SUNCORP GROUP LIMITED AND SUBSIDIARIES
ABN 66 145 290 124

Consolidated interim financial report

For the half-year ended 31 December 2025

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Directors' report

The directors present their report together with the consolidated interim financial statements of Suncorp Group Limited (the Company) and its subsidiaries (the Suncorp Group, Suncorp or the Group) for the half-year ended 31 December 2025 and the auditor's review report thereon.

1. Directors

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

Non-executive

Duncan West (Chairman)	Director since 2021, Chairman since 25 September 2025
Gillian Brown	Director since 2024
Sylvia Falzon, AM	Director since 2018
Elmer Funke Kupper	Director since 2020
Ian Hammond	Director since 2018
Sally Herman, OAM	Director since 2015
Simon Machell	Director since 2017
Lindsay Tanner	Director since 2018
David Whiteing	Director since 2025
Christine McLoughlin, AM	Retired 25 September 2025

Executive

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

2. Dividends

A fully franked 2025 final dividend of $531 million (49 cents per share) was paid on 24 September 2025. A fully franked 2026 interim dividend of $183 million (17 cents per share) has been determined since balance date by the directors.

Further details of dividends on ordinary shares provided for or paid are set out in note 9 to the consolidated interim financial statements.

3. Review of operations

3.1 Overview of the Suncorp

Suncorp delivered a profit after tax attributable to owners of the Company of $263 million for the half-year ended 31 December 2025 (December 2024: $1,100 million).

Profit after tax decreased by 76% from the prior comparative period primarily driven by an elevated level of natural hazard costs and lower investment returns during the half-year.

3.2 Financial position and capital structure

Net assets of the Suncorp Group decreased from $10,627 million at 30 June 2025 to $10,120 million at 31 December 2025. The decrease in net assets of $507 million is primarily driven by the payment of the 2024-25 financial year final dividend and the $168 million share buyback completed during the half-year, offset by the total comprehensive income for the half-year.

Suncorp's capital management strategy seeks to optimise shareholder value by actively managing the level, mix and use of capital resources. The primary objective is to ensure sufficient capital resources are available to maintain and grow the business. The type and quantum of capital required are driven by a range of factors, including Suncorp's external and internal requirements and risk appetite. Suncorp's capital management strategy seeks to maintain common equity tier one (CET1) capital in the top half of the target operating range (1.025x –1.325x Prescribed Capital Amount). A disciplined approach to active capital management is adopted, including returning capital to shareholders in excess of the needs of the business via Suncorp's dividend policy, and on-market buybacks.

At 31 December 2025, Suncorp's Excess Common Equity Tier 1 (CET1) capital to the mid-point of the target operating range is $700 million after adjusting for the 2026 interim ordinary dividend (June 2025: $997 million after adjusting for the 2025 final ordinary dividend).

Suncorp's CET1 capital ratio (post-ordinary dividend) was 1.36 times the Prescribed Capital Amount (June 2025: 1.45 times).

3.3 Review of principal businesses

3.3.1 Consumer Insurance

The Consumer Insurance loss after tax of $59 million (December 2024: profit after tax of $415 million) was primarily due to the elevated natural hazard experience during the half-year. The result was also impacted by lower investment returns, partly offset by the earn through of pricing in response to an increased natural hazards allowance and ongoing claims inflation.

Gross written premium (GWP) of $4,229 million (excluding Emergency Services Levies (ESL)) (December 2024: $3,978 million (excluding ESL)) increased by 6.3% from the prior comparative period, supported by unit growth of 2.0% in the Motor portfolio and 0.4% in the Home portfolio. Motor unit growth was supported by strong quote conversion and improved renewal rates, reflecting pricing relief implemented in the second half of the last financial year. Lower customer shopping activity in the half-year reflected easing of prices, with an increase in marketing expenditure observed across the industry to capture lower demand. The Home portfolio composition continued to improve with growth in low-risk segments driven by pricing relief, enhanced risk selection and ongoing investment in pricing capability. Unit growth was driven by improved renewal rates reflecting easing premium increases. New business volumes were slightly higher with an improved conversion rate offset by lower customer shopping activity.

Net incurred claims of $3,471 million (December 2024: $2,521 million) increased 37.7% from the prior comparative period due to higher natural hazard costs. Working claims inflation pressures persist in both the Home and Motor claims value chain.

3.3.2 Commercial and Personal Injury

The Commercial & Personal Injury portfolio delivered profit after tax of $176 million (December 2024: $216 million), down 18.5% from prior comparative period. The result reflects higher natural hazard costs and lower investment income, partly offset by strong prior year reserve releases.

GWP of $2,203 million (December 2024: $2,150 million) increased 2.5% from prior comparative period, with Personal Injury benefitting from significant pricing increases in key CTP schemes partly offset by a decline in the Worker's Compensation portfolio. Platforms grew 2.5%, driven by growth across Intermediated Packages supported by the connection to an additional broker platform in late FY25 and continued strong growth in Direct Residential Strata. Commercial (Tailored Lines) was up 3.3% driven by continued strong growth in Commercial Motor, along with new business momentum from the launch of Vero Specialty Lines products. CTP was up 5.3% led by 9% growth in Queensland, 2% in New South Wales and South Australia, offset by a 6% decline in Australian Capital Territory. Workers' Compensation was down 6.4% impacted by lower burner premium adjustments.

Net incurred claims of $1,467 million (December 2024: $1,378 million) increased 6.5% from the prior comparative period reflecting natural hazards experience and portfolio growth.

3.3.3 Suncorp New Zealand

Suncorp New Zealand reported a profit after tax of $197 million for the half-year ended 31 December 2025 (December 2024: $225 million). The result was impacted by elevated natural hazards experience, reduced written premium amid a softening commercial market cycle and weak economy, and lower investment income.

GWP decreased by 7.5% to $1,257 million (December 2024: $1,359 million) reflecting challenging market conditions in the intermediated business, with softening prices in Commercial and the exit of a consumer lines brokered book of business. Home GWP was down 2.6% driven by a reduction in units in the intermediated channel with the exit of the brokered book of business, partly offset by pricing increases that have eased in response to the inflationary environment. Unit growth continued in the direct channel. Motor GWP down 3.7% driven by lower average written premiums (AWP) reflecting pricing decreases in response to the benign claims environment and competitive pressures and lower sums insured. Within Motor, unit growth in the direct channel was partly offset by a reduction in units in the intermediated channel with the exit of the brokered book of business. Commercial was down 10.1% impacted by the soft market cycle, increased competition, including from offshore capital, and the impact of the economic environment.

Net incurred claims of $541 million (December 2024: $541 million) remained unchanged from prior comparative period following the October heavy rain and wind event and elevated attritional weather-related claims. Home and Commercial working claims cost decreased, driven by a reduction in large property fire claims. Motor working claims costs were largely flat, with an increase in units offset by stable frequency and lower average claims costs given excess capacity in the repair industry.

4. Events subsequent to reporting date

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

5. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the half-year ended 31 December 2025.

6. Rounding of amounts

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

Signed in accordance with a resolution of the directors.

Duncan West	Steve Johnston
Chairman 18 February 2026	Chief Executive Officer and Managing Director 18 February 2026

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

To the Directors of Suncorp Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Suncorp Group Limited for the half-year ended 31 December 2025 there have been:

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

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

KPMG

David Kells
Partner
Sydney
18 February 2026

Consolidated interim statement of comprehensive income

For the half-year ended 31 December 2025

	Note	Dec 2025 $M	Dec 2024[1] $M
Insurance revenue		7,656	7,509
Insurance service expense		(7,241)	(5,856)
Reinsurance premium expense		(603)	(729)
Reinsurance recoveries		445	75
Insurance service result		257	999
Net investment income	5	326	608
Insurance finance expense	5	(65)	(230)
Reinsurance finance income	5	7	19
Net insurance financial result		525	1,396
Other income		152	173
Other expenses		(125)	(174)
Finance costs		(88)	(85)
Amortisation and depreciation expense		(72)	(82)
Profit before income tax		392	1,228
Income tax expense		(102)	(363)
Profit after tax from continuing operations		290	865
Profit after tax from discontinued operation		-	263
Profit for the period		290	1,128
Profit for the period attributable to:			
Owners of the Company		263	1,100
Non-controlling interests		27	28
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of financial assets of discontinued operation		-	60
Reserves reclassified to profit or loss on disposal of discontinued operation		-	89
Exchange differences on translation of foreign operations		(73)	(9)
Related income tax expense		-	(45)
Total other comprehensive income for the period		(73)	95
Total comprehensive income for the period		217	1,223
Total comprehensive income for the period attributable to:			
Owners of the Company		190	1,195
Non-controlling interests		27	28

Earnings per share		Cents	Cents[2]
Basic earnings per share	8	24.38	101.71
Diluted earnings per share	8	24.38	98.29
Basic earnings per share from continuing operations	8	24.38	77.39
Diluted earnings per share from continuing operations	8	24.38	75.52

1. Information has been presented on a continuing operations basis. Discontinued operation refers to the Suncorp Bank business sold to Australia and New Zealand Banking Group Limited (ANZ). The sale of Suncorp Bank to ANZ was completed on 31 July 2024 and the final completion accounts were agreed in January 2025.
2. Restated to reflect the share consolidation during the 2025 financial year (refer to note 8).

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

Consolidated interim statement of financial position

As at 31 December 2025

	Note	Dec 2025 $M	Jun 2025 $M
Assets			
Cash and cash equivalents		993	1,361
Investments and derivative assets	6.1	20,726	21,048
Reinsurance contract assets	4.1	1,523	1,283
Property, plant and equipment		370	408
Deferred tax assets		296	318
Goodwill and other intangible assets		4,874	4,866
Other assets		743	880
Total assets		29,525	30,164
Liabilities			
Repurchase agreement liabilities		794	874
Payables and other liabilities		1,586	2,219
Insurance contract liabilities	4.1	14,032	12,984
Provisions		685	819
Deferred tax liabilities		27	113
Loan capital	6.2	2,281	2,528
Total liabilities		19,405	19,537
Net assets		10,120	10,627
Equity			
Share capital	7	8,468	8,639
Reserves		(61)	12
Retained profits		1,657	1,925
Total equity attributable to owners of the Company		10,064	10,576
Non-controlling interests		56	51
Total equity		10,120	10,627

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

Consolidated interim statement of changes in equity

For the half-year ended 31 December 2025

		Equity attributable to owners of the Company					
	Note	Share capital $M	Reserves $M	Retained profits $M	Total $M	Non-controlling interests $M	Total equity $M
Balance as at 1 July 2025		8,639	12	1,925	10,576	51	10,627
Profit for the period		-	-	263	263	27	290
Other comprehensive loss for the period		-	(73)	-	(73)	-	(73)
Total comprehensive income (loss) for the period		-	(73)	263	190	27	217
Transactions with owners, recorded directly in equity							
Dividends paid	9	-	-	(531)	(531)	(22)	(553)
On-market buyback	7	(168)	-	-	(168)	-	(168)
Share-based payments	7	(19)	-	-	(19)	-	(19)
Treasury share movements	7	16	-	-	16	-	16
Balance as at 31 December 2025		8,468	(61)	1,657	10,064	56	10,120
Balance as at 1 July 2024		12,469	(11)	1,386	13,844	40	13,884
Profit for the period		-	-	1,100	1,100	28	1,128
Other comprehensive income for the period		-	95	-	95	-	95
Total comprehensive income for the period		-	95	1,100	1,195	28	1,223
Transactions with owners, recorded directly in equity							
Dividends paid	9	-	-	(560)	(560)	(22)	(582)
Share-based payments	7	(18)	-	-	(18)	-	(18)
Treasury share movements	7	17	-	-	17	-	17
Transfers[1]		-	(76)	76	-	-	-
Other movements		-	-	1	1	-	1
Balance as at 31 December 2024		12,468	8	2,003	14,479	46	14,525

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

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

Consolidated interim statement of cash flows

For the half-year ended 31 December 2025

	Dec 2025 $M	Dec 2024[2] $M
Cash flows from (used in) operating activities[1]		
Premiums received	9,312	9,068
Insurance acquisition costs paid	(1,197)	(1,119)
Claims and insurance service expenses paid	(6,130)	(5,688)
Interest received[4]	388	822
Interest paid	(81)	(311)
Reinsurance recoveries received	392	308
Reinsurance premiums paid	(805)	(1,083)
Fees and other operating income received	135	168
Dividends and trust distributions received	28	34
Fees and operating expenses paid	(1,142)	(1,157)
Income tax paid	(539)	(315)
Changes in operating assets and liabilities arising from cash flow movements associated with discontinued operation – Suncorp Bank	-	502
Net cash from operating activities	361	1,229
Cash flows from (used in) investing activities		
Consideration from sale of Suncorp Bank, net of cash and cash equivalents disposed[3]	-	4,934
Net receipts from (payments for) acquisition of investment securities	351	(6,179)
Payments for other investing activities	(50)	(266)
Net cash from (used in) investing activities	301	(1,511)
Cash flows from (used in) financing activities		
Net repayments of borrowings	-	(1,183)
Payments for buyback of ordinary shares	(168)	-
Payment for redemption of loan capital	(250)	-
Proceeds from other financing activities	-	39
Payments for other financing activities	(91)	(62)
Dividends paid	(531)	(560)
Net cash used in financing activities	(1,040)	(1,766)
Net decrease in cash and cash equivalents	(378)	(2,048)
Cash and cash equivalents at the beginning of the period	1,361	3,097
Effect of exchange rate fluctuations on cash held	10	20
Cash and cash equivalents at the end of the period	993	1,069

1. Cash flows from (used in) operating activities are presented gross of taxes and levies collected from customers, paid to suppliers, and remitted to the government.
2. The comparative period is inclusive of cash flows pertaining to discontinued operation – Suncorp Bank.
3. Net of $1,313 million of cash and cash equivalents divested upon the completion of the Suncorp Bank sale.
4. Interest received on investment securities and derivatives has been reclassified from investing to operating activities for the comparative period.

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

Notes to the consolidated interim financial statements

For the half-year ended 31 December 2025

Overview

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

1. Reporting entity

The Company is a public company domiciled in Australia. Its registered office is at Level 23, 80 Ann Street, Brisbane, Qld, 4000. The consolidated interim financial statements for the half-year ended 31 December 2025 comprise the Company and its subsidiaries and were authorised for issue by the Board of Directors (the Board) on 18 February 2026.

2. Basis of preparation

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

The consolidated interim financial statements do not include all of the information required for a full consolidated annual financial report, and should be read in conjunction with the consolidated financial report of the Suncorp Group for the financial year ended 30 June 2025 and any public announcements made by the Suncorp Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules. The consolidated financial report of the Suncorp Group for the financial year ended 30 June 2025 is available upon request from the Company's registered office or at suncorpgroup.com.au/investors/reports.

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

The accounting policies and methods of computation applied in the consolidated interim financial statements are consistent with those applied in the Group's consolidated annual financial report as at and for the financial year ended on 30 June 2025, except as set out in the relevant note disclosures.

Where appropriate, comparative information has been re-presented to conform to changes in presentation in the current half-year.

2.1 Critical accounting estimates and judgements

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

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

- Measurement of insurance and reinsurance contracts (refer to note 4.2)
- Valuation of level 3 financial instruments carried at fair value (refer to note 6.1)
- Provisions and contingent liabilities (refer to note 10)

3. Segment reporting

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

3.1 Operating segments

Following the sale of Suncorp Bank and the New Zealand life insurance business, Asteron Life Limited (Asteron Life), Suncorp comprises the following ongoing operating segments.

Reportable segments	Segment information
Consumer Insurance	– Provision of insurance products to customers in Australia including home and contents, motor and boat.
Commercial & Personal Injury	– Provision of insurance products to customers in Australia including commercial motor, commercial property, marine, industrial special risks, public liability and professional indemnity, Speciality Lines, strata, workers' compensation and compulsory third party.
Suncorp New Zealand	– Provision of general insurance products to customers in New Zealand including home and contents, motor, commercial property, public liability and professional indemnity.
Corporate & Internal Reinsurance	– Investment of the Group's capital, Suncorp business strategy activities (including business combinations, divestments and internal reinsurance) and Suncorp shared services.

The basis of measurement of segment results are the same as those applied by the Group in its consolidated financial report for the financial year ended 30 June 2025.

	Consumer Insurance $M	Commercial & Personal Injury $M	Suncorp New Zealand $M	Corporate & Internal Reinsurance $M	Total $M
Half-year ended 31 December 2025					
External revenue	4,840	2,413	1,298	104	8,655
Inter-segment revenue	-	-	-	20	20
Total segment revenue	4,840	2,413	1,298	124	8,675
Segment profit (loss) before income tax	(86)	252	274	(48)	392
Income tax (expense) benefit	27	(76)	(77)	24	(102)
Segment profit (loss) after income tax	(59)	176	197	(24)	290
Other segment disclosures					
Insurance service result	(184)	174	247	20	257

	Consumer Insurance[1] $M	Commercial & Personal Injury[1] $M	Suncorp New Zealand[2] $M	Corporate & Internal Reinsurance $M	Suncorp Bank[3] (discontinued) $M	Total $M
Half-year ended						
31 December 2024						
External revenue	4,170	2,498	1,585	131	390	8,774
Inter-segment revenue	-	-	-	51	-	51
Gain on sale of Suncorp Bank, net of transaction and separation costs	-	-	-	306	-	306
Total segment revenue	4,170	2,498	1,585	488	390	9,131
Segment profit before income tax	592	307	316	319	25	1,559
Income tax expense	(177)	(91)	(91)	(65)	(7)	(431)
Segment profit after income tax	415	216	225	254	18	1,128
Other segment disclosures						
Insurance service result	452	170	326	51	-	999

1. Comparative figures have been re-presented to reflect the reclassification of the Residential Strata portfolio from the Consumer Insurance to Commercial & Personal Injury segment.
2. Suncorp completed the sale of the New Zealand life insurance business, Asteron Life, on 31 January 2025. Accordingly, the comparative period includes Asteron Life's revenue of $208 million, income tax expense of $17 million, and a net profit after income tax of $60 million.
3. Suncorp Bank was classified as a discontinued operation effective 1 July 2023 until completion of the sale on 31 July 2024. In the comparative period, amounts represent Suncorp Bank's operations for the period 1 July 2024 to 31 July 2024.

3.2 Reconciliation of reportable segment revenue and profit before tax

	Dec 2025	Dec 2024	Dec 2025	Dec 2024
	Revenue[1] $M	$M	Profit before income tax $M	$M
Segment total	8,675	9,131	392	1,559
Attributable to discontinued operation – Suncorp Bank[1]	-	(696)	-	(331)
Inter-segment revenue – Internal reinsurance	(20)	(51)	-	-
Other consolidation adjustments	(15)	-	-	-
Consolidated total from continuing operations	8,640	8,384	392	1,228

1. The comparative period comprises Suncorp Bank's revenue of $390 million for the period 1 July 2024 to 31 July 2024 and a $306 million gain on sale of Suncorp Bank net of transaction and separation costs.

Insurance activities

4. Insurance and reinsurance contracts

4.1 Carrying amounts of insurance and reinsurance contracts

The Group's insurance and reinsurance contracts are not measured individually but are aggregated into portfolios, each comprising contracts that are of similar risks and managed together. Insurance contracts issued and reinsurance contracts held are measured and presented separately in the consolidated interim statement of financial position.

The Group applies the premium allocation approach for all general insurance contracts issued and reinsurance contracts held.

(a) Insurance contract liabilities

	Dec 2025 $M	Jun 2025 $M
Liability for remaining coverage	2,770	2,537
Liability for incurred claims	11,262	10,447
Insurance contract liabilities	**14,032**	**12,984**

(b) Reinsurance contract assets

	Dec 2025 $M	Jun 2025 $M
Asset for remaining coverage	236	79
Asset for incurred claims	1,287	1,204
Reinsurance contract assets	**1,523**	**1,283**

4.2 Insurance contract liabilities and reinsurance contract assets

	Dec 2025				Jun 2025			
	(Liability)/Asset for remaining coverage				(Liability)/Asset for remaining coverage			
	Excluding (loss)/loss-recovery component $M	(Loss)/loss -recovery component $M	(Liability)/ Asset for incurred claims[1] $M	Total $M	Excluding (loss)/loss-recovery component $M	(Loss)/loss -recovery component $M	(Liability)/ Asset for incurred claims[1] $M	Total $M
Insurance contract liabilities	(2,730)	(40)	(11,262)	(14,032)	(2,493)	(44)	(10,447)	(12,984)
Reinsurance contract assets	236	-	1,287	1,523	79	-	1,204	1,283

1. Liability for incurred claims comprises present value of expected future cash flows of $10,474 million (June 2025: $9,731 million) and a risk adjustment of $788 million (June 2025: $716 million).

Asset for incurred claims comprises present value of expected future cash flows of $1,153 million (June 2025: $1,119 million) and a risk adjustment of $134 million (June 2025: $85 million).

Critical estimates, judgements and assumptions

The estimation of the liability for incurred claims (LIC) is based on multiple actuarial techniques that analyse experience, trends and other relevant factors utilising the Group's specific data, relevant industry data and general economic data. Methods undertaken to determine incurred claims liabilities will vary according to the class of business.

The use of multiple actuarial methods assists in providing a greater understanding of the trends inherent in the historical data. The projections obtained from various methods also assist in setting the range of possible outcomes. The most appropriate method or a blend of methods is selected, considering the characteristics of the class of business and the extent of the development of each past accident period.

The Group's estimation of the LIC includes the expected future cost of claims notified to the Group as at reporting date as well as claims incurred but not reported (IBNR), claims incurred but not enough reported (IBNER), gross risk adjustments and other LIC attributable cashflows. Projected payments are discounted to present value and an estimate of direct attributable expenses expected to be incurred in settling these claims is determined.

The Group takes all reasonable steps to ensure that it has appropriate information regarding its LIC, with estimates and judgements continually being evaluated and updated based on historical experience and other factors. However, given the uncertainty in the estimation process, it is likely that the final outcome will prove to be different from the original liability established.

The estimation of claims IBNR and claims IBNER is generally subject to a greater degree of uncertainty with claims often not being adequately reported until many years after the events giving rise to the claims have happened. For this reason, long-tail classes of business will typically display greater variations between initial estimates and final outcomes.

The estimation of the AIC is also calculated using the above methods. The recoverability is assessed on a periodic basis, taking into consideration factors such as counterparty and credit risk and any related impairment is recognised through the reinsurance non-performance risk.

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

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

The Group continues to measure a 75% probability of adequacy for the risk adjustment as at 31 December 2025.

Investment activities

5. Investment result

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

	Dec 2025 $M	Dec 2024 $M
Investment income		
Interest income	352	335
Trust distribution income	28	34
Net (losses) gains on financial assets at FVTPL[1]	(54)	239
Net investment income	326	608
Insurance finance (expense) income		
Discount unwind on claims liabilities	(196)	(215)
Market rate adjustments on claims liabilities	131	(9)
Other movements[2]	-	(6)
Insurance finance expense	(65)	(230)
Reinsurance finance income (expense)		
Discount unwind on claims recoveries	18	21
Market rate adjustments on claims recoveries	(7)	(2)
Foreign exchange movements	(4)	-
Reinsurance finance income	7	19
Investment result	268	397

1. Fair value through profit or loss (FVTPL).
2. Other movements in insurance finance expense pertain to New Zealand life insurance contracts, which were transferred to Resolution Life NOHC, Resolution Life Group's holding company in Australia and New Zealand (Resolution Life), on 31 January 2025 following the completion of the sale of Asteron Life.

6. Fair value of financial instruments

6.1 Financial instruments measured at fair value

The Group's approach to measuring the fair value of financial instruments remain consistent with those which were applied in its consolidated financial report for the financial year ended 30 June 2025.

The following table presents the financial instruments that are measured at fair value categorised by fair value hierarchy.

	Dec 2025				Jun 2025			
	Level 1 $M	Level 2 $M	Level 3[1] $M	Total $M	Level 1 $M	Level 2 $M	Level 3[1] $M	Total $M
Financial assets								
Investment securities:								
Interest-bearing securities[2]	-	18,461	-	18,461	2,044	16,945	-	18,989
Equity securities	954	-	-	954	929	1	-	930
Unit trusts	38	212	912	1,162	38	220	753	1,011
Total investment securities	992	18,673	912	20,577	3,011	17,166	753	20,930
Derivative assets	6	143	-	149	7	111	-	118
Total financial assets	998	18,816	912	20,726	3,018	17,277	753	21,048
Financial liabilities								
Derivative liabilities[3]	4	69	-	73	9	66	-	75
Total financial liabilities	4	69		73	9	66	-	75

1. During the half-year, $160 million additional units of level 3 assets were purchased (December 2024: $2 million) while $30 million (December 2024: $nil) were redeemed. Fair value gain of $29 million (December 2024: $22 million) was recognised through 'Insurance investment income' in the consolidated interim statement of comprehensive income.
2. As at 31 December 2025, $1,864 million of Australian Government bonds were reclassified from level 1 to level 2 of the fair value hierarchy following a reassessment of the pricing inputs used to determine fair value. Fair value is determined using evaluated prices based on observable market inputs such as yield curves, which meet the level 2 criteria under AASB 13 *Fair Value Measurement.*
3. Disclosed within 'Payables and other liabilities' in the consolidated interim statement of financial position.

Critical estimates, judgements and assumptions

The fair value of level 3 financial assets (held via unlisted trusts) is based on the Group's share of reported net asset value advised by the external investment manager. Infrastructure and property related assets held within these trusts are independently valued in accordance with AASB 13 *Fair Value Measurement*.

6.2 Financial instruments not measured at fair value

The following table discloses a comparison of carrying value and fair value of financial instruments that are not measured at fair value after initial recognition, where their carrying value is not a reasonable approximation of fair value.

		Fair value			
	Carrying value $M	Level 1 $M	Level 2 $M	Level 3 $M	Total $M
December 2025					
Financial liabilities					
Loan capital[1]	2,281	1,185	1,175	-	2,360
June 2025					
Financial liabilities					
Loan capital	2,528	1,177	1,412	-	2,589

1. The Group redeemed $250 million of Wholesale Subordinated Notes 2 (WSN2), issued on 1 September 2020, on the first optional redemption date of 1 December 2025. Each note holder received the face value ($10,000 per note) together with all unpaid accrued interest. No gain or loss was recorded on redemption as the WSN2 subordinated notes were carried at amortised cost.

Capital activities

7. Share capital

	Number of ordinary shares	Issued capital $M	Share-based payments $M	Treasury shares $M	Total share capital $M
Balance as at 1 July 2024	1,272,316,092	12,462	45	(38)	12,469
Share-based payments	-	-	(18)	-	(18)
Treasury share movements	-	-	-	17	17
Balance as at 31 December 2024	1,272,316,092	12,462	27	(21)	12,468
Return of capital and share consolidation	(189,348,537)	(3,817)	-	-	(3,817)
Share-based payments	-	-	6	-	6
Treasury share movements	-	-	-	(18)	(18)
Balance as at 30 June 2025	1,082,967,555	8,645	33	(39)	8,639
On-market buyback	(8,484,126)	(168)	-	-	(168)
Share-based payments	-	-	(19)	-	(19)
Treasury share movements	-	-	-	16	16
Balance as at 31 December 2025	1,074,483,429	8,477	14	(23)	8,468

Dividend Reinvestment Plan

All eligible shareholders can elect to participate in the Dividend Reinvestment Plan (DRP) to reinvest all or part of their dividends, with no brokerage or transaction costs.

During the current period, the DRP has been satisfied by acquiring existing shares on market (June 2025: the DRP for the 2025 interim dividend was suspended and the 2024 final dividend was satisfied by acquiring existing shares on market).

On-market buyback

On 14 August 2025, the Group announced an on-market share buyback of up to $400 million, commencing in September 2025 and continuing through to the end of FY26.

As at 31 December 2025, $168 million of the share buyback was completed. The shares bought back were subsequently cancelled.

8. Earnings per share

	Dec 2025 $M	Dec 2024 $M
Profit attributable to ordinary equity holders of the Company:		
Continuing operations	263	837
Discontinued operation - Suncorp Bank	-	263
Profit attributable to ordinary equity holders of the Company (basic)	263	1,100
Interest expense on convertible capital and subordinated notes[2]	32	35
Profit attributable to ordinary equity holders of the Company (diluted)	295	1,135

	Dec 2025 No. of shares	Dec 2024 No. of shares
Weighted average number of ordinary shares (basic)[1]	1,078,758,437	1,081,512,626
Effect of conversion of convertible capital and subordinated notes[2]	82,087,460	73,565,388
Weighted average number of ordinary shares (diluted)	1,160,845,897	1,155,078,014

1. The weighted average number of ordinary shares outstanding have been retrospectively adjusted, effective 1 July 2023, for the pro-rata share consolidation of ordinary shares during the 2025 financial year.

2. Capital notes and the $250 million SGL Wholesale Subordinated Notes 4 (WSN4) 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*.

9. Dividends

	Dec 2025		Dec 2024	
	Cents per share	$M	Cents per share	$M
Dividend payments on ordinary shares				
2025 final dividend (December 2024: 2024 final dividend)[1]	49	531	44	560
Total dividends on ordinary shares paid to owners of the Company	49	531	44	560
Dividends not recognised in the consolidated interim statement of financial position[2]				
Dividends determined since balance date:				
2026 interim dividend (December 2024: 2025 interim dividend)	17	183	41	522
2026 special dividend (December 2024: 2025 special dividend)[3]	-	-	22	280
	17	183	63	802

1. Dividends cents per share are presented on the basis on which they were reported, calculated using the number of shares on issue on the record date. The 2024 final dividend is based on the pre-consolidated share count and has not been restated to reflect the share consolidation in February 2025.

2. The 2026 interim dividend on ordinary shares determined is not recognised in the consolidated interim statement of financial position. The actual amount recognised will exclude dividends paid on treasury shares, which are eliminated on consolidation. Dividend cents per share is calculated based on the expected number of ordinary shares on issue as at record date.

3. The 2025 special dividend was part of the distribution of net proceeds from the sale of Suncorp Bank paid, accompanied by a capital return and pro-rata share consolidation.

Other disclosures

10. Provisions and contingent liabilities

10.1 Provisions

Critical estimates, judgements and assumptions

Provisions are recognised for present obligations arising from past events where a payment (or other economic transfer) is probable to be necessary to settle the obligation and can be reliably estimated.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

As at 31 December 2025, provisions are recognised for the following:

- **Employee benefits:** annual leave, long service leave and other employee benefits determined based on expected payments.
- **Divestments and restructuring:** estimated costs of operational and technical separation, including provision for warranties and indemnities, associated with the sale of Suncorp Bank, Asteron Life and redundancy costs.
- **Compliance and remediation**: including costs estimates for:
  - anticipated remediation for insurance customers relating to premium and claims adjustments; and
  - matters arising from regulatory and supervisory reviews disclosed in note 10.2 where the potential impact can be reliably measured.

10.2 Contingent liabilities

Critical estimates, judgements and assumptions

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

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

Regulatory and internal reviews

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

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

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

Customer remediation and complaints

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

The Australian Financial Complaints Authority (AFCA) has the power to award compensation within financial limits prescribed by its rules for complaints raised by customers, and to investigate and require action to be taken on matters AFCA considers may be 'systemic'. The Group is working through individual cases of potential self identified systemic issues, as well as systemic matters opened by AFCA.

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

Litigation

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

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

Sale of businesses

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

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

As part of the sale of Capital S.M.A.R.T and ACM Parts during the financial year ended 30 June 2020, the Group provided warranties in the respective Share Sale and Purchase Agreements entered into with AMA Group Limited (AMA). As at 31 December 2025, all warranties except for the tax warranty have expired. The period to commence tax warranty claims expires in October 2026, with potential outflows remaining uncertain.

As part of the sale of the wealth business under Suncorp Portfolio Services Limited (SPSL) to LGIAsuper during the financial year ended 30 June 2022, Suncorp Life Holdings Limited provided warranties and indemnities to LGIA Trustee, as trustee of LGIAsuper. As at 31 December 2025, all warranties except for the tax warranty have expired. The period to commence tax warranty claims expires March 2026, with potential outflows remaining uncertain.

As part of the sale of Suncorp's 50% stake in RACT Insurance to Royal Automobile Club of Tasmania during the financial year ended 30 June 2022, the Group provided certain warranties relating to title and capacity and a tax indemnity as part of the Share Purchase Agreement. As at 31 December 2025, all warranties and the tax indemnity have expired.

An assessment of the likely cost to the Group resulting from the above warranties and indemnities has been made but cannot always be reliably estimated. To the extent that the potential impact can be reliably estimated, the amount has been provisioned, noting the Group has exercised judgement in the estimation and actual outflows remain uncertain and may differ from the amounts provided.

Other

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

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

11. Subsequent events

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

Directors' declaration

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

1. The consolidated interim financial statements and notes set out on pages 6 to 22, are in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the Suncorp Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Duncan West	Steve Johnston
Chairman 18 February 2026	Chief Executive Officer and Managing Director 18 February 2026

Independent Auditor's Review Report

To the shareholders of Suncorp Group Limited

Report on the Interim Financial Report

Conclusion

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

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

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

- Consolidated interim statement of financial position as at 31 December 2025
- Consolidated interim statement of comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the half-year ended on that date
- Notes 1 to 11 including selected explanatory notes
- The Directors' Declaration.

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

Basis for Conclusion

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

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

Responsibilities of the Directors for the Consolidated Interim Financial Report

The Directors of the Company are responsible for:

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

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

Our responsibility is to express a conclusion on the Consolidated Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Consolidated Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Half-Year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

David Kells

Partner

Sydney

18 February 2026