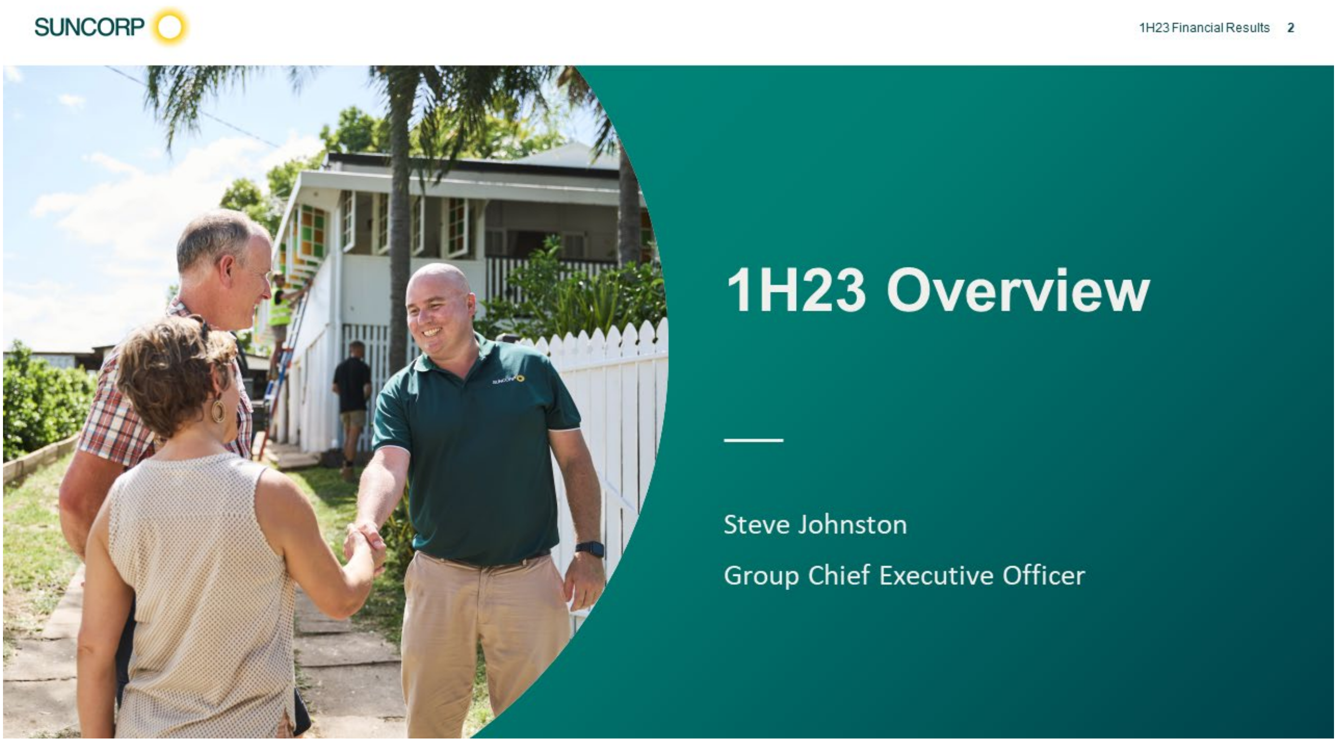
SUNCORP

Financial Results

For the half year ended 31 December 2022

8 February 2023

SUNCORP GROUP LIMITED | ABN 66 145 290 124



Good morning and welcome.

For those joining us here at our Shelley Street offices, I'd ask if you could put your mobiles on silent and, of course, if there is any need to evacuate, please follow the instructions of our team.

Let me begin the presentation by acknowledging the traditional owners of the lands on which we meet and pay our respects to all Elders, past, present and emerging.

Today, I am joined by our CFO, Jeremy Robson and the other members of our leadership team. Jeremy and I will run through the presentation and the team will be available for the Q&A session that follows.

As usual, I will start today's presentation with an overview of how we believe value is created at Suncorp.

As we reflect on another challenging period for our business we are again reminded of our purpose and how delivering to that purpose translates to the financial results we report today.

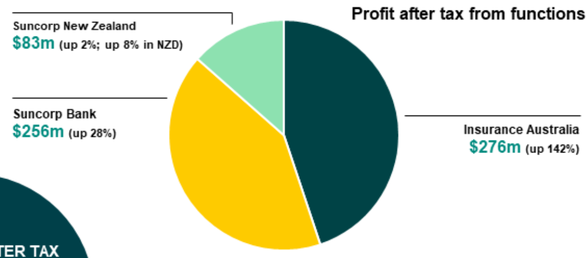
Our priority will always be to support customers, whether they are impacted by these events or just dealing with the uncertainties life throws at them. And, of course, to provide peace of mind for those fortunate enough to have not needed to call upon us.

The long-term financial outcomes we achieve and the value we create for our shareholders reflect the sum of us getting all this right.

SUNCORP 1H23 Financial Results 4

Group result

Strong top-line growth and continued margin expansion



- Strong top-line growth and underlying momentum across all businesses
- Impacts of high inflation persisting
- Ongoing elevated natural hazard activity
- Improved investment returns driven by higher running yields
- Fully franked ordinary dividend of 33 cents per share representing a payout ratio of 71% of cash earnings
- FY23 targets reaffirmed

NET PROFIT AFTER TAX
$560m
up 44.3%

ORDINARY DIVIDEND
33 cps

CASH EARNINGS
$588m
up 62.9%

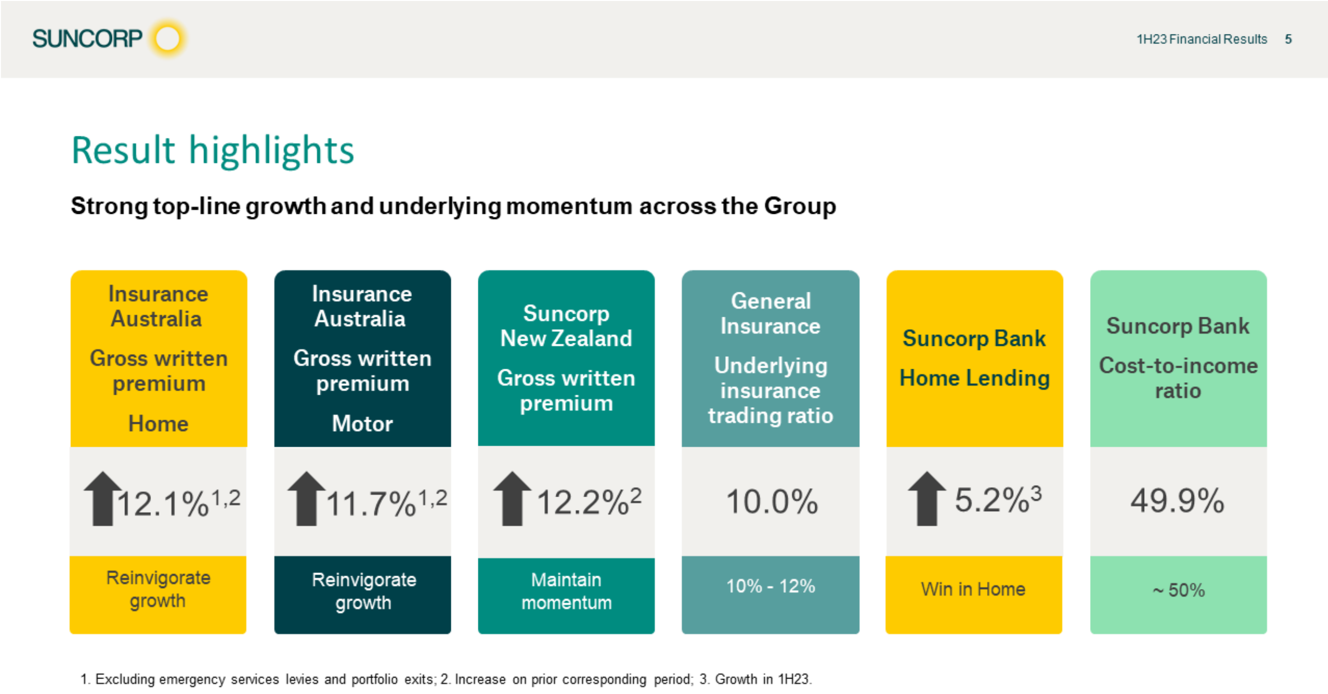
Turning to the result, and the Group has delivered cash earnings of $588 million - a significant increase on the prior period. Statutory NPAT was $560 million.

The result confirms the underlying momentum we have across all our businesses and proves our three-year plan is delivering. I'll reference our performance against the FY23 plan throughout the presentation.

The prevailing La Niña weather pattern has seen us managing 8 significant events in the six months to December – with a total of 53,000 natural hazard related claims at an estimated cost of $679 million – which is $99 million above our allowance for the half year.

While investment markets have remained volatile over the period, our fixed interest and Inflation-Linked Bond portfolios have benefited from enhanced underlying yield and this has seen investment returns step up materially from the prior period.

The Board has declared an interim dividend of 33 cents per share, an increase of 43% on the prior year. This represents a payout of 71% of cash earnings, which is in line with our usual practice at this time of the year.



This slide calls out some of the highlights within the result. At the bottom of the slide I have included the key metrics embedded in our FY23 plan so you can see the progress we are making towards those targets.

Insurance Australia has again achieved strong growth in both premium and units. When adjusted for portfolio exits, GWP is up by 12.1% in Home and 11.7% in Motor. While we have prioritised margin to ensure pricing adequately reflects natural hazard related costs and inflationary pressures, it is pleasing that we have continued to see unit growth across the consumer portfolio.

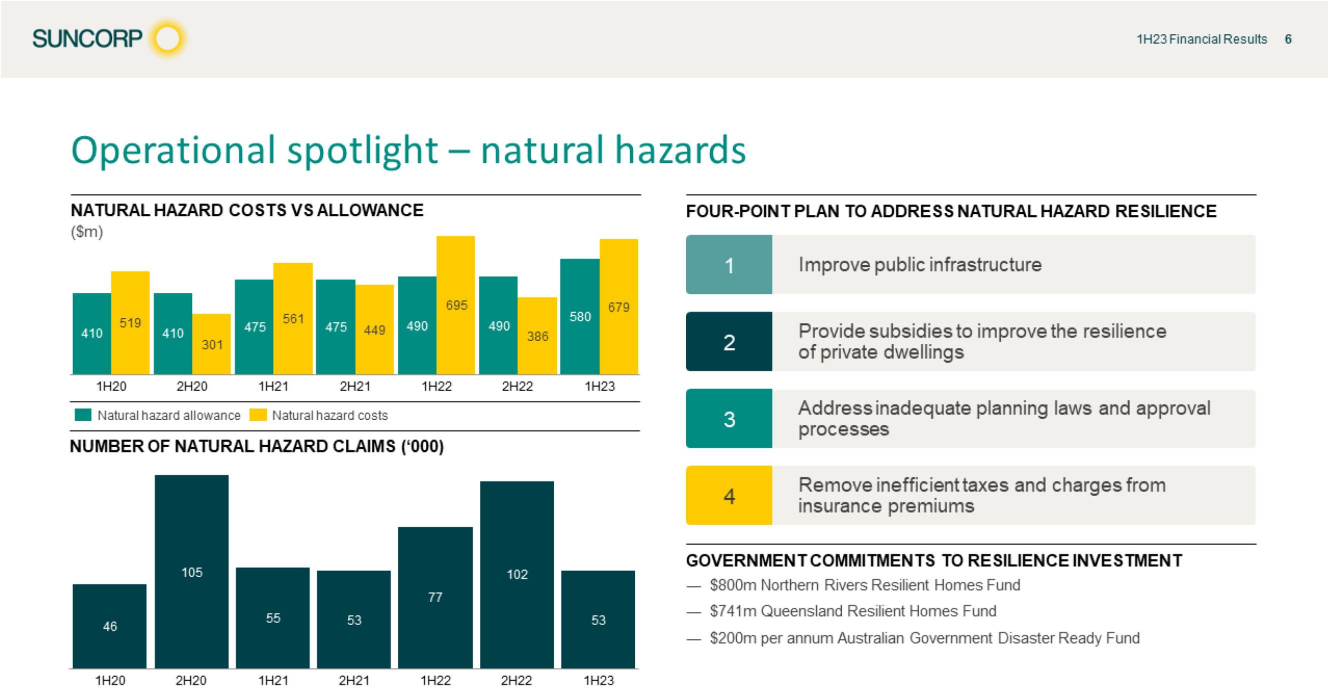
In New Zealand, GWP increased 12.2% on the prior period, largely driven by the pricing response to the current inflationary environment. As expected, unit growth has started to moderate across some portfolios in New Zealand.

In the Bank, the home lending portfolio grew by $2.6 billion or 5.2% over the half year. Customer deposits grew 6.0%, weighted towards term deposits in a rising interest rate environment.

When you exclude the positive impacts from COVID-19 in the prior corresponding period, the General Insurance underlying ITR expanded to 10%, up from 8.0%. The ITR was supported by higher pricing and improved underlying yield offsetting the known headwinds of a higher natural hazard allowance, increased reinsurance costs and inflation on claims and operating expenses.

And finally, it's pleasing to report the Bank’s cost-to-income ratio of 49.9%. This has been a long-standing target which has been achieved through a combination of revenue growth and disciplined cost management.

It is worthwhile considering all of these results in the context of the headwinds we have stared into over the past three years, the most material of which have been the La Nina weather cycle and inflation. I will briefly outline our approach to managing these over the next two slides.



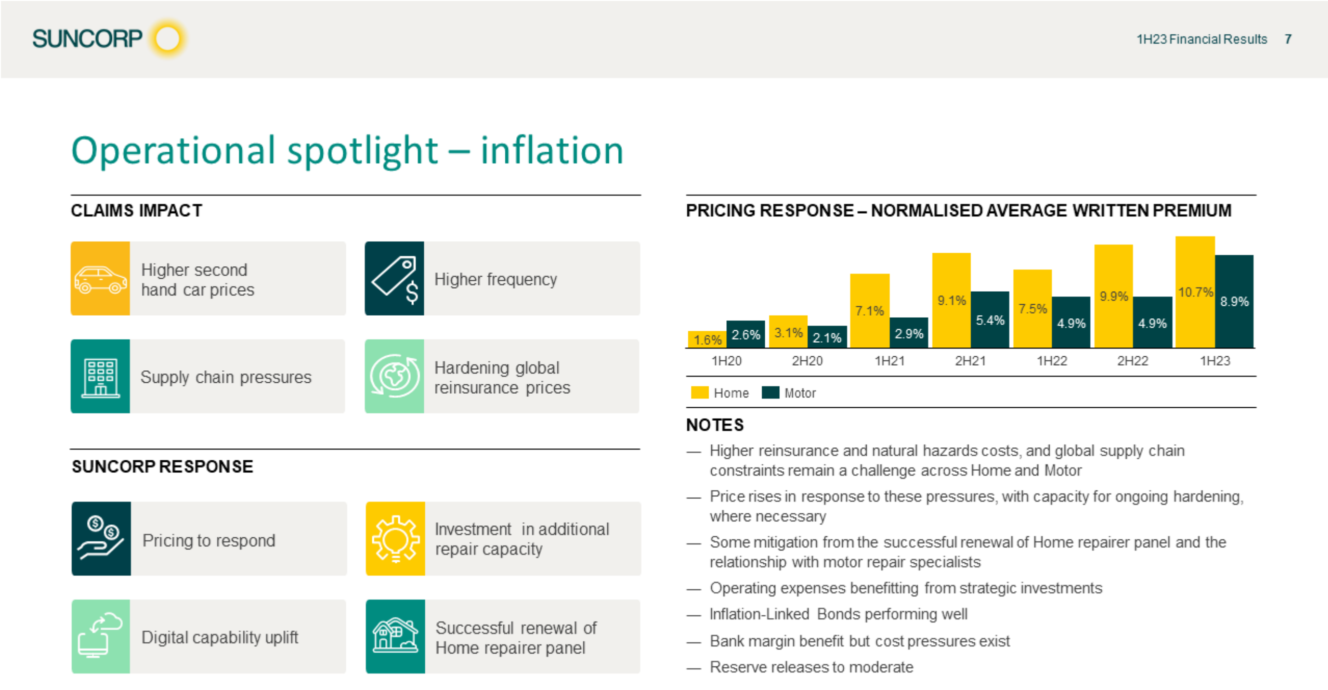
First to hazards and on the top left of this slide you can see the impact of three consecutive La Nina weather cycles on natural hazard claims costs relative to our allowances. While you continue to see us reporting actuals ahead of allowance you can also see the pace at which we have increased the allowance over the past three years. This, alongside the material step up in reinsurance costs, have amounted to significant headwinds which have been absorbed within the targets we remain committed to.

I acknowledge these increased costs have required us to continually adjust the premiums we charge customers – particularly those in higher risk areas. While this is adding to the current cost of living pressures, the value ascribed to insurance products has never been greater – particularly amongst those whose lives have been put back together after the rain clears and the water recedes.

At our recent investor update we talked through in detail our approach to natural hazard modelling and the increased sophistication we are applying to this crucial area of insurance pricing. I won't recap that now other than to say that we are confident that our reset allowances will serve us well when weather patterns revert to a more neutral setting, as appears to be the consensus amongst weather scientists.

A somewhat under appreciated impact of our natural hazard experience is the operational pressure of managing such elevated claims volumes. This has been amplified by the current supply side constraints and economy wide inflation. At the bottom left of the slide we have plotted aggregate claims numbers by year and what it shows is that the rolling nature of the events has provided little respite for our teams on the ground. This is where our Best-in-Class claims program has really delivered. The digitisation of our claims processes; the reach and depth of our building panel and our enhanced disaster response capabilities are crucial to the operational resilience needed to manage a changing climate.

And finally, our advocacy agenda, best summarised by the four-point-plan, is well known and I'm pleased to say, finally gaining traction.



To the next slide, and like all our financial service peers, we continue to stare into the considerable headwind of inflation, which is at a 30+ year high, and has impacted every aspect of the Group's operations.

For insurance companies, inflation has manifest itself in hardening global reinsurance prices, supply chain disruption, higher loss ratios and the increased costs of long-tail claims settlement. In addition, across both insurance and banking there remains broad inflationary pressure across operating expenditure and wages.

In response, we have put through the necessary price increases that will be earned through fully over time and Jeremy will talk through this in a moment. But pricing can't be expected to do all the heavy lifting.

In inflationary times, scale matters. Here, our Best-in-Class claims program has allowed us to be more disciplined in leveraging scale to deliver lower aggregate inflation outcomes when compared to peers. This has been most obvious across home working claims where we have recently renegotiated our builder panel arrangements at a significant discount to current inflationary trends.

The dynamics in motor are more complex. While our relationship with SMART provides us with a benefit on driveable repairs, it's worth remembering this accounts for roughly 15% of total motor claims costs. Beyond that, inflation trends in motor are more industry wide and global in nature. These include: elevated average claims costs from higher second hand vehicle prices; a greater proportion of non-drive repairs versus drivable; increased hire car duration and restricted capacity within the repair supply chain.

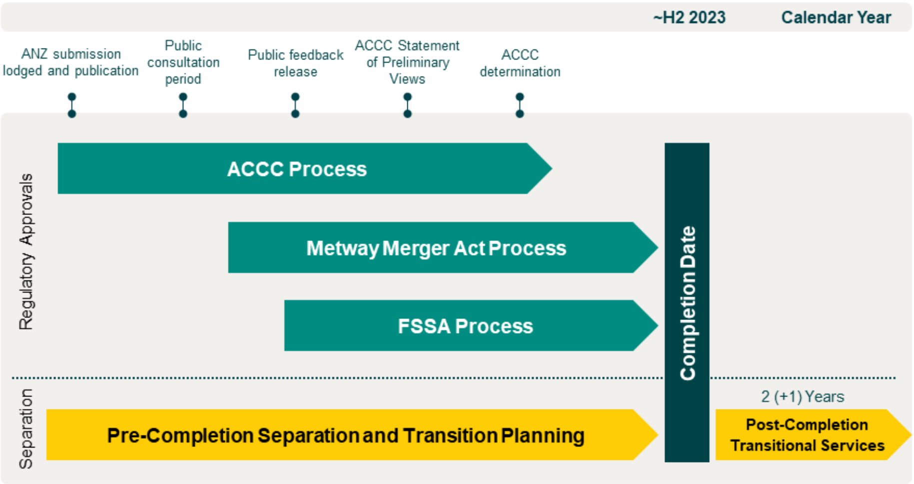
In response we have: added additional repair capacity across drive and non-drive; maximised fixed price arrangements with volume incentives; leveraged our technology platforms; and established dedicated teams to manage ancillary costs such as towing, hire car and recoveries.

In long-tail, inflation is assumed in pricing and reserving and is proving to be adequate. But, as expected, we have seen some moderation of prior year reserve releases as these buffers are utilised.

Offsetting the transitory effects of peak inflation has been our investment portfolio where we continue to retain a substantial holding in inflation-linked bonds (ILBs). To recap - ILBs have been a feature of our portfolio for over a decade and are designed to protect both profit and margin during inflationary times. The benefits of ILBs are amplified in times where there is a material disconnect between actual CPI and break even inflation as there is today.

In summary, the ILBs have worked exactly as anticipated - providing a shock absorber during this period of peak inflation and supporting the P&L as pricing and our on-going operational improvements earn their way through the P&L.

Pathway to Bank completion and transition



NOTES

- Bank sale process progressing subject to approvals
- We continue to work co-operatively with regulators and government
- Targeted completion remains second half 2023
- Expected financial outcomes relating to the sale are unchanged

Now turning briefly to the sale of the bank…

As you know, the ACCC published ANZ's merger authorisation application in December and expect to announce their determination by June this year.

This is the first step in the approvals process, with the sale also subject to approval from the Queensland Government and Federal Treasurer. We will continue to work constructively with ANZ, and the relevant regulatory and government stakeholders to achieve the approvals within our previously disclosed timeline.

In the meantime, we remain intensely focused on delivering on our bank strategy and the priorities we outlined in our FY23 plan remain unchanged.

With that, I'll hand over to Jeremy.

1H23 Financial Results

Jeremy Robson

Group Chief Financial Officer

Group result overview

Continued margin expansion and strong top-line growth

	1H23 ($m)	1H22 ($m)	Change (%)
Insurance Australia	276	114	142.1
Suncorp Bank	256	200	28.0
Suncorp New Zealand	83	81	2.5
Cash earnings	**588**	**361**	**62.9**
Group net profit after tax	**560**	**388**	**44.3**
Ordinary dividend (cents per share)	**33**	**23**	**43.5**
CET1 held at Group	**290**		

KEY MESSAGES

— Strong top-line growth and underlying momentum
— Inflationary pressures and natural hazard costs driving price increases
— Improved investment returns driven by higher running yields and ILBs
— Capital position improved as previous temporary impacts unwind
— FY23 targets reaffirmed

Thanks Steve and good morning everyone.

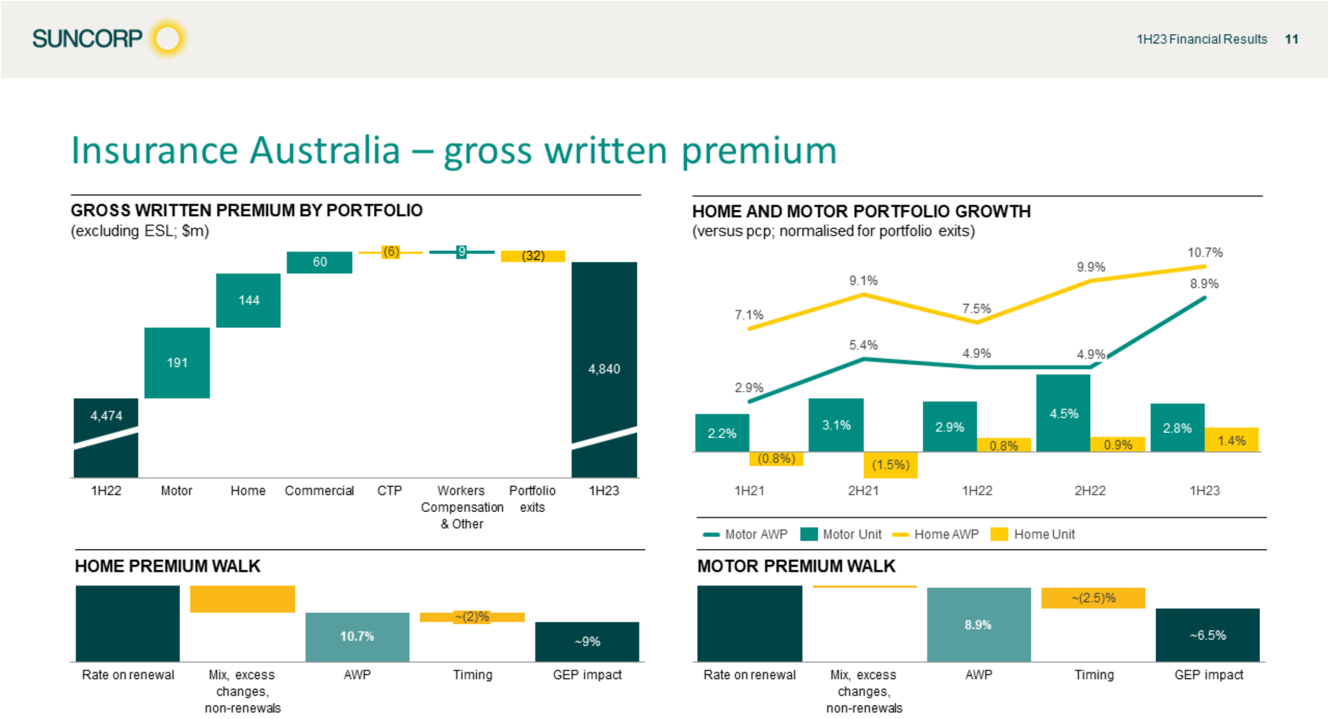
Well it's been pleasing for us to see the continuation of strong top-line growth along with underlying margin momentum feature in our results this half.

In GI, the challenging operating conditions continued, with ongoing inflationary pressures and elevated natural hazard costs.

We've responded with price increases and good management of the cost base. The result was also supported by improved investment returns, and the release of BI provisioning.

In Banking, the strong performance has continued with the achievement of the CTI target of 50%.

We're also pleased to be able to reaffirm the FY23 targets. And the overall Bank sale financials – sale related costs, stranded costs, and capital return – all remain in line with previous estimates.



I'll now unpack the result further, starting with Insurance Australia and topline growth.

Overall, GWP grew by 9%, excluding portfolio exists.

The Home portfolio grew by over 12% driven by strong premium increases in response to natural hazards and reinsurance costs.

Motor also increased nearly 12%, with premium increases reflecting underlying claims inflation and higher sums insured.

Pleasingly, we were also able to grow units in both portfolios despite a focus on margins, albeit motor units have slowed on a half-on-half basis.

I'd like to remind you that premium rate increases can be different to overall AWP outcomes due to a variety of factors.

These include NB/renewal mix, brand mix and changes to excesses and non-renewals.

In regards to earned premium, there is also the timing gap between renewal rate increases and the earn through in the P&L.

We're confident that the price increases that we're putting through are sufficient to reflect the inflation and natural hazard costs.

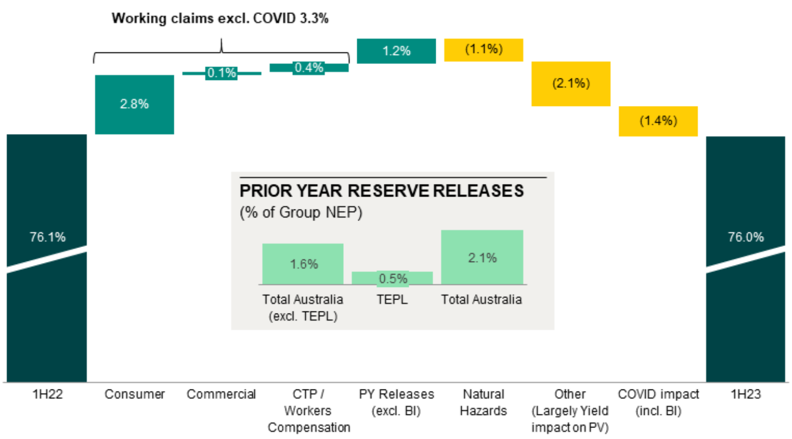
Moving on, in Commercial, growth was driven by the NTI, Property and Fleet portfolios with retention and new business both strong despite rate increases. And the remediation of our packages portfolio continues.

CTP decreased by 1.3% driven by increasing price competition across the schemes.

And growth in Workers' Compensation reflected both higher wages and rate increases.

Insurance Australia – net loss ratio

NET LOSS RATIO BY PORTFOLIO



NOTES

- Deterioration in Consumer largely due to an increase in average claims size in the motor portfolio
- Increased loss ratio in Motor driven by both increased claims costs (second hand car prices, supply chain disruptions) and frequency
- Prior year reserve releases reduced (excluding BI) driven by lower prior year natural hazard adjustments and a lower TEPL adjustment
- Natural hazards costs positively impacted the net loss ratio due to rising premiums
- COVID impact includes the release of the majority of the BI provision, partially offset by a reversion to pre-COVID driving patterns

Now on to claims.

As Steve touched on earlier, the deterioration in Consumer was driven by the Motor portfolio, largely due to higher average claim sizes with increasing second-hand car prices and supply chain disruptions.

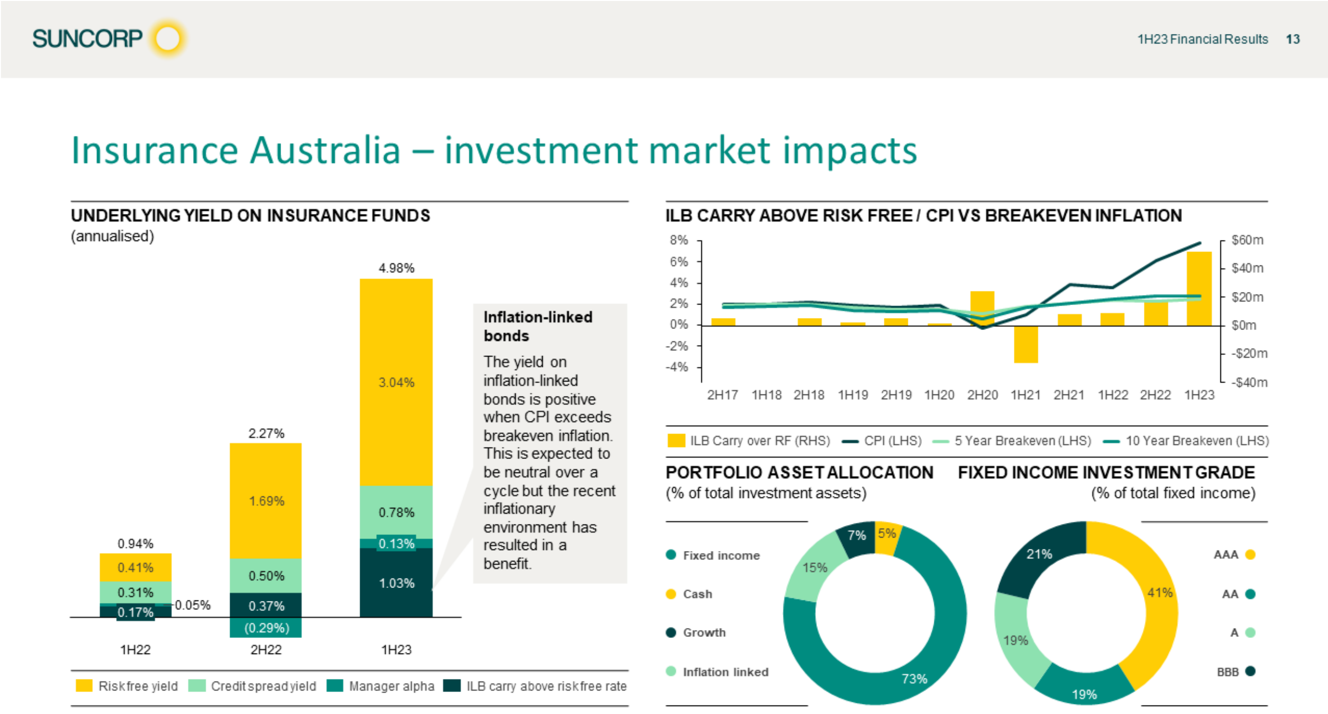
Our key responses have included pricing and repair capacity increases.

Home was broadly flat with stable frequency, inflation moderated by strong cost management and favourable mix outcomes, along with some increase in liability claims.

Commercial was also broadly flat as several large fire claims and higher costs in fleet, offset the benefits of ongoing pricing and underwriting actions.

CTP saw an increase, largely due to the inflationary environment, whilst Workers' improved slightly, with benign experience in the runoff portfolios.

Prior year reserve releases at 1.6% (ex TEPL) were broadly in line with our expectation, albeit with some favourability in consumer partially offset by a modest strengthening in Commercial.



Turning to investment performance.

Whilst still volatile, investment markets stabilised somewhat from the extreme movements we experienced towards the latter half of last year.

The mark-to-market losses on risk free and breakeven rates were more than offset by significantly higher running yields including ILB carry.

The average yield on insurance funds was c. 5% annualised with improved returns across all components.

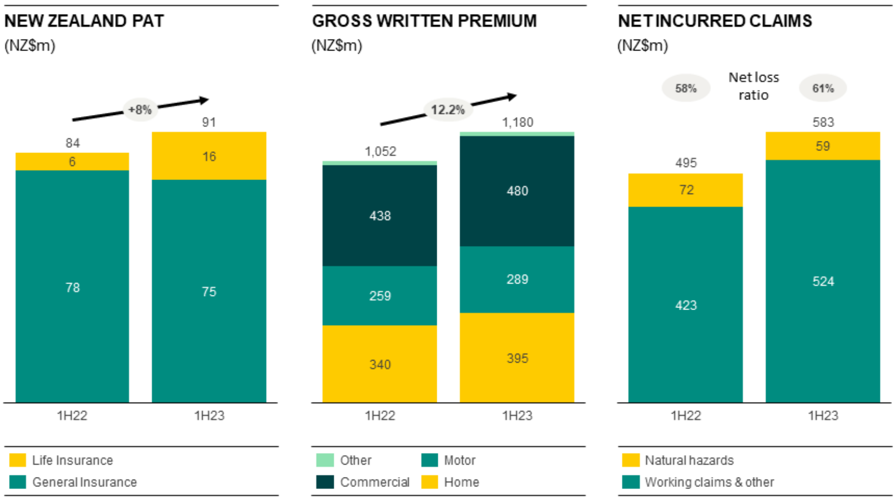
The ILB carry contribution comes from the persistently higher CPI prints above breakeven inflation rates.

Whilst this is expected to be largely neutral over a cycle, the recent performance has provided some expected offset to the inflation seen in the claims.

As always, we continue to assess the profile of our investment portfolio and we're maintaining a prudent bias:

- Approximately 90% of the portfolio is allocated to investment grade fixed income securities.
- We continued with our reduced exposure to equities during the half, albeit this has since been reassessed with recent market developments.
- And, we've increased our investment in property and infrastructure as part of the ongoing adjustments to our strategic asset allocation.

New Zealand



NOTES

- Strong GWP growth with pricing reflecting inflationary pressures
- Increased market share
- General Insurance profit moderated by elevated property claims in Q1 and prior year reserve strengthening, with COVID-19 frequency benefits in the prior period
- Increased investment returns due to higher running yields
- Life Insurance profit increased due to growth in planned profit margins and favourable experience
- A significant flooding event occurred in January – the Group's maximum retention is NZ$50m

Moving onto New Zealand.

We continued to experience strong growth, and increasing market share, with targeted price increases across all channels driving GWP growth of over 12%.

Natural hazard costs were lower than last year, but still $21 million above the allowance, with one large weather event in August. I'll cover the recent flooding event shortly.

Higher working claims costs were driven by unit growth, large property fire losses in Q1 and inflationary pressures. The prior period was also positively impacted by COVID related motor frequency benefits.

Prior year reserves were strengthened by $12 million to reflect development on both earthquake claims and property claims.

As with Australia, we are confident that current pricing increases are appropriate and reflect underlying claims inflation. With a close watch on this post the recent flooding event.

Investment income improved with similar dynamics to the Australian portfolio.

And pleasingly the Life business saw an increase in profit after tax, supported by growth in profit margins and favourable experience.

Group underlying ITR

FUNDAMENTAL UITR DRIVER ANALYSIS

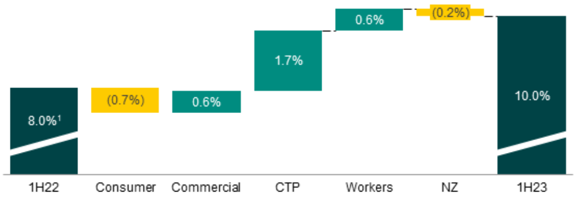
		Outlook dynamics	
	1H23 vs 2H22	2H23 vs 1H23	Medium term
2H22 UITR	**9.9%**		
Natural Hazards / Reinsurance	~(400)bps	Neutral	Headwind
Expenses	~100bps	Neutral[2]	Neutral[2]
Investment income	~300bps	Neutral	Moderating
GEP	~700bps	Tailwind	Tailwind
Claims	~(700)bps	Moderating	Moderating
1H23 UITR	**10.0%**		

1. Excludes COVID impact of 1.9%; 2. Expenses outlook on a ratio basis.

NOTES

- Underlying ITR was impacted in the half by an increase in the natural hazard allowance and reinsurance costs, as well as working claims, especially in Motor
- The pricing response to these impacts is reflected in the positive contribution of GEP, noting the timing differences as these increases earn through
- Investment income was positively impacted by higher running yields
- FY23 target remains at 10-12%

GROUP UNDERLYING INSURANCE TRADING RATIO 1H22 TO 1H23
(Portfolio view)



Turning then to the Group underlying ITR.

We recorded an increase in the half to 10%, a good result given the headwinds of increased natural hazards and reinsurance costs and claims inflation.

The three key factors that offset these impacts were:

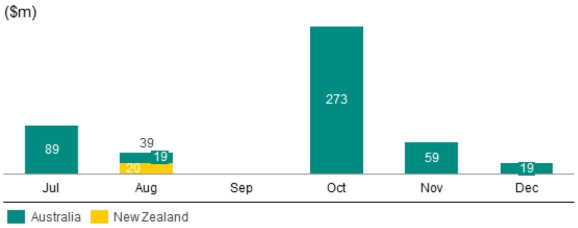
- Significant increases in premiums, in response to these headwinds. I also note our roll-out of CAPE in both home and now motor has also helped with retention and underwriting.
- Increased investment income with higher underlying yields, noting the relationship between inflationary pressures and benefits from the ILB portfolio.
- And a reduction in expenses driven by operational efficiencies.

The outlook for the full year is in line with previous guidance – ie: around the midpoint of the 10-12% range.

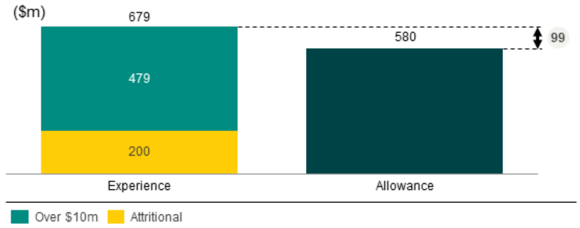
Whilst achieving this result means we expect to see a second half UITR towards the higher end of the range, I remind you that the medium-term outlook is likely to reflect the dynamics of hardening reinsurance markets, potential volatility in investment income, but with ongoing strong premium rate momentum.

Natural hazards

EVENTS OVER $10 MILLION BY MONTH
($m)



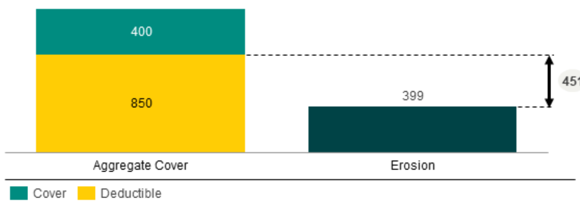
1H23 NATURAL HAZARDS VS ALLOWANCE
($m)



NOTES

- Natural hazard events in 1H23 reflected persisting La Nina weather pattern
- More neutral weather pattern now expected after 3 consecutive years of La Nina
- Expect to be within allowance for the full year
- Reinsurance market remains in hardening cycle ahead of FY24 renewal
- Suncorp continues to prepare for the implementation of the cyclone reinsurance pool in 2023
- The increased cap for house policies announced by the NZ Earthquake Commission is not expected to have a material impact

EROSION OF AGGREGATE EXCESS OF LOSS (AXL) DEDUCTIBLE
($m)



Moving to natural hazards.

Our natural hazard costs for the half exceeded the allowance by $99 million with a third consecutive La Nina weather cycle.

Pleasingly, we saw a relatively benign November and December and note that the ENSO cycle is expected to return to neutral this half.

Whilst January weather was relatively benign in Australia, there has been the very significant flooding event in New Zealand.

I remind you that the Group’s maximum retention for this event is NZD50m, given the NZ drop-down covers in place.

We are still assessing the expected gross cost of the event, but expect it to be significant.

Notwithstanding, we remain well protected in NZ with a pre-paid 2nd drop-down cover remaining and are working through our approach to any re-instatements deemed appropriate.

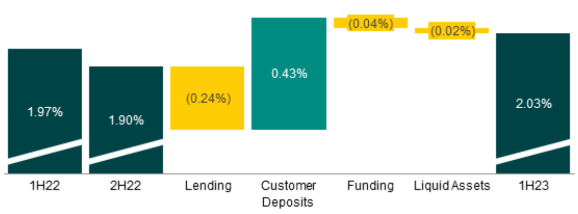
On reinsurance, I note the market is continuing to experience ongoing change, with further hardening evidenced in the 1 January renewals – both in terms of pricing and capacity for the lower layers of programmes.

We will have more certainty on this once we finalise our next renewal in June.

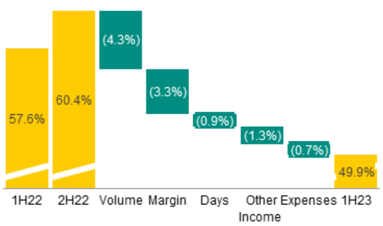
Suncorp Bank

	1H23 ($m)	2H22 ($m)	1H22 ($m)	1H23 v 2H22 (%)	1H23 v 1H22 (%)
Net interest income	725	624	621	16.2	16.7
Other operating income	8	(11)	14	n/a	(42.9)
Operating expenses	(366)	(370)	(366)	1.1	-
Operating profit	**367**	**243**	**269**	**51.0**	**36.4**
Impairment release / (expense)	(2)	(2)	16	-	n/a
Income tax	(109)	(73)	(85)	(49.3)	(28.2)
Suncorp Bank profit after tax	**256**	**168**	**200**	**52.4**	**28.0**

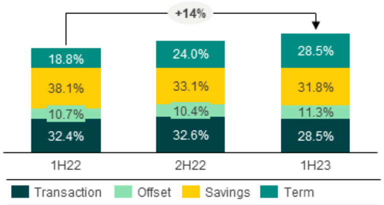
NET INTEREST MARGIN



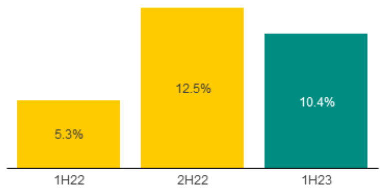
1H23 CTI DRIVERS



DEPOSIT GROWTH AND COMPOSITION



HOME LENDING GROWTH
(Annualised)



Turning now to the Bank. And we're very pleased with the progress against our FY23 targets.

I'd particularly like to highlight the achievement of the long standing target for the Bank – a cost to income ratio of less than 50%.

This was ahead of schedule and reflects the continued above system volume growth in Home lending, as well as a disciplined focus on cost management.

We also benefited from the rate environment and improved margins.

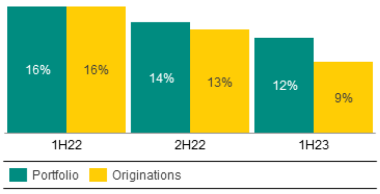
The NIM of 203 bps has been elevated by deposit margins, but is expected to fall back within our target range in the second half as competitive pressures are likely to increase, especially on deposits.

Home lending growth continued at an annualised rate of 10.4%, with the key drivers being significant improvements in both turnaround times and NPS for brokers and consumers.

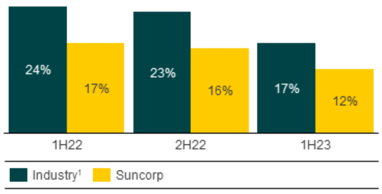
Deposits grew 6% half on half, with a clear shift in mix from transaction accounts to term deposits as customers take advantage of interest rate increases.

Suncorp Bank – credit quality

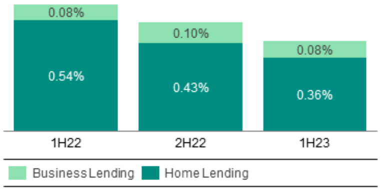
HOME LENDING: LOAN-TO-VALUE >80



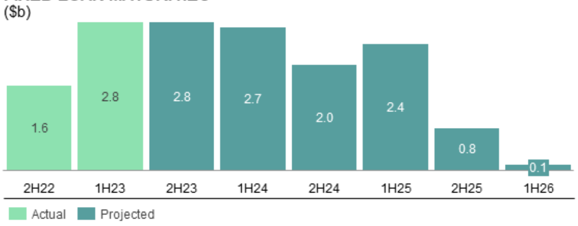
ORIGINATIONS: DEBT-TO-INCOME >6



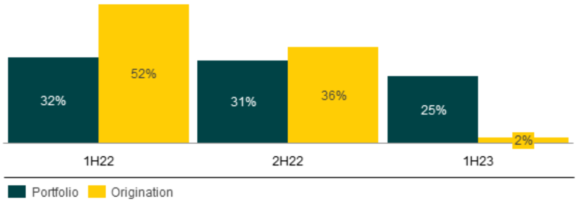
90+ DAYS PAST DUE
(% of total GLA)



FIXED LOAN MATURITIES
($b)



HOME LENDING: FIXED



1. Source: APRA.

Now I'll quickly touch on the Bank's credit quality.

It remains well positioned and strong on all key metrics with 91% of new business originated at an LVR below 80% and 90+ days past due loans continuing to reduce.

Notwithstanding, we remain alert to signs of stress given the economic environment.

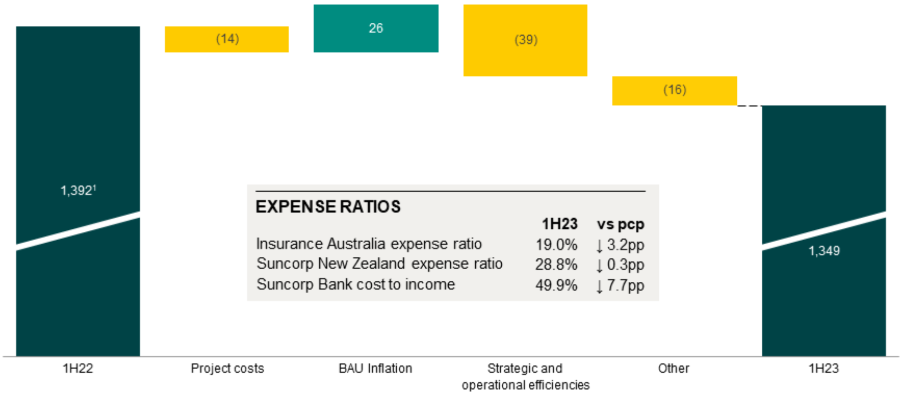
And the runoff of the fixed rate loan portfolio is a key watch item for the industry.

An example of resilience in the home lending portfolio is that over 60% of customers are ahead on repayments, with over 30% more than one year ahead.

We continue to monitor and review the economic assumptions underpinning the collective provision and consider it to be prudently set for the environment, noting there has been no change to the balance of $180 million despite the improving quality of our loan portfolio.

Group operating expenses

GROUP OPERATING EXPENSES 1H22 TO 1H23
(excluding ESL and TEPL; $m)



EXPENSE RATIOS

	1H23	vs pcp
Insurance Australia expense ratio	19.0%	↓ 3.2pp
Suncorp New Zealand expense ratio	28.8%	↓ 0.3pp
Suncorp Bank cost to income	49.9%	↓ 7.7pp

1. 1H22 figure presented excludes expenses related to the divested Wealth business ($23m).

NOTES

- Reduced project spend in line with expectations, largely in regulatory and maintenance
- The expense base was impacted by economy-wide inflationary pressures
- Strategic and operational efficiencies driven by benefits from the delivery of strategic initiatives and business simplification
- Other contains lower commissions due to Vero portfolio exits and lower advertising and promotions due to timing

Turning to Group expenses.

We've been subject to the same inflationary pressures that most businesses have faced, with inflation across all key elements of our expense base.

Pleasingly, we've been able to more than offset these increases with efficiency benefits, including the steps we've taken to simplify the business and improve our operational efficiency.

As expected, there was also a reduction in regulatory and maintenance project costs.

Supported by this cost management, the expense ratio has reduced in both Australia and NZ, and the Bank CTI ratio reduced to 49.9%.

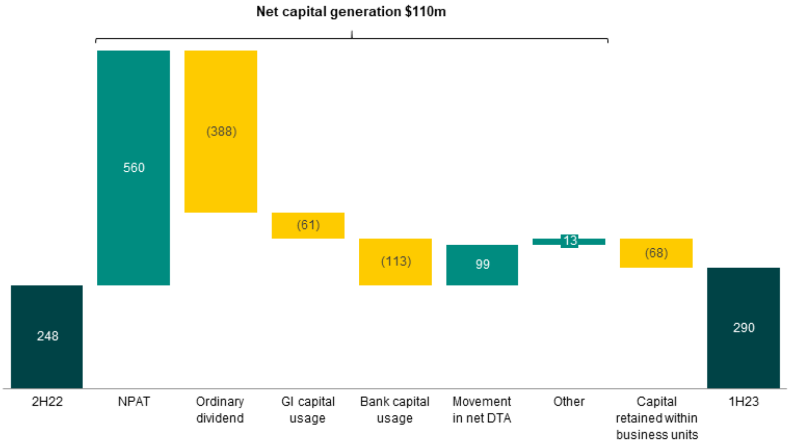
I can reaffirm that the Group is on track to achieve our target of around $2.7 billion in operating expenses in FY23, albeit with a modest increase in 2H, largely from growth related and restructuring costs.

I'd also like to point out here, the result in the managed funds business. We've seen lower revenues from portfolio run-off, as well as higher expenses, which are likely to continue in the 2H.

Regarding the Bank separation and transaction costs, whilst the expected overall quantum has remained unchanged, we now expect approximately 25% to be incurred in FY23, following the finalization of the joint transition plan.

Group capital

COMMON EQUITY TIER 1 CAPITAL HELD AT GROUP
($m)



NOTES

- Net capital generation of $110m in 1H23:
  - Around $100m reversal of previous Deferred Tax Asset (DTA)
  - Around $70m benefit from pricing changes reversing previous impacts on Excess Tech Provisions from reinsurance and NHA
  - Partially offset by normal capital seasonality, motor claims deterioration and capital to fund business growth
- GI capital ratio returned to top half of target range, with CET1 target range lowered to reflect diversification benefits between Australia and NZ following APRA changes to NOHC Conditions
- 33 cps interim dividend, with a half year payout ratio of 71%
- Ongoing commitment to return capital in excess of the needs of the business

And finally moving onto capital.

The capital position at 31 December has seen net capital generation of c. $110m since 30 June, and I'll run through some of the key dynamics:

- Firstly, the reversal of just under $100m of DTAs. This is consistent with the expected unwind we flagged at the full year results, and further unwind is expected as investments continue to reach maturity.
- Secondly, the reversal of around $70m of the impacts from the higher Natural Hazard costs as we put the pricing response through, particularly in Home. This has been offset by normal seasonality, deterioration in motor claims and capital usage from business growth. The seasonality and motor claims impacts are expected to reverse in future periods.
- And finally, capital applied to the strong Home lending growth in the Bank. I would note the capital position presented allows for the implementation of Basel III which occurred on 1 January.

CET1 held at Group has increased to $290m. We've also improved the capital position of the GI business, with CET1 now above the mid-point of the target range.

This was partly driven by APRA changes to our NOHC Conditions, which enable us to realise diversification benefits between Australia and New Zealand and fund these with hybrid capital rather than CET1. Following these changes we'll look to optimise our capital structure during 2H23, subject to market conditions.

The interim dividend of 33cps, at a 71% payout ratio, reflects a robust balance sheet and our normal approach of a lower payout ratio in the first half of the year.

And on that I would now like to pass back to Steve.

Strategic Outlook

Steve Johnston

Group Chief Executive Officer

FY23 Plan

Purpose	Building futures and protecting what matters			
Strategic pillars	**Customer led** Digital first and personalised customer experiences	**Technology enabled** Automated processes and modernised technology platforms	**Our people** Exceptional people empowered to make a difference every day	**Advocacy** Building towards a fair and sustainable industry for our stakeholders
Strategic initiatives	**Insurance Australia** Revitalise growth Optimise pricing and risk selection Digital first customer experiences Best in class claims	**Suncorp New Zealand** Grow brands and strategic partnerships Best in class claims Digitise and automate	**Suncorp Bank** Win in home Seamless everyday banking Grow business Digital first Customer service excellence	

Thanks, Jeremy.

Turning to our FY23 plan, which we presented to the Board in 2020 and first outlined to you in February 2021. The plan included an ambition to drive growth and deliver, by FY23, a sustainable return on equity above the through-the-cycle cost of equity.

The plan centred around the 12 strategic initiatives outlined on this slide and aligning everyone at Suncorp around improving the way we deliver insurance and banking products to our customers.

SUNCORP 1H23 Financial Results 23

FY23 strategic targets

Return on equity	Cash return on equity above the through-the-cycle cost of equity
Dividends	Dividend payout ratio of 60% to 80% of cash earnings Return any capital to shareholders that is excess to the needs of the business
General Insurance underlying insurance trading ratio	10% to 12% by FY23
Bank cost-to-income ratio	~50% by end of FY23

OPERATING ENVIRONMENT

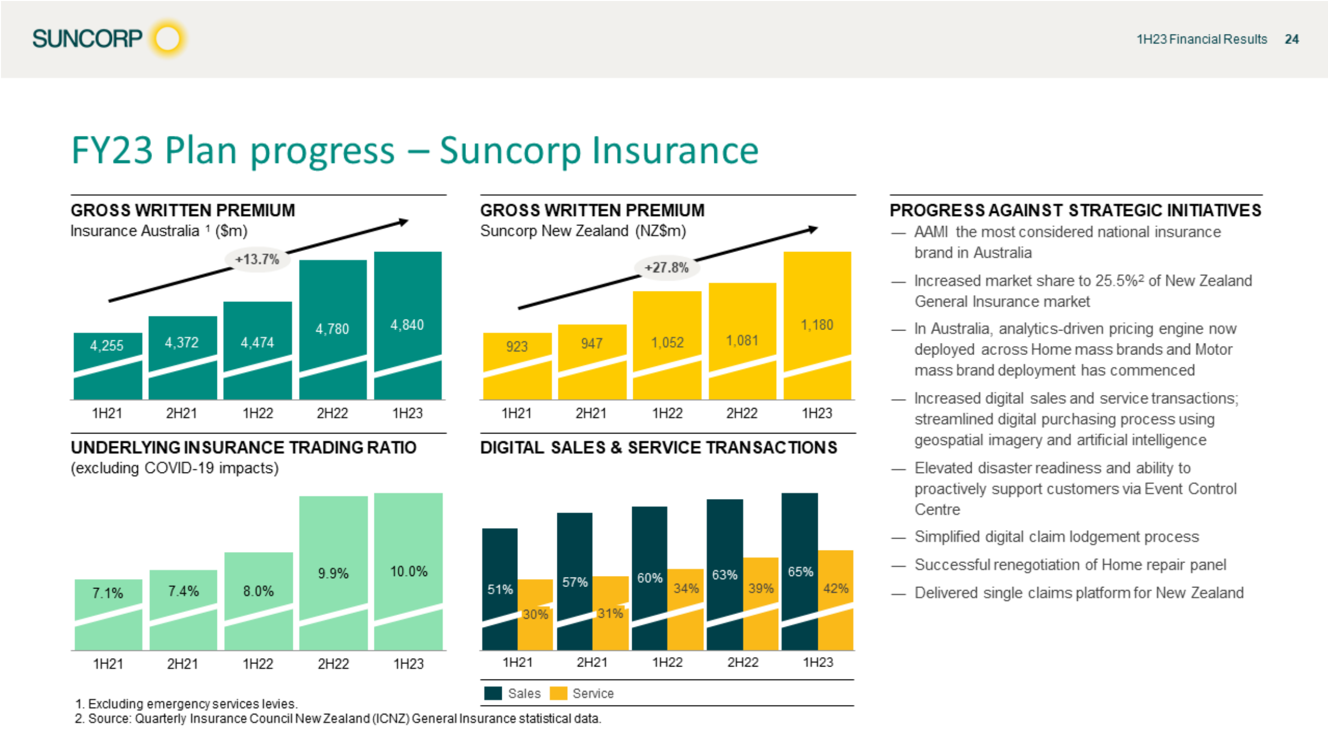
- A geopolitical shock in Europe drove a further supply shock to the global economy
- Inflation rose to its highest level in decades
- Central banks rapidly tightened monetary policy
- The yield curve inverted sharply
- Reinsurance costs impacted by significant global weather events, with prices subsequently hardening in the sector

On this slide, I've summarised the targets we set for FY23.

What we didn't know at the time of building our plan and setting our targets were the considerable headwinds we would face into during the plan period.

The dislocation of the pandemic, geopolitical shocks in Europe, record inflation and three sequential La Ninas have tested our resolve.

But despite these challenges, our businesses are in great shape and we remain confident in achieving our FY23 strategic targets.



To the next slide and here are some more operational proof points underscoring our progress across our insurance businesses.

Over the plan period, growth momentum has continued to build as a result of the efforts to reinvigorate our brands, refine our customer value proposition, improve our marketing and simplify our product portfolio.

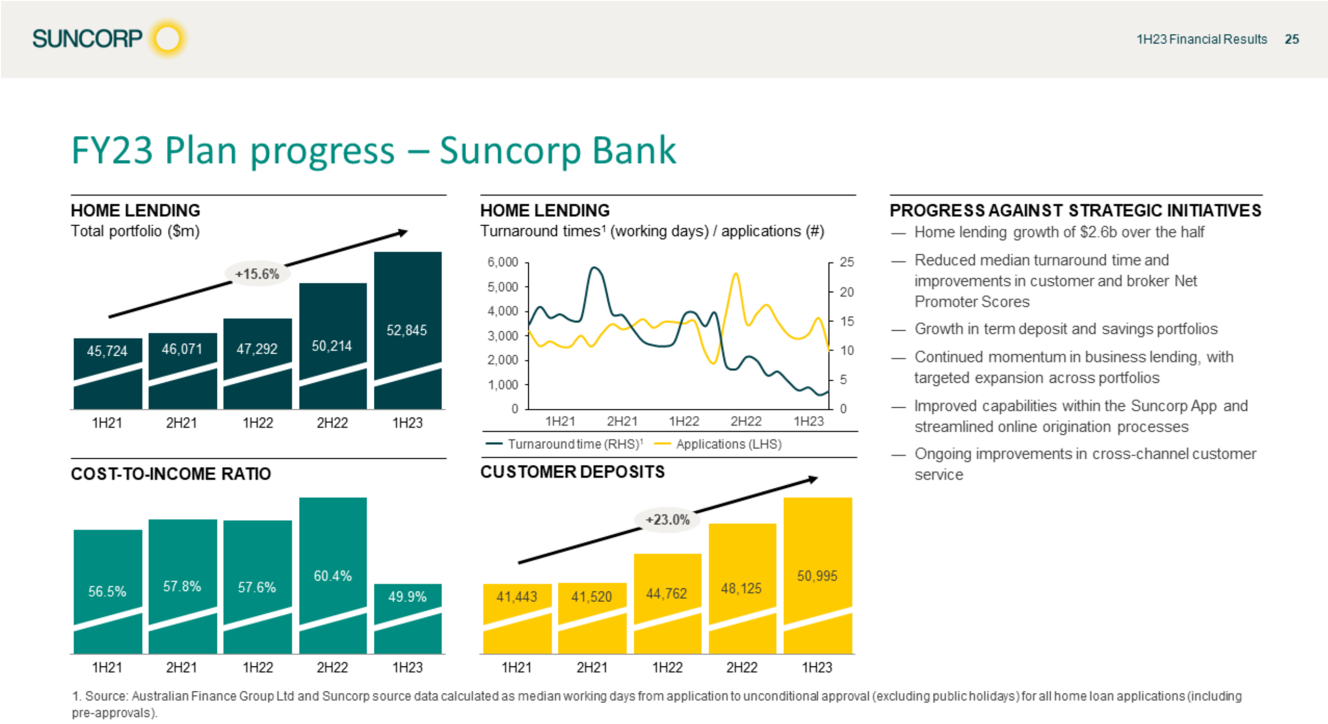
Our new pricing engine, CaPE, has been rolled out in Australia to our mass brands across our home portfolio, with deployment underway in motor. The first phase of a new SME broker platform has also been rolled out, with enhanced pricing and risk selection, improving the broker experience for new business and assisting in our ongoing remediation of the Packages business.

In distribution, digital sales for mass brands have increased 14 percentage points since the first half of FY21 to 65% and digital service transactions have increased 12 percentage points to 42%. We continue to focus on making digital purchasing easier through the use of geospatial imagery and artificial intelligence and removing barriers to online self-service to meet our customers increased appetite to interact with us on-line.

Within our Best-in-Class claims program, the successful renegotiation of repair panel arrangements in Home was supported by ongoing efforts to leverage scale to expand bulk buy benefits and drive improved repair quality, capacity and cost outcomes. Making claims tracking simpler and easier for customers will be a key focus for the second half.

In New Zealand, a single claims platform as been introduced, providing seamless connectivity with partners across the claims value chain. Work has also commenced to simplify and rationalise the consumer product portfolio.

At the bottom left of the slide you can see our UITR progress puts us on track to deliver our FY23 target. The strategic initiatives we have delivered and continue to deliver set the group up well for the future particularly as we emerge as a pure play insurer.



Turning to the bank, which continues to grow in home lending, with the top left of the slide highlighting the improvements over the plan period.

Growth has been supported by improvements in customer and broker NPS, but importantly, has not come at the cost of credit quality.

Median application turnaround times have improved to 3 working days, down from 12 working days in the prior period – positioning the Bank in the top quartile for application turnaround times.

Business lending also continues to benefit from targeted expansion across the portfolios.

We have also seen growth in Everyday Banking, supported by a compelling digital offering with digital transaction account openings now accounting for 80% of new deposit accounts.

This revenue growth, coupled with disciplined cost management has supported the achievement of the Bank's cost-to-income target.

Outlook

- GWP growth in FY23 expected to be in the mid to high single digits
- Pricing increases to reflect increasing reinsurance and natural hazards costs and inflationary environment
- Unwind of mark-to-market investment losses to grow yield and support UITR, offset by lower running yield as the rate environment subsides
- Prior year reserve releases expected to moderate
- Transitory capital impacts will continue to unwind
- FY23 strategic targets reaffirmed
- Bank sale process on track, subject to approvals

Now to the outlook.

In Insurance, growth for remainder of the year will remain strong, albeit we expect it will be driven primarily by AWP as we prioritise margin over volume. The momentum of GWP will translate to NEP, thereby supporting underling margin.

The Group underlying ITR continues to steadily improve and we remain on track to achieve our 10% to 12% target for FY23. We will continue to adjust pricing to take account of claims frequency and increased input costs, with a particular focus on our June 30 reinsurance renewal.

We expect current inflation trends to steadily moderate as monetary policy changes impact on aggregate demand and as supply chains free up.

Our reinsurance coverage provides protection into the second half and we are confident that our natural hazard allowances are appropriately set.

In the Bank, the cost-to-income ratio is expected to be around 50% for FY23. However, slower system growth and competition in deposit pricing could impact income in the second half.

At a Group level, we continue to target a cash return on equity above the through-the-cycle cost of equity. Alongside our target payout ratio of 60% to 80% of cash earnings, we remain committed to returning any capital to shareholders that is in excess of the needs of the business.

The sale of the Bank remains on track, and subject to regulatory and government approvals, we plan to complete in the second half of calendar year 2023.

We will of course continue to update you on progress of the transaction and will also look to provide more information on the shape of Suncorp as we emerge as a pure play insurance company.

This is a slide we used at the investor update in November. It's a snapshot of our future strategy and, the ambitious agenda we have for the five portfolios that will shape our future.

Our future strategy will also be supported by the key enablers outlined on the slide and informed by continuously evolving our risk appetite, financial settings, reinsurance strategies and how we address ESG.

It’s now eight months since we announced the sale of the bank and outlined the strategic rationale underpinning this difficult decision. In our view the passage of time has reinforced the logic.

The need for continued investment in a vibrant private insurance sector has never been more important to meet the changing needs of customers, communities and our broader economies.

As a leading Trans-Tasman insurer, natural hazard resilience, climate change and the affordability and accessibility of insurance will continue to be the most material issues for our industry to address. Our focus, advocacy and meaningful action on these issues will be at the heart of Suncorp's future.

And with that, I will take your questions.

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