



ASX Announcement

30 May 2011

Suncorp Group Investor Day

At 10.15am today, Suncorp will provide an Investor update. Please find attached the presentation that will be made by Suncorp executives.

The presentation will be webcast at www.suncorpgroup.com.au.

Ends



Suncorp Group Investor Day

Patrick Snowball, Group Chief Executive Officer
30 May 2010



Suncorp Group Investor Day

Agenda

10.15	Patrick Snowball, Group CEO
10.20	Mark Milliner, Personal Insurance CEO
10.40	Anthony Day, Commercial Insurance CEO
11.00	Gary Dransfield, Vero NZ CEO
11.10	Morning tea and demonstration booths
11.40	Geoff Summerhayes, Suncorp Life CEO
12.00	David Foster, Suncorp Bank CEO
12.20	John Nesbitt, Group CFO
12.40	Q&A session and conclusion
1.15	Lunch



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Suncorp's journey

One company. Many brands

Stabilise the business	<ul style="list-style-type: none"> • Strengthen the balance sheet • Appoint an executive team • Simplification / divestments • Implement new business model • Develop Group strategy
Plan for growth	<ul style="list-style-type: none"> • Identify and capitalise on key differentiators • Clear targets for the Group and businesses • Public commitments
Execution and delivery	<ul style="list-style-type: none"> • Relentless execution of plans • Continued focus on simplification • Demonstrate progress against commitments

Achievements	despite	Headwinds
<ul style="list-style-type: none"> • Building blocks program is on track • Working together as <i>One Team</i> • Business continues to be simplified • Strategy is being executed • Balance sheet is strong 		<ul style="list-style-type: none"> • Multi-speed economy • Slowing credit growth • Large number of weather events • Additional reinsurance costs



Suncorp Group commitments

General Insurer	Regional Bank	Niche Life Insurer	
<ul style="list-style-type: none"> • At least 3% increase in underlying GI margin by FY12 • \$235m benefit from the building blocks program • One functionally aligned, customer focused PI team, delivering portfolio growth & scale in pricing and claims • CI targeting market share growth of 3% over the next 3 years • Double Group's scale and profit footprint in NZ over the next 3 years 	<ul style="list-style-type: none"> • 1 to 1.3 times system housing lending growth by Dec 2010 • Sustained RoE >15% in Core Bank • By 2013: <ul style="list-style-type: none"> • Over 1 million customers • Increase main bank customers by 50% • Treble customers & double branches in WA & NSW • Cost to income ratio in the mid-40's 	<ul style="list-style-type: none"> • 3 year focus: <ul style="list-style-type: none"> • Double new business volume • Double digit in-force premium growth, with focus on retention • Reduce acquisition expenses as % of new business premium • Reduce expenses as % of in-force premium • Improve disability claims experience 	
Personal Insurance	Commercial Insurance	Vero NZ	
Capital	Costs	Customer	Culture
Agile capital flows	Scale to manage key processes; shared services; and lower unit costs	A single platform and view of our 9 million customers	A unified Group with improved leadership and employee engagement



Suncorp Group Investor Day Personal Insurance

Mark Milliner, Personal Insurance CEO

30 May 2011



Focussed execution of our strategy

Confidently responding to events & delivering strategy to improve ITR

One Team Many Brands

- Operating as one team, on a single set of terms and conditions, functionally aligned to one strategy
- Taking a coordinated portfolio approach to events and operations
- Selectively growing our portfolio of brands

One Pricing Approach

- Leveraging our sophisticated pricing capabilities and single pricing engine

One Claims Model

- Leveraging our scale to drive industry leading cost control and service

Margin

Contributing to an improvement of at least 3%
in the underlying margin across GI between FY10 to FY12



One team managing our business

...and a portfolio of well known and trusted brands

**One Team
Many
Brands**

**One Pricing
Approach**

**One Claims
Model**

Completed

- Moved from a brand aligned structure to a functional structure, managing brands as a portfolio
- Successfully responded as one team to extraordinary events
- Moved from multiple terms and conditions, to one set of terms and conditions across all teams
- Aligned our one team around a single strategy which preserves the core elements of each brand
- Strengthened key brands
- Commenced aligning cultures

Impact

One team approach delivering:

- Full control of the end to end value chain
- Healthy staff engagement
- Reduced turnover

Portfolio of brands delivering:

- Strong linkages to customers
- High levels of advocacy across our brands
- Ability to compete effectively against large competitors and new entrants

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One pricing approach driving profitability

Sophisticated pricing capabilities across all brands improving yield

**One Team
Many
Brands**

**One Pricing
Approach**

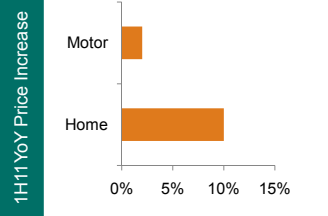
**One Claims
Model**

Completed

- Moved to one centralised pricing team
- Merged two pricing philosophies to one
- Moved to one pricing engine across our scale brands embedding:
 - Individual Customer Rating
 - Peril Based Rating
- Applied price increases to account for recent weather events

Impact

- Ability to compete effectively
- Reduced churn
- Improved margins



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One claims model improving service and efficiency

Scale drives industry leading cost control and service

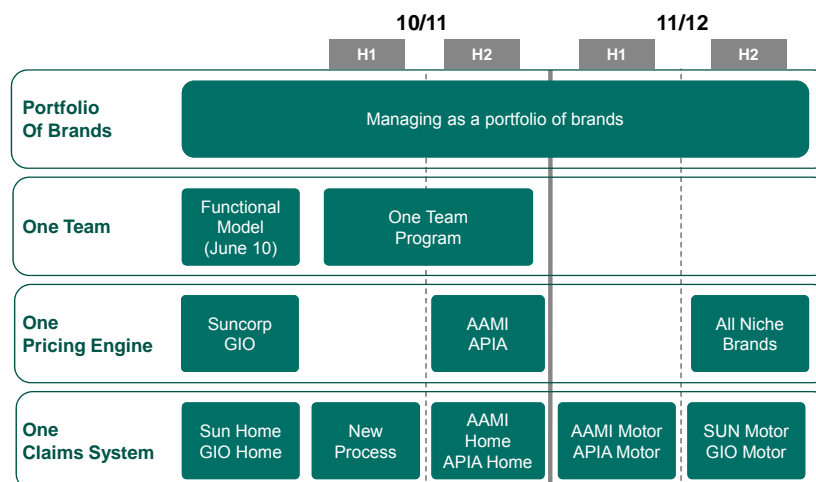


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Our focused execution of strategy has...

Last year we committed to the following program of work

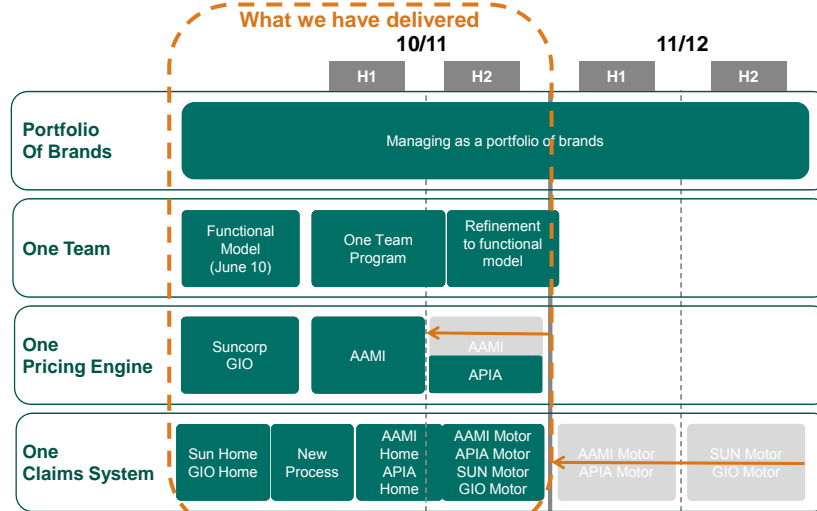


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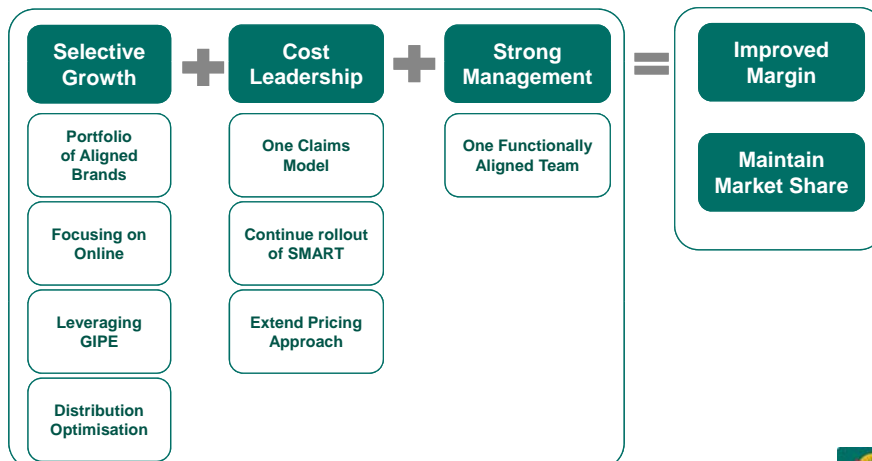
...delivered ahead of time and on budget

Contributing to at least 3% improvement in underlying GI margin



Foundation set to maximise profitable growth

Strategy provides competitive advantage and foundation for growth



Suncorp Group Investor Day Commercial Insurance

Anthony Day, Commercial Insurance CEO

30 May 2011



Building momentum to deliver on strategic goals

Our foundation year centred on three tenets

Growth

Cost

Margin

OUR FOCUS AREAS

- SME segment growth
- B2B Technology
- Market leading claims
- Scale benefits
- Functional structure reducing duplication
- Improved pricing and risk selection



Growth

Significant progress in establishing a platform for growth

What we've done

- B2B technology has been a key focus for growth
 - Launched SME Direct Online
 - Launched broker online platforms
 - Enhanced Claims Online
- Established Mid-Market Underwriting Rooms
- Improved claims experience and proven event management

The impact

- Leading the trend in distribution channels
- Built capabilities to access and own the SME segment

What we'll do next

- Continue to invest in B2B technology
- Realise benefits of our platform investment and continue to use our multi-brand strategy to maximise growth in target segments – particularly SME

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Cost and margin

Driving scale, structure and technical expertise

What we've done

- Cost and efficiency
 - Implemented a single claims platform for CTP and Workers Compensation
 - Embedded functional structure
 - 'One Team' agreement and culture
- Margin
 - Implemented one pricing engine for SME / Commercial Motor
 - Leveraged Group scale

The impact

- Improved efficiency through simplified processes, including speed and flexibility of pricing changes
- Improved margins
- Improved customer and broker claims experience

What we'll do next

- Continue to focus on cost and efficiency
- Drive value from functional structure

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Ongoing focus on executing CI's strategy

Emphasis on balancing growth and risk while improving efficiency

LEVERAGING THE BENEFITS

This year was CI's "foundation" year, with investments spanning:

- Distribution and B2B Technology
- Pricing
- Claims
- One Team
- Leveraging scale

Our focus is now on extracting benefits from our investments

OUR ACTIONS WILL DELIVER

- Market share growth of around 3%
- Contributing to at least 3% improvement in underlying margin across GI by 2011/12

Growth

Cost

Margin

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Suncorp Group Investor Day Vero New Zealand

Gary Dransfield, Vero New Zealand CEO

30 May 2011



New Zealand Update

About myself

- 25 years financial services experience
- 15 yrs in general insurance with regular exposure to catastrophe management and disaster recovery
- Deep experience in building brands and channels

The Vero New Zealand team

- Well regarded by all distribution channel partners
- Proud Kiwi business culture based on core values that are lived by our people
- Rigorous in seeking to lead the SME, commercial and corporate segments on pricing and underwriting discipline
- Well engaged with key stakeholders on industry issues

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Strong market position

Second largest NZ General Insurer with market share of 24%

INTERMEDIATED



- 20% Share of Total Market
- Number 1 or 2 in the majority of classes
- Leader in broker channels

DIRECT



- 4% Share of Total Market
- 3rd largest direct player
- Strong growth in motor insurance

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Christchurch earthquake update

Direct consequences

- Cost for Suncorp, net of reinsurance recoveries, is around NZ\$120 million.
- Challenging environment to determine gross costs given ongoing aftershocks, local government, local Government regulations and the impact of the EQC
 - September ≈A\$500m
 - February ≈A\$1.6bn
- Total industry losses exceed total annual general insurance premium pool
- Significant reinstatement premiums have also been incurred including a further buydown to reduce exposure to a further NZ event to NZ\$20m

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Christchurch earthquake update

Longer term implications

- Solid rate increases within a constrained risk profile
- Structure of NZ insurance industry under question
- Strong brand reputations of AA Insurance and Vero are an asset
- ACC privatisation appears uncertain

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Suncorp Group Investor Day Suncorp Life

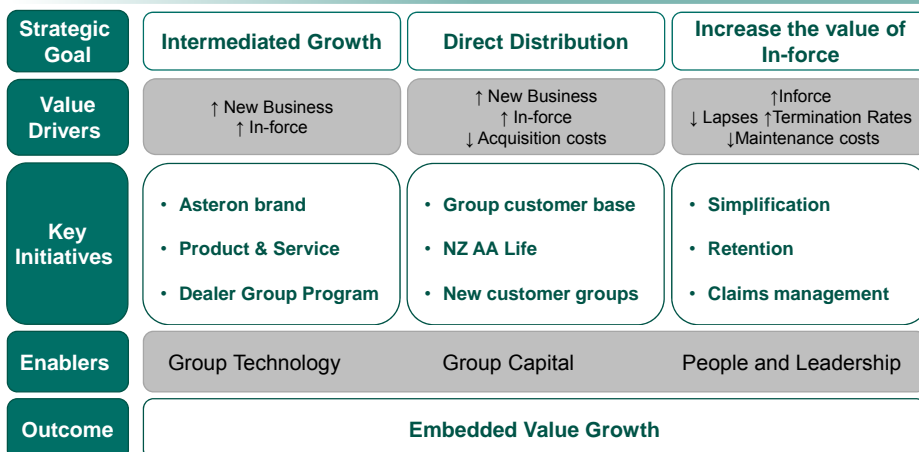
Geoff Summerhayes, Suncorp Life CEO

30 May 2011



Clear goals linked to drivers of Embedded Value

Life has a clear & executable strategy in a market with forecast double digit growth



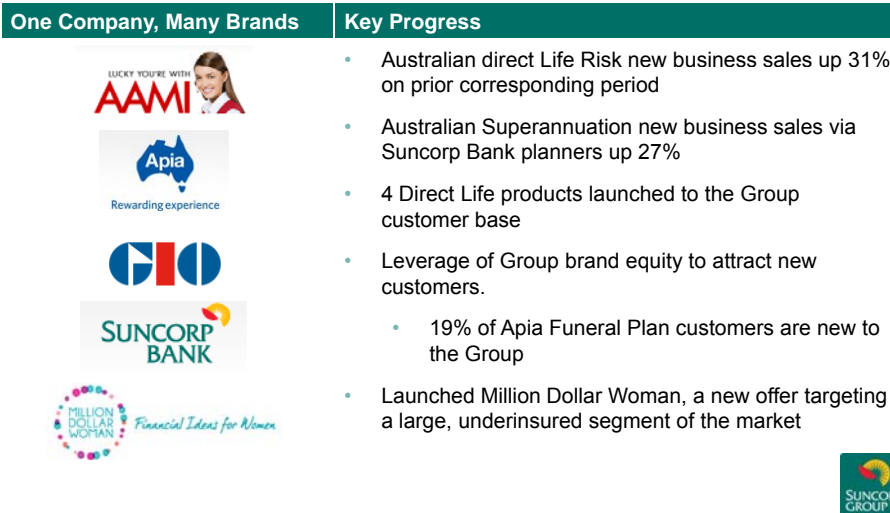
Strong IFA growth and momentum

Achieved strong new business growth & success in winning dealer group tenders



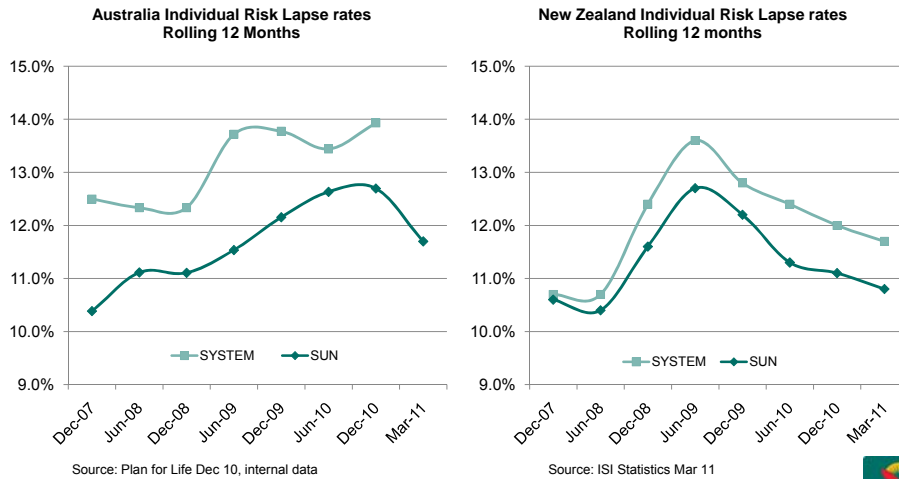
Direct growth through Group customer base

Achieved considerable growth from Group customer base & capability leverage



Strong focus on levers to grow value of in-force

Key priority focus areas include retention and claims management



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Focussed on the levers of embedded value growth

Key Value Drivers	Current Status
Double New Business Volumes	●
Reduce Acquisition Expenses as % of New Business	●
Reduce Maintenance Expenses as % of In-force	●
Double Digit In-force Growth & Address Retention	●
Improve Disability Claims Experience	●

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Suncorp Group Investor Day Suncorp Bank

David Foster, Suncorp Bank CEO

30 May 2011



Why only break up with one big 4 bank?
Say goodbye to them all.

 13 11 75

Suncorp Money Ltd ABN 66 070431 722 Australian Credit Licence number 229662



It's worth the switch

SUNCORP BANK



Banking environment

Current banking landscape

What's changing?

Competition debate

Regulation

Funding – market uncertainty

Majors – offshore focus and local sentiment

Re-building and growing Queensland

Opportunity for Suncorp Bank

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The Suncorp Bank difference

Clarity, simplicity and execution

Suncorp Bank is the genuine alternative to the majors

Consumers want to bank with a non-major

- Regional brands owned by majors have declining customer satisfaction (DBM, April 2011)
- 62% of consumers want to bank with a regional bank (Westpac, Dec 2009)
- Customers want better service and satisfaction

Brand strength

- Suncorp brand has strength and a bank of goodwill particularly post major events
- The largest in the second-tier banking sector and only 'A+' rated retail bank
- A 'major' market position in the key growth State of Queensland
- Leveraging the brand and financial strength of the larger Suncorp Group

Clear position, purpose and direction

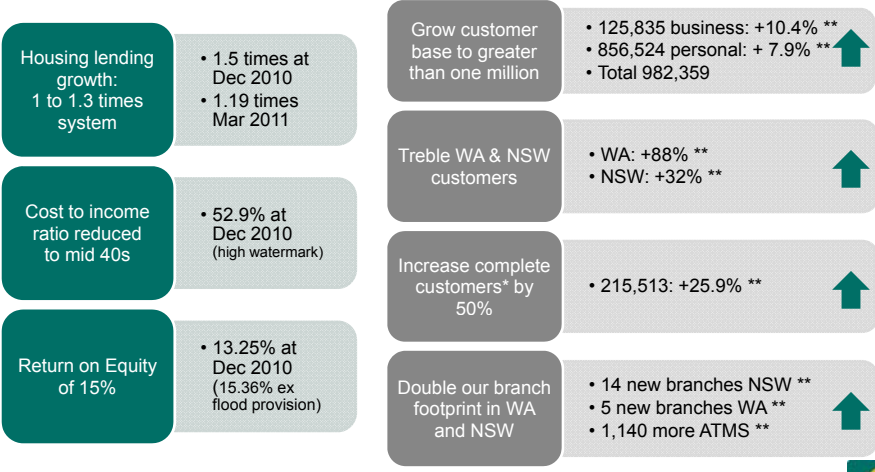
- Simplicity, agility and a recent record of execution
- Deep and diversified access to global funding markets
- Extensive balance sheet growth capacity without funding concentration risk
- Strong capital and liquidity position
- Profitable growth in market share

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Delivering our market promise, by 2013

Committed to financial and customer performance

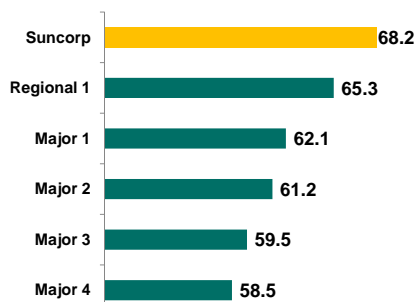


33 * Complete customers hold three or more products with us. **Growth since Jan 2010, at May 2011.



Our customer service performance

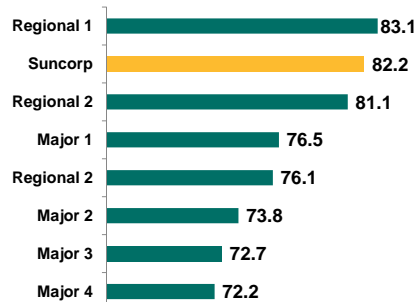
First in business satisfaction nationally



Source: Roy Morgan, Mar 11

Second in personal satisfaction in Qld

Strongest growth of all bank brands in Q3



Source: Roy Morgan, Mar 11

- Customer and MFI satisfaction better than the majors
- Top 2 share of wallet nationally*
- 80% of customers consider us 1st choice**
- Advocacy: Net Promoter Scores exceeding majors#

*Roy Morgan consumer finance survey, Aust aged 14+ Retail Banking wallet. 12 months to Mar 11

** TNS Market Monitor: All Suncorp MFI Customers Qld: 3 Months to Mar 11

TNS Market Monitor: All Suncorp MFI Customers National: 6 Months to Mar 11



Driving growth

We are clear on what we need to do

<p>Customer Acquisition</p>	<ul style="list-style-type: none"> • Driving consideration in key markets • Expanding footprint • Retention and complete customer
<p>Delivering our small business & agri proposition</p>	<ul style="list-style-type: none"> • An attractive proposition for new customers • Specialist industry knowledge by region • Engagement – roadshows, seminars and grants program
<p>Simplification</p>	<ul style="list-style-type: none"> • Banking platform • Streamlining processes and reducing cost • Productivity gains in processing
<p>People, capability and culture</p>	<ul style="list-style-type: none"> • People and capability are at the heart of our regional bank model • Employee engagement is industry leading

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Initiatives making a difference

<p>Capability</p> 	<p>Customer</p> 	<p>Community</p> 
<ul style="list-style-type: none"> • Regions managed by regional 'CEO' and staff • The Big Switch • Budget Tracker • Internet Banking 	<ul style="list-style-type: none"> • Call a Real Person • Event response • Customer Insight to a branch level 	<ul style="list-style-type: none"> • Brand goodwill: history, roadshows, grants • Queensland recovery: market share, insurance investment • Community ambassadorship and event sponsorship

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Banking Platform Program

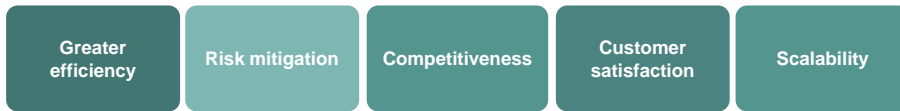
Three-year program to replace the core banking platform

Staged cost and contractual commitments

\$9m investment in year one to replace:

- Customer Relationship Management system
- Broker commission system
- Trade finance system

Cost savings and neutral P&L impact



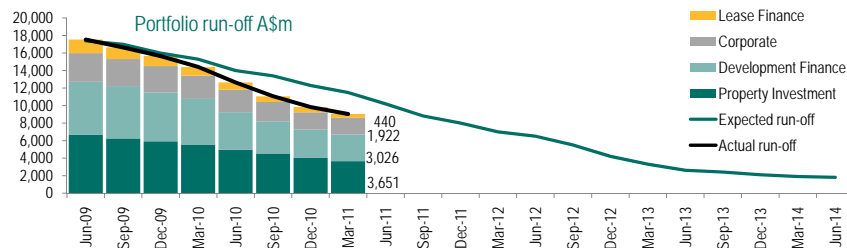
Strong progress in the non-core portfolio

De-risk

- \$8.5bn run-off. Ahead of target by \$2.4bn
- Fully match funded at portfolio inception
- Funding towers running off. \$8.5bn repaid since Jan 10
- Exposures >\$50m reduced from 121 to 62

Capital

- Core equity tier 1 ratio 6.83% at Mar 11, from 3.89% Dec 08
- Working to maximise release of capital



In Summary

Leading the essential second tier banking sector



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Suncorp Group Investor Day

John Nesbitt, Group Chief Financial Officer

30 May 2011



CFO Overview

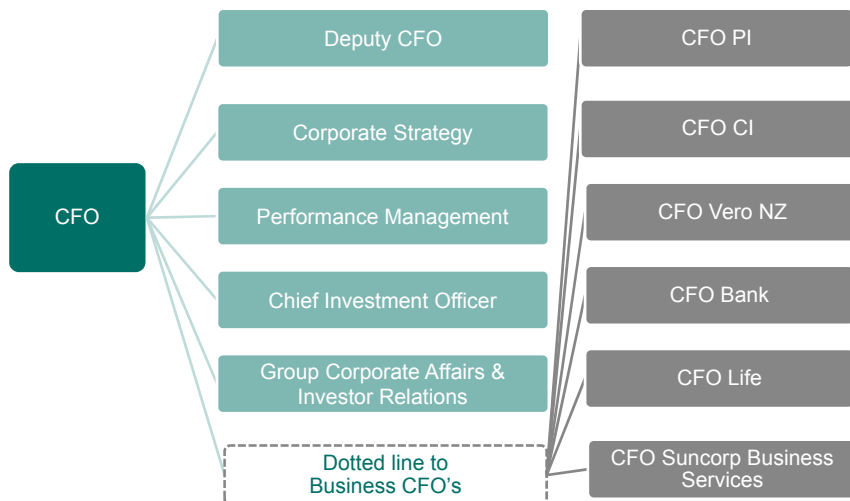
Strong base to deliver strategy

- Finance transformation
- Natural hazard events
- Reinsurance update
- Strong balance sheet
- Capital management under the NOHC

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Reshaping finance



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Natural hazards estimates as at 30 April 2011

Major Events	Gross Costs (\$m)	Net Costs (\$m)
VIC floods (Sep 10)	24	24
Christchurch earthquake (Sep 10)	490	46
Other smaller events - Brisbane storm/floods (Oct 10), Eastern Australian storms (Oct 10), Eastern Australian rain (Dec 10), South Australian storms (Dec 10)	50	50
Qld-NSW hail/rain (Dec 10)	45	45
Central & SW Qld flooding (Dec 10)	129	129
SEQ floods (Jan 11)	690	106
Victorian floods (Jan 11)	40	10
Cyclone Yasi (Feb 11)	239	10
Victorian floods (Feb 11)	124	38
Christchurch earthquake (Feb 11)	1,600	46
NSW-Vic storms (Mar 11)	13	13
Major natural hazard events (as at 30 Apr 11)	3,444	517
Minor natural hazards (1H11 \$94m, 2H11 \$132m to date)		226
Less: allowance for natural hazards		(423)
Natural hazard costs above allowance (as at 30 Apr 11)		320

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2010/11 Reinsurance program at 30 May 2011

Remaining capacity under catastrophe program

\$5.6bn	Upper layers Two full covers
\$1.75bn	Layer Three One full cover plus \$150m
\$1bn	Layer Two One full cover plus \$200m
\$500m	Layer One Two full covers
\$200m	NZ dropdown One NZ dropdown available
NZ\$20m	Retention

Additional Reinstatements purchased

	1H11	2H11
1 x NZ dropdown (post Sep earthquake)	\$13m	
2 x \$200 - \$500m (post Sep earthquake and Bris floods)		\$120m
1 x \$500m - \$1bn (post Bris floods)		\$40m
1 x \$200m - \$500m (post Feb earthquake)		\$50m
Additional NZ covers (post Feb earthquake)		\$19m
Total	\$13m	\$229m

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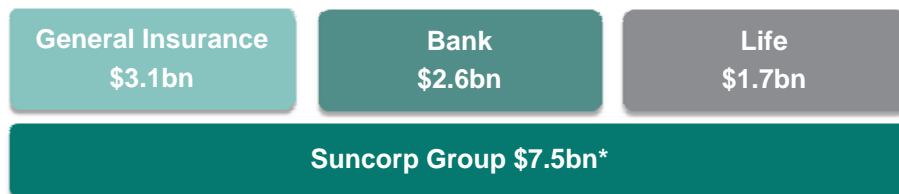


Group Balance Sheet at 31 December 2010

Balance Sheet

- Net assets stable at \$13.9 billion
- Goodwill and intangibles reduced to \$6.4 billion
- Net tangible assets increased to \$7.5 billion

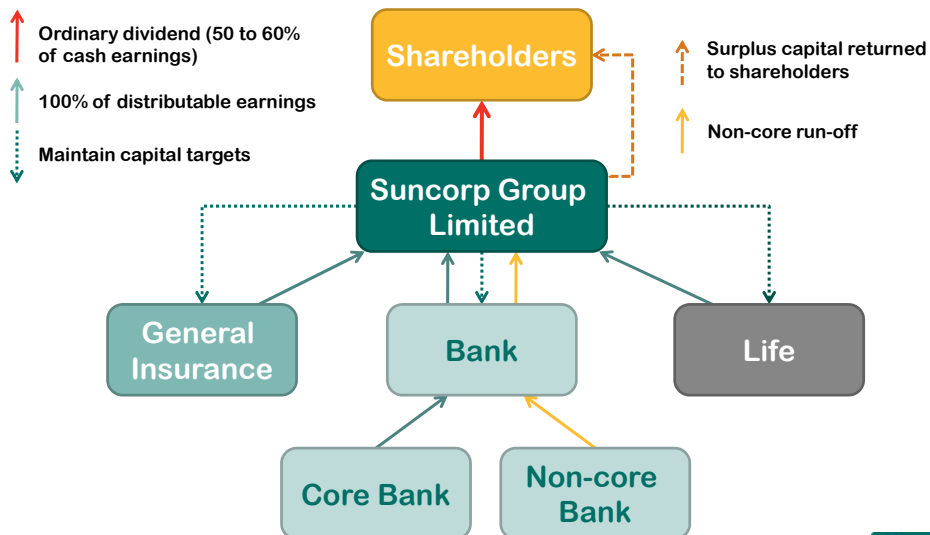
Core Capital Levels



45 * Includes non-regulated entities of \$181 million

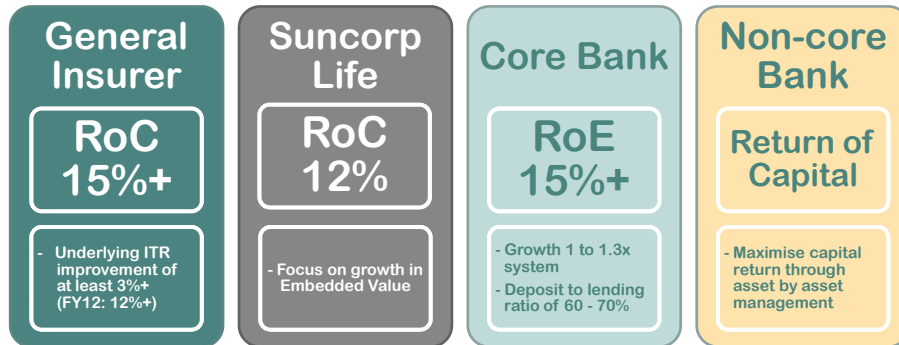


Group capital flows



Long term expected returns

NOHC structure improves capital management and efficiency



Focus on Group RoE improvement

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Suncorp Group Investor Day Conclusion and Questions

Patrick Snowball, Group Chief Executive Officer

30 May 2011



