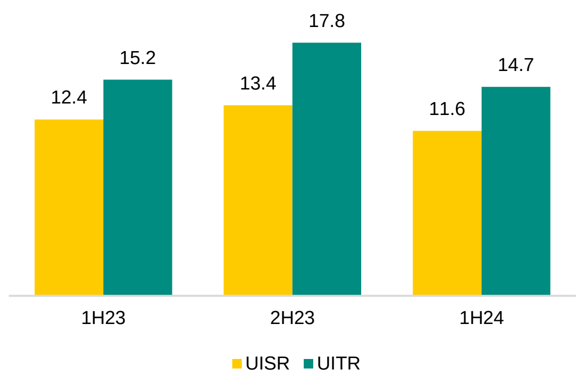
Result overview

- The Commercial & Personal Injury portfolio delivered profit after tax of $194 million, down $37 million or 16.0%. This was principally driven by the release of the business interruption provision in 1H23 of $124 million, together with a reduction in prior year reserve releases in the CTP portfolios. Excluding the $124 million business interruption provision release, profit after tax increased 34.5%.
- GWP of $1,905 million increased 13.9%, with growth across all portfolios. Growth was 16.2% excluding the CTP portfolio. Growth was particularly strong across the Commercial (Tailored Lines) portfolio up 18.0% (especially in Fleet and Commercial Property) and Workers' Compensation up 19.7%.
- UISR of 11.6% reduced 0.8%, predominantly driven by the reduction in expected long-run reserve releases in the CTP portfolio.
- Prior year reserve releases were $3 million, down $187 million, largely driven by the non-recurrence of the business interruption provision release and lower reserve releases in the CTP portfolio. Excluding TEPL, prior year reserves were strengthened by $21 million ($165 million release in 1H23).
- Net incurred claims of $1,234 million increased 29.1% (or 14.3% excluding the business interruption release in 1H23). Claims expense increased in line with strong top-line growth and a reduction in prior year reserve releases.
- The total expense ratio was broadly flat.

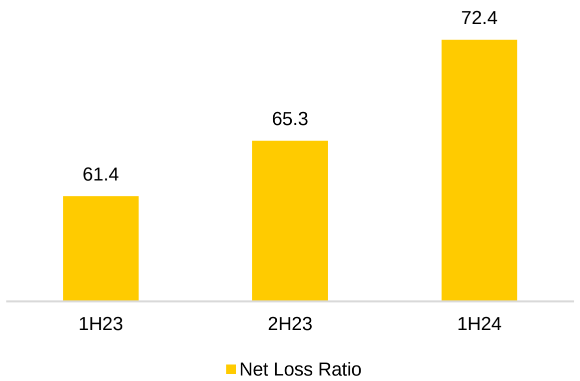
GROSS WRITTEN PREMIUM ($M)



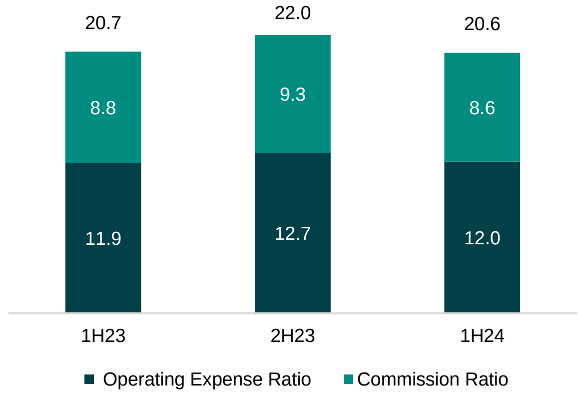
UNDERLYING MARGIN (%)



NET LOSS RATIO (%)



TOTAL EXPENSE RATIO (%)



Profit Contribution

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**1,905**	**1,877**	**1,672**	**1.5**	**13.9**
Insurance revenue	1,853	1,718	1,694	7.9	9.4
Reinsurance premium	(148)	(152)	(138)	2.6	(7.2)
Net insurance revenue	1,705	1,566	1,556	8.9	9.6
Net incurred claims	(1,234)	(1,022)	(956)	(20.7)	(29.1)
Direct operating expenses	(201)	(194)	(180)	(3.6)	(11.7)
Commission expenses	(146)	(145)	(137)	(0.7)	(6.6)
Insurance service result	**124**	**205**	**283**	**(39.5)**	**(56.2)**
Investment income on insurance funds	260	124	79	109.7	229.1
Discount unwind on claims liabilities	(130)	(110)	(72)	(18.2)	(80.6)
Market rate adjustments on claims liabilities	(40)	55	43	n/a	n/a
Non-directly attributable expenses	(4)	(5)	(5)	20.0	20.0
Insurance trading result	**210**	**269**	**328**	**(21.9)**	**(36.0)**
Investment income on shareholder funds	85	66	32	28.8	165.6
Managed schemes, joint venture and other[1]	(18)	(37)	(32)	51.4	43.8
Profit before tax	**277**	**298**	**328**	**(7.0)**	**(15.5)**
Income tax	(83)	(86)	(97)	3.5	14.4
Commercial & Personal Injury profit after tax	**194**	**212**	**231**	**(8.5)**	**(16.0)**

1. Joint venture, managed schemes and other includes capital funding costs (1H24: -$14 million), investment expenses (1H24: -$6 million), joint venture (1H24: -$3 million) and managed fund results (1H24: $5 million).

Key ratios

	1H24 %	2H23 %	1H23 %
Commission expense ratio	8.6	9.3	8.8
Operating expense ratio	12.0	12.7	11.9
Total expense ratio	20.6	22.0	20.7
Net loss ratio	72.4	65.3	61.4
Combined operating ratio	93.0	87.3	82.1
Insurance services ratio	7.3	13.1	18.2
Underlying insurance services ratio	11.6	13.4	12.4
Underlying insurance trading ratio	14.7	17.8	15.2

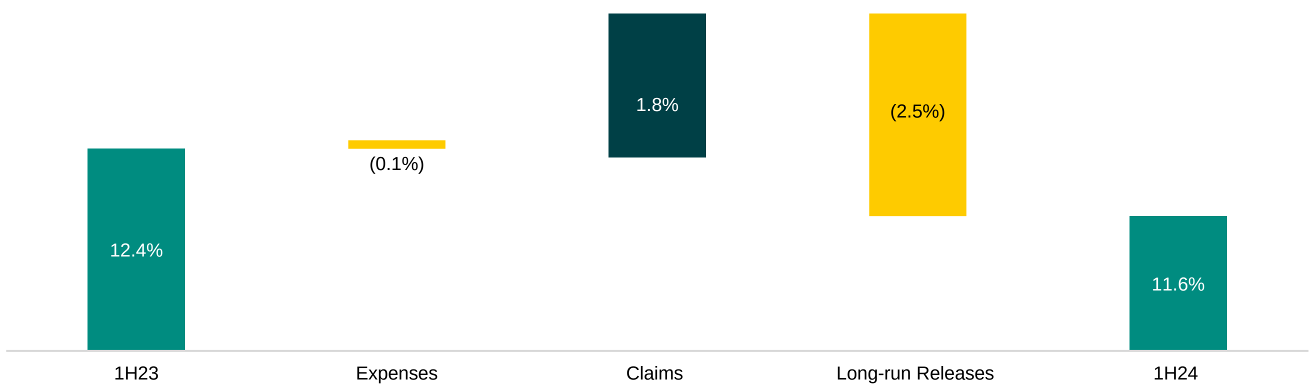
Underlying profit contribution

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**1,905**	**1,877**	**1,672**	**1.5**	**13.9**
Insurance revenue	1,853	1,718	1,694	7.9	9.4
Reinsurance premium	(148)	(152)	(138)	2.6	(7.2)
Net insurance revenue	1,705	1,566	1,556	8.9	9.6
Net incurred claims	(1,160)	(1,017)	(1,048)	(14.1)	(10.7)
Direct operating expenses	(201)	(194)	(178)	(3.6)	(12.9)
Commission expenses	(146)	(145)	(137)	(0.7)	(6.6)
Underlying insurance service result	**198**	**210**	**193**	**(5.7)**	**2.6**
Underlying investment income on insurance funds	186	184	121	1.1	53.7
Discount unwind on claims liabilities	(130)	(110)	(72)	(18.2)	(80.6)
Non-directly attributable expenses	(4)	(5)	(5)	20.0	20.0
Underlying insurance trading result	**250**	**279**	**237**	**(10.4)**	**5.5**
Underlying investment income on shareholder funds	69	64	42	7.8	64.3
Managed schemes, joint venture and other	(18)	(37)	(32)	51.4	43.8
Underlying Profit before tax	**301**	**306**	**247**	**(1.6)**	**21.9**
Income tax	(90)	(89)	(73)	(1.1)	(23.3)
Underlying Commercial & Personal Injury profit after tax	**211**	**217**	**174**	**(2.8)**	**21.3**
Reported reserve releases above / (below) long-run expectations[1]	(62)	(32)	89	(93.8)	n/a
Natural hazards (above) / below allowances	5	11	–	(54.5)	n/a
Risk adjustment	(16)	8	–	n/a	n/a
Abnormal (simplification / restructuring) expenses	–	–	(2)	n/a	100.0
Loss component	(1)	8	3	n/a	n/a
Mark-to-market on investments and discounting	50	(3)	(9)	n/a	n/a
Tax on above	7	3	(24)	133.3	n/a
Reported Commercial & Personal Injury profit after tax	**194**	**212**	**231**	**(8.5)**	**(16.0)**

1. Reported reserve releases above long-run expectations in 1H23 includes the $124 million release of the business interruption provision.

Reported ISR decreased $159 million reflecting lower prior year reserve releases in CTP and prior year reserve strengthening in Commercial and Workers' Compensation (see the Net Incurred Claims section below for details). Additionally, the 1H23 number was significantly inflated by the release of the COVID-19 business interruption provision ($124 million).

Underlying ISR movements



Underlying ISR decreased from 12.4% to 11.6%. The decrease was predominately driven by the reduction in long-run reserve releases in the CTP portfolio, partially offset by strong growth and disciplined expense and claims management.

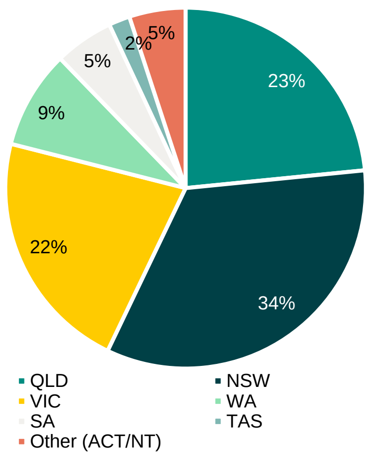
Gross written premium

GWP by product

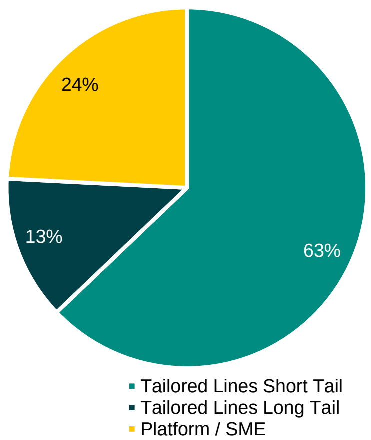
	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Platform Business	259	247	240	4.9	7.9
Commercial (Tailored lines)	812	637	688	27.5	18.0
Compulsory Third Party	567	564	521	0.5	8.8
Workers' Compensation	267	429	223	(37.8)	19.7
Total GWP	**1,905**	**1,877**	**1,672**	**1.5**	**13.9**
Total ESL	23	23	19	**–**	**21.1**

Platform Business and Commercial GWP 1H24 % split

BY GEOGRAPHY



BY PRODUCT



Note - GWP by geography based on risk address.

Platform Business

Platforms GWP grew 7.9%, driven by growth in Intermediated SME due to the successful implementation of the iSME program of work in FY23, as well as strong rate and new business performance in Commercial Motor. Across Platforms, average rate and exposure increased 9% and retention rates averaged 72%.

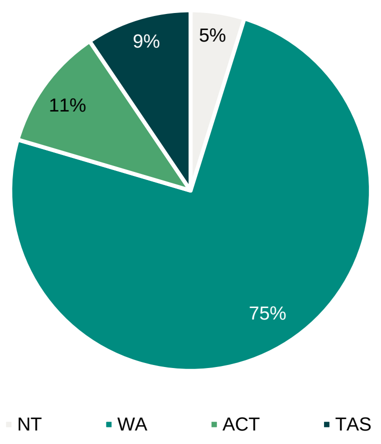
Commercial (Tailored lines)

Commercial (Tailored lines) GWP increased 18.0%. The short-tail tailored underwriting portfolio, representing over 80% of Commercial GWP, delivered growth of 19.7%. A strong retention rate of 95% and average rate and exposure increases of 12% were slightly higher than the pcp. Growth was predominately driven by the Fleet and Property classes, due to higher new business as well as above average retention and rate increases. The National Transport Insurance (NTI) joint venture also grew strongly, principally due to renewals.

Long-tail tailored underwriting portfolios achieved GWP growth of 10.6%, with an average retention of 91% and rate and exposure increases of 7%. Growth was stronger in liability than financial lines.

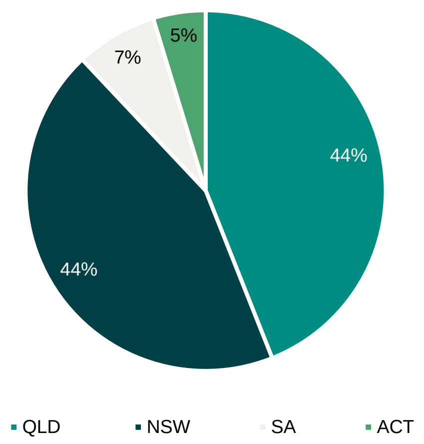
Workers' Compensation GWP 1H24 % split

BY GEOGRAPHY



Compulsory Third Party GWP 1H24 % split

BY GEOGRAPHY



Workers' Compensation

Workers' Compensation GWP increased 19.7%. Growth was driven by high single-digit growth in customer wage bills as well as higher new business, particularly in Western Australia and Tasmania. Retention remained stable at 88%.

Compulsory Third Party

CTP GWP increased 8.8%, primarily driven by Queensland. The Queensland portfolio grew 16.6% driven by the exit of RACQ from the Scheme in October 2023. The Group received a one-third share of the RACQ book of business, driving rolling 12-month market share growth of 2.7% to 45.5% in this scheme. Rolling three-month market share as at December 2023 was 52.2%. Growth in New South Wales of 6.0% was largely driven by increased retention, new business, and strong growth in commercial accounts. In South Australia, GWP declined 13.2%, as favourable claims experience led to reductions in market pricing and market share was impacted by movements in the claimant survey rating.

Underlying net incurred claims

On an underlying basis (excluding the impact of the release of the COVID-19 business interruption provision and other prior year reserve release movements), net incurred claims increased 10.7%, slightly ahead the 9.6% increase in net insurance revenue. This increase in net incurred claims reflected portfolio growth, business mix, a lower long-run reserve release assumption and claims inflation, partly offset by the impact of higher bond yields and the discounting benefit on new claims.

Platform Business

Platforms loss ratios improved. The Intermediated SME portfolio experienced a modest prior year reserve strain, driven by large prior year fires as well as for non-fleet Motor. Targeted risk selection and pricing activities are designed to improve premium adequacy for the Intermediated SME portfolio. The provision for COVID-19 business interruption claims is $16 million and reflects the remaining uncertainty around the potential for future legal challenges.

Commercial (Tailored lines)

Commercial claims loss ratios improved slightly, excluding Commercial Fleet which experienced double digit inflation to average claim sizes over the half. Prior and current year reserves were strengthened to reflect these trends and pricing has responded commensurately. In addition, prior year reserves were strengthened for two legacy issues where additional claims have been reported; a set of home-owner warranty claims from a single development for a portfolio put into run-off in 2011, as well as historical abuse claims.

Compulsory Third Party

CTP loss ratios increased in line with the reduction in long-run reserve releases and the higher inflationary environment. Total reported claims costs increased, primarily driven by premium growth in Queensland and New South Wales. Reported reserve releases moderated, largely driven by broad-based superimposed inflation in Queensland (including medical and legal costs) and the higher inflationary environment. The Queensland CTP portfolio continues to be assessed as an onerous contract under AASB 17.

Excluded from CTP net incurred claims is a reserve release of $25 million relating to TEPL (1H23 $25 million). As the New South Wales CTP scheme performed favourably for accident years 2018 and 2019, the TEPL provision increased in 1H24 to recognise the excess profit that is expected to be payable to the regulator. An offsetting increase in the underwriting expense was also excluded.

Workers’ Compensation

Workers’ Compensation loss ratios improved as premium grew strongly and the long-tail portfolio benefited from the impact of higher bond yields and the discounting benefit on new claims. Total reported claims costs increased, partly due to growth in the portfolio but also driven by stronger prior year reserving across claims. In Western Australia, prior year reserves were strengthened to recognise higher emerging lump sum costs across older accident periods, reflecting the ongoing impact of historical regulation changes.

Managed schemes, joint venture and other

This line item includes the profit result from Suncorp’s managed schemes business, as well as joint venture profit results and other costs (including capital funding).

Suncorp continues to be part of a scheme arrangement with the New South Wales Government receiving revenue as a claims service provider to manage its existing Workers’ Compensation portfolio. The new iCare contract came into effect from 1 January 2023. Suncorp has retained its position as a service provider on tail claims and for corporate employers, and now participates in managing claims in respect of SMEs. Revenue continues to be driven by the iCare contract. Profitability has been restored to the managed schemes business unit due to disciplined expense management.

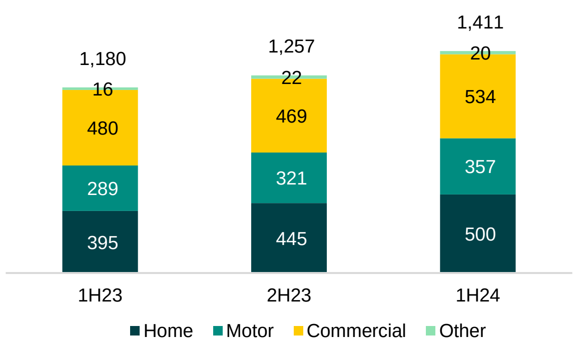
5. Suncorp New Zealand[1]

Suncorp New Zealand represents Suncorp's operations within New Zealand.[2] General and Life Insurance products are manufactured internally and distributed via intermediaries. General and Life Insurance is also underwritten and white-labelled via corporate partners. Joint ventures and a Life Insurance distribution arrangement with the New Zealand Automobile Association offer solutions manufactured and sold directly to customers.

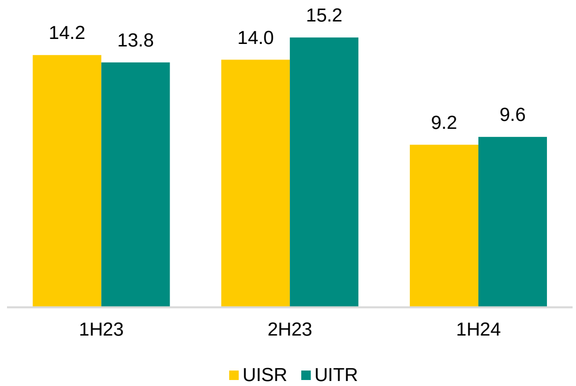
Result overview

- Suncorp New Zealand profit after tax of $94 million increased 3.3%. General Insurance profit after tax of $80 million increased 6.7%. The General Insurance business benefitted from a benign natural hazard claims experience and improved investment income, partially offset by increased reinsurance and commissions costs.
- The UISR decreased to 9.2%, impacted by significant increases in reinsurance costs, higher natural hazard allowance, higher working claims experience, and a premium earn-through lag following pricing increases in response to these higher input costs.
- GWP of $1,411 million increased 19.6%. Intermediated and direct channels recorded strong growth through pricing increases in response to higher input costs, and solid unit growth.
- Net incurred claims of $620 million increased 6.9%. Higher working claims were driven by inflationary pressures and unit growth. Natural hazard claims of $41 million decreased 30.5%, $14 million below the allowance. Prior year reserves strengthened $26 million, reflecting development on a small number of large commercial claims and the impact on claims capacity of the two weather events in early 2023.
- Life Insurance profit after tax of $14 million decreased 12.5%. with an increase in planned profit margins offset by unfavourable experience. Annual in-force premium of $330 million, grew 7.1%.

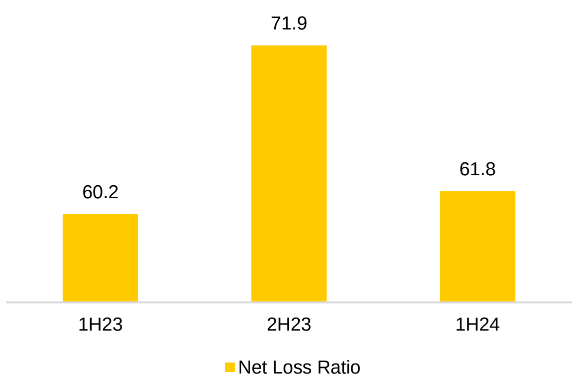
GENERAL INSURANCE GWP ($M)



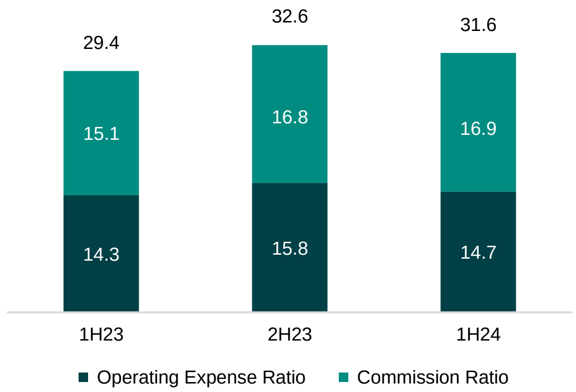
UNDERLYING MARGIN (%)



NET LOSS RATIO (%)



TOTAL EXPENSE RATIO (%)



[1] All figures and commentary in the New Zealand section are displayed in New Zealand Dollars (NZD) unless otherwise specified.
[2] Suncorp New Zealand includes Vero Insurance New Zealand, Vero Liability, Asteron Life, AA Insurance and AA Finance.

Profit Contribution (NZD)

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**1,411**	**1,257**	**1,180**	**12.3**	**19.6**
Insurance revenue	1,271	1,153	1,113	10.2	14.2
Reinsurance premium	(267)	(255)	(149)	(4.7)	(79.2)
Net insurance revenue	1,004	898	964	11.8	4.1
Net incurred claims	(620)	(646)	(580)	4.0	(6.9)
Direct operating expenses	(139)	(137)	(134)	(1.5)	(3.7)
Commission expenses	(170)	(151)	(146)	(12.6)	(16.4)
Insurance service result	**75**	**(36)**	**104**	**n/a**	**(27.9)**
Investment income on insurance funds	30	23	8	30.4	275.0
Discount unwind on claims liabilities	(5)	(3)	(6)	(66.7)	16.7
Market rate adjustments on claims liabilities	(1)	–	3	n/a	n/a
Non-directly attributable expenses	(9)	(5)	(4)	(80.0)	(125.0)
Insurance trading result	**90**	**(21)**	**105**	**n/a**	**(14.3)**
Investment income on shareholder funds	21	16	4	31.3	425.0
Managed schemes, JV and other	(1)	(7)	(6)	85.7	83.3
General Insurance profit before tax	**110**	**(12)**	**103**	**n/a**	**6.8**
Income tax	(30)	2	(28)	n/a	(7.1)
General Insurance profit after tax	**80**	**(10)**	**75**	**n/a**	**6.7**
Life Insurance profit after tax	**14**	**10**	**16**	**40.0**	**(12.5)**
Suncorp New Zealand profit after tax	**94**	**–**	**91**	**n/a**	**3.3**

Key Ratios (NZD)

	1H24 %	2H23 %	1H23 %
Commission expense ratio	16.9	16.8	15.1
Operating expense ratio	14.7	15.8	14.3
Total expense ratio	31.6	32.6	29.4
Net loss ratio	61.8	71.9	60.2
Combined operating ratio	93.4	104.5	89.6
Insurance services ratio	7.5	(4.0)	10.8
Underlying insurance services ratio	9.2	14.0	14.2
Underlying insurance trading ratio	9.6	15.2	13.8

Profit Contribution (AUD)

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**1,306**	**1,160**	**1,071**	**12.6**	**21.9**
Insurance revenue	1,177	1,065	1,011	10.5	16.4
Reinsurance premium	(247)	(236)	(135)	(4.7)	(83.0)
Net insurance revenue	930	829	876	12.2	6.2
Net incurred claims	(574)	(596)	(526)	3.7	(9.1)
Direct operating expenses	(128)	(126)	(121)	(1.6)	(5.8)
Commission expenses	(157)	(139)	(133)	(12.9)	(18.0)
Insurance service result	**71**	**(32)**	**96**	**n/a**	**(26.0)**
Investment income on insurance funds	27	21	7	28.6	285.7
Discount unwind on claims liabilities	(4)	(3)	(6)	(33.3)	33.3
Market rate adjustments on claims liabilities	(1)	–	3	n/a	n/a
Non-directly attributable expenses	(9)	(4)	(3)	(125.0)	(200.0)
Insurance trading result	**84**	**(18)**	**97**	**n/a**	**(13.4)**
Investment income on shareholder funds	19	14	4	35.7	375.0
Managed schemes, JV and other	(1)	(7)	(5)	85.7	80.0
Profit before tax	**102**	**(11)**	**96**	**n/a**	**6.3**
Income tax	(28)	2	(28)	n/a	–
General Insurance profit after tax	**74**	**(9)**	**68**	**n/a**	**8.8**
Life Insurance profit after tax	**13**	**8**	**15**	**62.5**	**(13.3)**
Suncorp New Zealand profit after tax	**87**	**(1)**	**83**	**n/a**	**4.8**

Key ratios (AUD)

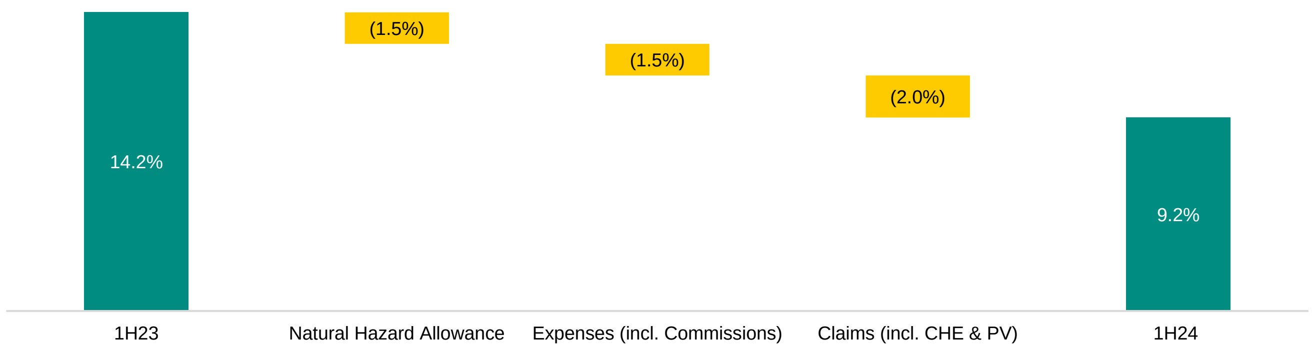
	1H24 %	2H23 %	1H23 %
Commission expense ratio	16.9	16.8	15.2
Operating expense ratio	14.7	15.7	14.2
Total expense ratio	31.6	32.5	29.4
Net loss ratio	61.7	71.9	60.0
Combined operating ratio	93.3	104.4	89.4
Insurance services ratio	7.6	(3.9)	11.0
Underlying insurance services ratio	9.2	14.0	14.4
Underlying insurance trading ratio	9.7	15.3	13.8

General Insurance

Underlying profit contribution (NZD)

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**1,411**	**1,257**	**1,180**	**12.3**	**19.6**
Insurance revenue	1,271	1,153	1,113	10.2	14.2
Reinsurance premium	(267)	(157)	(149)	(70.1)	(79.2)
Net insurance revenue	1,004	996	964	0.8	4.1
Net incurred claims	(606)	(570)	(547)	(6.3)	(10.8)
Direct operating expenses	(136)	(136)	(134)	–	(1.5)
Commission expenses	(170)	(151)	(146)	(12.6)	(16.4)
Underlying insurance service result	**92**	**139**	**137**	**(33.8)**	**(32.8)**
Underlying investment income on insurance funds	18	15	5	20.0	260.0
Discount unwind on claims liabilities	(5)	(3)	(6)	(66.7)	16.7
Non-directly attributable expenses	(9)	1	(4)	n/a	(125.0)
Underlying insurance trading result	**96**	**152**	**132**	**(36.8)**	**(27.3)**
Underlying investment income on shareholder funds	10	10	5	–	100.0
JV and other	(1)	(7)	(6)	85.7	83.3
Underlying Profit before tax	**105**	**155**	**131**	**(32.3)**	**(19.8)**
Income tax	(29)	(45)	(36)	36.1	20.2
Underlying Suncorp New Zealand profit after tax	**76**	**110**	**95**	**(30.7)**	**(19.7)**
Reported reserve releases above / (below) long-run expectations	(26)	(1)	(12)	large	(116.7)
Natural hazards (above) / below allowances	14	(68)	(21)	n/a	n/a
Risk adjustment	(2)	(7)	–	71.4	n/a
Abnormal (simplification / restructuring) expenses	(3)	(7)	–	57.1	n/a
Loss component	–	–	–	n/a	n/a
Mark-to-market on investments	22	14	5	57.1	340.0
Reinsurance reinstatement premium	–	(98)	–	100.0	n/a
Tax on above	(1)	47	8	n/a	n/a
Reported Suncorp New Zealand profit after tax	**80**	**(10)**	**75**	**n/a**	**6.7**

Underlying ISR movements



The underlying ISR decreased to 9.2%, impacted by significant increases in reinsurance costs, higher natural hazard allowance, higher working claims experience, and a premium earn-through lag following pricing increases in response to these higher input costs.

Underlying profit contribution (AUD)

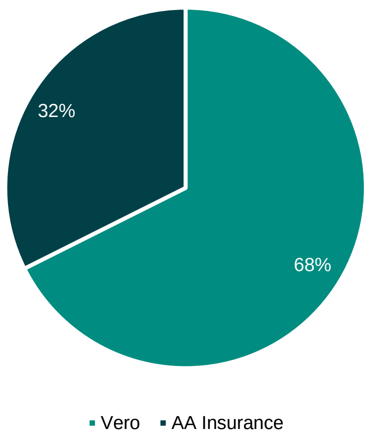
	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Gross written premium	**1,306**	**1,160**	**1,071**	**12.6**	**21.9**
Insurance revenue	1,177	1,065	1,011	10.5	16.4
Reinsurance premium	(247)	(145)	(135)	(70.3)	(83.0)
Net insurance revenue	930	920	876	1.1	6.2
Net incurred claims	(561)	(527)	(496)	(6.4)	(13.1)
Direct operating expenses	(126)	(125)	(121)	(0.7)	(4.1)
Commission expenses	(157)	(139)	(133)	(12.9)	(18.0)
Underlying insurance service result	**86**	**129**	**126**	**(33.3)**	**(31.7)**
Underlying Investment income on insurance funds	17	14	4	18.9	316.0
Discount unwind on claims liabilities	(4)	(3)	(6)	(33.3)	33.3
Non-directly attributable expenses	(9)	1	(3)	n/a	(200.0)
Underlying insurance trading result	**90**	**141**	**121**	**(36.4)**	**(25.9)**
Underlying Investment income on shareholder funds	9	8	5	15.6	84.9
JV and other	(1)	(7)	(5)	85.7	80.0
Underlying Profit before tax	**98**	**142**	**121**	**(31.0)**	**(19.1)**
Income tax	(27)	(40)	(35)	32.8	23.7
Underlying Suncorp New Zealand profit after tax	**71**	**102**	**86**	**(30.3)**	**(17.2)**
Reported reserve releases above / (below) long-run expectations	(24)	(1)	(11)	large	(120.6)
Natural hazards (above) / below allowances	13	(62)	(19)	n/a	n/a
Risk adjustment	(2)	(6)	–	69.2	n/a
Abnormal (simplification / restructuring) expenses	(2)	(6)	–	69.0	n/a
Loss component	–	–	–	n/a	n/a
Mark-to-market on investments	19	13	5	47.0	282.3
Reinsurance reinstatement premium	–	(91)	–	100.0	n/a
Tax on above	(1)	43	7	n/a	n/a
Reported Suncorp New Zealand profit after tax	**74**	**(9)**	**68**	**n/a**	**9.1**

Gross written premium (NZD)

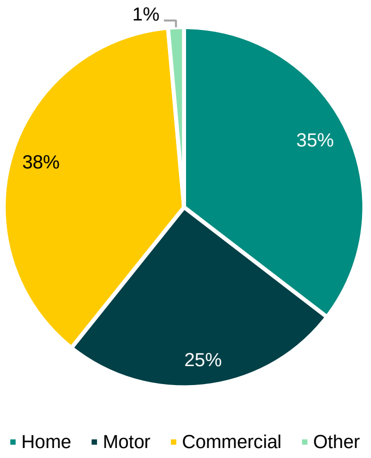
	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Home	500	445	395	12.4	26.6
Motor	357	321	289	11.2	23.5
Commercial	534	469	480	13.9	11.3
Other	20	22	16	(9.1)	25.0
Total GWP	**1,411**	**1,257**	**1,180**	**12.3**	**19.6**

GWP 1H24 % split

BY BRAND



BY PRODUCT



GWP grew 19.6% with the Vero Intermediated and AA Insurance brands recording growth of 17.3% and 24.8%, respectively. Growth reflects pricing increases in response to increased reinsurance costs and claims inflation, and the strength of the brands in New Zealand with solid unit growth.

Consumer insurance

Motor and Home GWP increased by 23.5% and 26.6%, respectively. Strong growth was achieved in both the Vero intermediated channels and AA Insurance, driven by pricing increases in response to higher input costs, and unit growth with increased new business sales and steady retention rates.

Commercial insurance

Commercial GWP grew 11.3%, largely through pricing increases in response to higher input costs and increased asset values, continued strong retention, and modest unit growth.

Other

Other business, which mainly consists of marine pleasure craft contributed GWP of $20 million, reporting growth of 25.0%.

Net incurred claims (NZD)

Underlying net incurred claims cost of $606 million increased 10.8%.

Home claims costs increased due to a combination of higher average claims costs and unit growth. Higher average claims costs are largely due to inflationary pressures on materials and labour with respect to higher value claims.

Motor claims have increased due to higher average claims costs and unit growth. Higher average claims costs are largely due to inflationary pressures on materials and labour. When compared to 2H23, the increase in average claims costs has stabilised, due to inflationary pressures having moderated, and increased capacity in the repair industry leading to shorter repair times.

Commercial claims costs have increased, impacted by elevated Commercial Motor average claims costs, and a small number of large commercial claims.

The natural hazard allowance increased to $54 million in 1H24, an increase of $16 million on pcp.

Life Insurance

The New Zealand Life Insurance business delivered a profit after tax of $14 million, down $2 million on the pcp, with increased planned profit margins offset by unfavourable experience.

Profit contribution (NZD)

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Net profit after tax [1]	**14**	**10**	**16**	**40.0**	**(12.5)**

1. FY23 Life NPAT has been restated to $26 million from $19 million reported at 11 December 2023 announcement.

Life risk in-force annual premium by channel (NZD)

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Advised	256	248	241	3.2	6.2
Direct	48	47	45	2.1	6.7
Group and other	26	24	22	8.3	18.2
Total	**330**	**319**	**308**	**3.4**	**7.1**
Total new business	**13**	**11**	**12**	**18.2**	**8.3**

In-force premium of $330 million, grew 7.1%, supported by new business, CPI and age-related premium growth. New business of $13 million was up $1 million driven by strong adviser engagement and support, with growth in all channels. Retention rates continue to be better than system.

6. Suncorp Bank

Suncorp Bank provides lending, deposit and transaction account services to personal, SME, commercial and agribusiness customers. On 20 February 2024, the Australian Competition Tribunal decided to grant authorisation of the proposed sale of Suncorp Bank to ANZ. The sale remains subject to the amendment of the State Financial Institutions and Metway Merger Act and approval from the Federal Treasurer under the Financial Sector (Shareholdings) Act, with a target completion around the middle of the 2024 calendar year.

Result overview

— Suncorp Bank's profit after tax of $192 million was down 25.0%, driven by margin headwinds and increased expenses. Arrears remain at the lower end of longer-term trends.

— Net interest income of $666 million decreased 8.1%, with growth in Home and Business lending more than offset by a contraction in the Bank's NIM. NIM decreased 23 bps to 1.80%, mainly attributable to increased funding costs and asset margin contraction from persistent competition in both deposits and lending markets.

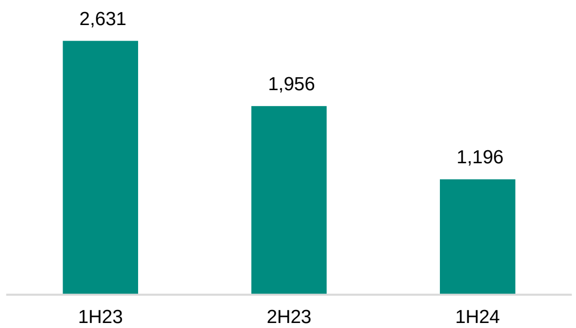
— Other operating income decreased $13 million to $5 million operating loss, primarily due to a decrease in gains on derivatives and other financial instruments and higher Home lending trail commissions from Home lending growth.

— Operating expenses of $386 million increased by $20 million or 5.5%, primarily due to higher technology costs, inflationary pressures and depreciation, partly offset by continued cost disciplines and efficiency initiatives.

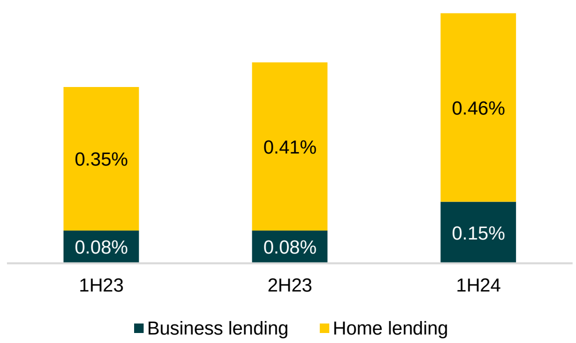
— The Bank continued to deliver on its strategic initiative to Win in Home, growing the portfolio by $1.2 billion over the half as lending growth was balanced with margin outcomes in the context of a highly competitive market. The sustained focus on originating good quality new business throughout the preceding 18 months supported the post provision profit outcome. Business lending remained broadly flat on the half, driven by growth in Commercial and SME, partly offset by a contraction in the Agribusiness portfolio.

— The Bank maintained strong liquidity, funding and capital metrics, with Liquidity Coverage Ratio (LCR) averaging 140% over the half, and the Net Stable Funding Ratio (NSFR) ending the period at 124%.

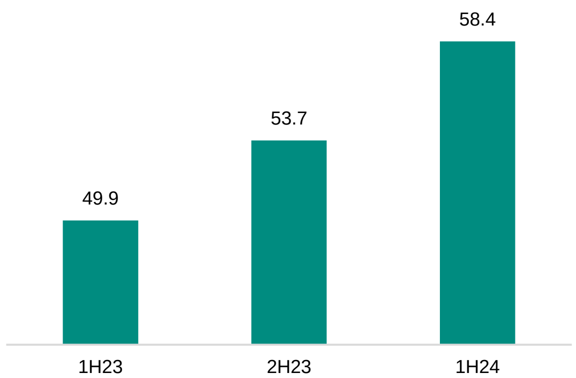
NET HOME LENDING GROWTH ($M)



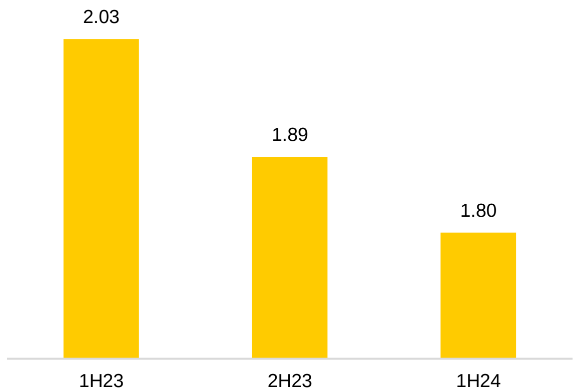
90+ DAYS PAST DUE (% TOTAL GLA)



COST-TO-INCOME RATIO (%)



NET INTEREST MARGIN (%)



Profit contribution

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Net interest income	666	683	725	(2.5)	(8.1)
Net other operating income					
Net banking fee and commission income / (expense)	(10)	(6)	(1)	(66.7)	large
Gain on derivatives and other financial instruments	3	12	7	(75.0)	(57.1)
Other revenue	2	3	2	(33.3)	–
Total other operating income / (loss)	**(5)**	**9**	**8**	**n/a**	**n/a**
Total income	**661**	**692**	**733**	**(4.5)**	**(9.8)**
Operating expenses	(386)	(371)	(366)	(4.0)	(5.5)
Profit before impairment losses on financial assets	**275**	**321**	**367**	**(14.3)**	**(25.1)**
Impairment loss on loans and advances	(1)	(15)	(1)	93.3	–
Impairment loss on investment securities	–	–	(1)	n/a	100.0
Suncorp Bank profit before tax	**274**	**306**	**365**	**(10.5)**	**(24.9)**
Income tax	(82)	(92)	(109)	10.9	24.8
Suncorp Bank profit after tax	**192**	**214**	**256**	**(10.3)**	**(25.0)**

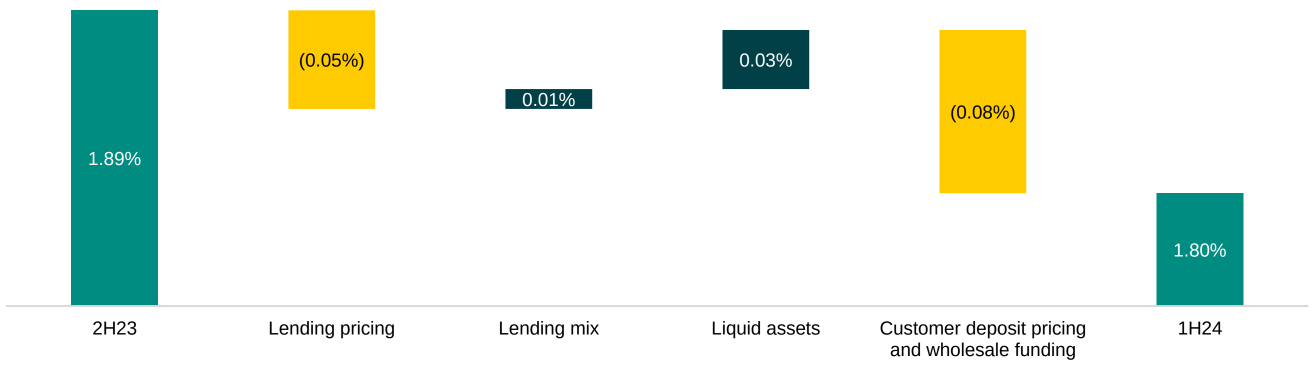
Key ratios

	1H24 %	2H23 %	1H23 %
Lending growth	1.78	3.73	4.56
Customer funding growth	2.14	0.86	5.96
Net interest margin (interest-earning assets)	1.80	1.89	2.03
Cost to income ratio	58.4	53.7	49.9
Impairment losses to gross loans and advances[1]	(0.00)	(0.04)	(0.00)
Common Equity Tier 1 ratio[2]	10.45	10.39	10.09
NSFR	124	123	135
LCR	140	138	134

1. Annualised
2. Jun-23 and Dec-22 (pro forma) period presented under Basel III effective 1 January 2023.

Net interest income

Net interest income (NII) of $666 million decreased 8.1%, with higher average volumes from growth in Home and Business lending more than offset by a contraction in NIM.



NIM decreased 9 bps over the half to 1.80%. The key drivers of the movement include:

- Lending pricing accounting for a 5 bps reduction in NIM, primarily due to significant competition in the market for Home and Business loans;
- Lending mix changes accounting for a 1 bps increase in NIM, driven by the roll-off of lower yielding fixed rate home loans and fewer fixed rate loan originations;
- A decrease in liquid assets associated with a 3 bps NIM improvement; and
- Deteriorating customer deposit and wholesale funding margins contributing to an 8 bps reduction to NIM, due to a continued shift in mix as customers switched to higher yielding deposit products, as well as heightened competition for savings and term deposits, and increased wholesale funding costs.

Other operating income

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Net banking fee and commission income / (expense)	(10)	(6)	(1)	(66.7)	large
Gain on derivatives and other financial instruments	3	12	7	(75.0)	(57.1)
Other revenue	2	3	2	(33.3)	–
Total other operating income / (loss)	**(5)**	**9**	**8**	**n/a**	**n/a**

Total other operating loss of $5 million decreased $13 million, due to:

- Lower gains on derivatives and other financial instruments due to the unwind of unrealised losses on interest rate swaps in the prior half not recurring this half, and lower gains from the sale of liquid assets; and
- An increase in net banking fee expense due to increased Home lending trail commissions expense associated with the growth in the Home lending portfolio.

Operating expenses

Total operating expenses of $386 million increased by $20 million or 5.5%, primarily driven by technology costs, inflationary pressures (including wage inflation), and depreciation. This was partly offset by continued cost disciplines, including a reduction in Full Time Employees (FTE), as well as efficiency initiatives such as the digitisation and automation of various loan communications and documentation.

The cost to income ratio increased from 49.9% to 58.4%, primarily due to a 9.8% reduction in revenue from margin pressures and higher expenses.

Loan impairment expense

Impairment releases/(losses) on loans and advances

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Collective provision for impairment	–	(10)	–	100.0	n/a
Specific provision for impairment	–	(2)	–	100.0	n/a
Actual net write-offs	(1)	(3)	(1)	66.7	–
Impairment losses	**(1)**	**(15)**	**(1)**	**93.3**	**–**
Impairment losses to gross loans and advances (annualised %)	(0.00)	(0.04)	(0.00)		

Net impairment losses totalled $1 million for the half, flat on the pcp, representing less than one basis point of gross loans and advances.

The net impact of changes in the forecast economic outlook was broadly neutral and the collective provision has remained flat.

A net impairment loss of $1 million was mainly attributable to overdraft and small loan write-off charges.

Bank balance sheet

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Housing loans - term	49,975	47,526	47,251	5.2	5.8
Housing line of credit	435	550	623	(20.9)	(30.2)
Securitised housing loans and covered bonds	5,587	6,725	4,971	(16.9)	12.4
Total housing loans	**55,997**	**54,801**	**52,845**	**2.2**	**6.0**
Personal loans	25	36	51	(30.6)	(51.0)
Retail loans	**56,022**	**54,837**	**52,896**	**2.2**	**5.9**
SME	2,636	2,633	2,646	0.1	(0.4)
Commercial	5,406	5,361	5,165	0.8	4.7
Agribusiness	4,456	4,490	4,195	(0.8)	6.2
Total business loans	**12,498**	**12,484**	**12,006**	**0.1**	**4.1**
Total lending	**68,520**	**67,321**	**64,902**	**1.8**	**5.6**
Provision for impairment	(210)	(219)	(211)	4.1	0.5
Total loans and advances	**68,310**	**67,102**	**64,691**	**1.8**	**5.6**
Geographical breakdown - Total lending					
Queensland	30,687	30,440	29,740	0.8	3.2
New South Wales	19,834	19,381	18,365	2.3	8.0
Victoria	10,080	9,842	9,369	2.4	7.6
Western Australia	4,474	4,326	4,242	3.4	5.5
South Australia and other	3,445	3,332	3,186	3.4	8.1
Outside of Queensland loans	**37,833**	**36,881**	**35,162**	**2.6**	**7.6**
Total lending	**68,520**	**67,321**	**64,902**	**1.8**	**5.6**

Home lending

Suncorp Bank continued to uplift broker and customer experiences over the half through simplified processes and improved productivity. The Bank achieved a 6-point increase in its 6-month rolling average Home lending broker NPS to 55 and a 14-point uplift in its Home Loan Customer NPS to 45. This continued focus has maintained market leading median application turnaround time, averaging below four working days, the fastest among peers for 15 weeks of the half (Australian Finance Group reported turnaround time).

The Bank achieved Home lending growth of $1.2 billion over the half or 2.2%, while margin outcomes were carefully managed in the highly competitive market. The Bank grew Home lending broadly in line with system over the half, sustaining momentum and holding consistent market share.

Home lending portfolio metrics

	Dec-23 %	Jun-23 %	Dec-22 %
Owner-occupier proportion of total portfolio	72	72	72
Investor proportion of total portfolio	28	28	28
Principal and interest proportion of total portfolio	88	88	88
Interest only proportion of total portfolio	12	12	12
Variable rate	85	80	75
Fixed rate	15	20	25
Broker originated	75	74	72
Direct originated	25	26	28
Proportion of total portfolio with LVR < 80%	90	89	88
Portfolio dynamic LVR	56	57	56
Proportion of total portfolio covered by Lenders Mortgage Insurance	17	19	21

Home lending origination metrics

	Dec-23 %	Jun-23 %	Dec-22 %
Owner-occupier proportion of new business	72	69	68
Investor proportion of new business	28	31	32
Principal and interest proportion of new business	85	85	84
Interest only proportion of new business	15	15	16
Variable rate	96	97	98
Fixed rate	4	3	2
Broker originated	81	80	78
Direct originated	19	20	22
Proportion of new business with LVR < 80%	95	93	91
Proportion of new business covered by Lenders Mortgage Insurance	5	7	8

Suncorp Bank maintained a high quality, conservatively positioned Home lending portfolio over the half, increasing the proportion of sub 80% loan-to-value ratio (LVR) lending to 95% of new business, which in turn lead to a lower proportion of the portfolio requiring Lenders Mortgage Insurance (LMI) coverage. The Bank also reduced home loans with a debt to income (DTI) ratio greater than six times to an average of less than 1% of new lending throughout the half. The Bank's 90+ day arrears proportion of the portfolio increased marginally in 1H24, but remains within internal risk limits and below five year historical trends.

As at 31 December, approximately 64% of the Bank's elevated fixed rate loan volumes have matured (these elevated maturities cover the period January 2022 to February 2025). The Bank continues to proactively contact customers prior to and post maturity to provide support to manage the increase in monthly repayments. Fixed rate loans currently represent 15% of the total Home lending portfolio, down from 20% in the prior half.

Home lending portfolio geographic profile

	Dec-23 %	Jun-23 %	Dec-22 %
Queensland	41	41	43
New South Wales	30	30	29
Victoria	15	15	15
Western Australia	8	8	8
Other	6	6	5

The Bank maintains a strong geographic presence in Queensland, although continued growth through the broker channel has enabled steady geographic diversification of the Home lending portfolio across other states, particularly New South Wales and Victoria.

Business lending

Commercial

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Property Investment	2,919	3,056	3,047	(4.5)	(4.2)
Construction & Development	649	643	517	0.9	25.5
Hospitality & Accommodation	595	590	620	0.8	(4.0)
Services (Inc. professional services)	487	375	362	29.9	34.5
Retail	324	322	258	0.6	25.6
Manufacturing & Mining	162	161	103	0.6	57.3
Other	270	214	258	26.2	4.7
Total Commercial	**5,406**	**5,361**	**5,165**	**0.8**	**4.7**

The Commercial portfolio grew by 0.8% over the half to $5.4 billion, mainly reflecting sizeable refinances and strong lending portfolio growth with existing customers, partly offset by slowing system growth and increased competition. Despite deal flow decreasing and the competition in the refinance market increasing, Business lending has created growth by driving a quality-over-quantity agenda.

The Bank's risk appetite and focused target market have been stable throughout the half. The geographic distribution of the portfolio also remained stable, within a range of conservative internal limits to ensure sound quality and diversification.

SME[1]

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Property Investment	659	606	635	8.7	3.8
Hospitality & Accommodation	290	290	264	–	9.8
Retail	264	263	238	0.4	10.9
Construction & Development	290	289	265	0.3	9.4
Manufacturing & Mining	132	158	159	(16.5)	(17.0)
Services (Inc. professional services)	817	843	873	(3.1)	(6.4)
Other [2]	184	184	212	–	(13.2)
Total SME	**2,636**	**2,633**	**2,646**	**0.1**	**(0.4)**

1. SME lending is defined as lending of up to $3 million Total Business-Related Exposure (TBRE) from the 'SME Comm' CRMF ANZSIC segment. Remaining business ($3 million TBRE and over) is classified as Commercial).
2. Includes a portion of small business loans, with limits below $1 million, that are not classified as above.

The SME portfolio grew modestly by 0.1% over the half to $2.6 billion. Growth in the portfolio was influenced by:
- Strong engagement and focus on the commercial broker market, driving an increase in broker originated transactions;
- Leveraging the Bank's relationship model to deliver favourable outcomes for customers; and
- Simple product offerings that meet the needs of core target segments.

The Bank continued to monitor the size and geographic distribution of the portfolio within a range of internal limits to ensure ongoing sound credit quality and prudent diversification of the portfolio.

Agribusiness

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Beef	2,184	2,110	2,014	3.5	8.4
Grain & Mixed Farming	1,025	1,078	1,007	(4.9)	1.8
Sheep & Mixed Livestock	401	359	377	11.7	6.4
Cotton	267	314	252	(15.0)	6.0
Sugar	89	90	84	(1.1)	6.0
Fruit	134	135	126	(0.7)	6.3
Other	356	404	335	(11.9)	6.3
Total Agribusiness	**4,456**	**4,490**	**4,195**	**(0.8)**	**6.2**

The Agribusiness portfolio contracted 0.8% over the half to $4.5 billion, in-line with seasonal trends across most segments. The onset of the El Niño weather pattern has led to drier conditions over the half, resulting in a drop in production in some parts of the country. Additionally, a drop in the value of some agricultural commodities (particularly beef), as well as increased competition, and higher interest rates and inflationary pressures, have contributed to the contraction.

The Bank continued to monitor the size and geographic distribution of the portfolio within a range of internal limits to ensure ongoing sound credit quality and prudent diversification of the portfolio.

Funding and deposits

The Bank continued to maintain a conservative approach in managing liquidity and funding risk to provide a sustainable funding profile and support balance sheet growth.

The Bank’s key funding and liquidity management strategies include:

- Continued focus on the Bank’s stable deposit base by growing Main Financial Institution (MFI) customer relationships;
- Maintaining a sustainable and diversified funding base across a range of long-term wholesale markets;
- Minimising the impact of market volatility by maintaining a smooth profile of long-term wholesale funding maturities, with an appropriate weighted average tenor; and
- Managing High Quality Liquid Assets (HQLA) of over 100% of net cash outflows, under various stress scenarios.

Funding composition

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Customer funding					
Customer deposits					
At-call transactions	19,522	19,914	20,385	(2.0)	(4.2)
At-call savings	17,598	17,146	16,137	2.6	9.1
Term deposits	15,415	14,374	14,473	7.2	6.5
Total customer funding	**52,535**	**51,434**	**50,995**	**2.1**	**3.0**
Wholesale funding					
Domestic funding					
Short-term wholesale	5,638	5,863	6,216	(3.8)	(9.3)
Long-term wholesale[1]	9,677	9,392	9,289	3.0	4.2
Covered bonds[1]	3,090	2,842	2,843	8.7	8.7
Subordinated notes	600	600	600	–	–
Total domestic funding	**19,005**	**18,697**	**18,948**	**1.6**	**0.3**
Overseas funding[2]					
Short-term wholesale	2,192	2,519	1,855	(13.0)	18.2
Long-term wholesale	724	734	711	(1.4)	1.8
Total overseas funding	**2,916**	**3,253**	**2,566**	**(10.4)**	**13.6**
Total wholesale funding	**21,921**	**21,950**	**21,514**	**(0.1)**	**1.9**
Total funding (excluding securitisation)	**74,456**	**73,384**	**72,509**	**1.5**	**2.7**
Securitisation					
APS 120 qualifying[1, 3]	2,298	2,659	1,956	(13.6)	17.5
Total securitisation[1]	**2,298**	**2,659**	**1,956**	**(13.6)**	**17.5**
Total funding (including securitisation)	**76,754**	**76,043**	**74,465**	**0.9**	**3.1**
Total funding is represented on the balance sheet by:					
Deposits	52,535	51,434	50,995	2.1	3.0
Borrowings[1]	23,619	24,009	22,870	(1.6)	3.3
Subordinated notes	600	600	600	–	–
Total funding	**76,754**	**76,043**	**74,465**	**0.9**	**3.1**
Deposit to loan ratio	76.7%	76.4%	78.6%		

1. Prior periods restated.
2. Foreign currency borrowings are hedged back into Australian dollars.
3. Qualifies for capital relief under APS120.

Customer funding

Customer deposits increased 2.1% over the half to $52.5 billion, marginally below system, accounting for 68.4% of total Bank funding.

Deposit growth slowed in the half due to the continued rise in the cost of living driving increased customer non-discretionary spend. As a result, at-call transaction account balances decreased 2.0% over the half. With further cash rate increases, deposit growth reflected ongoing demand for higher yielding deposit products including term deposits (up 7.2% over the half) and at-call savings deposits (up 2.6% over the half).

New to Bank MFI customer growth showed strong momentum at 27% compared to 9% in the prior half, largely driven by the digital channel. With continued improvements in digital origination and onboarding processes, Digital Onboarding NPS 6 monthly average was 37.0, the highest it has been since January 2022.

Wholesale funding

Wholesale funding of $21.9 billion decreased 0.1% over the half, comprising:

- An increase in domestic long-term wholesale funding of 3.0% to $9.7 billion, required to replace maturing transactions including Term Funding Facility (TFF) repayments, manage Weighted Average Term Remaining (WATR), elevated liquidity requirements, and fund asset growth;
- An increase in funding from covered bonds of 8.7% to $3.1 billion, driven by a new issuance which settled early in the half; and
- A decrease in domestic short-term wholesale funding of 3.8% to $5.6 billion.

Wholesale funding instruments maturity profile[1]

	Short-term $M	Long-term $M	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Maturity							
0 to 3 months	4,329	151	4,480	7,107	5,651	(37.0)	(20.7)
3 to 6 months	3,501	2,555	6,056	4,307	3,873	40.6	56.4
6 to 12 months	–	1,900	1,900	2,720	2,964	(30.1)	(35.9)
1 to 3 years	–	9,588	9,588	8,647	8,236	10.9	16.4
3+ years	–	2,195	2,195	1,828	2,746	20.1	(20.1)
Total wholesale funding instruments	**7,830**	**16,389**	**24,219**	**24,609**	**23,470**	**(1.6)**	**3.2**

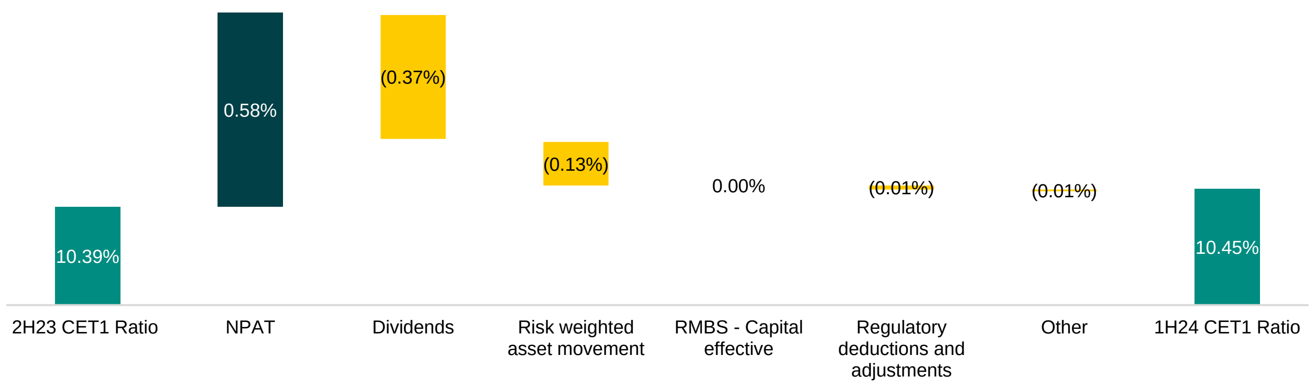
1. Wholesale funding includes securitisations

Net Stable Funding Ratio and Liquidity Coverage Ratio

The NSFR remained above the typical operating range over the half, ending the period at 124%, due to an increase in customer deposits and to facilitate an orderly refinancing of the TFF.

The LCR averaged 140% over the half, slightly higher than the average of 138% over the previous half, maintaining a buffer well above APRA's regulatory minimum. The Bank's liquidity metrics remain elevated following the replacement of term funding maturities earlier in the half with a covered bond transaction settling in July. The timing of these transactions led to the increased LCR over the period.

Capital



The Bank CET1 Ratio increased 6 bps over the half to 10.45%, remaining in the top half of the target operating range of 10.00% to 10.50%. Key drivers of the CET1 ratio movement include:

- Bank profit after tax of $192 million driving an increase of 58 bps; partially offset by;
- An increase in Risk Weighted Assets (RWA), primarily driven by lending, accounting for a reduction of 13 bps; and
- The full year 2023 dividend payment, accounting for a reduction of 37 bps.

Credit quality

Impaired assets and 90+ days past due loans

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Gross balances of individually impaired loans					
Retail lending	29	29	38	–	(23.7)
Agribusiness lending	17	24	8	(29.2)	112.5
Commercial lending	18	34	36	(47.1)	(50.0)
SME lending	7	14	17	(50.0)	(58.8)
Gross impaired assets	**71**	**101**	**99**	**(29.7)**	**(28.3)**
Impairment provision	(21)	(31)	(33)	32.3	36.4
Net impaired assets	**50**	**70**	**66**	**(28.6)**	**(24.2)**
Impairment provisions expressed as a percentage of gross impaired assets	**30%**	**31%**	**33%**		
Size of gross individually impaired assets					
Less than one million	21	25	31	(16.0)	(32.3)
Greater than one million but less than ten million	39	64	55	(39.1)	(29.1)
Greater than ten million	11	12	13	(8.3)	(15.4)
Gross impaired assets	**71**	**101**	**99**	**(29.7)**	**(28.3)**
90+ days Past due loans not shown as impaired assets	**425**	**333**	**281**	**27.6**	**51.2**
Gross non-performing loans	**496**	**434**	**380**	**14.3**	**30.5**
Analysis of movements in gross individually impaired assets					
Balance at the beginning of the half year	101	99	138	2.0	(26.8)
Recognition of new impaired assets	12	30	32	(60.0)	(62.5)
Other movement in impaired assets[1]	(7)	1	(3)	n/a	(133.3)
Impaired assets which have been reclassed as performing assets or repaid	(35)	(29)	(68)	(20.7)	48.5
Balance at the end of the full year	**71**	**101**	**99**	**(29.7)**	**(28.3)**

1. Net of increases in previously recognised impaired assets and impaired assets written off.

Gross impaired assets of $71 million decreased $30 million over the half, driven by:

— Commercial impaired assets of $18 million reduced $16 million, with successful repayments across various exposures contributing to the decrease;

— Agribusiness impairments of $17 million decreased $7 million, largely driven by repayments from one customer previously impacted by higher input costs;

— SME impairments of $7 million decreased $7 million. SME impairments are not concentrated in any industry and include no large single exposures; and

— Retail impaired loans of $29 million were flat on the half. Levels remain stable and include the partial or full repayment of 46 customer groups driven by property sales and the payment of LMI claims.

Provision for impairment

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Collective provision					
Balance at the beginning of the period	190	180	180	5.6	5.6
Charge against impairment losses	–	10	–	(100.0)	n/a
Balance at the end of the period	**190**	**190**	**180**	**–**	**5.6**
Specific provision					
Balance at the beginning of the period	29	31	37	(6.5)	(21.6)
Charge against impairment losses	–	2	–	(100.0)	n/a
Impairment provision written off[1]	(9)	(4)	(6)	(125.0)	(50.0)
Balance at the end of the period	**20**	**29**	**31**	**(31.0)**	**(35.5)**
Total provision for impairment - Banking activities	**210**	**219**	**211**	**(4.1)**	**(0.5)**

1. Includes immaterial unwind of discount of less than $2 million.

	Dec-23 %	Jun-23 %	Dec-22 %
Provision for impairment expressed as a percentage of gross loans and advances are as follows:			
Collective provision	0.28	0.29	0.28
Specific provision	0.03	0.04	0.05
Total provision	**0.31**	**0.33**	**0.33**

The total balance sheet provision for impairment decreased 4.1% over the half to $210 million, representing 31 bps of gross loans and advances. This was driven by a $9 million reduction in the specific provision over the half to $20 million, most pronounced within the Commercial segment due in-part to the voluntary sale of assets for a small number of groups operating in the hospitality sector. There was no change in the collective provision of $190 million, following an uplift in provisioning in 2H23.

Gross non-performing loans coverage by portfolio

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Retail lending					
Past due loans	321	280	232	14.6	38.4
Impaired assets	29	29	38	–	(23.7)
Specific provision	6	6	7	–	(14.3)
Collective provision	10	8	10	25.0	–
Total provision coverage[1]	**4.6%**	**4.5%**	**6.3%**		
Agribusiness lending					
Past due loans	31	26	29	19.2	6.9
Impaired assets	17	24	8	(29.2)	112.5
Specific provision	4	4	3	–	33.3
Collective provision	3	3	3	–	–
Total provision coverage[1]	**14.6%**	**14.0%**	**16.2%**		
Commercial lending					
Past due loans	47	12	7	291.7	large
Impaired assets	18	34	36	(47.1)	(50.0)
Specific provision	8	14	16	(42.9)	(50.0)
Collective provision	11	3	1	266.7	large
Total provision coverage[1]	**29.2%**	**37.0%**	**39.5%**		
SME lending					
Past due loans	26	15	13	73.3	100.0
Impaired assets	7	14	17	(50.0)	(58.8)
Specific provision	2	5	5	(60.0)	(60.0)
Collective provision	6	6	3	–	100.0
Total provision coverage[1]	**24.2%**	**37.9%**	**26.7%**		

1. Calculated as: (Specific provision + Collective provision Stage 3) / (Past due loans + Impaired assets).

Retail lending 90+ days past due loans of $321 million increased $41 million, representing 0.57% of the portfolio compared to 0.51% in the prior half. This was underpinned by higher interest rates and inflation contributing to an increased rate of hardship volumes (including applications) over the half.

Expected Credit Loss

Expected Credit Loss (ECL) has remained unchanged at $190 million. This incorporates the modelled collective provision and various management overlays, including an overlay to reflect general uncertainty in modelling of this nature.

The Bank calculates the ECL by considering a distribution of economic outcomes around a central underlying scenario, with the distribution of outcomes reflecting the Bank's view of the likelihood of more adverse outcomes.

The key assumptions used in the Bank's calculation of ECL are residential property prices, commercial property prices and unemployment rates. These are presented in the table below. The outlook for these variables is reviewed regularly. Key model inputs are probability weighted and allow for the likelihood of downside scenarios to materialise. As an example of the downside allowance in the model, there is a 29% probability that house price falls will exceed 20% over CY24/25 while the weighted average fall is 9.8%.

	Model assumption at 31 Dec-23	
	CY24	CY25
	%	%
Property prices - residential - weighted average annual change	(8.3)	(1.5)
Property prices - commercial office - weighted average annual change	(12.2)	(0.0)
Property prices - rural - weighted average annual change	(6.9)	(4.5)
Unemployment rate[1]	4.6	4.7

1. Unemployment rate reflects the forecast rate as at December 2024 and December 2025. The probability of default is driven by combinations of variables relevant for each portfolio, such as unemployment and property prices. These combinations form an Economic Cycle indicator for which there is a distribution of outcomes. As such, a weighted unemployment rate is not a direct model input.

The central economic forecast anticipates an increase in the unemployment rate to 4.7% at December 2025. The ECL model calibration retains a conservative expectation of median house price values falling over the next two years. In commercial property, risks to the downside remain with competition for tenants eroding returns available to service debt, and continued low occupancy rates placing pressure on values. Falls are expected for rural collateral prices, as positive factors of the past few years are reversing with falling commodity prices. The ECL model calibration reflects this uncertain economic outlook.

7. Operating expenses and Other profit or (loss)

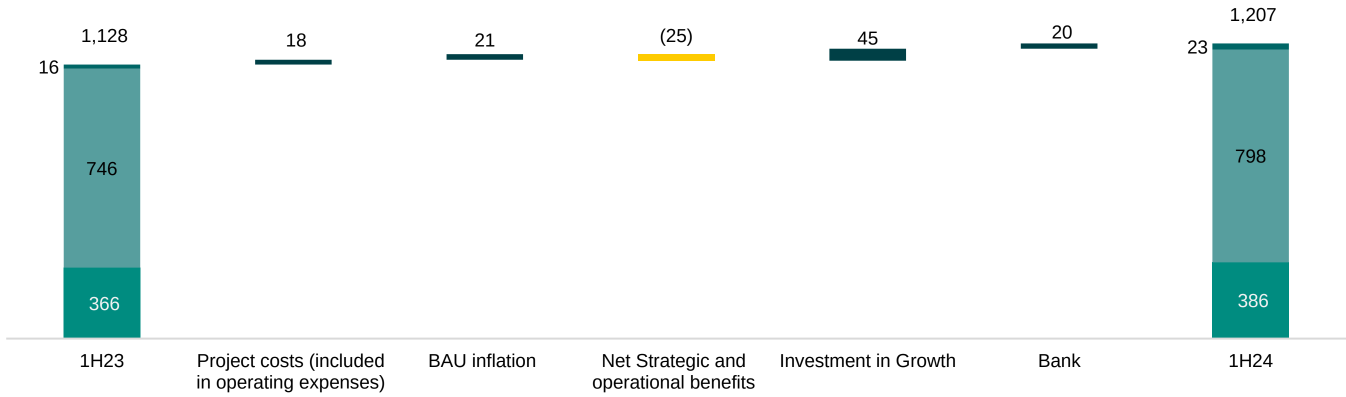
Group operating expenses

Operating expense by function

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Direct operating expenses					
Consumer Insurance	444	430	421	3.3	5.5
Commercial & Personal Injury Insurance	201	194	180	3.6	11.7
Suncorp New Zealand	128	126	121	1.6	5.8
Total direct operating expenses	**773**	**750**	**722**	**3.1**	**7.1**
Consumer Insurance	10	14	8	(28.6)	25.0
Commercial & Personal Injury Insurance	4	5	5	(20.0)	(20.0)
Suncorp New Zealand	9	5	3	80.0	200.0
Total non directly attributable expenses	**23**	**24**	**16**	**(4.2)**	**43.8**
Total General Insurance operating expenses	**796**	**774**	**738**	**2.8**	**7.9**
Suncorp New Zealand Life	25	24	24	4.2	4.2
Suncorp Bank	386	371	366	4.0	5.5
Total Group operating expenses	**1,207**	**1,169**	**1,128**	**3.3**	**7.0**
Other expenses					
Restructuring expenses[1]	15	47	–	(68.1)	n/a
Total Group operating expenses (including other expenses)[2]	**1,222**	**1,216**	**1,128**	**0.5**	**8.3**
Commission expenses[3]					
Consumer Insurance	20	19	19	5.3	5.3
Commercial & Personal Injury Insurance	146	145	137	0.7	6.6
Suncorp New Zealand	157	139	133	12.9	18.0
Total commission expenses	**323**	**303**	**289**	**6.6**	**11.8**
Total Group operating expenses and Commissions	**1,545**	**1,519**	**1,417**	**1.7**	**9.0**
Ratios (%)[4]					
General Insurance operating expense ratio	13.9	14.8	14.5	(0.9)	(0.6)
Consumer Insurance operating expense ratio	14.9	16.3	16.2	(1.4)	(1.3)
Commercial & Personal Injury operating expense ratio	12.0	12.7	11.9	(0.7)	0.1
Suncorp New Zealand General Insurance operating expense ratio	14.7	15.7	14.2	(1.0)	0.6
General Insurance commission expense ratio				–	–
Consumer Insurance commission expense ratio	0.7	0.7	0.7	–	–
Commercial & Personal Injury commission expense ratio	8.6	9.3	8.8	(0.7)	(0.2)
Suncorp New Zealand General Insurance commission expense ratio	16.9	16.8	15.2	0.1	1.7
Bank Cost to Income ratio	58.4	53.7	49.9	4.7	8.5

1. Includes real estate asset write-offs driven by the impact of flexible working arrangements and redundancy costs resulting from ongoing operational improvement.
2. Excludes a provision of $25 million related to TEPL recognising excess profit payable to the regulator with an equivalent release from prior year claim reserves and ESL costs of $80 million in 1H24.
3. Bank commissions are excluded as they don't form part of expenses in the Bank Profit & Loss, instead they are treated as net revenue. Upfront commissions are capitalised and deferred over the life of the loan as part of Net Interest Income whilst trail commissions are included as part of Other Operating Income.
4. Operating expense ratios include Direct operating expenses and Non directly attributable expenses but exclude commissions, restructuring expenses, ESL and TEPL.

Operating expense movements



Total Group operating expenses increased $79 million to $1.21 billion. Key movements include:

- Increased spend to support core systems and regulatory change;
- An increase in business as usual (BAU) inflation driven by economy-wide inflationary pressures on wages and supplier inflation;
- Strategic and operational efficiencies driven by benefits from the delivery of strategic initiatives, as well as the benefits of business simplification and operating model changes that have been implemented. This is a net number where benefits are offset by an increase in Technology costs, as a direct result of these strategic initiatives;
- Additional costs associated with growing the business including investment in customer and broker connectivity, upgrading of core systems and higher marketing spend; and
- Bank costs increased primarily due to higher technology costs, inflationary pressures (including wage inflation), depreciation and increased fraud losses, partly offset by continued cost disciplines and efficiency initiatives.

Other Profit / (Loss) After Tax

	1H24 $M	2H23 $M	1H23 $M
Other profit / (loss) after tax	**(55)**	**(48)**	**(27)**
Recurring			
Net external funding expense[1]	(38)	(29)	(25)
Non-controlling interest	(14)	(2)	(9)
Investment income / (loss) on capital funds held at Group	16	10	6
Total recurring	**(36)**	**(21)**	**(28)**
Non-recurring			
Net Tax Adjustment	(4)	2	–
Restructuring	(11)	(34)	–
Other	(4)	5	1
Total non-recurring	**(19)**	**(27)**	**1**

1. Net external funding expense contains interest expense, capital raising transaction costs and mark-to-market valuation adjustments on the capital notes held by SGL.

Total other losses after tax of $55 million increased by $28 million on the pcp.

Recurring costs increased $8 million largely reflecting higher deductions for non-controlling interests. Higher net external funding expenses were mostly offset by higher investment income on investments held at Group.

Non-recurring costs increased $20 million driven by restructuring costs associated with the new operating model, one-off tax adjustments and other costs predominantly relating to an increase in the provision for the expected contribution to the establishment of the Compensation Scheme of Last Resort (CSLR) in Australia.

Net profit (loss) on sale of divesting operations

	1H24 $M	2H23 $M	1H23 $M
Net profit (loss) on sale of Bank	(70)	(71)	(21)
Other net profit (loss) on sale	(1)	–	1
Net profit (loss) on sale of divesting operations	**(71)**	**(71)**	**(20)**

Net profit (loss) on sale of Bank costs primarily related to the Bank separation program.

Appendix A: Group Financial Statements

Consolidated interim statement of comprehensive income (statutory view[1])

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Insurance revenue	6,702	6,141	5,940	9.1	12.8
Insurance service expense	(5,634)	(6,296)	(5,053)	10.5	(11.5)
Reinsurance premium expense	(756)	(744)	(678)	(1.6)	(11.5)
Reinsurance recoveries	94	1,293	188	(92.7)	(50.0)
Insurance service result	**406**	**394**	**397**	**3.0**	**2.3**
Insurance investment income	629	393	215	60.1	192.6
Insurance finance expense	(266)	(91)	(56)	(192.3)	(375.0)
Reinsurance finance income	43	14	13	207.1	230.8
Net insurance financial result	**812**	**710**	**569**	**14.4**	**42.7**
Interest income	2,040	1,747	1,349	16.8	51.2
Interest expense	(1,433)	(1,105)	(661)	(29.7)	(116.8)
Net interest income	607	642	688	(5.5)	(11.8)
Net gains on financial assets and liabilities at fair value through profit or loss from non-insurance activities	12	8	6	50.0	100.0
Fees and other income	125	136	138	(8.1)	(9.4)
Fees, overheads and other expenses	(572)	(636)	(500)	10	(14)
Impairment expense on financial assets	(1)	(15)	(2)	93.3	50.0
Amortisation and depreciation expense	(113)	(106)	(97)	(6.6)	(16.5)
Profit before income tax	**870**	**739**	**802**	**17.7**	**8.5**
Income tax expense	(274)	(218)	(241)	(25.7)	(13.7)
Profit for the period	**596**	**521**	**561**	**14.4**	**6.2**
Profit for the period attributable to:					
Owners of the Company	582	519	552	12.1	5.4
Non-controlling interests	14	2	9	large	55.6
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Net change in fair value of cash flow hedges	164	(27)	(20)	n/a	n/a
Net change in debt investments at fair value through other comprehensive income	(1)	(2)	12	50.0	n/a
Exchange differences on translation of foreign operations	9	(9)	25	n/a	(64.0)
Related income tax (expense) benefit	(49)	9	2	n/a	n/a
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains on defined benefit plans	–	4	–	(100.0)	n/a
Net change in equity investments at fair value through other comprehensive income	–	–	(6)	n/a	100.0
Related income tax (expense) benefit	–	(1)	2	100.0	(100.0)
Total other comprehensive income (loss) for the period	**123**	**(26)**	**15**	**n/a**	**large**
Total comprehensive income for the period	**719**	**495**	**576**	**45.3**	**24.8**
Total comprehensive income for the period attributable to:					
Owners of the Company	705	493	567	43.0	24.3
Non-controlling interests	14	2	9	large	55.6
Earnings per share	Cents	Cents	Cents		
Basic earnings per share	45.94	41.08	43.75		
Diluted earnings per share	45.09	40.29	42.23		

1. The consolidated interim statement of comprehensive income is to be read in conjunction with the consolidated interim financial report for the half-year ended 31 December 2023.

Consolidated interim statement of financial position (statutory view[1])

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Assets					
Cash and cash equivalents	2,899	3,908	2,436	(25.8)	19.0
Receivables due from other banks	848	1,788	4,837	(52.6)	(82.5)
Trading securities	3,351	2,218	1,950	51.1	71.8
Derivatives	519	606	638	(14.4)	(18.7)
Investment securities	23,996	23,049	20,556	4.1	16.7
Loans and advances	68,310	67,102	64,691	1.8	5.6
Insurance contract assets	183	180	196	1.7	(6.6)
Reinsurance contract assets	1,694	1,995	1,975	(15.1)	(14.2)
Property, plant and equipment	590	604	670	(2.3)	(11.9)
Deferred tax assets	273	377	381	(27.6)	(28.3)
Goodwill and other intangible assets	5,279	5,294	5,281	(0.3)	(0.0)
Other assets	866	916	899	(5.5)	(3.7)
Total assets	**108,808**	**108,037**	**104,510**	**0.7**	**4.1**
Liabilities					
Deposits	52,304	51,178	50,803	2.2	3.0
Derivatives	568	682	742	(16.7)	(23.5)
Payables and other liabilities	2,798	3,187	2,024	(12.2)	38.2
Insurance contract liabilities	12,734	12,583	12,091	1.2	5.3
Provisions and employee benefit liabilities	369	469	404	(21.3)	(8.7)
Deferred tax liabilities	118	51	53	131.4	122.6
Borrowings	23,619	24,009	22,870	(1.6)	3.3
Loan capital	2,543	2,544	2,295	(0.0)	10.8
Total liabilities	**95,053**	**94,703**	**91,282**	**0.4**	**4.1**
Net assets	**13,755**	**13,334**	**13,228**	**3.2**	**4.0**
Equity					
Share capital	12,447	12,384	12,349	0.5	0.8
Reserves	65	(46)	(12)	n/a	n/a
Retained profits	1,199	962	858	24.6	39.7
Total equity attributable to owners of the Company	**13,711**	**13,300**	**13,195**	**3.1**	**3.9**
Non-controlling interests	44	34	33	29.4	33.3
Total equity	**13,755**	**13,334**	**13,228**	**3.2**	**4.0**

1. The consolidated interim statement of financial position is to be read in conjunction with the consolidated interim financial report for the half-year ended 31 December 2023.

Consolidated interim statement of financial position by function

	General Insurance Dec-23 $M	Bank Dec-23 $M	Life Dec-23 $M	Corporate Dec-23 $M	Eliminations Dec-23 $M	Consolidated Dec-23 $M
Assets						
Cash and cash equivalents	900	2,079	5	148	(233)	2,899
Receivables due from other banks	–	848	–	–	–	848
Trading securities	–	3,351	–	–	–	3,351
Derivatives	160	357	–	2	–	519
Investment securities	16,105	6,914	515	13,876	(13,414)	23,996
Loans and advances	–	68,310	–	–	–	68,310
Insurance contract assets	–	–	183	–	–	183
Reinsurance contract assets	1,635	–	59	–	–	1,694
Property, plant and equipment	61	–	3	526	–	590
Deferred tax assets	–	77	7	185	4	273
Goodwill and other intangible assets	4,723	262	64	230	–	5,279
Other assets	436	217	13	196	4	866
Due from related parties	243	199	18	1,582	(2,042)	–
Total assets	**24,263**	**82,614**	**867**	**16,745**	**(15,681)**	**108,808**
Liabilities						
Deposits	–	52,535	–	–	(231)	52,304
Derivatives	118	447	–	3	–	568
Payables and other liabilities	1,429	630	154	583	2	2,798
Insurance contract liabilities	12,266	–	468	–	–	12,734
Provisions and employee benefits liabilities	96	7	7	259	–	369
Deferred tax liabilities	95	–	23	–	–	118
Borrowings	–	23,619	–	–	–	23,619
Loan capital	790	600	–	2,543	(1,390)	2,543
Due to related parties	144	51	5	438	(638)	–
Total liabilities	**14,938**	**77,889**	**657**	**3,826**	**(2,257)**	**95,053**
Net assets	**9,325**	**4,725**	**210**	**12,919**	**(13,424)**	**13,755**
Equity						
Share capital						12,447
Reserves						65
Retained profits						1,199
Total equity attributable to owners of the Company						**13,711**
Non-controlling interests						44
Total equity						**13,755**

Appendix B: Statement of assets and liabilities

General Insurance

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Assets					
Cash and cash equivalents	900	1,169	608	(23.0)	48.0
Derivatives	160	103	161	55.3	(0.6)
Investment securities	16,105	15,778	14,197	2.1	13.4
Due from related parties	243	164	209	48.2	16.3
Reinsurance contract assets	1,635	1,950	1,946	(16.2)	(16.0)
Property, plant and equipment	61	64	63	(4.7)	(3.2)
Deferred tax assets	–	63	86	(100.0)	(100.0)
Goodwill and intangible assets	4,723	4,728	4,737	(0.1)	(0.3)
Other assets	436	562	460	(22.4)	(5.2)
Total assets	**24,263**	**24,581**	**22,467**	**(1.3)**	**8.0**
Liabilities					
Payables and other liabilities	1,429	1,787	791	(20.0)	80.7
Provisions and employee benefits liabilities	96	115	99	(16.5)	(3.0)
Derivatives	118	157	155	(24.8)	(23.9)
Due to related parties	144	242	150	(40.5)	(4.0)
Deferred tax liabilities	95	31	30	206.5	216.7
Insurance contract liabilities	12,266	12,152	11,647	0.9	5.3
Loan capital	790	790	540	–	46.3
Total liabilities	**14,938**	**15,274**	**13,412**	**(2.2)**	**11.4**
Net assets	**9,325**	**9,307**	**9,055**	**0.2**	**3.0**

Reconciliation of net assets to Common Equity Tier 1 capital	
Net assets - GI businesses	9,325
Insurance liabilities in excess of liability valuation	102
Reserves excluded from regulatory capital	(23)
Additional Tier 1 capital	(609)
Goodwill allocated to GI businesses	(4,397)
Other intangibles (including software assets)	(323)
Other Tier 1 deductions	(2)
Common Equity Tier 1 capital	**4,073**

Bank

	Dec-23 $M	Jun-23 $M	Dec-22 $M	Dec-23 v Jun-23 %	Dec-23 v Dec-22 %
Assets					
Cash and cash equivalents	2,079	2,927	1,902	(29.0)	9.3
Receivables due from other banks	848	1,788	4,837	(52.6)	(82.5)
Trading securities	3,351	2,218	1,950	51.1	71.8
Derivatives	357	501	475	(28.7)	(24.8)
Investment securities	6,914	6,431	5,361	7.5	29.0
Loans and advances	68,310	67,102	64,691	1.8	5.6
Due from related parties	199	165	272	20.6	(26.8)
Deferred tax assets	77	136	126	(43.4)	(38.9)
Other assets	217	219	184	(0.9)	17.9
Goodwill and intangible assets	262	262	262	–	–
Total assets	**82,614**	**81,749**	**80,060**	**1.1**	**3.2**
Liabilities					
Deposits	52,535	51,434	50,995	2.1	3.0
Derivatives	447	520	574	(14.0)	(22.1)
Payables due to other banks	106	121	75	(12.4)	41.3
Payables and other liabilities	531	432	373	22.9	42.4
Due to related parties	51	90	72	(43.3)	(29.2)
Borrowings	23,619	24,009	22,870	(1.6)	3.3
Subordinated notes	600	600	600	–	–
Total liabilities	**77,889**	**77,206**	**75,559**	**0.9**	**3.1**
Net assets	**4,725**	**4,543**	**4,501**	**4.0**	**5.0**
Reconciliation of net equity to Common Equity Tier 1 capital					
Net equity - Banking	4,725	4,543	4,501	4.0	5.0
Additional Tier 1 capital	(560)	(560)	(560)	–	–
Goodwill allocated to Banking Business	(240)	(240)	(240)	–	–
Regulatory capital equity adjustments	(2)	(2)	(1)	–	(100.0)
Regulatory capital adjustments	(408)	(289)	(256)	(41.2)	(59.4)
Other reserves excluded from Common Equity Tier 1 ratio	(76)	(76)	(76)	–	–
Common Equity Tier 1 capital	**3,439**	**3,376**	**3,368**	**1.9**	**2.1**

Average banking balance sheet

	Half Year Ended Dec-23			Half Year Ended Jun-23		
	Average Balance[1]	Interest	Average Rate	Average Balance[1]	Interest	Average Rate
	$M	$M	%	$M	$M	%
Assets						
Interest-earning assets						
Trading and investment securities [2]	13,065	256	3.90	13,503	219	3.27
Gross loans and advances	60,689	1,770	5.80	59,345	1,513	5.14
Total interest-earning assets	**73,754**	**2,026**	**5.46**	**72,848**	**1,732**	**4.79**
Non-interest earning assets						
Loan balances subject to mortgage offsets	6,189			5,856		
Other assets (inc. loan provisions)	890			765		
Total non-interest earning assets	**7,079**			**6,621**		
Total assets	**80,833**			**79,469**		
Liabilities						
Interest-bearing liabilities						
Customer deposits	45,390	602	2.64	45,193	458	2.04
Wholesale liabilities	23,475	739	6.26	22,652	574	5.11
Subordinated loans	600	19	6.30	600	17	5.71
Total interest-bearing liabilities	**69,465**	**1,360**	**3.89**	**68,445**	**1,049**	**3.09**
Non-interest bearing liabilities						
Other customer deposits	6,189			5,856		
Other liabilities	257			574		
Total non-interest bearing liabilities	**6,446**			**6,430**		
Total Liabilities	**75,911**			**74,875**		
Average Net Assets	**4,922**			**4,594**		
Non-Shareholder Accounting Equity	89			109		
Additional Tier 1 capital	(560)			(560)		
Average Ordinary Shareholders' equity	**4,451**			**4,143**		
Goodwill allocated to banking business	(240)			(240)		
Average Ordinary Shareholders' equity (ex goodwill)	**4,211**			**3,903**		
Analysis of interest margin and spread						
Interest-earning assets	73,754	2,026	5.46	72,848	1,732	4.79
Interest-bearing liabilities	69,465	1,360	3.89	68,445	1,049	3.09
Net interest spread	–	–	1.57	–	–	1.70
Net interest margin (interest-earning assets)	73,754	666	1.80	72,848	683	1.89
Net interest margin (lending assets)	60,689	666	2.18	59,345	683	2.32

1. Calculated based on daily balances over the period.
2. Includes interest on cash and receivables due from other banks.

Appendix C: Group capital

Group capital

	As at 31 Dec 2023					As at 30 Jun 2023
	General Insurance	Banking	Life	SGL, Corp Services & Consol	Total	Total[1]
	$M	$M	$M	$M	$M	$M
Common Equity Tier 1 capital						
Ordinary share capital	–	–	–	12,429	12,429	12,369
Subsidiary share capital (eliminated upon consolidation)	7,704	3,976	422	(12,120)	(18)	(25)
Reserves	(16)	(1,031)	320	731	4	(94)
Retained profits and non-controlling interests	1,005	1,143	(531)	(374)	1,243	1,005
Insurance liabilities in excess of liability valuation	102	–	–	–	102	442
Goodwill and other intangible assets	(4,720)	(591)	(64)	(245)	(5,620)	(5,626)
Net deferred tax liabilities/(assets)[2]	–	(70)	16	(187)	(241)	(317)
Policy liability adjustment [3]	–	–	(66)	–	(66)	(467)
Other Tier 1 deductions	(2)	13	–	–	11	121
Common Equity Tier 1 capital	**4,073**	**3,440**	**97**	**234**	**7,844**	**7,408**
Additional Tier 1 capital						
Eligible hybrid capital	609	560	–	–	1,169	1,169
Additional Tier 1 capital	**609**	**560**	**–**	**–**	**1,169**	**1,169**
Tier 1 capital	**4,682**	**4,000**	**97**	**234**	**9,013**	**8,577**
Tier 2 capital						
General reserve for credit losses	–	215	–	–	215	221
Eligible Subordinated notes	790	600	–	–	1,390	1,390
Tier 2 capital	**790**	**815**	**–**	**–**	**1,605**	**1,611**
Total capital	**5,472**	**4,815**	**97**	**234**	**10,618**	**10,188**
Represented by:						
Capital in Australian regulated entities	4,830	4,814	–	–	9,644	9,514
Capital in New Zealand regulated entities	593	–	80	–	673	583
Capital in unregulated entities [4]	49	1	17	234	301	91
Common Equity Tier 1 capital (ex div)	**3,799**	**3,309**	**97**	**237**	**7,442**	**7,090**
Total capital (ex div)	**5,198**	**4,684**	**97**	**237**	**10,216**	**9,870**

1. June 2023 comparative numbers are prepared on a AASB1023 basis. The comparatives have been taken from the June 2023 Investor Pack.
2. Deferred tax assets in excess of deferred tax liabilities are deducted in arriving at CET1. For the Life business, deferred tax liabilities associated with the policy liability adjustment are added back to CET1 capital.
3. Policy liability adjustments equate to the difference between the maximum of current termination value and RBNZ solvency liabilities for each product, and the accounting insurance contract liabilities.
4. Capital in unregulated entities includes capital in authorised NOHCs such as SGL, consolidated adjustments within a business unit and other diversification adjustments.

General Insurance capital

	GI Group[1] Dec-23 $M	GI Group[1,2] Jun-23 $M
Common Equity Tier 1 capital		
Ordinary share capital	7,704	7,704
Reserves	(16)	(10)
Retained profits and non-controlling interests	1,005	699
Insurance liabilities in excess of liability valuation	102	442
Goodwill and other intangible assets	(4,720)	(4,732)
Net deferred tax assets	–	(182)
Other Tier 1 deductions	(2)	(3)
Common Equity Tier 1 capital	**4,073**	**3,918**
Additional Tier 1 capital	609	609
Tier 1 capital	**4,682**	**4,527**
Tier 2 Capital		
Eligible subordinated notes	790	790
Tier 2 capital	**790**	**790**
Total capital	**5,472**	**5,317**
Prescribed Capital Amount		
Outstanding claims risk charge	1,095	1,032
Premium liabilities risk charge	822	776
Total insurance risk charge	**1,917**	**1,808**
Insurance concentration risk charge	350	350
Asset risk charge	1,077	1,094
Asset concentration risk charge	–	–
Operational risk charge	407	377
Aggregation benefit	(647)	(645)
Total Prescribed Capital Amount (PCA)	**3,104**	**2,984**
Common Equity Tier 1 ratio	**1.31**	**1.31**
Total capital ratio	**1.76**	**1.78**
Common Equity Tier 1 ratio (ex div)	**1.22**	**1.16**
Total capital ratio (ex div)	**1.67**	**1.63**

1. GI Group represents Suncorp Insurance Holdings Ltd and its subsidiaries including New Zealand subsidiaries.
2. June 2023 comparative numbers are prepared on a AASB1023 basis.

Bank capital

	Regulatory Banking Group Dec-23 $M	Other Entities Dec-23 $M	Statutory Banking Group Dec-23 $M	Statutory Banking Group Jun-23 $M
Common Equity Tier 1 capital				
Ordinary share capital	2,754	1,222	3,976	3,976
Reserves	(44)	(987)	(1,031)	(1,145)
Retained profits	1,137	6	1,143	1,075
Goodwill and other intangible assets	(351)	(240)	(591)	(574)
Net deferred tax assets	(70)	–	(70)	(79)
Other Tier 1 deductions	13	–	13	124
Common Equity Tier 1 capital	**3,439**	**1**	**3,440**	**3,377**
Additional Tier 1 capital		**–**		
Eligible hybrid capital	560	–	560	560
Additional Tier 1 capital	**560**	**–**	**560**	**560**
Tier 1 capital	**3,999**	**1**	**4,000**	**3,937**
Tier 2 capital		**–**		
General reserve for credit losses	215	–	215	221
Eligible Subordinated notes	600	–	600	600
Tier 2 capital	**815**	**–**	**815**	**821**
Total capital	**4,814**	**1**	**4,815**	**4,758**
Risk-Weighted Assets				
Credit risk	30,220	–	30,220	29,838
Market risk	181	–	181	141
Operational risk	2,512	–	2,512	2,512
Total Risk-Weighted Assets	**32,913**	**–**	**32,913**	**32,491**
Common Equity Tier 1 ratio	**10.45%**		**10.45%**	**10.39%**
Total capital ratio	**14.63%**		**14.63%**	**14.64%**
Common Equity Tier 1 ratio (ex div)	**10.05%**		**10.05%**	**10.06%**
Total capital ratio (ex div)	**14.23%**		**14.23%**	**14.31%**

Capital instruments

	Semi-annual coupon rate/ margin above 90 day BBSW	Optional Call / Exchange Date	Issue Date	GI $M	Bank $M	SGL $M	Regulatory Capital $M	Accounting Balance[1] $M
31 December 2023								
SGL Subordinated Debt 2[2]	225 bps	Dec 2025	Sep 2020	250	–	–	250	249
SGL Subordinated Debt 3[2]	230 bps	Jun 2027	Apr 2022	290	–	–	290	289
SGL Subordinated Debt 4[2]	265 bps	Dec 2028	Mar 2023	250	–	–	250	248
SGL Subordinated Debt 5[2,3]	235 bps	Jun 2029	Sep 2023	–	600	–	600	597
Total subordinated debt				**790**	**600**	**–**	**1,390**	**1,383**
SGL Capital Notes 2 (SUNPG)[2]	365 bps	Jun 2024	Nov 2017	165	210	–	375	374
SGL Capital Notes 3 (SUNPH)[2]	300 bps	Jun 2026	Dec 2019	389	–	–	389	386
SGL Capital Notes 4 (SUNPI) [2]	290 bps	Jun 2028	Sep 2021	55	350	–	405	400
Total Additional Tier 1 capital				**609**	**560**	**–**	**1,169**	**1,160**
Total				**1,399**	**1,160**	**–**	**2,559**	**2,543**
30 June 2023							–	–
SGL Subordinated Debt [2]	215 bps	Dec 2023	Sep 2018	–	600	–	600	600
SGL Subordinated Debt 2[2]	225 bps	Dec 2025	Sep 2020	250	–	–	250	249
SGL Subordinated Debt 3[2]	230 bps	Jun 2027	Apr 2022	290	–	–	290	288
SGL Subordinated Debt 4[2]	265 bps	Dec 2028	Mar 2023	250	–	–	250	248
Total subordinated debt				**790**	**600**	**–**	**1,390**	**1,385**
SGL Capital Notes 2 (SUNPG)[2]	365 bps	Jun 2024	Nov 2017	165	210	–	375	374
SGL Capital Notes 3 (SUNPH)[2]	300 bps	Jun 2026	Dec 2019	389	–	–	389	385
SGL Capital Notes 4 (SUNPI) [2]	290 bps	Jun 2028	Sep 2021	55	350	–	405	400
Total Additional Tier 1 capital				**609**	**560**	**–**	**1,169**	**1,159**
Total				**1,399**	**1,160**	**–**	**2,559**	**2,544**

1. Transaction costs related to external issuance are deducted from the "Accounting Balance" outlined above when recorded in the issuing entities balance sheet and amortised to the optional first call or optional exchange date.
2. These instruments were issued to external investors by SGL and deployed to regulated entities within the Group via similar back-to-back arrangements. The value of internally deployed instruments are eliminated on consolidation for accounting and regulatory purposes.
3. In September 2023 SGL issued $600 million Subordinated Debt. This refinanced SGL Subordinated Debt issued September 2018 at the SGL level only. There was no change to the $600 million internal subordinated debt issued by Bank in September 2018. This internal instrument continues to pay a margin above BBSW of 215 bps.

Appendix D: Insurance Contract Liabilities

Australia

	December - 2023			June - 2023		
	Liability $M	Asset $M	Net $M	Liability $M	Asset $M	Net $M
Central estimate[1]	(8,476)	648	(7,828)	(8,070)	775	(7,295)
Risk adjustment[1]	(599)	42	(557)	(588)	61	(527)
Other [2]	232	81	313	193	39	232
Liability/Asset for Incurred Claims (LIC/AIC)	**(8,843)**	**771**	**(8,072)**	**(8,465)**	**875**	**(7,590)**
Unearned premium reserve	(5,917)	(58)	(5,975)	(5,644)	(58)	(5,702)
Other [3]	3,711	265	3,976	3,634	61	3,695
Loss component[1]	(44)	–	(44)	(98)	–	(98)
Liability/Asset for Remaining Coverage (LfRC/AfRC)	**(2,250)**	**207**	**(2,043)**	**(2,108)**	**3**	**(2,105)**
Insurance Contract Liabilities / Reinsurance Contract Assets	**(11,093)**	**978**	**(10,115)**	**(10,573)**	**878**	**(9,695)**

1. These figures are discounted at risk-free yields adjusted for illiquidity premium.
2. Other for LIC contains non reinsurance recoveries on claims paid, incurred claims (past & current), accrued insurance service expenses and AIC contains reinsurance receivables, deferred reinsurance assets, non-performance risk and reinsurance payables
3. Other for LfRC contains insurance revenue receivables, deferred acquisition costs, and accrued acquisition costs. AfRC contains deferred reinsurance assets and reinsurance payables

	Net central estimate (discounted) $M	Net Risk adjustment (75th percentile discounted) $M	Prior Year Valuation Impact Release / (Strengthening) $M
Consumer	(2,095)	(99)	(116)
Commercial & Personal Injury	(5,733)	(458)	3
Net liability for incurred claims	**(7,828)**	**(557)**	**(113)**

New Zealand (NZD)

	December - 2023			June - 2023		
	Liability $M	Asset $M	Net $M	Liability $M	Asset $M	Net $M
Central estimate[1]	(988)	506	(482)	(1,477)	998	(479)
Risk adjustment[1]	(83)	41	(43)	(103)	63	(41)
Other [2]	37	98	135	19	150	169
Liability/Asset for Incurred Claims (LIC/AIC)	**(1,034)**	**645**	**(390)**	**(1,561)**	**1,210**	**(351)**
Unearned premium reserve	(1,375)	243	(1,132)	(1,235)	465	(770)
Other [3]	1,147	(179)	968	1,078	(507)	571
Loss component[1]	–	–	–	–	–	–
Liability/Asset for Remaining Coverage (LfRC/AfRC)	**(228)**	**64**	**(164)**	**(157)**	**(42)**	**(199)**
Insurance Contract Liabilities / Reinsurance Contract Assets	**(1,262)**	**709**	**(554)**	**(1,718)**	**1,168**	**(550)**

1. These figures are discounted at risk-free yields adjusted for illiquidity premium
2. Other for LIC contains non reinsurance recoveries on claims paid, incurred claims (past & current), accrued insurance service expenses and AIC contains reinsurance receivables, deferred reinsurance assets, non-performance risk and reinsurance payables
3. Other for LfRC contains insurance revenue receivables, deferred acquisition costs, and accrued acquisition costs. AfRC contains deferred reinsurance assets and reinsurance payables

	Net central estimate (discounted) $M	Net risk adjustment (75th percentile discounted) $M	Prior Year Valuation Impact Release / (Strengthening) $M
Net Liability for Incurred Claims	**(482)**	**(43)**	**(26)**

Appendix E: Income Tax

	1H24 $M	2H23 $M	1H23 $M	1H24 v 2H23 %	1H24 v 1H23 %
Reconciliation of prima facie income tax expense to actual tax expense:					
Profit before tax	**870**	**739**	**802**	**17.7**	**8.5**
Prima facie domestic corporate tax rate of 30% (2023: 30%)	261	221	241	18.1	8.3
Effect of tax rates in foreign jurisdictions	(2)	(1)	(1)	(100.0)	(100.0)
Tax effect of amounts not deductible (assessable) in calculating taxable income:					
Non-deductible expenses	9	9	7	–	28.6
Non-deductible expenses – Life companies	6	–	2	n/a	200.0
Amortisation of intangible assets	2	2	2	–	–
Dividend adjustments	4	–	6	n/a	(33.3)
Tax exempt revenues	(3)	(1)	(1)	(200.0)	(200.0)
Current year rebates and credits	(6)	(3)	(8)	(100.0)	25.0
Utilisation of previously unrecognised capital losses	–	(1)	(11)	100.0	100.0
Prior year under/(over) provision	3	(6)	2	n/a	50.0
Other	–	(2)	2	100.0	(100.0)
Total income tax expense on pre-tax profit	**274**	**218**	**241**	**25.7**	**13.7**
Effective tax rate	**31.5%**	**29.5%**	**30.0%**	**2.0%**	**1.5%**

The effective tax rate of 31.5% (Dec 2022: 30.0%) has increased relative to the pcp. Several factors contributed to an effective tax rate of 31.5%. The most significant single factor is interest expense relating to certain convertible instruments which is not deductible for income tax purposes.

Appendix F: Group Earnings Per Share

Earnings per share

Numerator	1H24 $M	2H23 $M	1H23 $M
Earnings:			
Profit attributable to ordinary equity holders of the company (basic)	582	519	552
Interest expense on convertible capital and subordinated notes[1]	36	31	23
Profit attributable to ordinary equity holders of the company (diluted)	618	550	575
Denominator	**No. of shares**	**No. of shares**	**No. of shares**
Weighted average number of shares:			
Weighted average number of ordinary shares (basic)	1,266,909,551	1,263,515,586	1,261,779,833
Effect of conversion of convertible capital and subordinated notes[1]	103,681,778	101,449,095	99,952,536
Weighted average number of ordinary shares (diluted)	1,370,591,329	1,364,964,681	1,361,732,369
Earnings per share	**cents**	**cents**	**cents**
Basic	45.94	41.08	43.75
Diluted[1]	45.09	40.29	42.23

1. Capital notes and the $250 million SGL subordinated notes issued on 1 March 2023 will only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share as per AASB 133 *Earnings per share*.

Cash earnings per share

Numerator	1H24 $M	2H23 $M	1H23 $M
Earnings:			
Profit attributable to ordinary equity holders of the company (basic)	660	598	580
Interest expense on convertible capital and subordinated notes[1]	36	31	23
Cash profit attributable to ordinary equity holders of the company (diluted)	696	629	603
Denominator	**No. of shares**	**No. of shares**	**No. of shares**
Weighted average number of shares:			
Weighted average number of ordinary shares (basic)	1,266,909,551	1,263,515,586	1,261,779,833
Effect of conversion of convertible capital and subordinated notes[1]	103,681,778	101,449,095	99,952,536
Weighted average number of ordinary shares (diluted)	1,370,591,329	1,364,964,681	1,361,732,369
Cash earnings per share	**cents**	**cents**	**cents**
Basic	52.10	47.33	45.97
Diluted[1]	50.78	46.08	44.28

1. Capital notes and the $250 million SGL subordinated notes issued on 1 March 2023 will only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share as per AASB 133 *Earnings per share*.

Appendix G: ASX Listed Securities

	Dec-23	Jun-23	Dec-22
Ordinary shares (SUN) each fully paid			
Number at the end of the period	1,270,262,714	1,266,542,392	1,264,075,597
Dividend declared for the period (cents per share)	34	27	33
SGL Capital Notes 2 (SUNPG) each fully paid			
Number at the end of the period	3,750,000	3,750,000	3,750,000
Distribution declared for the period ($ per share)[1]	2.7543	2.7125	2.2891
SGL Capital Notes 3 (SUNPH) each fully paid			
Number at the end of the period	3,890,000	3,890,000	3,890,000
Distribution declared for the period ($ per share)[1]	2.5274	2.4820	2.0660
SGL Capital Notes 4 (SUNPI) each fully paid			
Number at the end of the period	4,050,000	4,050,000	4,050,000
Distribution declared for the period ($ per share)[1]	2.4925	2.4464	2.0316

1. Classified as interest expense.

Glossary

Attributable expenses	Operating expenses that are directly related to the fulfilment of current insurance contracts, such as acquisition costs, general operating expenses and policy administration expenses.
Suncorp Bank function	Suncorp Bank is focused on lending, deposit gathering and transaction account services to personal, small and medium enterprise, commercial and agribusiness customers.
Basis points (bps)	A 'basis point' is 1/100th of a percentage point.
Cash earnings	Net profit after tax adjusted for the amortisation of acquisition intangible assets, recoverable amount adjustments on intangibles, the profit or loss on divestment and their tax effect.
Cash earnings per share	Basic: cash earnings divided by the weighted average number of ordinary shares (net of treasury shares) outstanding during the period. Diluted: cash earnings adjusted for consequential changes in income or expenses associated with the dilutive potential ordinary shares divided by the weighted average number of diluted shares (net of treasury shares) outstanding during the period.
Cash return on average shareholders' equity	Cash earnings divided by average equity attributable to owners of the Company. Averages are based on monthly balances over the period. The ratio is annualised for half years.
Cash return on average shareholders' equity pre-goodwill	Cash earnings divided by average equity attributable to owners of the Company less goodwill. Averages are based on monthly balances over the period. The ratio is annualised for half years.
Cash return on average shareholders' equity pre-goodwill and intangibles	Cash earnings divided by average equity attributable to owners of the Company less goodwill and intangibles. Intangibles excludes any capitalised costs (software or broker commissions). Averages are based on monthly balances over the period. The ratio is annualised for half years.
Claims Handling Expenses (CHE)	Costs incurred in the investigation, assessment and settlement of a claim, included as part of net incurred claims.
Combined operating ratio	The percentage of net insurance revenue that is used to meet the costs of all claims incurred plus the costs of acquiring, writing and servicing the General Insurance business.
Common Equity Tier 1 (CET1)	Common Equity Tier 1 Capital comprises accounting equity plus adjustments for intangible assets and regulatory reserves.
Common Equity Tier 1 ratio	Common Equity Tier 1 divided by the Prescribed Capital Amount for Life and General Insurance, or total risk-weighted assets for the Bank.
Confidence level	Also referred to as "probability of adequacy", represents the level of certainty that the estimated insurance liabilities, including the risk adjustment, will be adequate to cover future obligations.
Cost-to-income ratio	Operating expenses of the Banking business divided by total income from Banking activities.
Deferred acquisition costs (DAC)	The portion of acquisition costs not yet expensed on the basis that it can be reliably measured and it is probable that it will give rise to premium revenue that will be brought to account in subsequent financial periods.
Deposit-to-loan ratio	Total retail deposits divided by total loans and advances, excluding other receivables.
Diluted shares	Weighted average number of ordinary shares outstanding during the period, adjusted for potential ordinary shares that are dilutive, in accordance with AASB 133 Earnings per Share.

Discount rate	The rate applied to future cash flows within the boundary of an insurance contract to reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts.
Effective tax rate	Income tax expense divided by profit before tax.
Equity reserve for credit losses	The equity reserve for credit losses represents the difference between the collective provision for impairment and the estimate of credit losses across the credit cycle, based on guidance provided by APRA.
Emergency services levies (ESL)	The expense levied on premiums for insurance policies, which is recoverable from insurance companies by the applicable State Government. Emergency services levies were established to cover corresponding emergency services charges.
General insurance businesses	General insurance businesses include Consumer and Commercial & Personal Injury's general insurance business in Australia, and New Zealand's general insurance business. This term is used when describing Suncorp's capital position and statement of financial position which are structured around the Group's legal entity structure, rather than business functions structure.
Gross non-performing loans	Gross impaired assets plus past due loans.
Gross written premium (GWP)	The total premium on insurance underwritten by an insurer during a specified period, before deduction of reinsurance premium.
Illiquidity premium	An adjustment to the risk-free discount rate to reflect the liquidity characteristics of an insurance contract. The illiquidity premium increases the discount rate to reflect that the insurance portfolio is less liquid in nature than the reference portfolio upon which the risk-free rate is calculated.
Impairment losses to gross loans and advances	Impairment losses on loans and advances divided by gross loans and advances. The ratio is annualised for half years.
Insurance funds	Insurance funds explicitly back insurance liabilities. They are designed to match the insurance liabilities and are managed separately from shareholders' funds.
Insurance revenue	The amount charged for insurance coverage when it is earned. This is equivalent to gross earned premium under AASB1023 less bad debts (part of operating expense in AASB1023)
Insurance service expense	Includes incurred claims and benefits excluding investment components, other directly attributable insurance service expenses, amortisation of insurance acquisition cash flows, and changes that relate to past service and future service on insurance contracts.
Insurance Services Result	Comprises insurance revenue, insurance service expenses and reinsurance income and expenses.
Insurance Services Ratio (ISR)	The insurance services result expressed as a percentage of net insurance revenue.
Insurance Trading Result (AASB 1023)	Underwriting result plus investment income on assets backing technical reserves.
Insurance Trading Result (AASB 17)	Insurance services result adjusted for movements in claims liabilities, non-directly attributable expenses and investment income on assets backing technical reserves.
Insurance Trading Ratio (ITR)	The insurance trading result expressed as a percentage of net earned premium.
Liability for incurred claims (LIC)	An obligation to investigate and pay valid claims for insured events that have already occurred. This replaces the outstanding claims liability under AASB1023.
Life risk in-force annual premiums	Total annualised statistical premium for all business in-force at the date (including new business written during the reporting period).
Life risk new business annual premiums	Total annualised statistical premium for policies issued during the reporting period.
Liquidity Coverage Ratio (LCR)	An APRA requirement to maintain a sufficient level of qualifying high-quality liquid assets to meet liquidity needs under an APRA-defined significant stress event lasting for 30 calendar days. Absent a situation of financial stress, the LCR must not be less than 100%. The LCR is calculated as the ratio of qualifying high-quality

	liquid assets relative to net cash outflows in a modelled APRA-defined 30-day stress scenario.
Loan-to-value ratio (LVR)	Ratio of a loan to the value of the asset purchased.
Long-tail	Classes of insurance business involving coverage for risks where notice of a claim may not be received for many years and claims may be outstanding for more than one year before they are finally quantifiable and settled by the insurer.
Loss component	An amount added to the Liability for Remaining Coverage and expensed to profit or loss where a contract or group of contracts is assessed as onerous at initial recognition.
Loss ratio	Net claims incurred expressed as a percentage of net earned premium. Net claims incurred consists of claims paid during the period increased (or decreased) by the increase (decrease) in outstanding claims liabilities.
Main Financial Institution Customer	A Bank customer that transacts every second day and spends $5,000 over a 90-day period.
Maximum Event Retention	This is an estimate of the largest accumulated property loss (from a single event) to which Suncorp will be exposed (taking into account the likelihood of this event is up to one in 200 years), after netting off any potential reinsurance recoveries.
Net incurred claims	The amount of claims incurred during an accounting period after deducting reinsurance recoveries and non-reinsurance recoveries.
Net insurance revenue	Insurance revenue minus reinsurance premium
Net interest margin (NIM)	Net interest income divided by average interest earning assets (net of offset accounts). NIM is the percentage difference between revenue earned on interest bearing assets (loans) minus the cost of interest-bearing liabilities (funding).
Net interest spread	The difference between the average interest rate on average interest earning assets and the average interest rate on average interest-bearing liabilities.
Net profit after tax (NPAT)	Net profit after tax attributable to owners of Suncorp, derived in accordance with Australian Accounting Standards.
Net Stable Funding Ratio (NSFR)	The NSFR measures the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF). The amount of ASF is the amount of capital and liabilities that are expected to be a reliable source of funds over a 1-year time horizon. The amount of RSF is based on the liquidity characteristics and residual maturity of assets and off-balance sheet activities. The requirement to maintain an NSFR of at least 100% was introduced on 1 January 2018.
Net tangible asset backing per share	Total equity less intangible assets divided by ordinary shares at the end of the period, adjusted for treasury shares.
Non-directly attributable expenses	Non-directly attributable expenses (NDAE) are costs that do not relate to the fulfilment of current insurance contracts. The most material component of this value is project expenditure that either relates to prior period contracts where they are remediation based or where the benefits are expected to impact future insurance contracts.
Onerous contract	An insurance contract where the fulfilment cashflows allocated to the contract, and any previously recognised acquisition cash flows and any cashflow arising from the contract at the date of initial recognition in total are a net outflow.
Operating functions	The Suncorp Group comprises four businesses— Consumer Insurance, Commercial & Personal Injury Insurance, Suncorp New Zealand and Suncorp Bank. The operating functions are responsible for product design, manufacturing, claims management, and distribution. The core businesses have end-to-end responsibility for the statutory entities within the Suncorp Group.
Operating expense ratio	Operating expenses (direct and non-direct) expressed as a percentage of net insurance revenue.
Past due loans	Loans outstanding for more than 90 days.
Payout ratio – cash earnings	Ordinary shares (net of treasury shares) at the end of the period, multiplied by the ordinary dividend per share for the period divided by cash earnings.

Payout ratio – net profit after tax	Ordinary shares (net of treasury shares) at the end of the period, multiplied by the ordinary dividend per share for the period divided by profit after tax.
Prescribed capital amount (PCA)	This comprises the sum of the capital charges for asset risk, asset concentration risk, insurance risk, insurance concentration risk, operational risk, combined stress scenario and aggregation benefit as required by APRA.
Profit after tax from functions	The profit after tax for the Consumer Insurance, Commercial and Personal Injury Insurance, Suncorp New Zealand and Suncorp Bank functions.
Reinsurance	A form of insurance for insurance companies where, in exchange for an agreed premium, the reinsurer agrees to pay all, or a share of, certain claims incurred by the insurance company.
Reserve releases	Reserve releases occur when provisions made to cover insurance claims made against underwritten policies are assessed as higher than long-run trends in actual experience.
Return on average shareholders' equity	Net profit after tax divided by average equity attributable to owners of the Company. Averages are based on monthly balances over the period. The ratio is annualised for half years.
Return on average total assets	Net profit after tax divided by average total assets. Averages are based on beginning and end of period balances. The ratio is annualised for half years.
Return on Common Equity Tier 1	Net profit after tax adjusted for dividends paid on capital notes divided by average Common Equity Tier 1 Capital. Average Common Equity Tier 1 Capital is based on the monthly balance of Common Equity Tier 1 Capital over the period. The ratio is annualised for half years.
Risk adjustment	The compensation that an issuer of insurance contracts requires for bearing the uncertainty attached to the amount and timing of the cashflows arising from non-financial risks as it fulfils insurance contracts.
Shareholders' funds	Shareholders' funds are part of the investment portfolio and are managed separately from insurance funds.
Short-tail	Classes of insurance business involving coverage for risks where claims are usually known and settled within 12 months.
Total capital ratio	Total capital divided by the Prescribed Capital Amount for Life and General Insurance, or total risk-weighted assets for the Bank, as defined by APRA.
Total expense ratio – general insurance	Total expenses (commission and operating expenses) expressed as a percentage of net insurance revenue.
Total risk-weighted assets	Bank credit risk-weighted assets, off-balance sheet positions and market risk capital charge and operational risk charge, as defined by APRA.
Transitional excess profit and loss (TEPL)	Includes a profit normalisation mechanism which caps industry and insurer profits in the New South Wales CTP scheme.
Treasury shares	Ordinary shares of Suncorp Group Limited that are acquired by subsidiaries.
Ultimate net loss (UNL) – New Zealand	Financial obligation when an insured event occurs, net of the catastrophe treaty.
Underlying Insurance Services Ratio (UISR)	The insurance services ratio is adjusted for reported prior year reserve releases and natural hazard claims costs above/below expectations, risk adjustment, loss component and any abnormal expenses.
Underlying Insurance Services Result	The insurance services result is adjusted for reported prior year reserve releases and natural hazard claims costs above/below expectations, risk adjustment, loss component and any abnormal expenses.
Underlying Insurance Trading Ratio (Underlying ITR)	The insurance trading ratio is adjusted for reported prior year reserve releases and natural hazards claims costs above/below long-run expectations, investment income mismatch and any abnormal expenses.

Financial Calendar

The financial calendar below may be updated throughout the year. Please refer to suncorpgroup.com.au for up-to-date details. Dividend and distribution dates set out below may be subject to change.

Suncorp considers the payment of ordinary dividends as part of the process of preparing half and full year accounts, taking into consideration the company's capital position, the outlook for the operating environment and guidance from regulators. Suncorp generally pays a dividend on its ordinary shares twice a year following the interim and final results announcements and the proposed dates for the next 12 months are set out below.

Suncorp Group Limited (SUN)

Half year results and interim dividend announcement	**26 February 2024**
Interim ordinary dividend ex-dividend date	29 February 2024
Interim ordinary dividend record date	1 March 2024
Interim ordinary dividend payment date	11 April 2024
Full year results and final dividend announcement	**19 August 2024**
Final ordinary dividend ex-dividend date	22 August 2024
Final ordinary dividend record date	23 August 2024
Final ordinary dividend payment date	10 October 2024
Annual General Meeting	**To be confirmed**

Suncorp Group Limited Capital Notes 2 (SUNPG)

Ex-distribution date	1 March 2024
Distribution payment date	18 March 2024
Ex-distribution date	30 May 2024
Distribution payment date	17 June 2024
Ex-distribution date	2 September 2024
Distribution payment date	17 September 2024
Ex-distribution date	2 December 2024
Distribution payment date	17 December 2024

Suncorp Group Limited Capital Notes 3 (SUNPH)

Ex-distribution date	1 March 2024
Distribution payment date	18 March 2024
Ex-distribution date	30 May 2024
Distribution payment date	17 June 2024
Ex-distribution date	2 September 2024
Distribution payment date	17 September 2024
Ex-distribution date	2 December 2024
Distribution payment date	17 December 2024

Suncorp Group Limited Capital Notes 4 (SUNPI)

Ex-distribution date	1 March 2024
Distribution payment date	18 March 2024
Ex-distribution date	30 May 2024
Distribution payment date	17 June 2024
Ex-distribution date	2 September 2024
Distribution payment date	17 September 2024
Ex-distribution date	2 December 2024
Distribution payment date	17 December 2024

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