

FY25 Results



for year ended 30 June 2025

Simpler, more resilient business delivering value for customers and shareholders

Results overview

“Suncorp’s FY25 performance demonstrates the strength and resilience of our business built over the past five years, and our ongoing commitment to creating value for our customers, communities and shareholders.

Following the disciplined execution of our strategic and operational priorities, including the successful completion of our simplification journey with the sale of Suncorp Bank and New Zealand Life, Suncorp’s full focus as a pure-play general insurer is on improving the insurance products and services we offer our customers across Australia and New Zealand.

Our strong set of results delivered this year included the one-off profits on the sale of Suncorp Bank and New Zealand Life, significantly higher investment returns and weather costs across Australia and New Zealand that were favourable to allowance by more than \$200 million. Suncorp, however, dealt with 17 declared weather events and more than 120,000 natural hazard claims this year.

We recognise the cost pressures businesses and households across Australia and New Zealand continue to experience, including the impact of premium increases in recent years. Pleasingly, the increases in customer premiums continue to moderate as supply chain inflation eases and reinsurance markets stabilise.

It’s encouraging to see our advocacy through our four-point plan for a more resilient Australia and New Zealand is having an impact. We believe increased investment in new mitigation projects, incentives for customers who invest in their own resilience initiatives, improved planning laws and lower taxes on insurance products are key to protecting people and addressing insurance affordability and accessibility.

Given the important role insurance plays in our economy, taxing insurance products adds to cost of living pressures and should be front and centre of the current productivity discussions. Suncorp’s advocacy agenda is also expanding to include issues inside the home such as sub-standard flexi piping and lithium-ion batteries which have the potential to impact home insurance premiums in future years.

Suncorp’s strategic focus as a pure-play general insurer is centred on tackling the challenges of insurance affordability and accessibility and growing our business by advancing our work to modernise, innovate and improve customer outcomes with seamless digital experiences and more personalised product offerings. Importantly, we are able to make these investments without compromising margins or shareholder returns.

Our disciplined approach to capital management and robust capital position has enabled us to announce an on-market buy-back of up to \$400 million, commencing in September 2025 and continuing through to the end of FY26.”

Steve Johnston – CEO

Profit after tax

\$1,823m **\$1,486m**

NPAT Cash earnings

FY24: \$1,197m FY24: \$1,372m

Net profit after tax (NPAT) included \$252 million from the one-off gain on sale of Suncorp Bank and \$99 million for New Zealand Life. The result also benefitted from favourable natural hazard experience (\$205 million below the allowance) and positive net investment income of \$766ⁱ million.

Gross written premium

\$15,009m

FY24: \$14,121m

Topline growth reflected the pricing response to claims inflation and a higher natural hazards allowance. Growth slowed in the second half as inflationary pressures eased, and competitive activity increased in some portfolios.

Dividends and buy-back

49 cps **\$400m**

Final dividend Buy-back

Fully franked ordinary dividends for FY25 of 90 cents per shareⁱⁱ. The payout ratio represents 70.8% of cash earnings. The final dividend will be paid on 24 September 2025.

A capital return of \$3.00 and a special dividend of 22 cents per share respectively were paid in March 2025, returning proceeds from the sale of Suncorp Bank.

Suncorp intends to undertake an on-market share buy-back of its ordinary shares of up to \$400 million during FY26, commencing in September 2025.

Underlying ITR

11.9%

FY24: 11.1%

The underlying insurance trading ratio (UITR) increased to 11.9%, in line with guidance. The improvement was primarily from the earn-through of price increases in response to higher input costs. The improvement was slightly offset by a lower underlying investment yield.

Net investment returns

\$766m

FY24: \$661m

The improvement in net investment income was largely driven by positive mark-to-market movements as risk-free rates reduced towards the end of the period. Underlying yields decreased slightly to 4.8%, primarily driven by a reduction in the carry from inflation-linked bonds as inflation returned to more normal levels.

Net incurred claims

\$9,251m

FY24: \$8,520m

Increase of 8.6%ⁱⁱⁱ primarily driven by working claims inflation and natural hazards experience, partially offset by the non-recurrence of prior year reserve strains.

Working claims inflation began to moderate in some portfolios, most notably New Zealand and Motor, as repair capacity improved. Home working claims were impacted by elevated losses caused by fire and water.

GI operating expenses

\$1,751m

FY24: \$1,635m^{iv}

Increased investment in growing the business drove the increase in General Insurance (GI) operating expenses. Grow the business expenses include investment in the strategic imperatives of platform modernisation and operational transformation initiatives.

The General Insurance total expense ratio fell from 19.6% to 18.6%, in line with guidance, as a result of disciplined cost management and stronger revenue growth.

Natural hazards

\$1,355m

FY24: \$1,235m

Natural hazards costs were \$205 million below the allowance for FY25. Suncorp responded to 17 large weather events and managed more than 120,000 natural hazard claims, including those in the Cyclone Reinsurance Pool.

Following a detailed strategic review, Suncorp successfully placed its FY26 reinsurance program, with reduced costs for similar cover.

The natural hazard allowance for FY26 has increased to \$1,770 million, reflecting unit growth and inflation, as well as further resilience built into the allowance.

Capital

\$997m

CET1 above mid-point of target range

Dec 24: \$781m (pro forma)

Suncorp's capital settings remain strong, with Common Equity Tier 1 (CET1) \$997 million above the midpoint of the target range.

The pro forma CET1 reduces to \$597 million when taking into account the announced \$400 million buy-back.

Suncorp continues to be disciplined in managing capital and remains committed to returning excess capital to shareholders.

FY26 outlook

Growth: Gross Written Premium (GWP) growth expected to be in the mid-single digits as pricing moderates in line with easing inflationary pressures in some portfolios.

Underlying ITR: Expected to be in the top half of the 10% to 12% range supported by the continued earn-through of higher premium rates from prior periods and improved reinsurance market conditions. Offsetting this is an increase in the natural hazard allowance sufficiency to improve margin resilience.

Prior year reserves: Releases in Compulsory Third Party (CTP) are expected to be around 0.3% of Group net insurance revenue.

Operating expenses: Ratio expected to broadly be in line with FY25 with an increasing proportion allocated to growing the business.

Strategic targets: Delivering a growing business with a sustainable return on equity expected to be above the through-the-cycle cost of equity.

Capital management: Disciplined approach to active capital management, with a payout ratio at the mid-point of the 60% - 80% range of cash earnings weighted to the second half of the financial year. An on-market share buy-back of up to \$400 million will be in place from September 2025 through to the end of FY26. Suncorp remains committed to returning capital in excess of the needs of the business to shareholders.

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Divisional results

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Consumer Insurance

Net profit after tax

\$686m (FY24: \$424m)

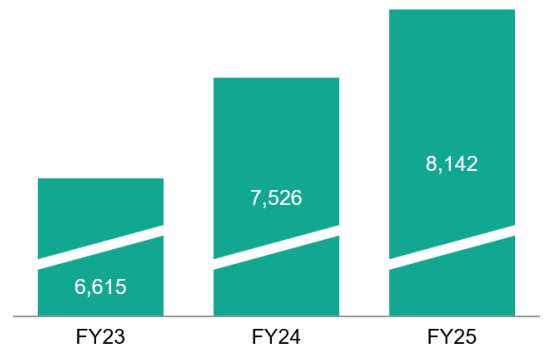
The result was driven by natural hazard experience being favourable to allowance, positive investment returns and the earn-through of pricing adjustments in response to inflation. The UITR improved from 8.1% to 9.6%.

GWP increased 8.2%, driven by Average Written Premium (AWP) growth in both the Home and Motor portfolios. Unit growth in Motor was 0.3%, while Home unit growth was broadly flat.

Net incurred claims increased 9.2% to \$5,410 million, reflecting ongoing working claims inflation, partly offset by lower prior year strains.

Gross written premium

\$8,142m



Commercial & Personal Injury Insurance

Net profit after tax

\$422m (FY24: \$381m)

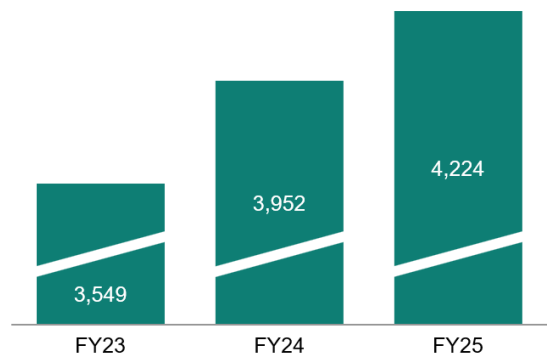
The result reflects the earn-through of pricing adjustments, favourable prior year reserve movements, and positive investment returns. The UITR reduced from 14.5% to 10.3%, due to higher loss ratios in the CTP portfolio and a reduction in Suncorp's reserve release assumption to 0.4% of net insurance revenue, and lower underlying investment income.

GWP of \$4,224 million increased 6.9%, reflecting growth across all portfolios. Growth was particularly strong in the Platforms portfolio, supported by new business in Commercial Motor.

Net incurred claims of \$2,720 million increased 11.9%. The increase was largely driven by portfolio growth and higher loss ratios in the Personal Injury portfolio.

Gross written premium

\$4,224m



Suncorp New Zealand

Net profit after tax (General Insurance)

NZ\$398m (FY24: NZ\$211m)

General Insurance profit after tax was supported by the premium earn-through from prior year pricing increases, lower reinsurance costs and a moderation in working claims.

The UITR increased to 19.4% for the year but decreased in the second half.

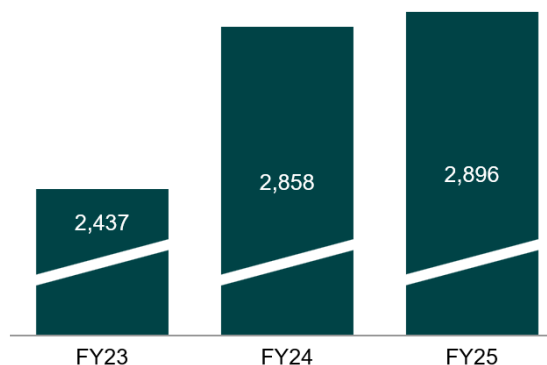
GWP increased 1.3%, with growth in the Consumer portfolio driven by AWP increases and moderate unit growth, while the Commercial portfolio contracted, amid soft market conditions and competitive pressures.

Net incurred claims of NZ\$1,228 million were flat, with a moderation in claims volumes and inflationary pressures, and natural hazard experience below allowance.

Life Insurance profit after tax of NZ\$21 million represented profit for the seven months up to the completion of the sale on 31 January 2025.

Gross written premium

NZ\$2,896m



Delivering for customers

\$9.8 billion

Claims paid (up from \$9.7 billion in FY24)

NPS +9.1

Net Promoter Score (up from +7.4 in FY24)^v

Faster claims handling

Average customer life of a home claim reduced by 9 days
Average customer life of a motor claim reduced by 13 days

78% of sales made online

For mass brands (up from 75% in FY24)^{vi}

Improving customer experience

New Policy Administration System (AAI New Zealand)

Enables faster, simpler, and more digital policy quoting and issuance.

Home claims call scheduler

A new online tool allowing customers with a Natural Hazard claim to schedule calls with their claim manager, reducing missed calls and follow-ups.

Vero Specialty Lines

A new suite of niche products supporting brokers and customers with complex risk needs.

Interactive Haven tool

A digital tool using property, location, weather, and natural peril risk data, to allow Australian homeowners to better understand their home's extreme weather risks.

Leading in extreme weather response

Mobile Disaster Response Hubs

Five new hubs to support customers in disaster-affected communities.

Disaster Management Centre

A state-of-the-art national centre opened to coordinate response efforts.

Investment in resilience

\$3 million invested in technology, research, and training to help communities prepare for extreme weather.

Townsville Regional Hub

Greater insights and communication with local customers and stakeholders during severe weather events.

Delivering with Artificial Intelligence

Conversational AI

2.8 million digital customer interactions handled automatically by Conversational AI (up 22% on FY24).

GenAI claims summary

2.0 million + claims summaries produced through the "Single View of Claims" platform.

GenAI Customer Service support

14,350+ hours saved (since October 2024) by "Smart Knowledge" equipping frontline teams with succinct and accurate information to support customers.

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 net of discount unwind and rate adjustments on claims liabilities.

ⁱⁱ Dividends 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 FY25 interim ordinary dividend of 41 cents per share reflects the share count prior to the consolidation associated with the Bank capital return and has not been restated. The FY25 final ordinary dividend of 49 cents per share is calculated using the post-consolidation share count.

ⁱⁱⁱ All changes refer to the prior corresponding period unless otherwise stated.

^{iv} Excludes emergency services levies, transitional excess profits and losses (TEPL) provision, commission and restructuring expenses.

^v RFI Global – Atlas. NPS is tracked and reported internally on a monthly basis, using a six-month rolling average. Performance is measured as at June each financial year amongst an aggregate of Suncorp Group Australian consumer insurance customers.

^{vi} Home, Motor and CTP products for mass brands.

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