

8 January 2018

Natural Hazard Update

Suncorp Group Limited (Suncorp) today provided an update on the financial impact of natural hazard events, including the recent hailstorm in Melbourne, for the six months to 31 December 2017.

Following the hailstorm in Melbourne on 19 December 2017, Suncorp currently expects to receive more than 21,000 claims across its insurance brands including AAMI, GIO, Suncorp, Apia, Shannons and Bingle. The majority of the claims relate to home and motor vehicle damage. The financial impact of the event is expected to be in a range of \$160-170 million¹.

Suncorp's total natural hazard claim costs (encompassing both Australia and New Zealand) for the six months to 31 December 2017 is currently estimated to be in the range \$406-416 million¹ which is \$60-70 million above the allowance for the half.

The current estimates for major natural hazard events for the six months to 31 December 2017¹ are shown in the table below.

Date	Event	Net costs ¹ \$m
Oct 2017	Toowoomba /Newcastle Hail	37
Nov 2017	Lismore /Bundaberg Hail	27
Dec 2017	Grafton Hail	15
Dec 2017	Southern Flooding	20
Dec 2017	Victoria Hail	160-170
Total events over \$10 million		259-269
Other natural hazards attritional claims		130
New Zealand total natural hazards		17
Total natural hazards		406-416
Less: 1H18 allowance for natural hazards		(346)
Natural hazard costs above 1H18 allowance		60-70

Suncorp remains well protected against further natural hazard events. In addition to the main catastrophe program, Suncorp has Natural Hazard Aggregate Protection in place for the 2018 financial year. This provides \$300 million of cover once the retained portion of natural hazard events greater than \$10 million exceeds a total of \$475 million. At 31 December 2017, it is expected that between \$259 million and \$269 million of the deductible has been eroded. The 2H18 allowance for natural hazards is \$346 million.

Suncorp CEO & Managing Director Michael Cameron said that responding to customers is always the key priority.

“Following the recent storm in Melbourne we quickly established a hail assessment centre in Melbourne’s east. This facility is assessing as many as 600 cars per day,” Mr Cameron said.

“The centre is designed to quickly triage and assess all hail affected vehicles, so we can make the repair process as seamless and efficient as possible for our customers.

¹ Subject to final actuarial and audit review

“We are focused on ensuring the safety of our customers and their families, as well as processing all claims as soon as possible to give customers peace of mind during the holiday season.”

Suncorp’s detailed financial results for the six months to 31 December 2017 will be released to the market on Thursday 15 February 2018.

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About Suncorp (ASX: SUN)

Suncorp is a trusted provider of insurance, banking, wealth and other financial solutions across Australia and New Zealand with the stated purpose of creating a better today for its customers, shareholders, employees and communities. The Company maintains prominent market positions as one of the leading general insurers in Australia and New Zealand and the largest regional bank in Australia. The Company currently provides products and services to approximately nine million customers across its network of wholly owned brands and increasingly an ecosystem of partners. Suncorp is committed to helping customers take positive actions to improve their financial wellbeing, with a vision to be the destination for moments that matter. Suncorp’s activities are focused around four key priorities: elevate the customer and make them central to everything we do; migrate the business to a digital market place platform, leveraging technology to meet the changing needs of our customers; inspiring our people by creating a resilient sustainable business platform; and by meeting these priorities drive momentum and growth across the organisation. Suncorp is a top 20 ASX-listed company with a market capitalisation of approximately A\$19bn and A\$97 billion in group assets at 30 June 2017.