

ASX announcement

One Company
Many Brands



21 October 2015

Morgan's Queensland Investor Conference Presentation

Attached is a copy of the presentation made at the Morgan's 2015 Queensland Investor Conference today.

A handwritten signature in cursive script that reads "Darren Solomon".

Darren Solomon
Company Secretary
Suncorp Group Limited

attch.

Morgan's Queensland Investor Conference

Mark Ley
Head of Investor Relations

One Company
Many Brands



21 October 2015



Agenda



Suncorp's history and operations

Insurance – a fascinating industry!

Positive industry developments for Suncorp Bank and Life

Suncorp's diversified financial services business model

Suncorp Group

Leading financial services brands in Australia and New Zealand



- Top 20 ASX listed company
- \$17 billion market capitalisation at 16 Oct 2015
- \$96 billion in group assets
- 14,500 employees in Australia and New Zealand
- 9 million customers
- End to end ownership of brands

Suncorp Group Limited
October 2015



Insurance – risky business

Three key requirements

Distribution

- » Trust purchase
- » Be 'on the radar'

Price the risk

- » Understand the risk
- » Expertise in underwriting

Manage claims

- » Customer service
- » Scale as a competitive advantage

Distribution – trusted brands

Differentiated offerings, preserving core elements of each brand



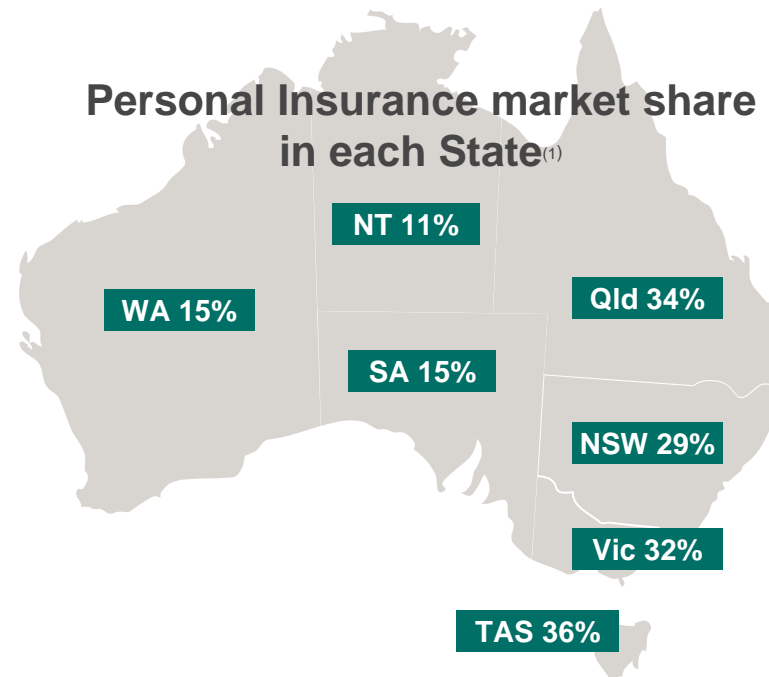
Lead national brand:

- Relieve stress
- Competitive price positions



State based brand in NSW and VIC:

- Providing certainty
- Service excellence and more comprehensive cover



Suncorp Insurance:

- The must-have Queensland insurance
- Strong community connections



National life stage brand:

- Rewarding over 50s
- Showing understanding
- Delivering service excellence

⁽¹⁾ Roy Morgan market shares (July 15)

Suncorp Commercial Insurance



Multi-channel model benefits evolving customer preferences

Customer segments

Global, Corporate, Mid Market, SME, Workers Compensation and CTP

Our channels

Direct

Adviser

Corporate partners and motor dealers

Broker

Brands



(CTP)

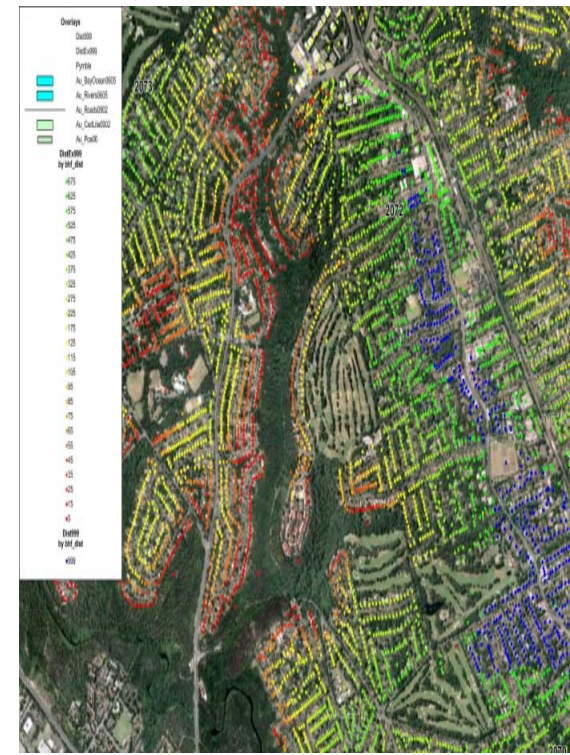
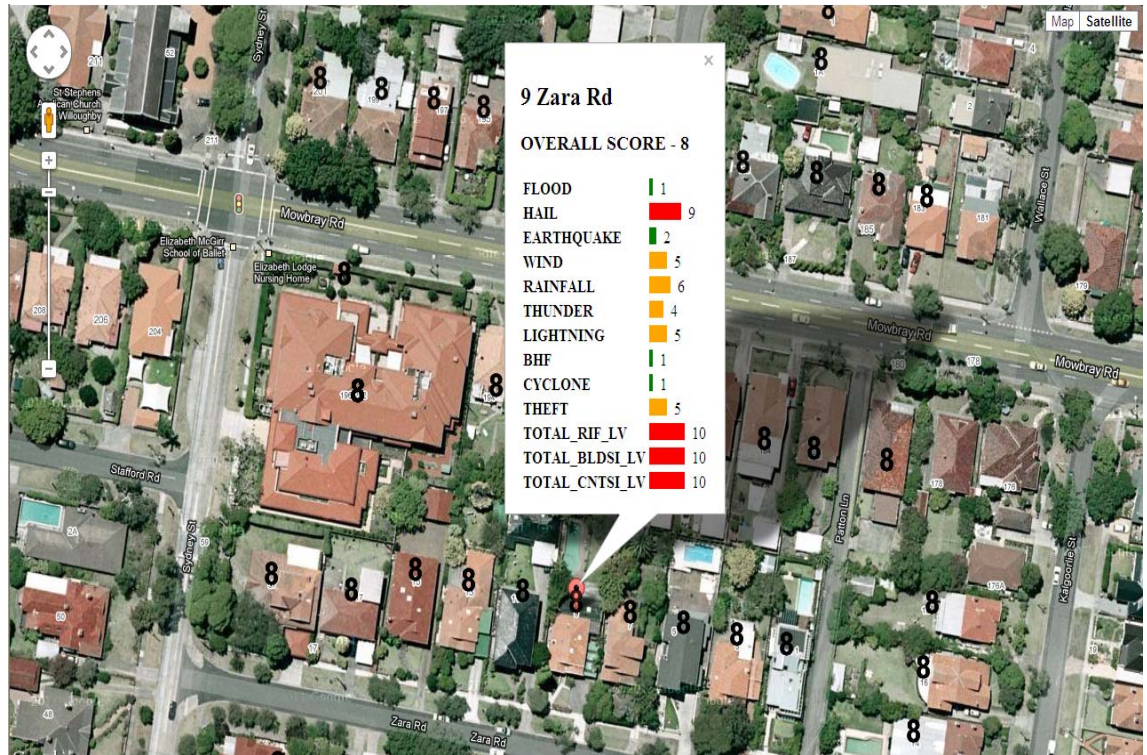


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Price the risk....

On an individual property basis



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Manage the claims

Supply chain innovations

SMART motor repairs

- » SMART repaired 127,000 cars during FY15 with \$400 average cost saving per car
- » Average repair time reduced to 11 hours from 5 days
- » Expected to grow to 30 sites and 5 SMART Plus sites during FY16

ACM Parts

- » Suncorp spends around \$450 million per annum on car parts with average mark-ups of 400%
- » Now a major direct acquirer of parts, Suncorp entered a JV with US-based LKQ, a global leader in aftermarket parts and parallel imports
- » Small acquisitions of salvage suppliers
- » Mitigating A\$ driven parts inflation for SMART and Suncorp aligned repairers

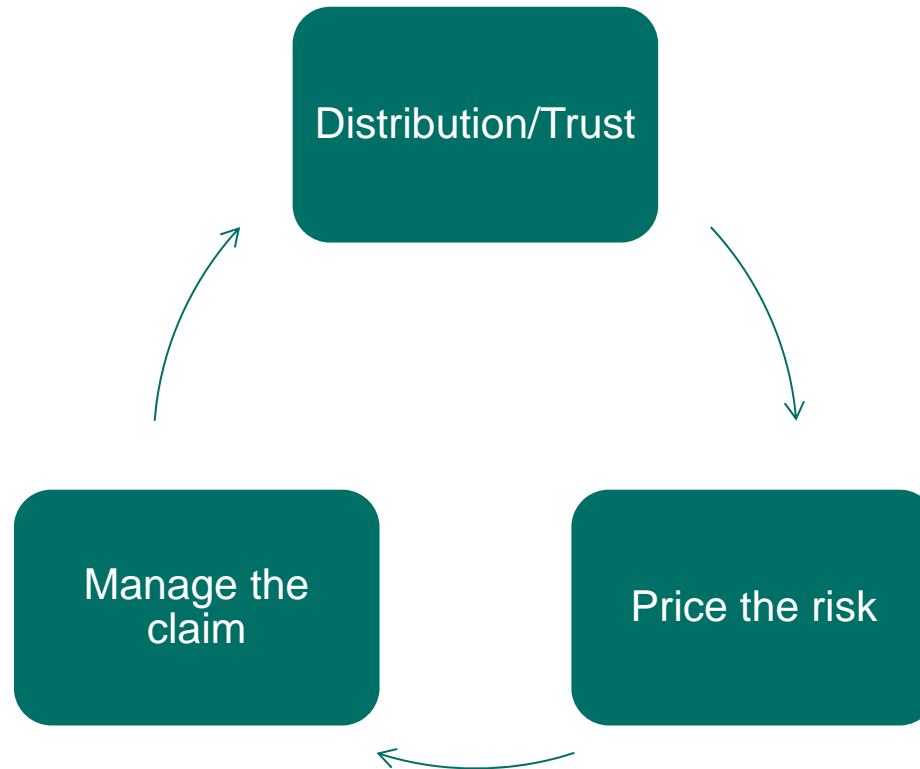
HomeRepair

- » Launched in late 2014 and focused on low complexity home repairs
- » Targeting an estimated saving of \$300 per claim
- » Using innovative materials procurement, technology and workforce
- » Now established in Sydney, Melbourne and Brisbane

Personal injury claims

- » Short-tail approach to claims resolution
- » Focus on fast settlement and avoiding protracted legal disputes
- » Benefiting from low wage inflation and benign superimposed inflation
- » FY15 reserve releases of \$427m (5.4% of NEP) well above the long-run expectation of 1.5%
- » Expect reserve releases to be well above 1.5% in the short to medium term

The insurance business cycle



Suncorp's commitment to customers

The most trusted insurer



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Suncorp Bank Operating Environment



Considerations for Suncorp Bank

Current operating environment

- » Low credit growth and interest rate environment
- » APRA's increase in major bank risk weightings for residential mortgages to at least 25% (from 16%) levels the competitive landscape
- » Ongoing competition for retail and business lending
- » Increasing regulatory compliance
- » Subdued business confidence and political uncertainty although recent signs of improvement
- » Prolonged drought conditions in Queensland and Northern NSW challenging agribusiness credit growth

Suncorp Bank opportunities

- » Leverage A+/A1 credit rating, strong funding and capital position to improve on 3% mortgage market share
- » Ongoing investment in channel and geographic expansion with well supported home lending campaigns during FY15
- » Leverage 'Bank of the Year' awards
- » Growing the core franchise through 'connected customer' relationships
- » Delivery of Project Ignite will enable timely responses to changing customer needs and market competition to support future growth
- » Suncorp Bank's advanced risk management tools will inform decision making in line with its conservatively-set risk appetite
- » Group-led customer base initiatives will help support growth in highly competitive segments
- » A long history in agribusiness, a collaborative customer approach and a clear risk appetite continues to guide decisions around new business and management of customers in drought-affected areas

Suncorp Life Operating Environment



Considerations for Suncorp Life

Current operating environment

- » Economic headwinds
- » Regulatory reform
- » Technological change
- » IFRS/Accounting change
- » Changing customer behaviour

Suncorp Life opportunities

- » Conservatively positioned with increased reinsurance and a strengthened balance sheet
- » Forward-looking, conservative bias towards lapse and claims assumptions
- » Diversified distribution – IFA, Bank, Direct
- » Direct opportunity through General Insurance brands that are known and trusted
- » Group-led customer base initiatives will help support growth in highly competitive segments

Suncorp's Strategic Assets

Our focus

Cost

- » Delivering scale cost benefits on third party **procured goods / services**
- » Sharing **scale on infrastructure** (real estate, enterprise technology) and **non-unique business services**

Customer

- » Enhancing value to our **9 million customer** connections by deepening their relationships with Group brands

Capital

- » Demonstrating a **diversification** benefit through improved Group Risk-based Capital modelling
- » Maintain **A+/A1** credit rating

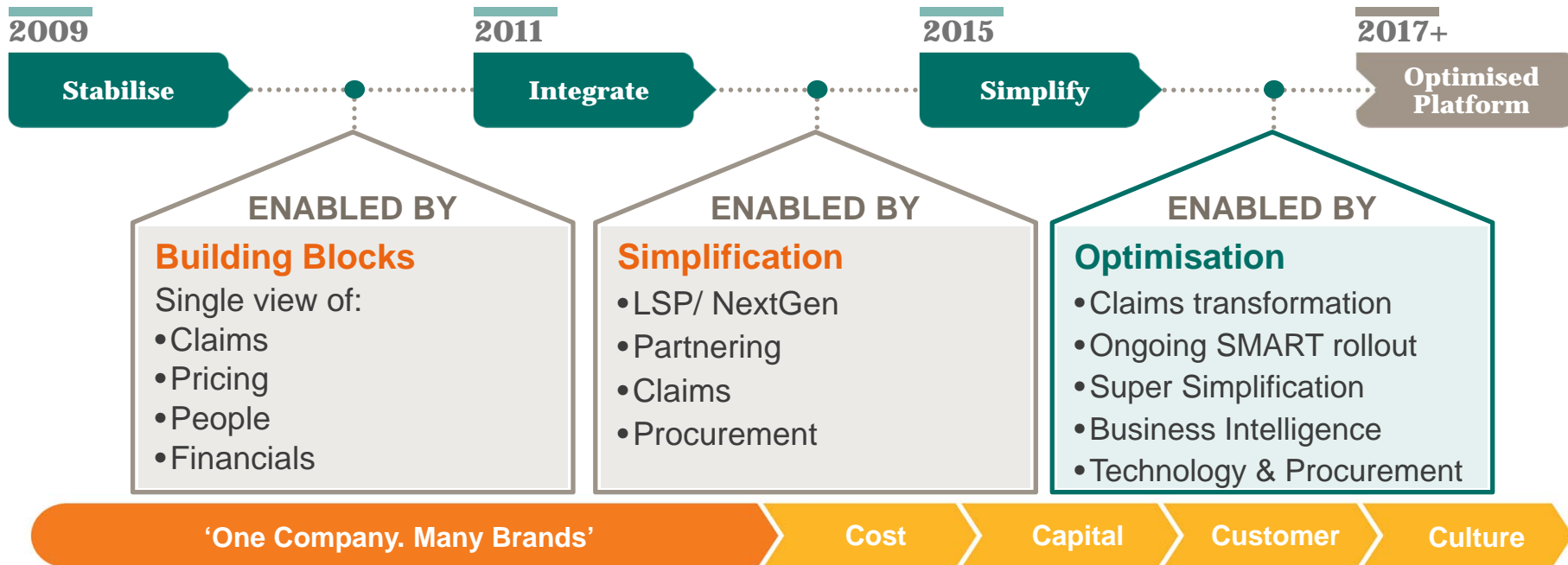
Culture

- » Operating as '**One Company. Many Brands. One Team**'

Suncorp Transformation



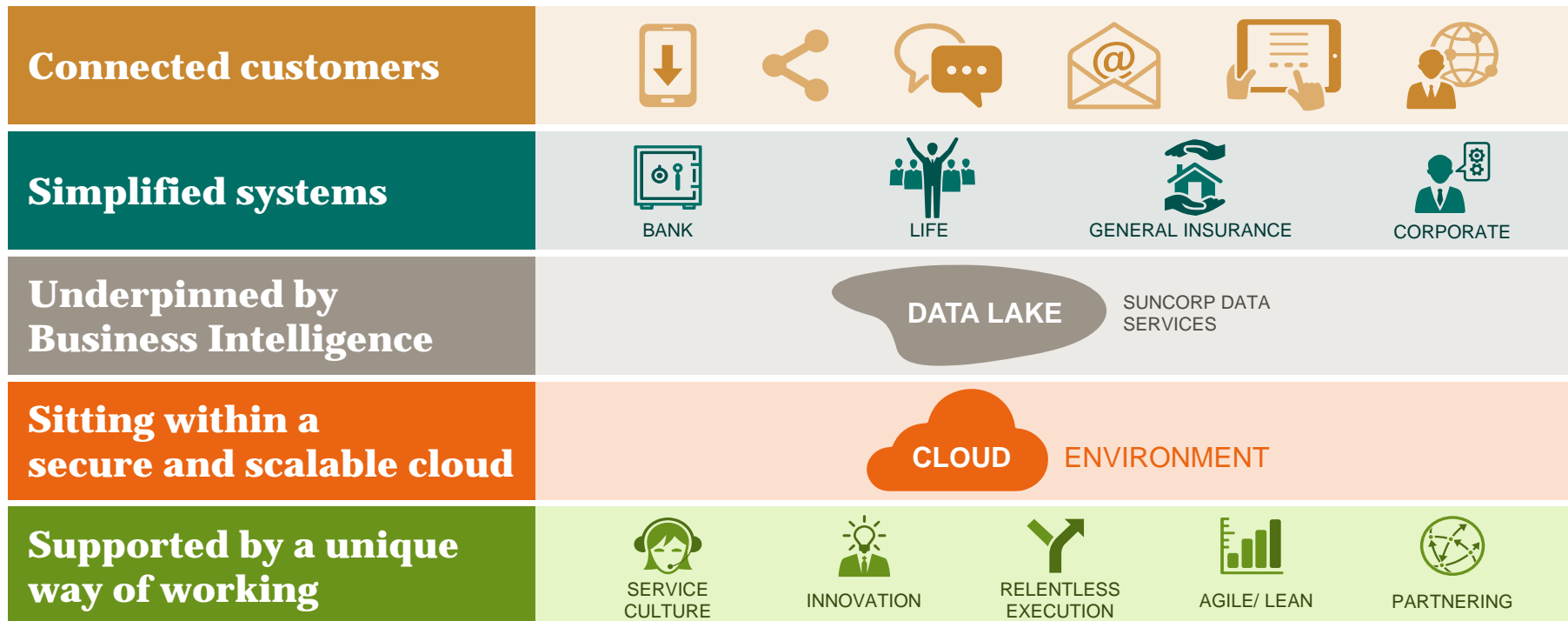
Continuation of Suncorp Simplification and de-risking



Optimised Platform



Unlocking the value for our 9 million customers



Suncorp's shareholder promise

Simplified, de-risked financial services group

Yield

- » Dividend payout ratio of 60% to 80% and return of surplus capital
- » Organic strategy, focused exclusively in Australia and New Zealand
- » De-risked and simplified business model



Growth

- » Efficiency-led profit growth
- » 'Above system' growth in key markets
- » Multi-brand, multi-channel approach leveraging the Group's 9 million customers



Questions?

Important disclaimer

This report contains general information which is current as at 21 October 2015. It is information given in summary form and does not purport to be complete.

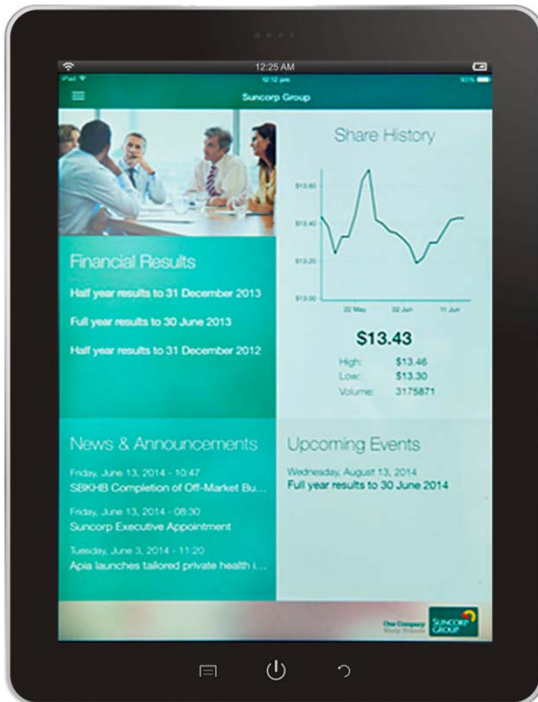
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October 2015



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