Suncorp Group Limited

Release date: 11 February 2016

One Company
Many Brands

SUNCORP GROUP

Financial results for the half year ended 31 December 2015

"Creating value for our customers"

Suncorp Group Data Pack
11 February 2016

Suncorp Group

Leading financial services brands in Australia and New Zealand

One Company Many Brands

- Top 20 ASX listed company
- $14 billion market capitalisation at 11 February 2016
- $94 billion in group assets
- 13,400 employees in Australia and New Zealand
- 9 million customers
- End to end ownership of brands

Suncorp's shareholder promise

Simplified, de-risked financial services group

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SUNCORP GROUP

Yield

- Dividend payout ratio of **60%** to **80%**
- Return of surplus capital
- Strategy focused exclusively in Australia and New Zealand
- De-risked and simplified business model

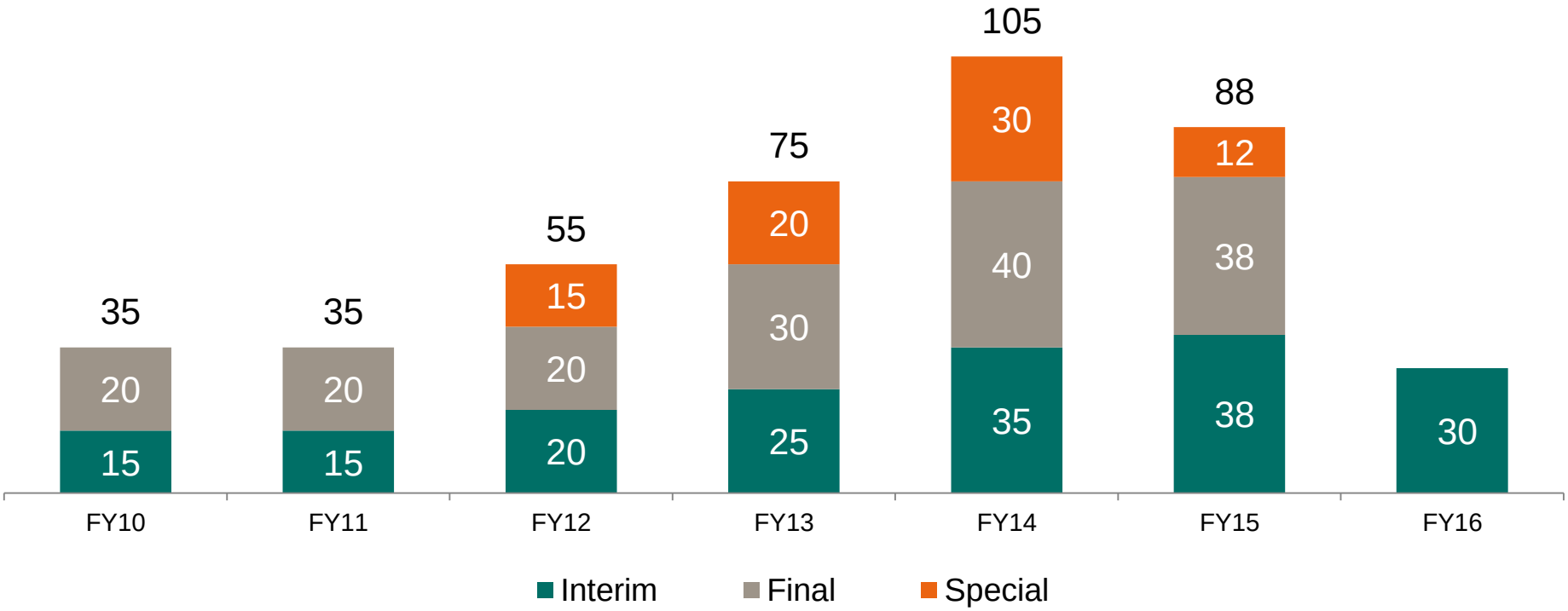
+

Growth

- Efficiency-led profit growth
- Multi-brand, multi-channel approach providing greater value to the Group's 9 million customers
- 'Above system' growth in key markets
- Incremental market opportunities such as SA CTP

Dividends

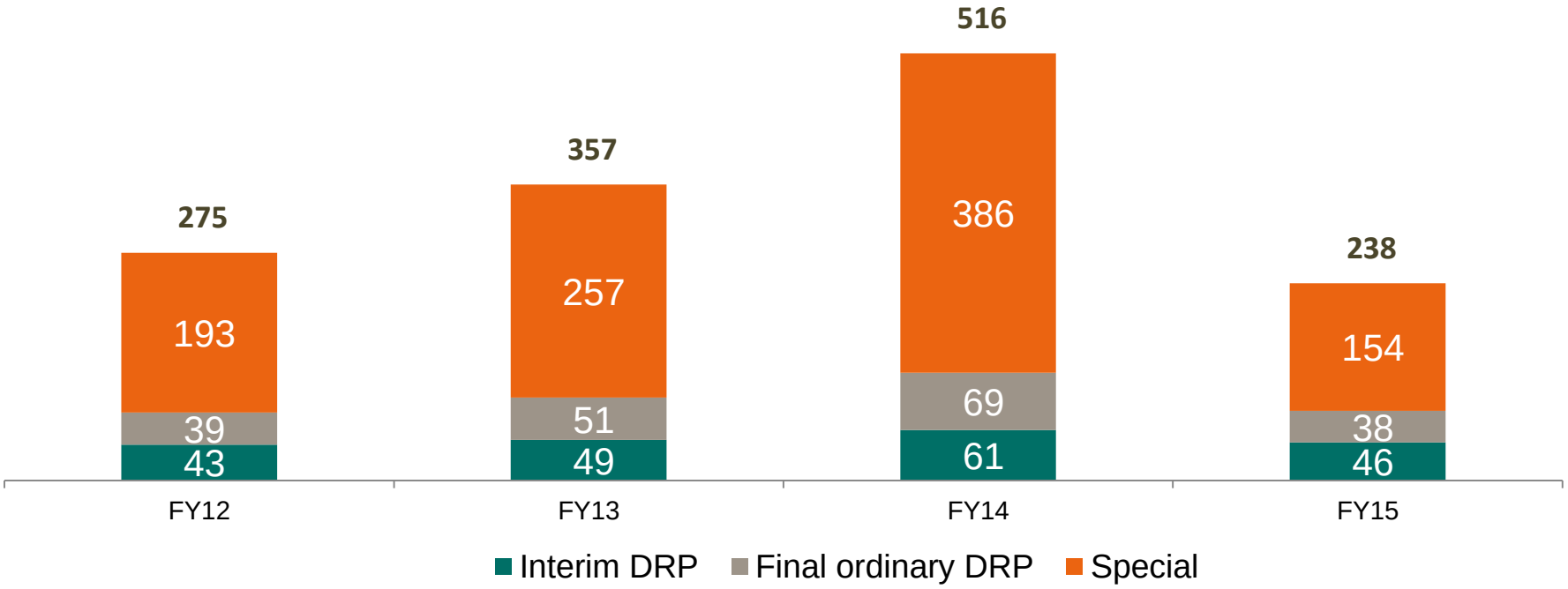
30 cent interim dividend, cash earnings payout ratio of 69%



Suncorp Group capital initiatives

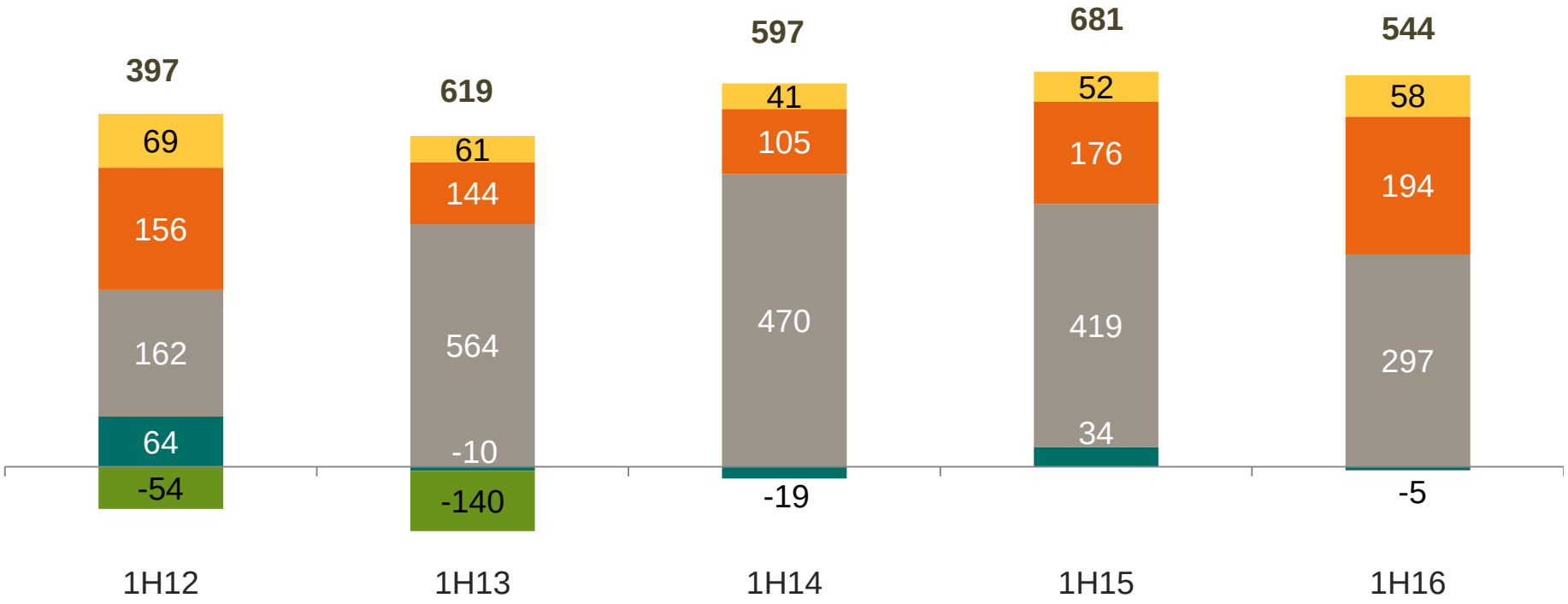
Quantum of special dividend and impact of neutralisation of DRP ($m)

$1.4b of capital management



Suncorp Group business line NPAT ($m)

Diversification of earnings



- Life underlying NPAT
- Life market adjustments
- General Insurance
- Bank
- Non-core Bank

Shareholder metrics

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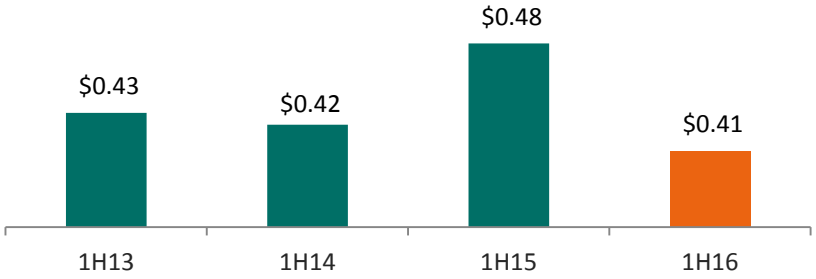
EPS (Basic)

EPS (Diluted)

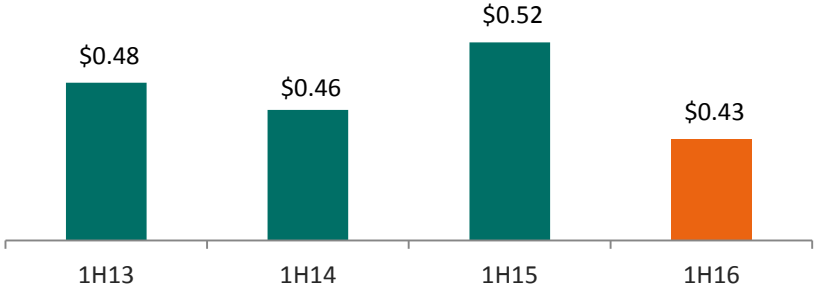


	1H13	1H14	1H15	1H16
Numerator ($m)				
Earnings (EPS Basic)	574	548	631	530
Interest expense on CPS (net of tax)	22	14	22	21
Earnings (EPS Diluted)	596	562	653	551
Denominator (m)				
Weighted Average Ordinary Shares (EPS Basic)	1,278	1,278	1,279	1,279
Effect of conversion of CPS	97	45	69	80
Weighted Average Ordinary Shares (EPS Diluted)	1,374	1,323	1,348	1,358

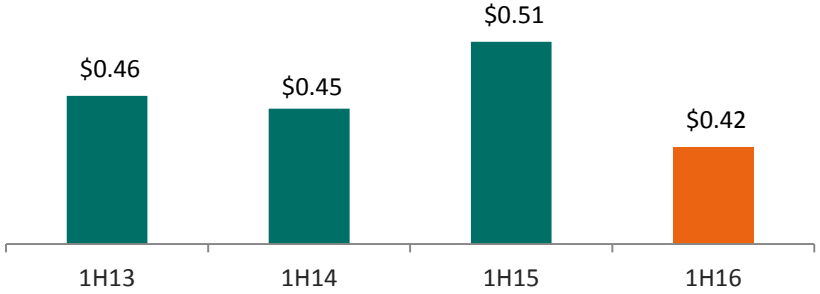
Shareholder metrics

One Company Many Brands SUNCORP GROUP

Cash EPS (Basic)



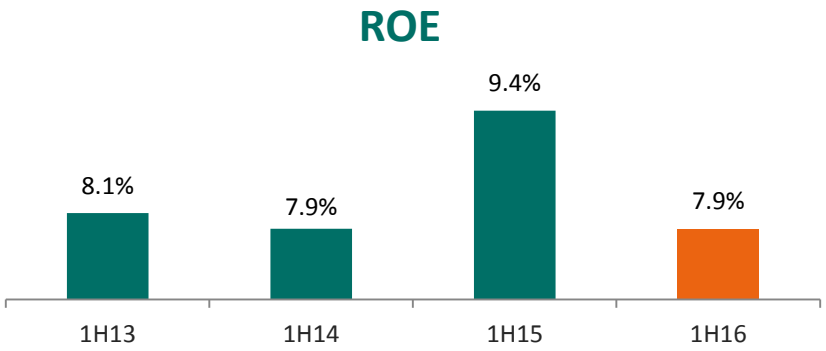
Cash EPS (Diluted)

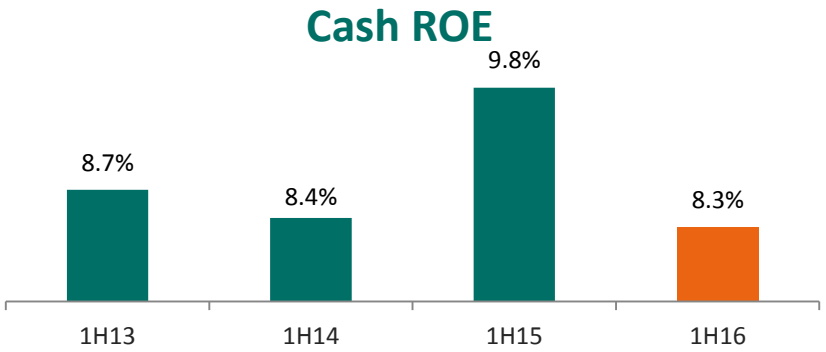


	1H13	1H14	1H15	1H16
Numerator ($m)				
Earnings (EPS Basic)	616	587	660	556
Interest expense on CPS (net of tax)	22	14	22	21
Earnings (EPS Diluted)	638	601	682	577
Denominator (m)				
Weighted Average Ordinary Shares (EPS Basic)	1,278	1,278	1,279	1,279
Effect of conversion of CPS	97	45	69	80
Weighted Average Ordinary Shares (EPS Diluted)	1,374	1,323	1,348	1,358

Shareholder metrics

One Company Many Brands SUNCORP GROUP



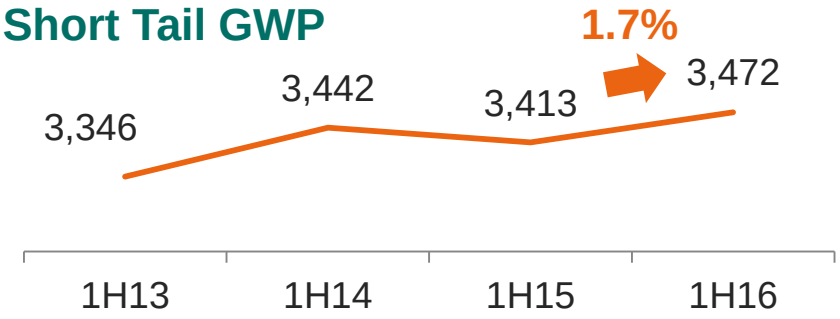


	1H13	1H14	1H15	1H16
ROE				
Earnings ($m)	574	548	631	530
Average shareholders' equity (m)	14,128	13,822	13,361	13,261
Cash ROE				
Cash Earnings ($m)	616	587	660	556
Average shareholders' equity (m)	14,128	13,822	13,361	13,261

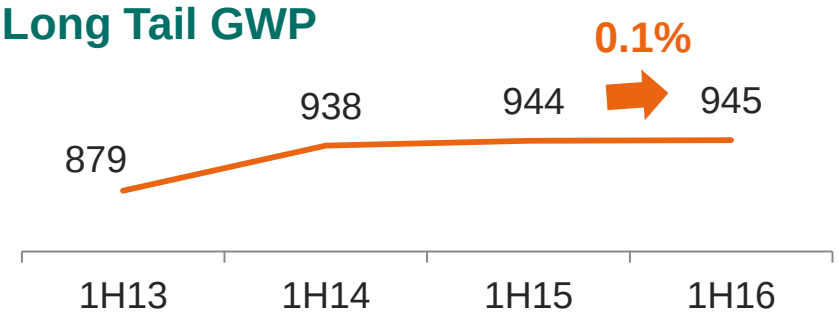
Top-line growth ($m)

Growth remains solid across all business lines

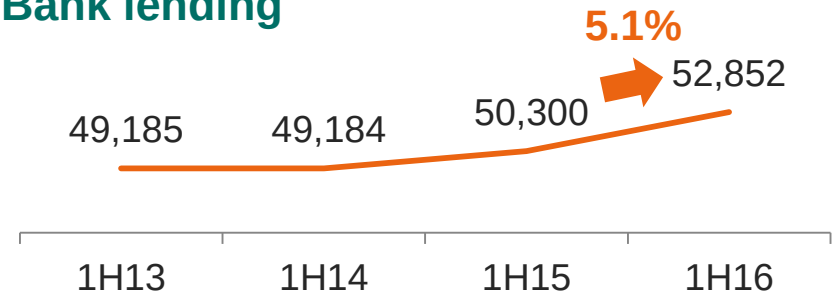
Short Tail GWP



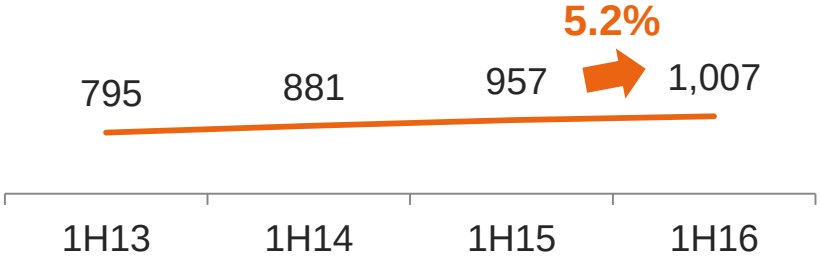
Long Tail GWP



Bank lending



Life individual in-force policies



Suncorp's strategic assets

Our focus

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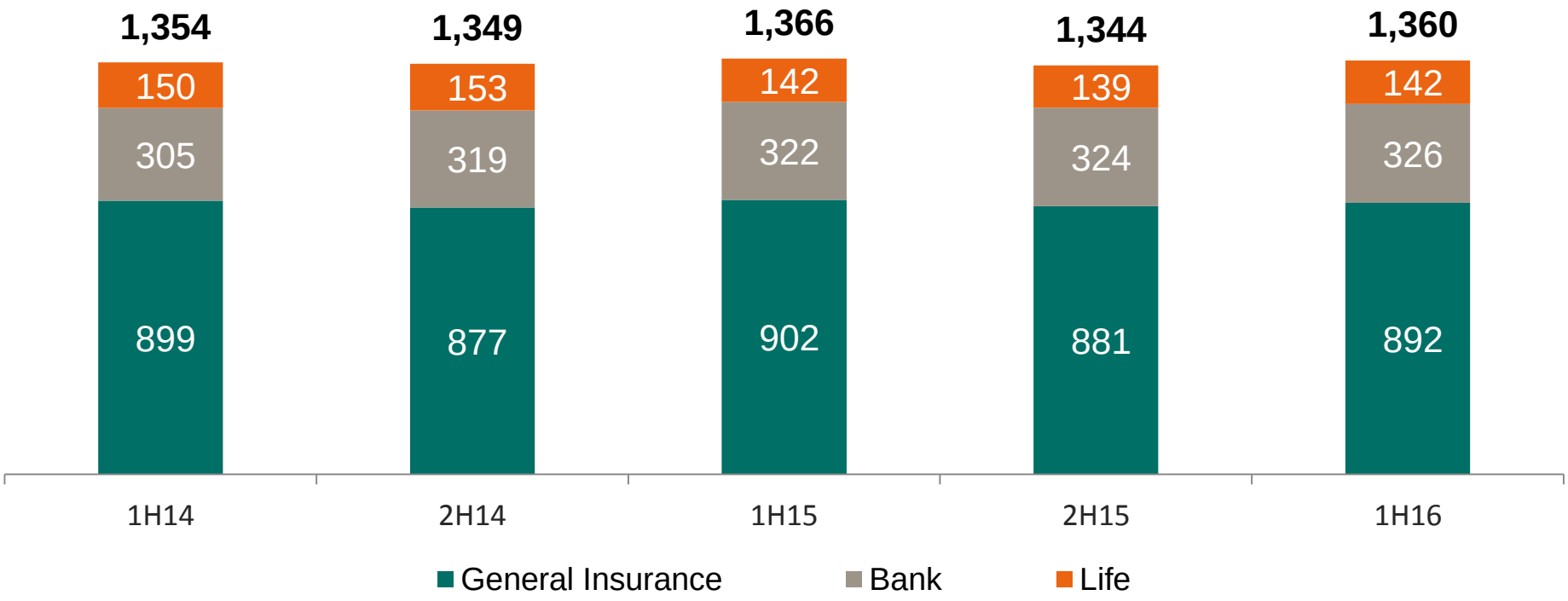
Cost	• Deliver scale cost benefits on third party procured goods / services • Maintain a stable operating expense base as a result of leveraging the Group's scale, buying power and supplier relationships
Customer	• Creating value for our customers • Broadening the connection with the Group's nine million customers by deepening their relationships with the Group's brands
Capital	• Demonstrating a diversification benefit through Group Risk Based Capital modelling • A+/A1 credit rating
Culture	• Operating as 'One Company. Many Brands. One Team'

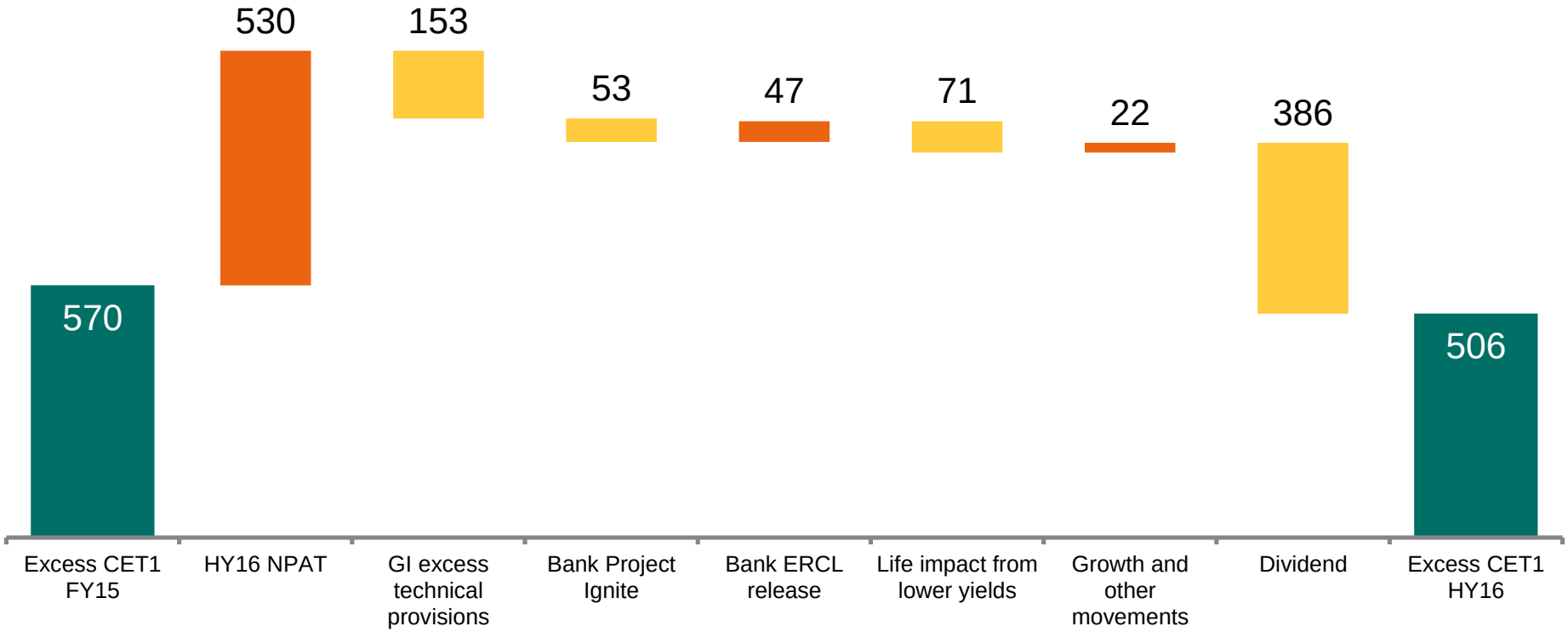
Cost - operating expenses ($m)

Stable over time



CET1 Capital Base – HY16 movements ($m)

Impacted by lower GI margins



Capital

Increased sophistication due to Risk Based Capital modelling

- Simplification and de-risking have supported capital returns
- Balance sheet strong
- Risk Based Capital embedded
- Enhancing decision making

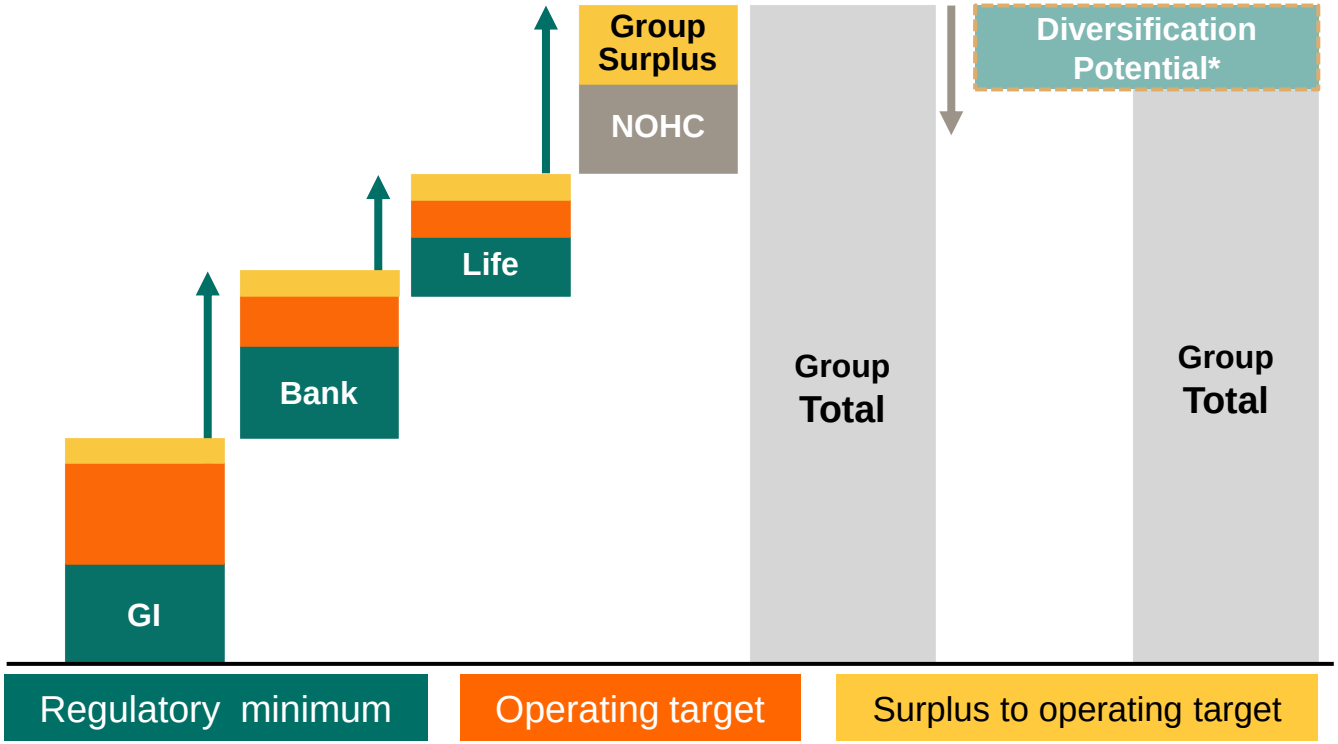


*Chart not to scale

Capital instruments

Outstanding at 31 December 2015

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	Semi-annual coupon rate / margin above 90 day BBSW	Optional Call / Exchange Date	Issue Date	31 DECEMBER 2015				Total Balance	Regulatory Capital
				GI	Bank	Life	SGL		
				$M	$M	$M	$M	$M	$M
AAIL Subordinated Debt	330 bps	Nov 2020	Nov 2015	225	-	-	-	225	225
AAIL Subordinated Debt	6.75%	Oct 2016	Oct 2006	101	-	-	-	101	108
AAIL Subordinated Debt	-	June 2017	Oct 2007	265	-	-	-	265	220
SGL Subordinated Debt	285 bps	Nov 2018	May 2013	-	670	100	-	770	770
SML FRCN	75 bps	Perpetual	Dec 1998	-	72	-	-	72	72
Total subordinated debt				**591**	**742**	**100**	**-**	**1,433**	**1,395**
SGL CPS2	465 bps	Dec 2017	Nov 2012	110	450	-	-	560	560
SGL CPS3	340 bps	June 2020	May 2014	400	-	-	-	400	400
Total Additional Tier 1 Capital				**510**	**450**	**-**	**-**	**960**	**960**
Total				**1,101**	**1,192**	**100**	**-**	**2,393**	**2,355**

* Additional information is available in appendix 3 of the Analyst Pack

Group Risk Based Capital

Capital volatility by key risk type

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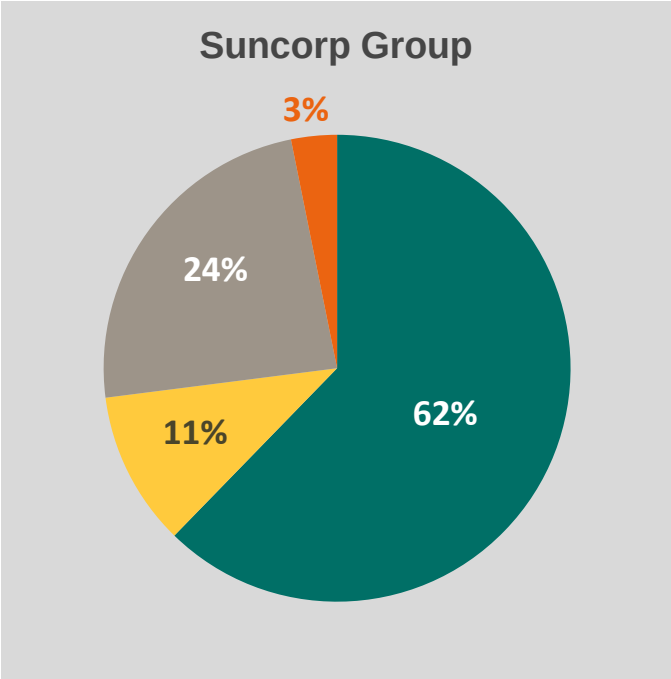
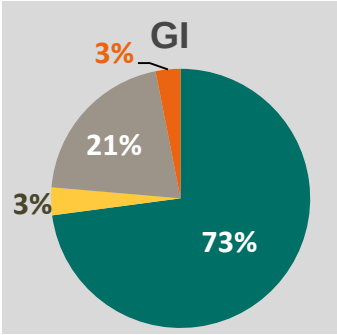
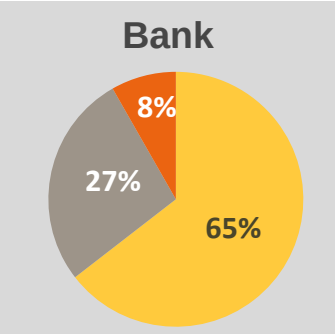
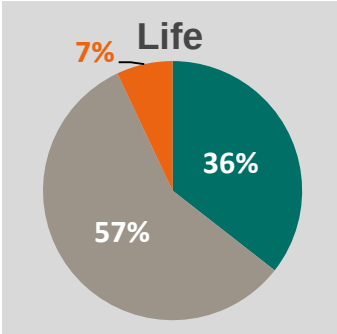
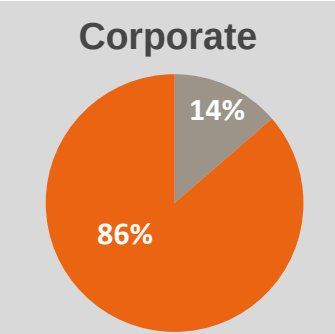
- Insurance risk
- Operational risk
- Market risk
- Counterparty credit risk











Culture

World leading employee engagement and enablement

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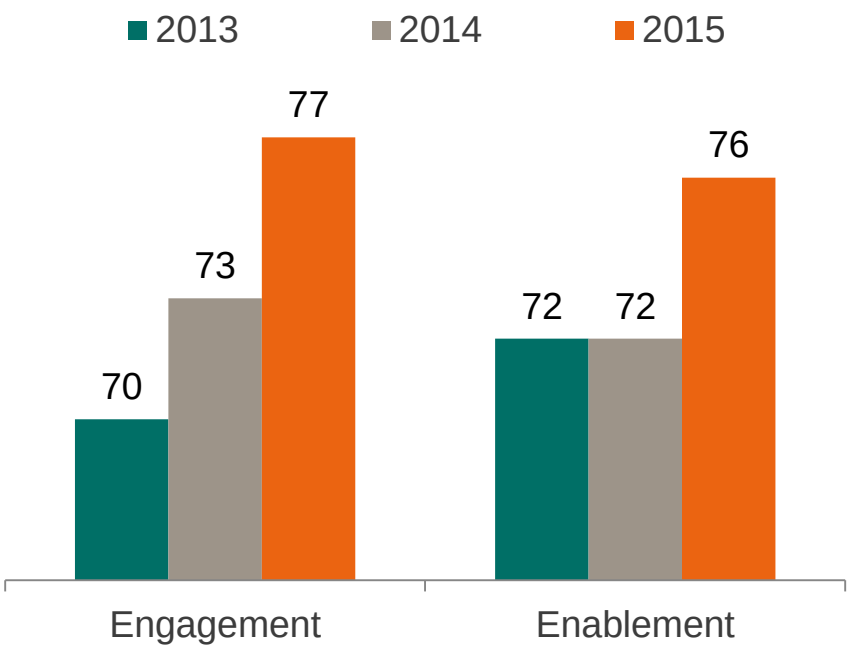
91% of Suncorp people participated in the latest survey

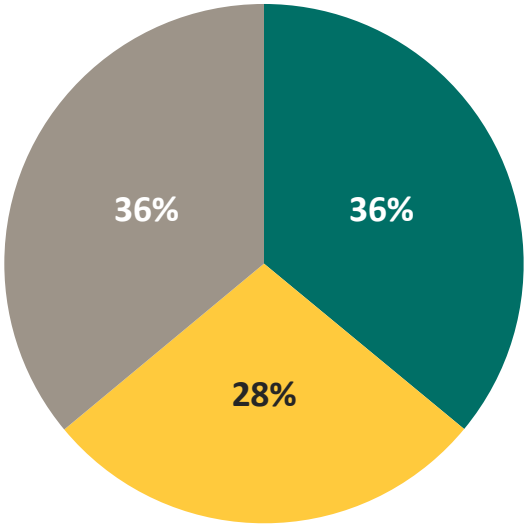
- Engagement and Enablement are at or above Global High Performance Norms
- 37% of women in senior leadership
- Improved employee advocacy with 85% of employees indicating they recommend Suncorp to family and friends



Suncorp's shareholder overview

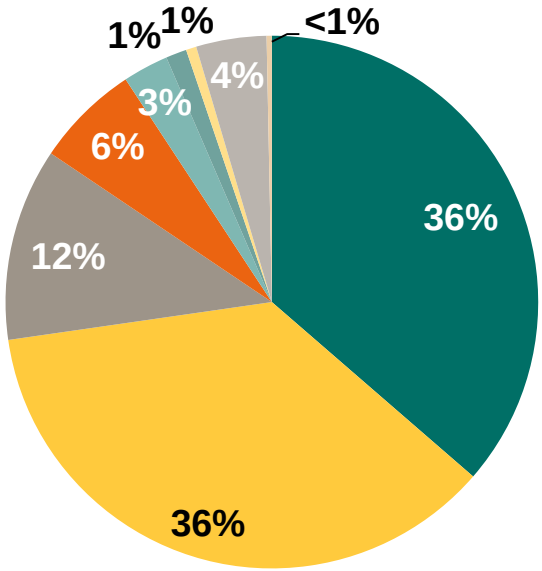
One Company Many Brands

Shareholders by type



- International institutions
- Domestic institutions
- Retail

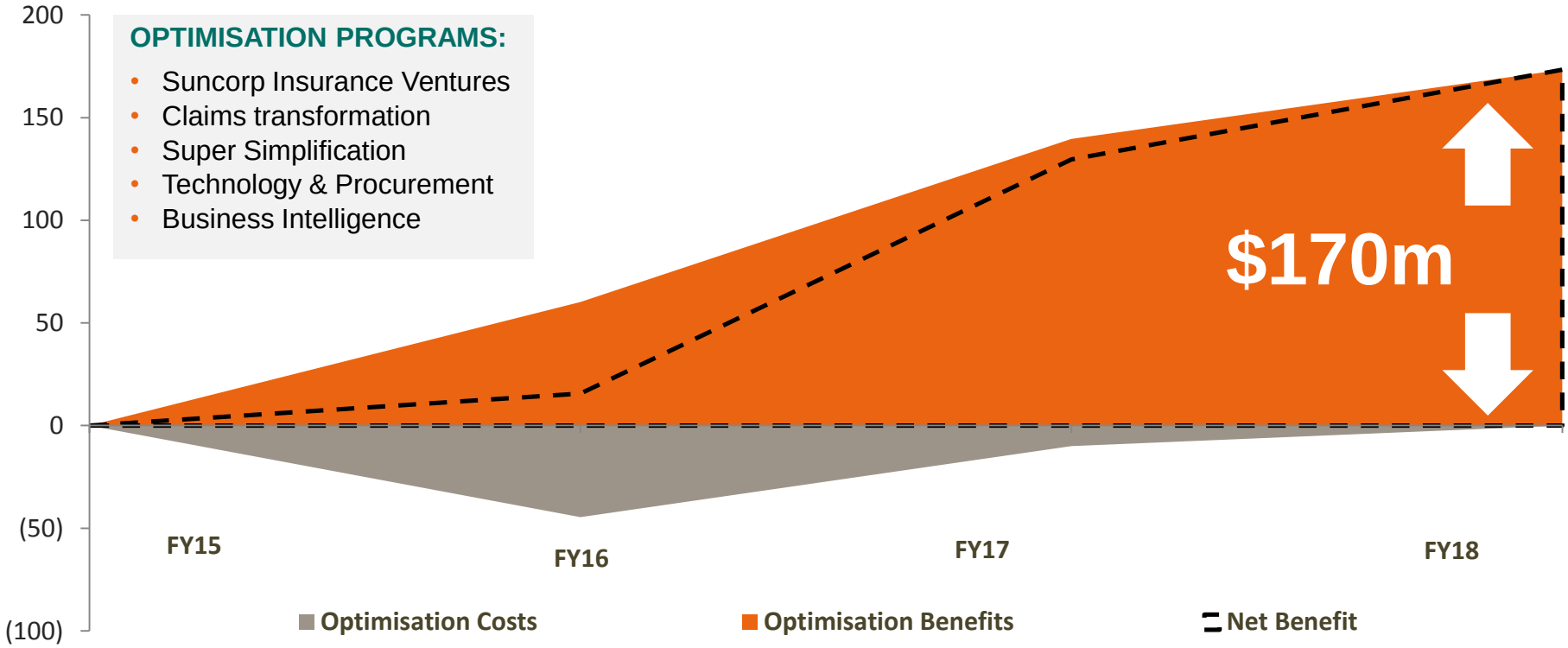
Shareholders by geography



- Australian institutional
- Australian retail
- United States
- United Kingdom
- Hong Kong
- Japan
- Singapore
- Rest of Europe
- Rest of world

Optimisation

On track to deliver $170m of benefits in FY18



Suncorp projects key milestones

On track and delivering

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Program	Initiative	1H16	2H16
Optimisation	Motor claims repathing	✓ Implementation of the national claims assessing model, including rollout of Audatex ✓ RepairLink rationalisation ✓ 3 new SMART repair centres	▪ RepairLink rationalisation ▪ 1 new SMART site ▪ 4 SMARTPlus sites
	Super Simplification	✓ Business Process Outsourcing (BPO) and Information Technology Outsourcing (ITO) completed ✓ Detailed planning/project delivery phase commenced for product simplification and re-platforming	▪ New platform in and operational ▪ First new product released to market ▪ Progress on both product upgrade paths and migration to new platform
	Technology & Procurement	✓ 55% of total systems and applications migrated to cloud environments ✓ 5% of systems decommissioned	▪ 65% of total systems and applications migrated to cloud environments ▪ 10% of systems decommissioned
	Business Intelligence	✓ 7 out of 13 legacy warehouses decommissioned ✓ Core Group Data on Suncorp Data Services (SDS)	▪ 9 out of 13 legacy warehouses decommissioned
Ignite	Bank Platform	✓ End to end lending application, supporting both origination and servicing of home loans ✓ Collateral system ✓ Data migration	▪ Ignite rollout to branch network ▪ Deposit and Transactions accounts ▪ Integration of Ignite with broker management systems ▪ Merchant management system ▪ Data migration
Simplification	GI LSP	✓ 71% GWP (10.4 million policies) on strategic platform ✓ 54% Legacy platform decommissioning complete (7 of 13 systems) ✓ 100% GIO CI SME new business transacted on strategic platform ✓ NZ AA Insurance (Policy and Claims) ✓ GIO Workers Compensation – Direct channels ✓ New NZ Corporate Partner (PI) launched	▪ Workers' Compensation launched via new broker platform – Vero Edge ▪ 100% Workers' Compensation underwritten new business transacted on strategic platform
Other	Real Estate	✓ Reduce Brisbane real estate footprint ✓ Sydney consolidation: approval of concept design	▪ Reduce Sydney real estate footprint

One Company
Many Brands

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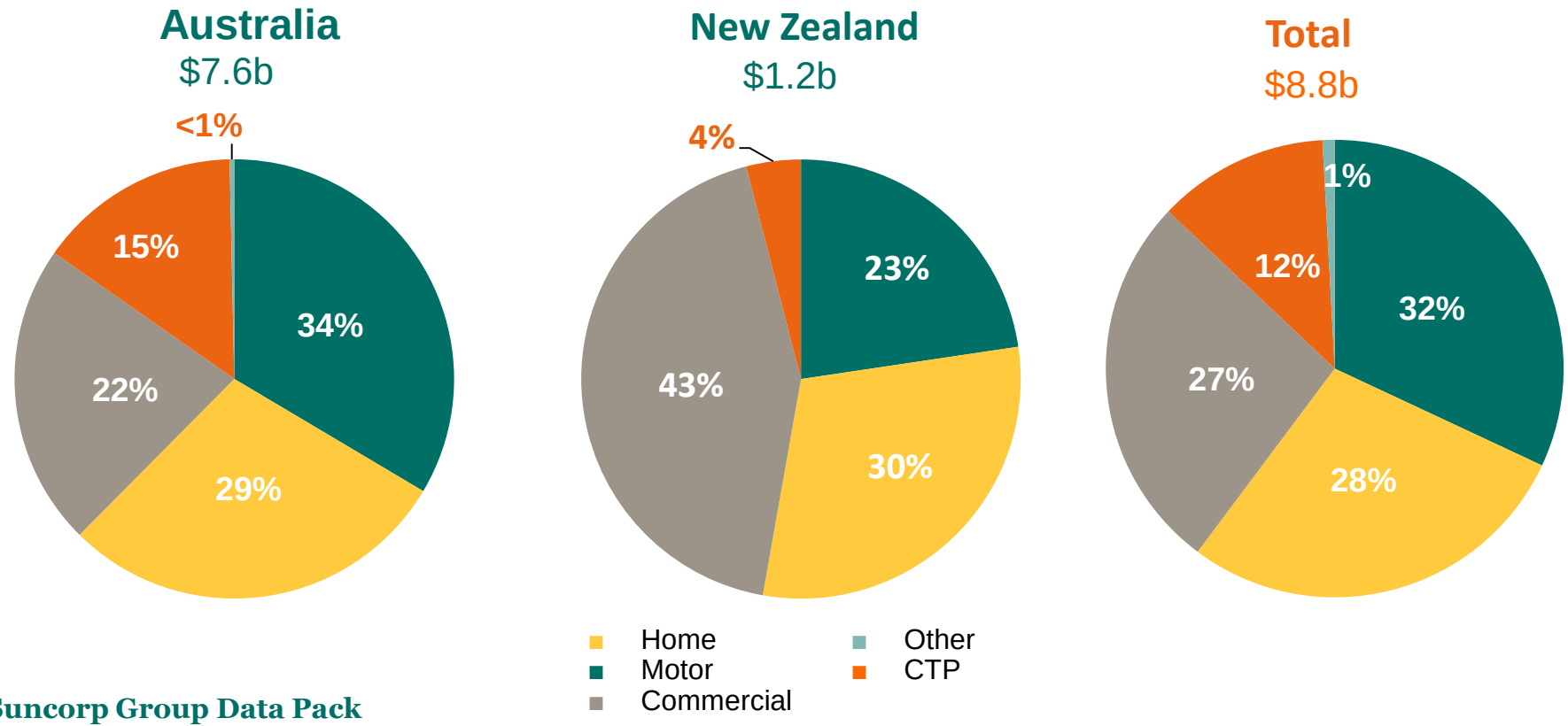
General Insurance

“Creating value for our customers”

Gross Written Premium

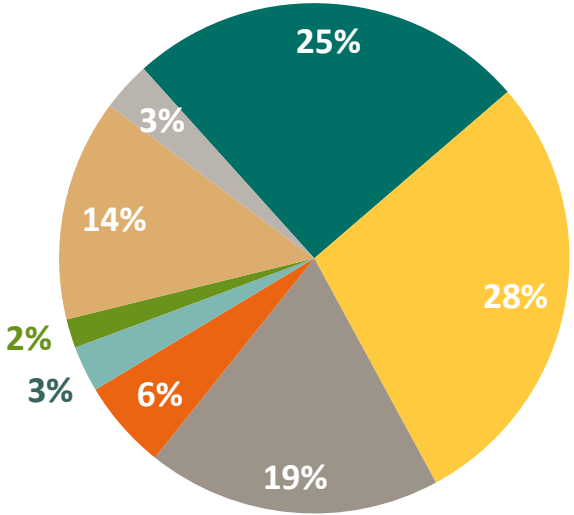
By product



Gross Written Premium

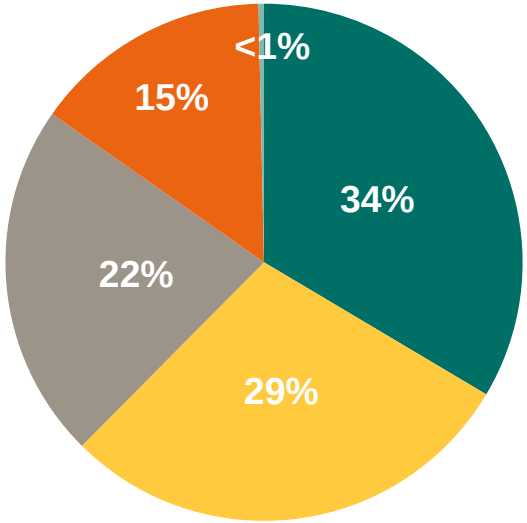
Total GWP of $8.8 billion

Geography



- New South Wales
- Queensland
- Victoria
- South Australia
- Western Australia
- Tasmania
- New Zealand
- Other

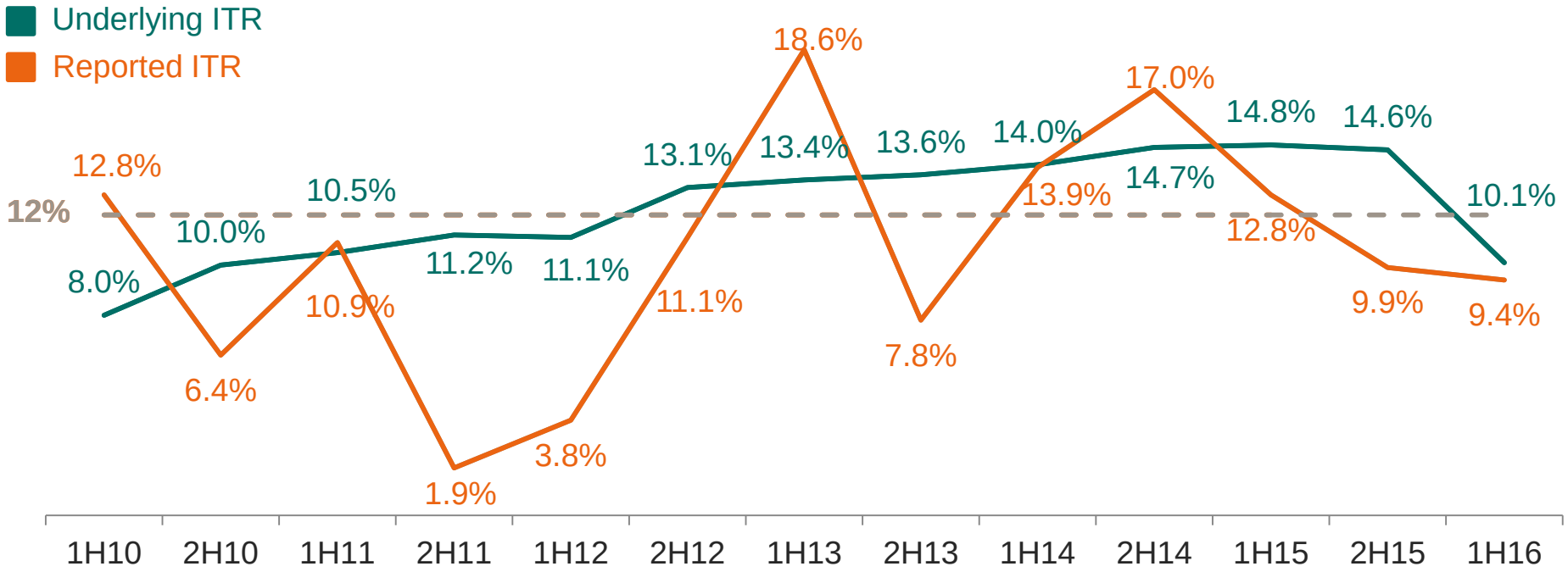
Product



- Home
- Motor
- Commercial
- CTP
- Other

Underlying and Reported ITR

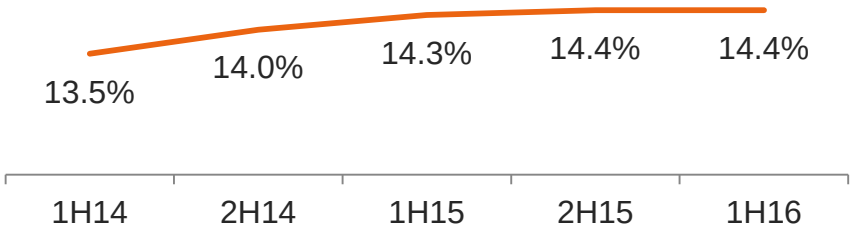
Impacted by claims inflation and lower investment yields



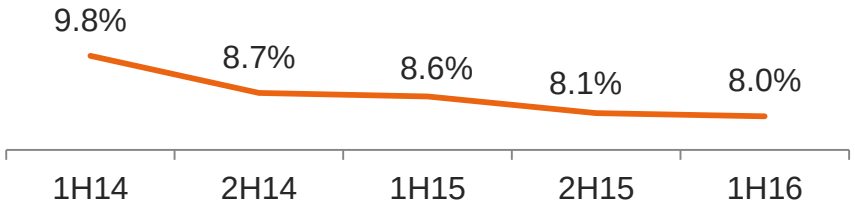
General Insurance

Key ratios

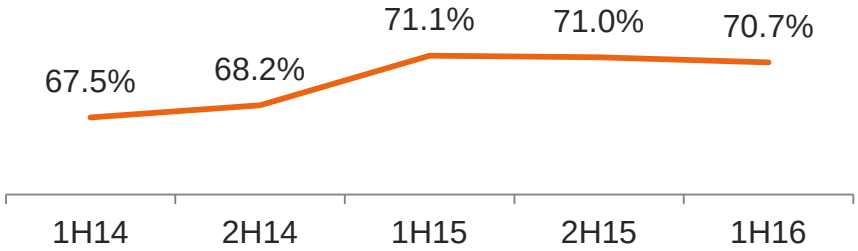
Acquisition expenses ratio



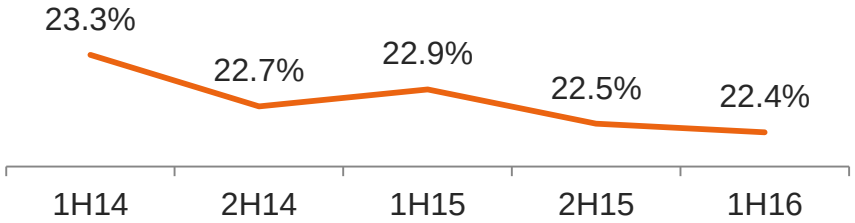
Other underwriting expenses ratio



Loss ratio

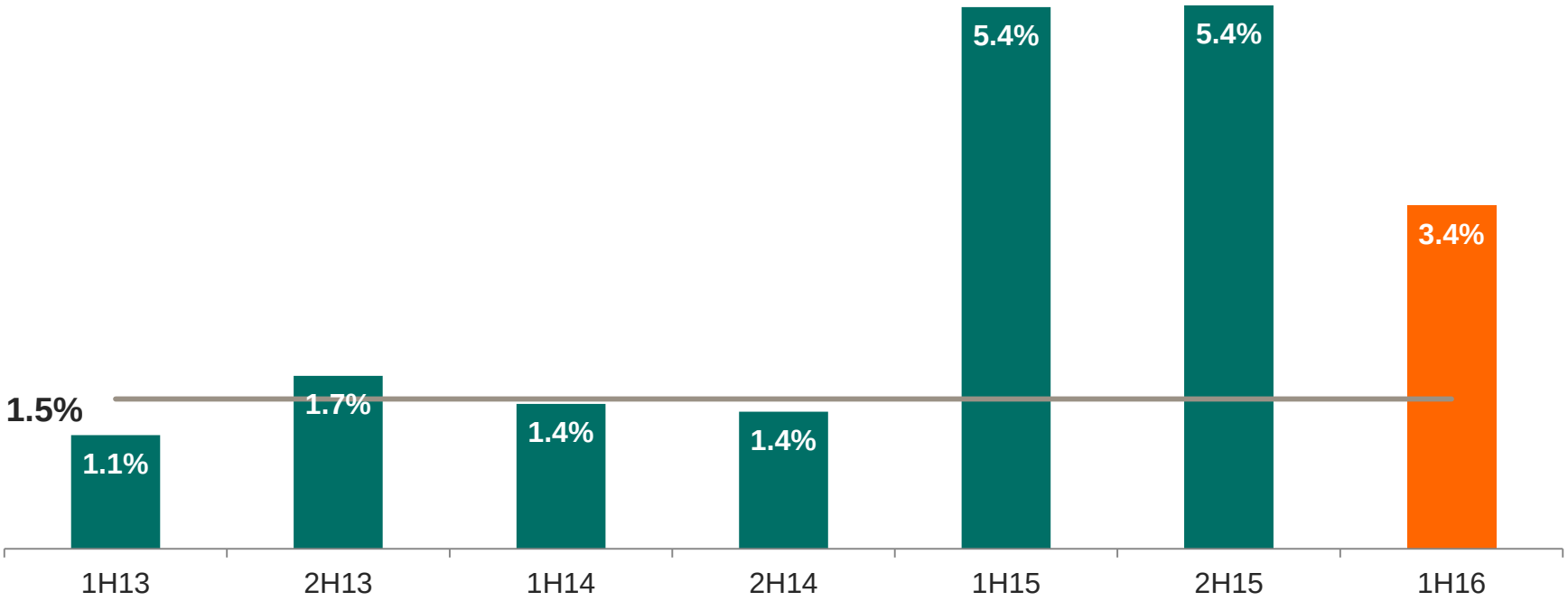


Total operating expense ratio



Reserve releases

Conservative assumptions and world leading long-tail claims management



Reserve releases

Continued releases

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Building Blocks delivered one claims system

Simplification reduced legal costs

Management have reduced settlements and duration

Benign wage and superimposed inflation

Optimised claims processes

Reserve releases well above 1.5% of NEP

General Insurance – Natural hazards

Six months to 31 December 2015

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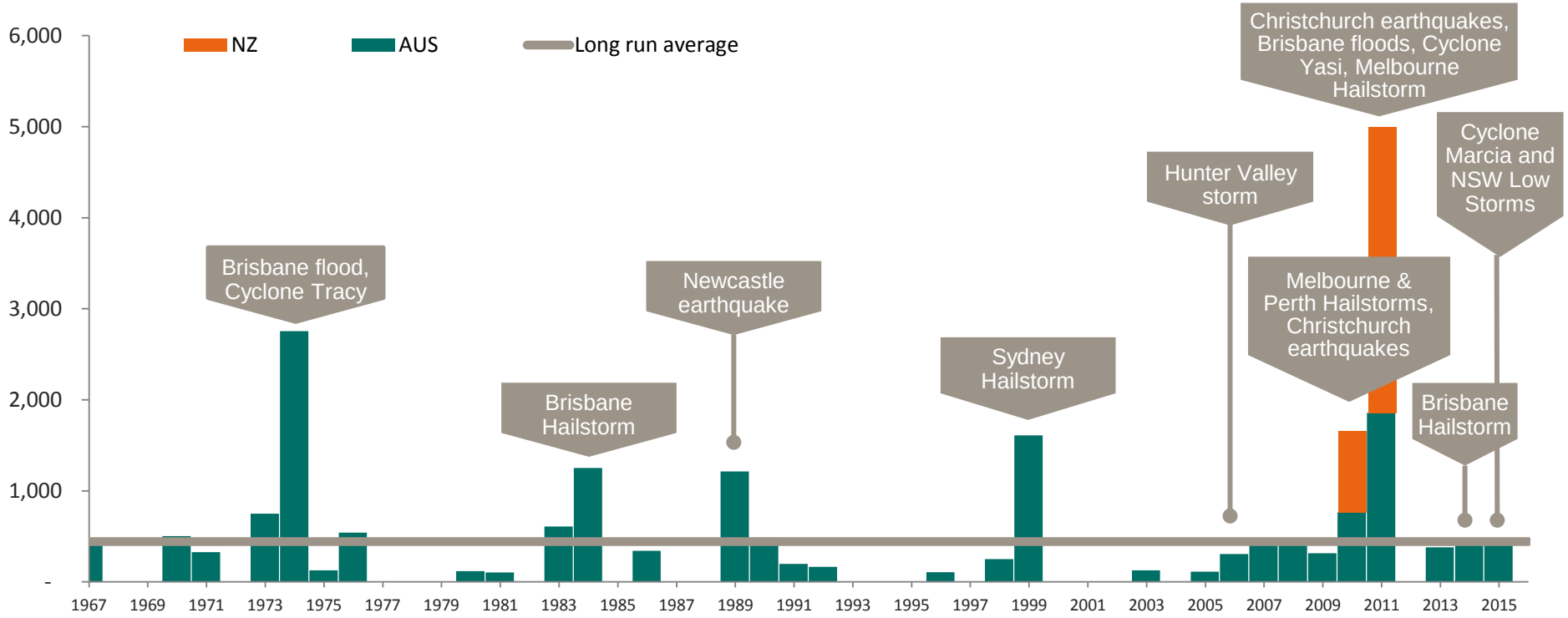
Date	Event	Net costs ($m)
Aug 2015	South Coast NSW and Sydney Storms	29
Sep 2015	NSW Central Coast Hail	21
Oct 2015	Fernvale Chinchilla Hail	44
Nov 2015	Sunnybank Hail	16
Nov 2015	Pinery Bushfire	15
Nov 2015	Darling Downs Storms	25
Dec 2015	Kurnell Tornado	63
Dec 2015	Great Ocean Road Bushfire	31
	Other natural hazards attritional claims (Australia)	114
	Other natural hazards attritional claims (New Zealand)	4
Total		362
	Less: allowance for natural hazards	(334)
	Natural hazards costs above allowance	28

General Insurance – Natural hazards

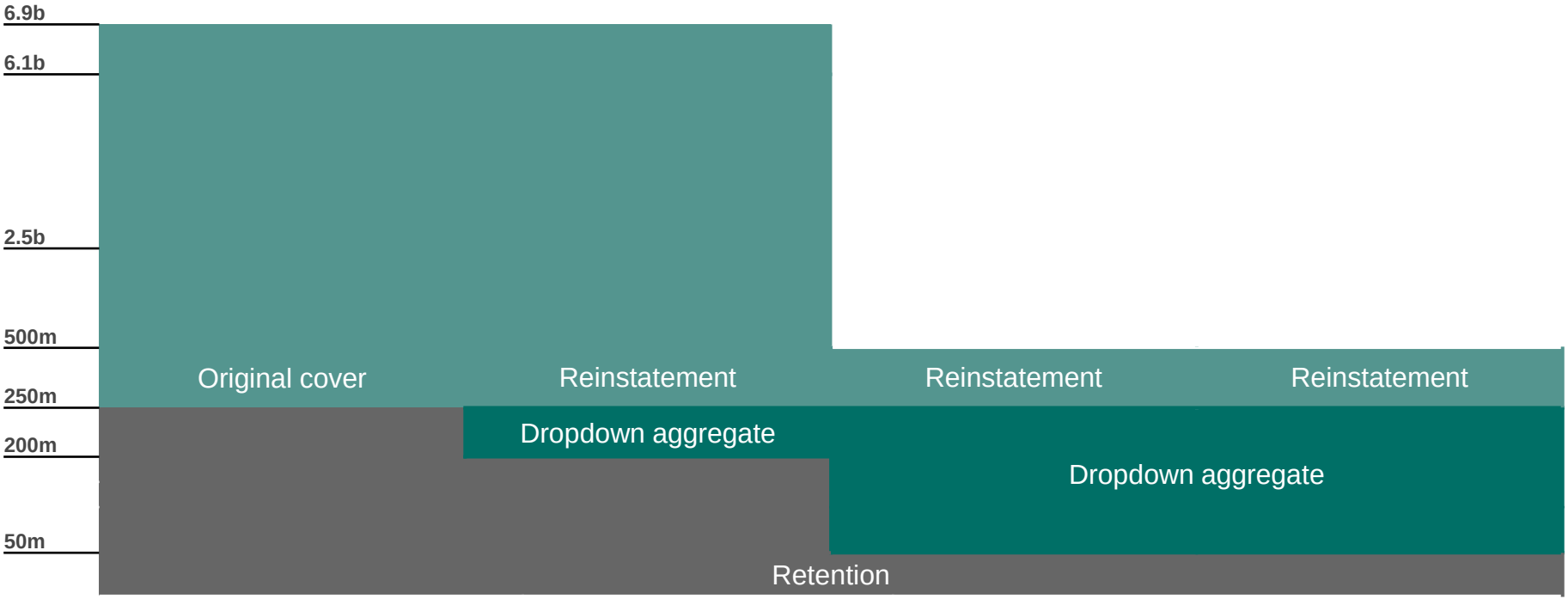
45 years of natural hazards*



* Adjusted for inflation, population growth and market share

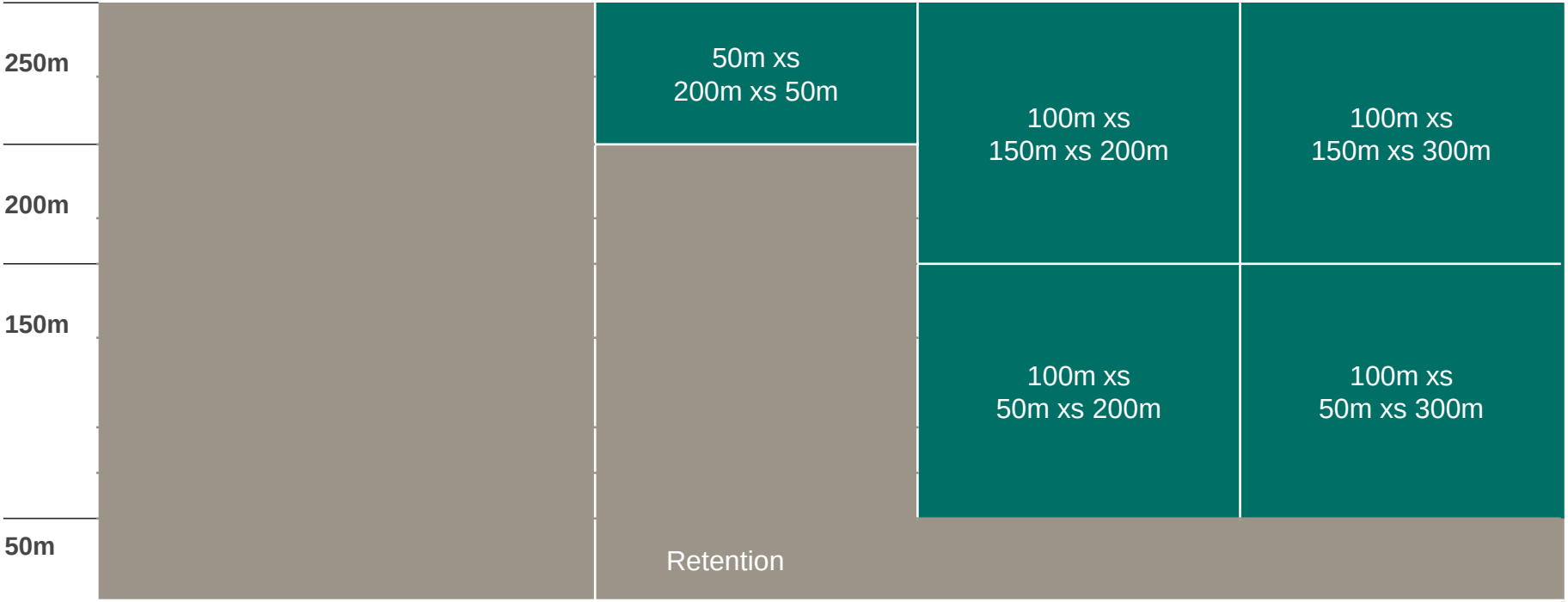
General Insurance – FY16 reinsurance program

Conservative balance sheet protection against catastrophes



General Insurance – FY16 reinsurance program

Drop-down aggregate program fully placed



General Insurance – Asset allocation

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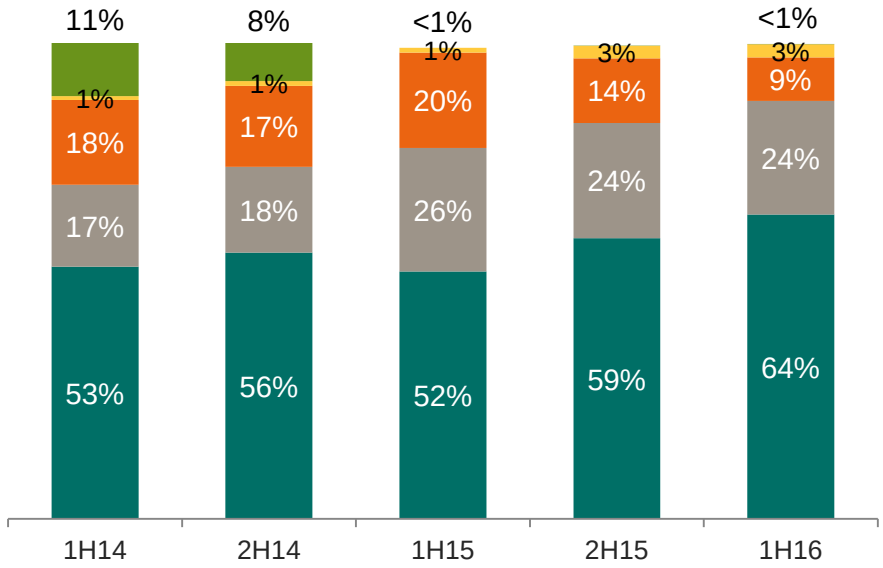
Conservative setting for Insurance Funds

Insurance Funds

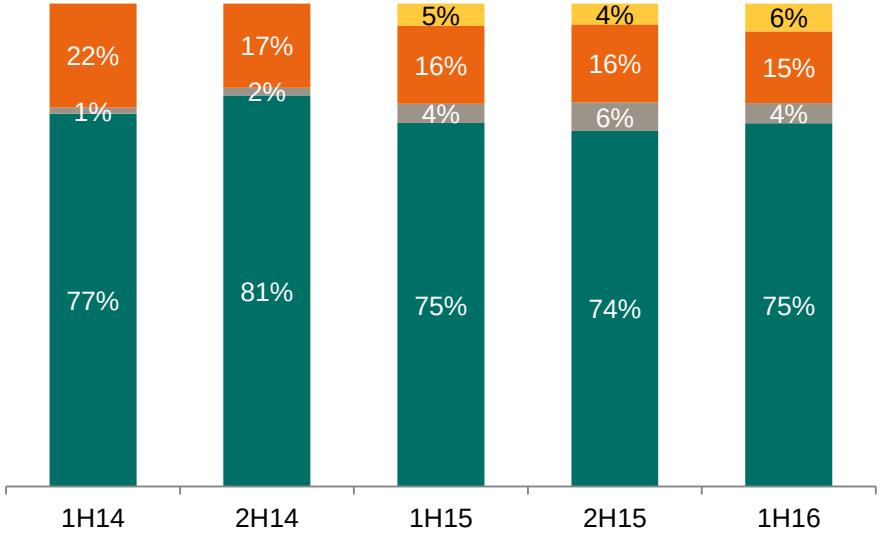
$9.18b



- Commonwealth Government Bonds
- Semi-Government Bonds
- Corporate Bonds
- Cash and short-term deposits
- Inflation-linked bonds

Shareholders' Funds

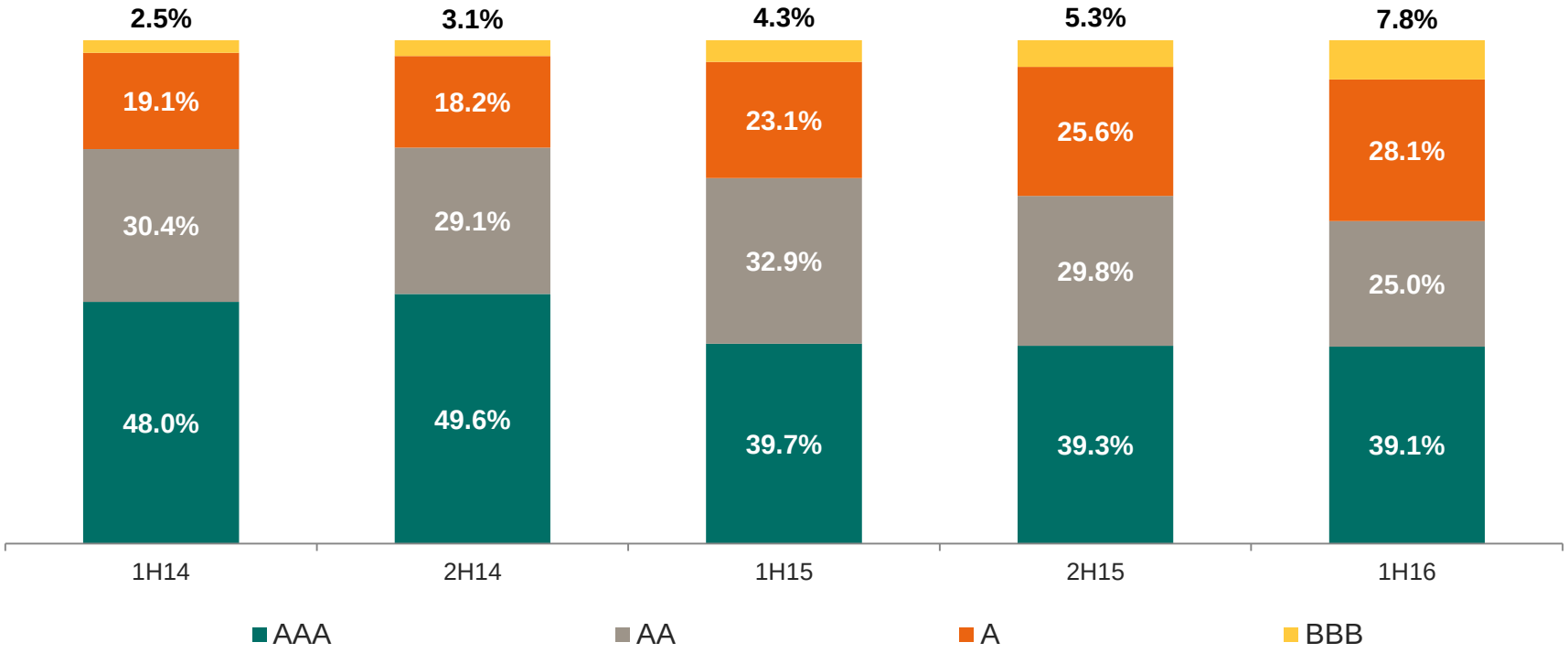
$2.99b



- Interest-bearing securities
- Equities
- Cash and short-term deposits
- Infrastructure

General Insurance – Asset credit quality

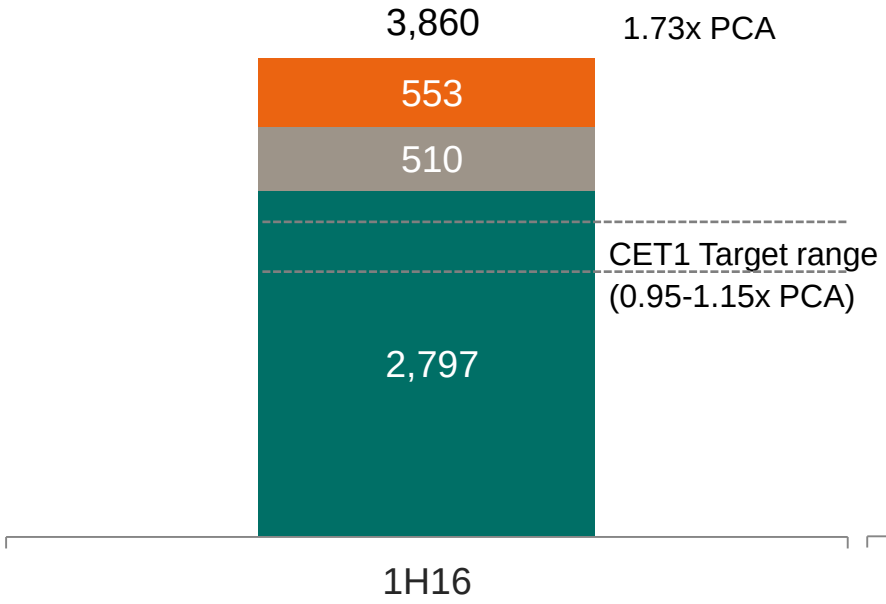
Fixed income holdings in Insurance and Shareholders' Funds



General Insurance capital

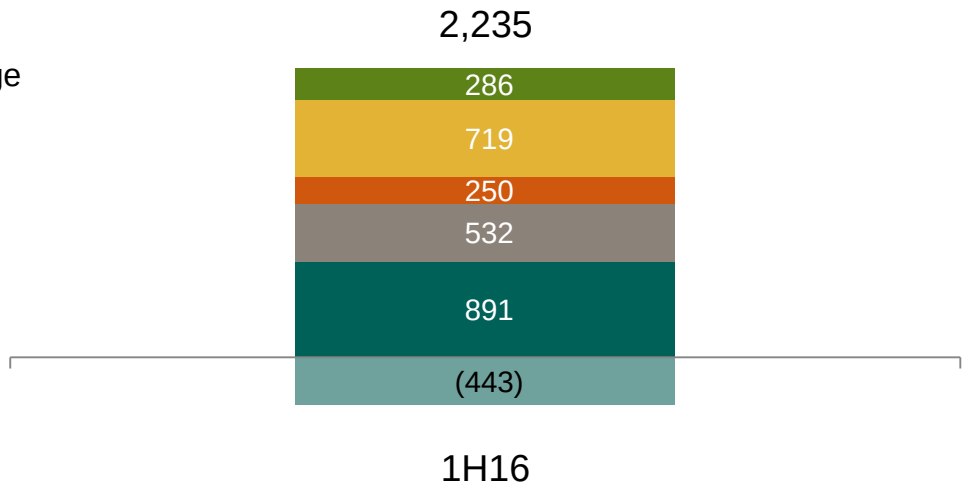
One Company Many Brands SUNCORP GROUP

General Insurance capital levels



- Common equity tier 1
- Additional tier 1 capital
- Tier 2 capital

Prescribed Capital Amount



- Outstanding claims risk
- Premium liabilities risk
- Aggregation risk
- Insurance concentration risk
- Operational risk
- Asset benefit

One Company
Many Brands

SUNCORP GROUP

Personal Insurance

“Creating value for our customers”

Personal Insurance

P&L

	HY16	HY15	%Δ
GWP	2,383	2,369	0.6
Net earned premium	2,144	2,171	(1.2)
Net incurred claims	(1,610)	(1,545)	4.2
Acquisition expenses	(243)	(243)	-
Other underwriting expenses	(153)	(172)	(11.0)
Total operating expenses	(396)	(415)	(4.6)
Underwriting result	138	211	(34.6)
Investment income – insurance funds	11	14	(21.4)
Insurance trading result	**149**	**225**	**(33.8)**

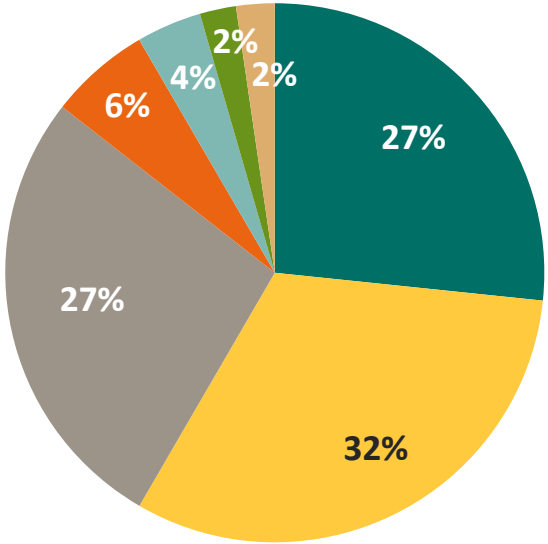
Key highlights

- 0.6% GWP growth in a highly competitive market
- Result impacted by increases in large loss fire and water claims
- Reduction in operating expenses due to continued focus

Personal Insurance

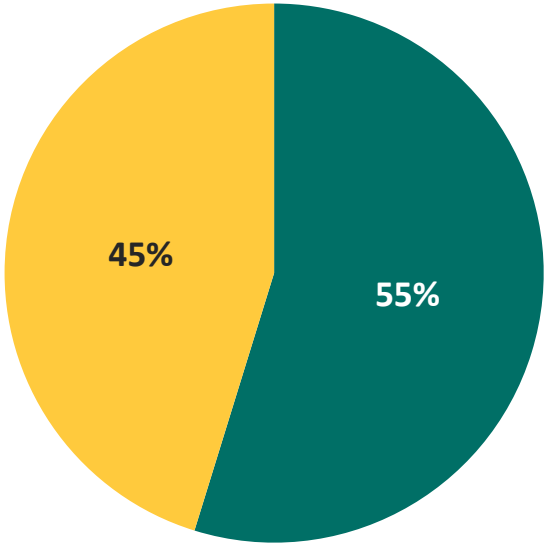
$4.8 billion of GWP

Geography



- New South Wales
- Queensland
- Victoria
- South Australia
- Western Australia
- Tasmania
- Other

Product

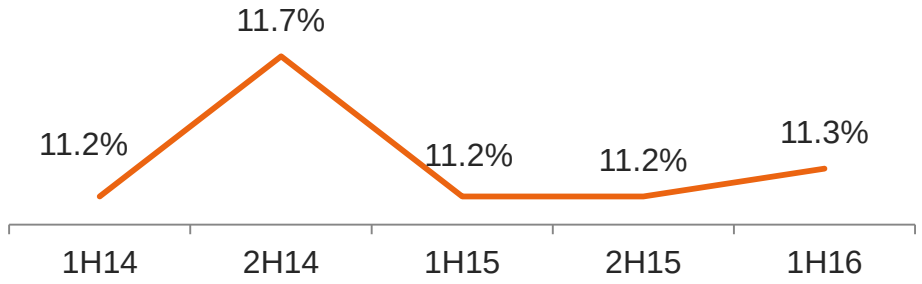


- Home
- Motor

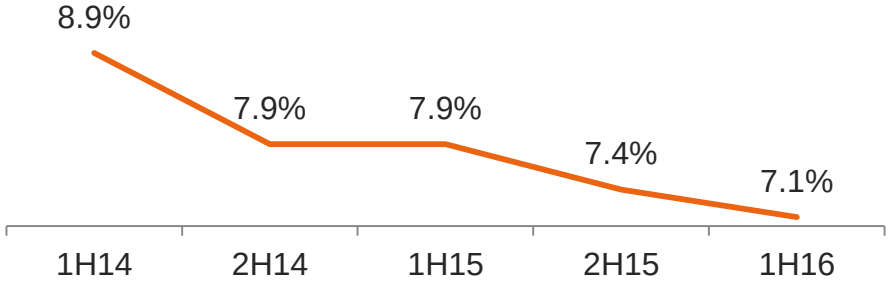
Personal Insurance

Key ratios

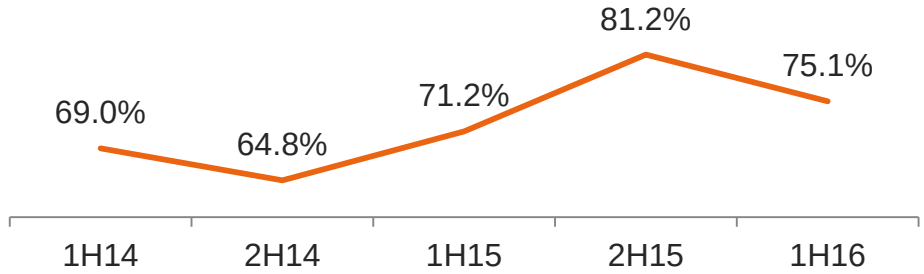
Acquisition expenses ratio



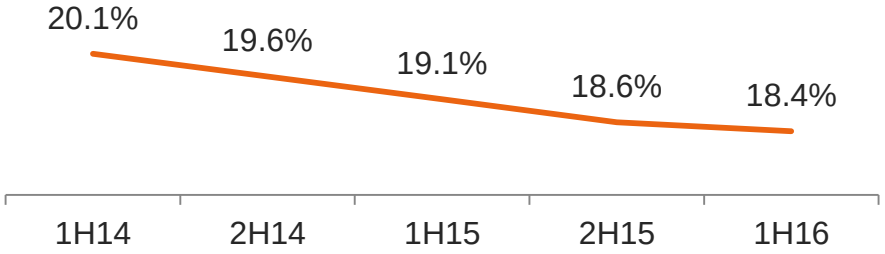
Other underwriting expenses ratio



Loss ratio

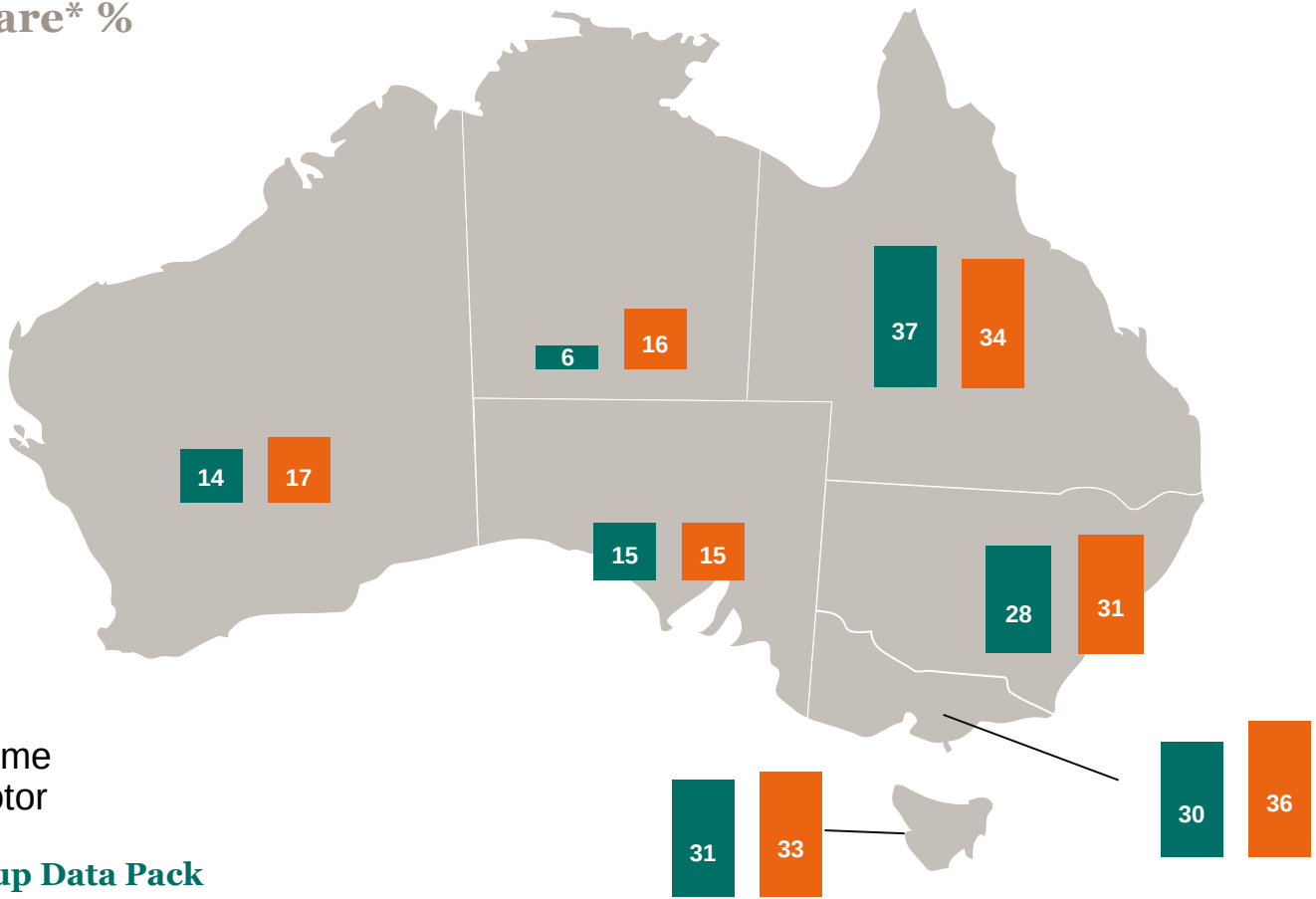


Total operating expense ratio



Personal Insurance

Market share* %

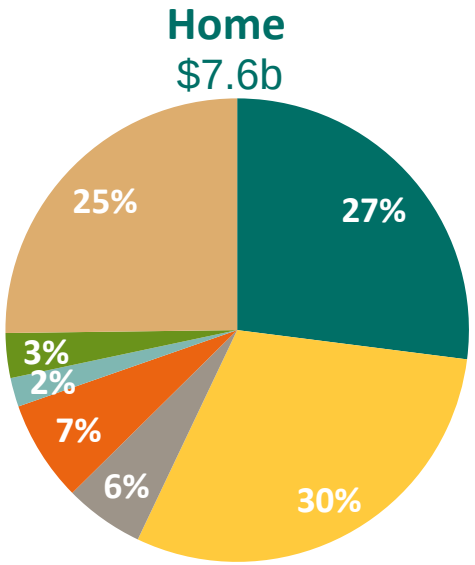


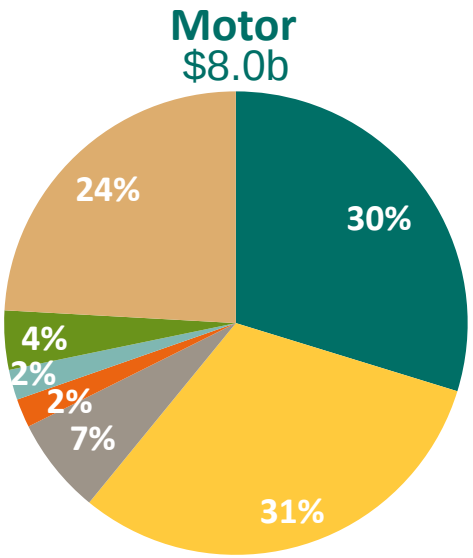
- Home
- Motor

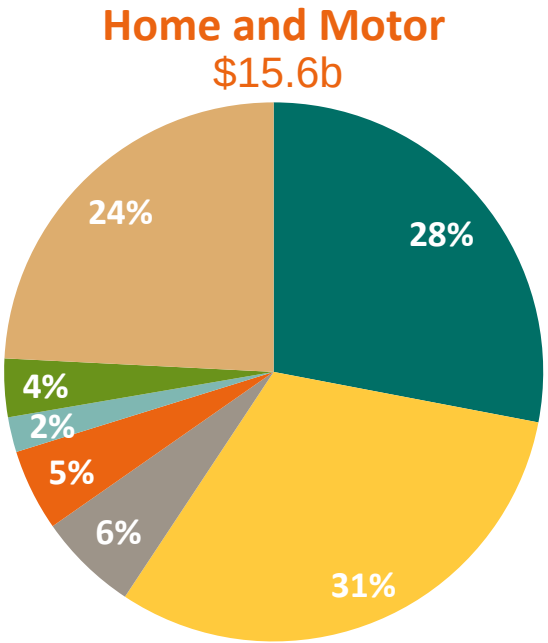
Source: Roy Morgan
*as at 30 November 2015

Personal Insurance

Market share*







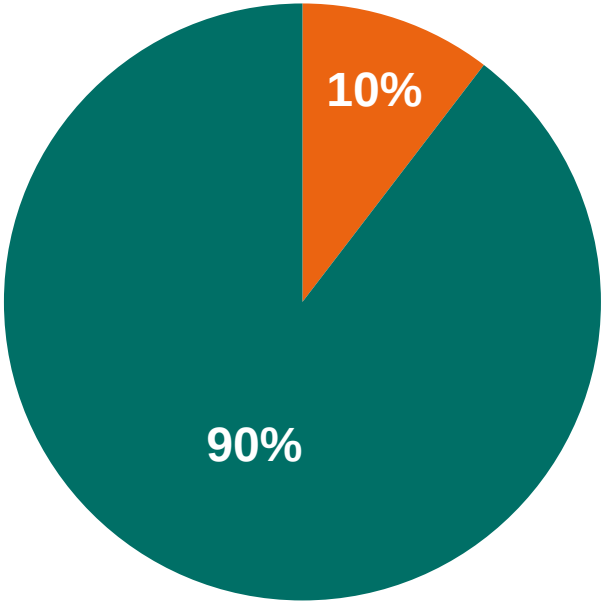
- Suncorp
- Peer 1
- Peer 2
- Peer 3
- Peer 4
- Peer 5
- Other

Source: Roy Morgan
*as at 30 June 2015

Personal Insurance

New business by channel

Distribution channels



- Direct
- Intermediaries

One Company
Many Brands

SUNCORP GROUP

Commercial Insurance

“Creating value for our customers”

Commercial Insurance

P&L

	HY16	HY15	%Δ
GWP	1,413	1,383	2.2
Net earned premium	1,336	1,297	3.0
Net incurred claims	(936)	(1,019)	(8.1)
Acquisition expenses	(211)	(206)	2.4
Other underwriting expenses	(117)	(121)	(3.3)
Total operating expenses	(328)	(327)	0.3
Underwriting result	72	(49)	n/a
Investment income – insurance funds	82	239	(65.7)
Insurance trading result	**154**	**190**	**(18.9)**

Key highlights

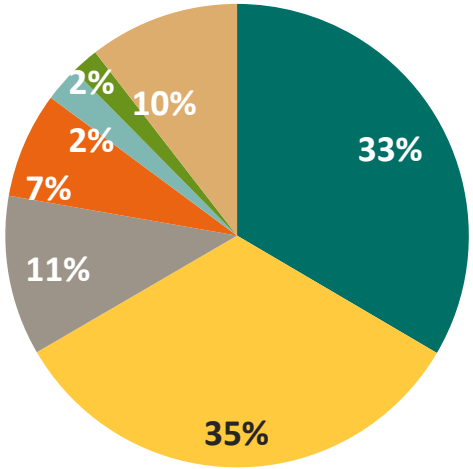
- 2.2% GWP growth due to continued focus on value for customers
- Long-tail reserve releases of $206m
- Impact from very low yield investments

Commercial Insurance

$2.9 billion total GWP

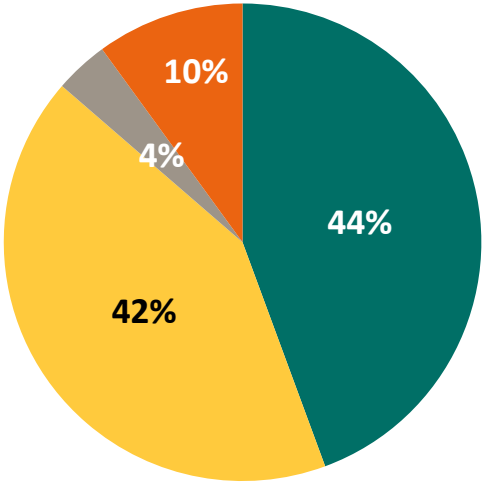
One Company Many Brands SUNCORP GROUP

Geographical



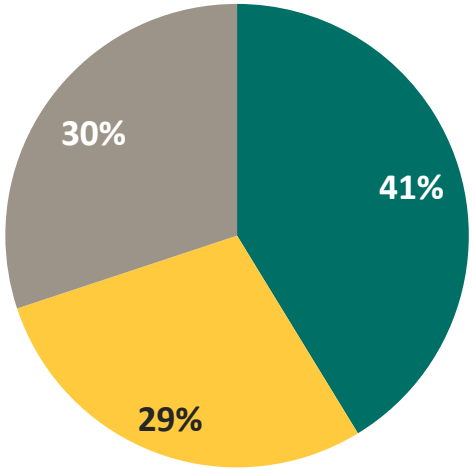
- New South Wales
- Queensland
- Victoria
- South Australia
- Western Australia
- Tasmania
- Other

Statutory GWP
$1.1b



- NSW CTP
- Qld CTP
- ACT CTP
- Workers Compensation

Non-statutory GWP
$1.8b

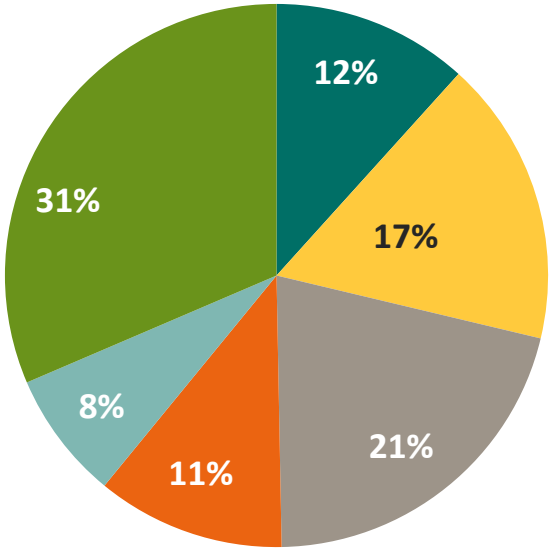


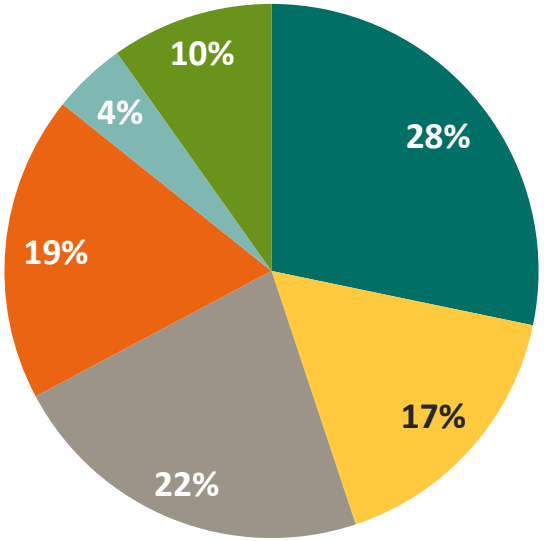
- Corporate (including global customers)
- Commercial (SME and mid-market)
- Specialty (including professional services, construction, motor dealers and marine)

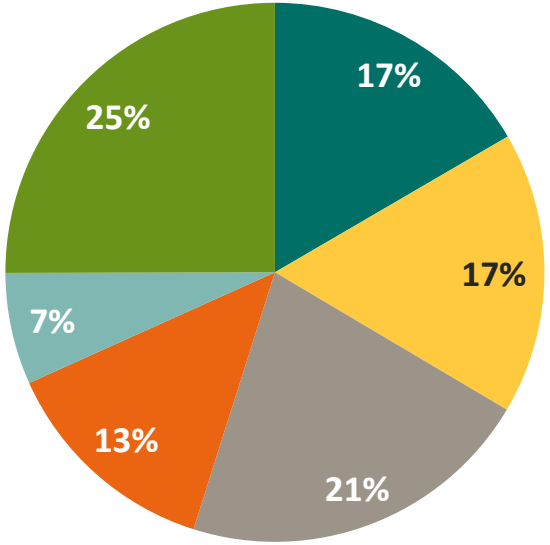
Source: Suncorp
*as at 31 December 2015

Commercial Insurance

Market share - total







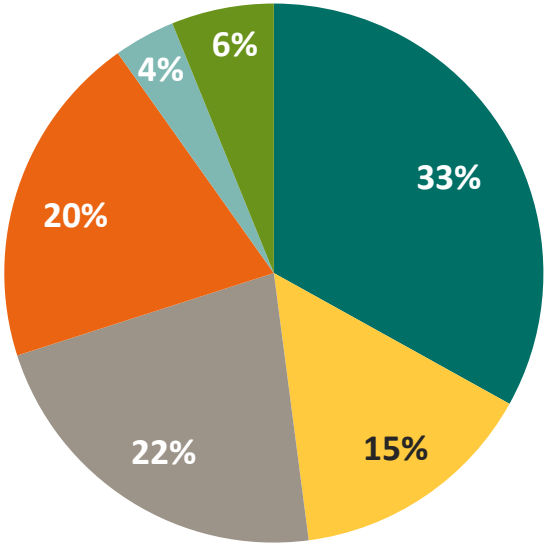
- Suncorp
- Peer 1
- Peer 2
- Peer 3
- Peer 4
- Other

Source: Suncorp estimates
*as at 30 June 2015

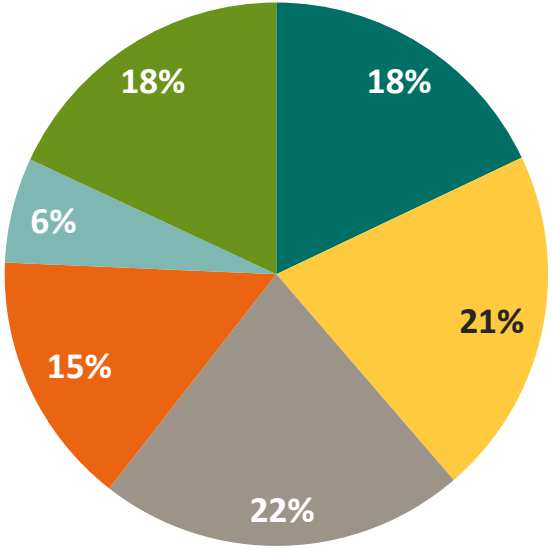
Commercial Insurance

Market share - Statutory

CTP
$3.7b*



Workers Compensation
$1.7b*



- Suncorp
- Peer 1
- Peer 2
- Peer 3
- Peer 4
- Other

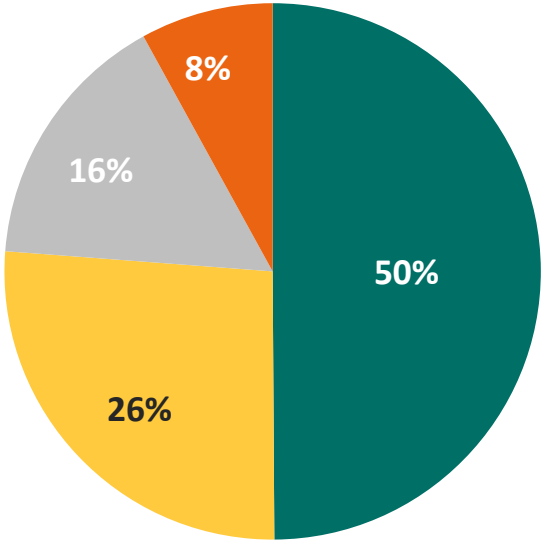
Source: Suncorp estimates
*as at 30 June 2015

Commercial Insurance

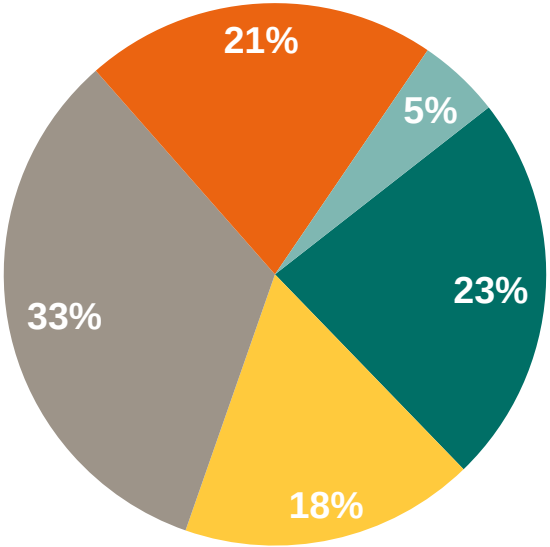
Market share - CTP

One Company Many Brands SUNCORP GROUP

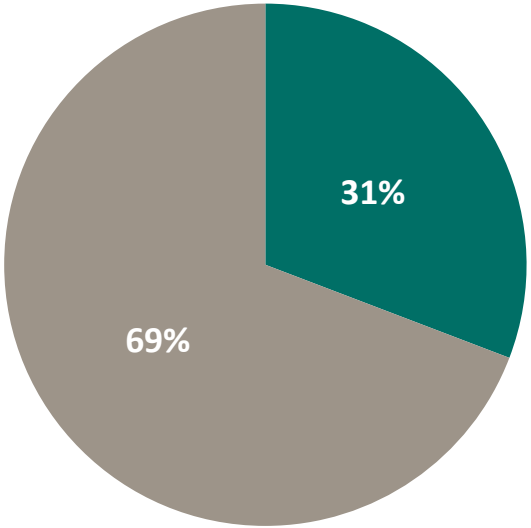
QLD
$1.1b*



NSW
$2.3b**



ACT
$150m*

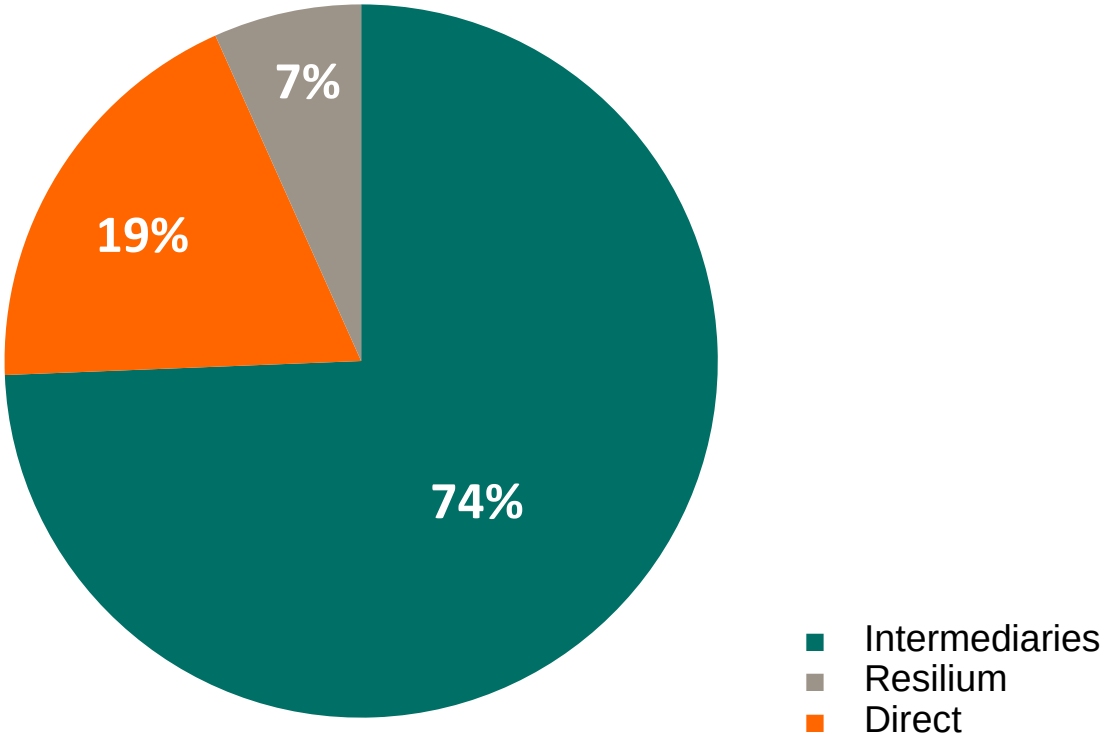


- Suncorp
- Peer 1
- Peer 2
- Peer 3
- Peer 4
- Peer 5

Source: Respective state regulator
*as at 30 November 2015
**as at 30 September 2015

Commercial Insurance

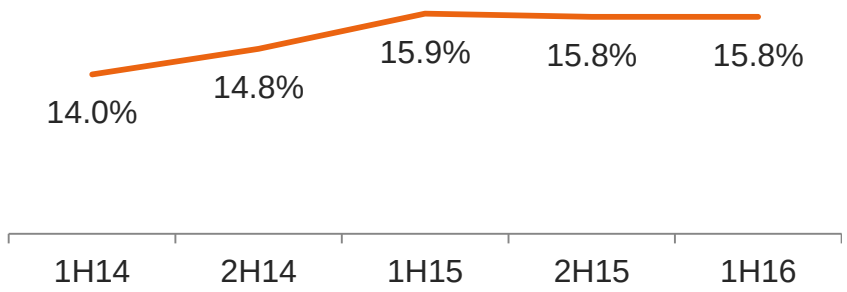
Distribution by channel – non-statutory



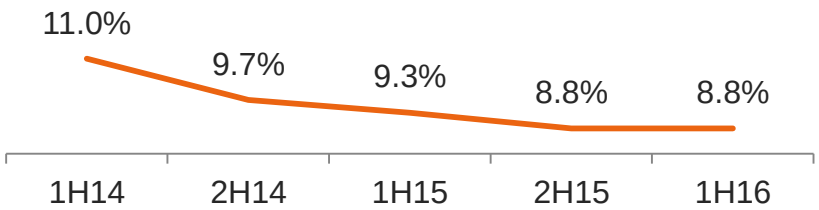
Commercial Insurance

Key ratios

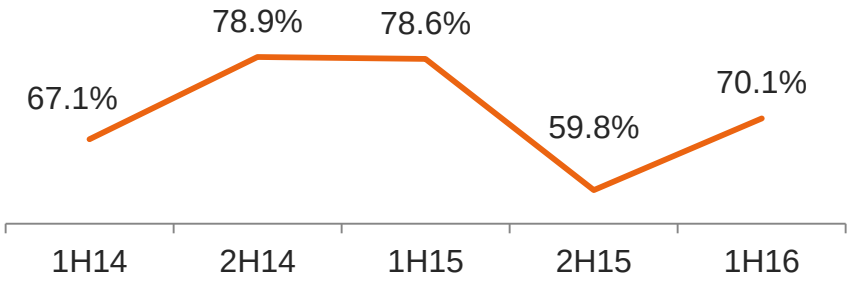
Acquisition expenses ratio



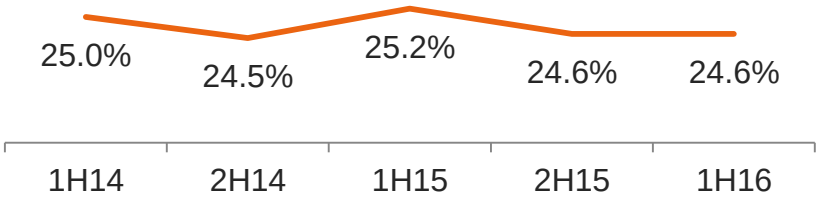
Other underwriting expenses ratio



Loss ratio



Total operating expense ratio



One Company
Many Brands

SUNCORP GROUP

New Zealand Insurance

“Creating value for our customers”

New Zealand Insurance

P&L

	HY16	HY15	%Δ
GWP	621	605	2.6
Net earned premium	512	479	6.9
Net incurred claims	(276)	(241)	14.5
Acquisition expenses	(120)	(114)	5.3
Other underwriting expenses	(48)	(46)	4.3
Total operating expenses	(168)	(160)	5.0
Underwriting result	68	78	(12.8)
Investment income – insurance funds	6	13	(53.8)
Insurance trading result	**74**	**91**	**(18.7)**

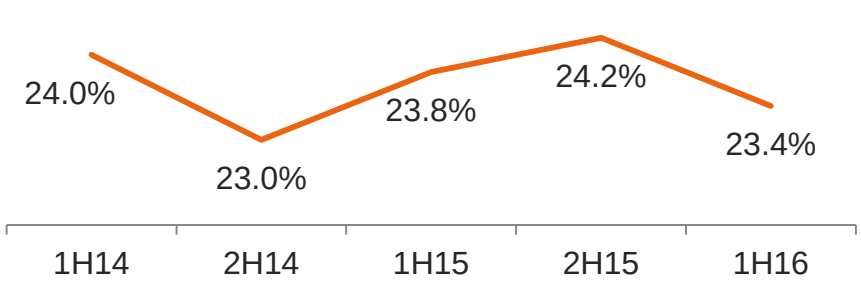
Key highlights

- 2.6% GWP growth coming from unit growth in direct and intermediated channels
- Impacted by increased frequency in commercial large loss claims

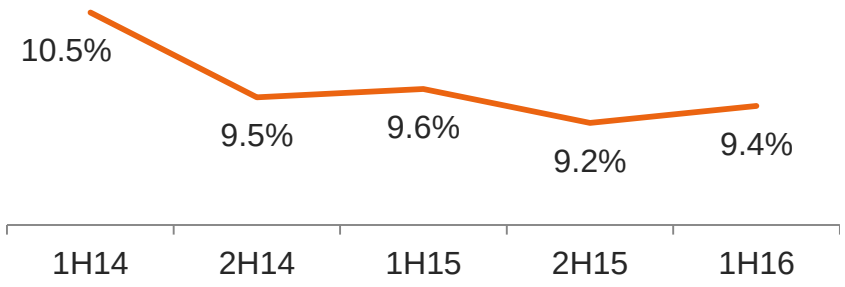
New Zealand Insurance

Key ratios

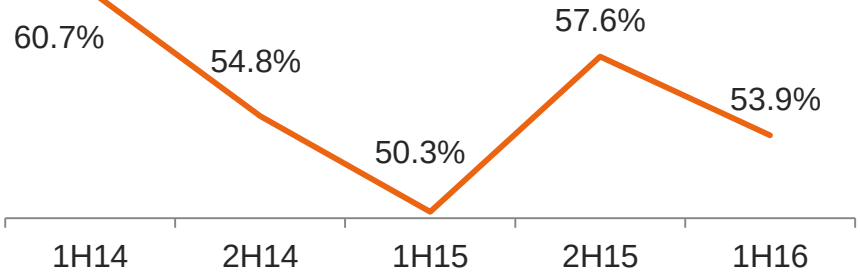
Acquisition expenses ratio



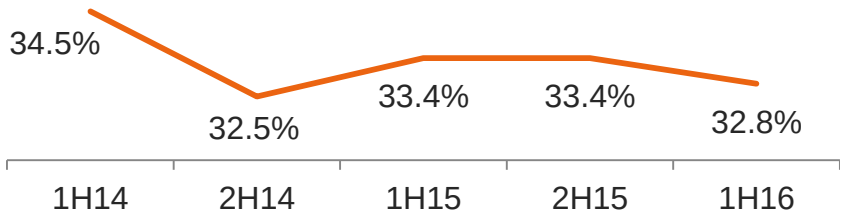
Other underwriting expenses ratio



Loss ratio



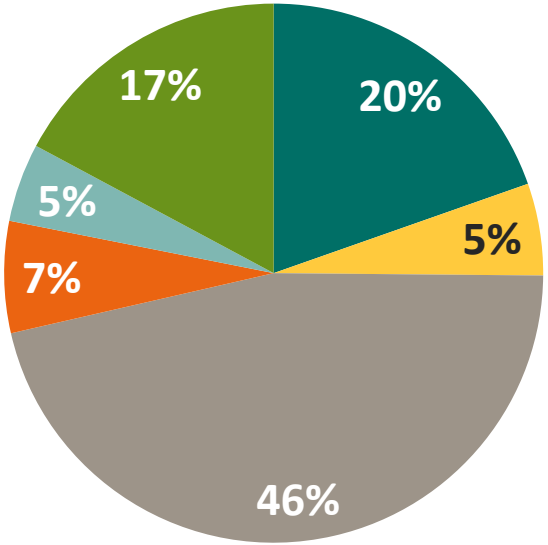
Total operating expense ratio



New Zealand Insurance

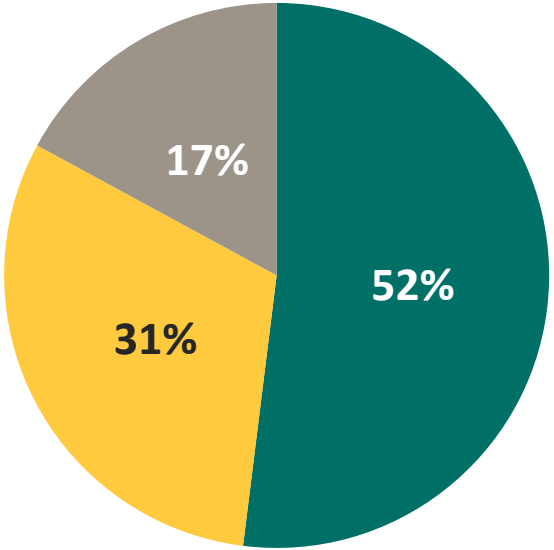
Market share* $5.2b

Market share



- Vero (Suncorp)
- AAI (Suncorp)
- Peer 1
- Peer 2
- Peer 3
- Other

Distribution



- Strategic partners and financial intermediaries
- Brokers
- Direct (Call centre & online)

Source: ICNZ
* as at 30 September 2015

One Company
Many Brands

SUNCORP GROUP

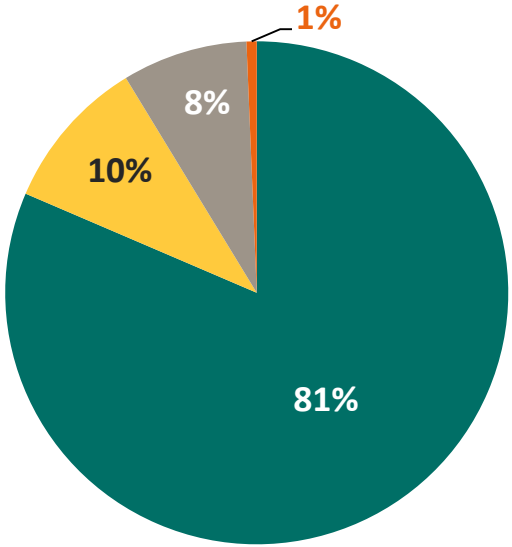
Suncorp Bank

“Creating value for our customers”

Suncorp Bank

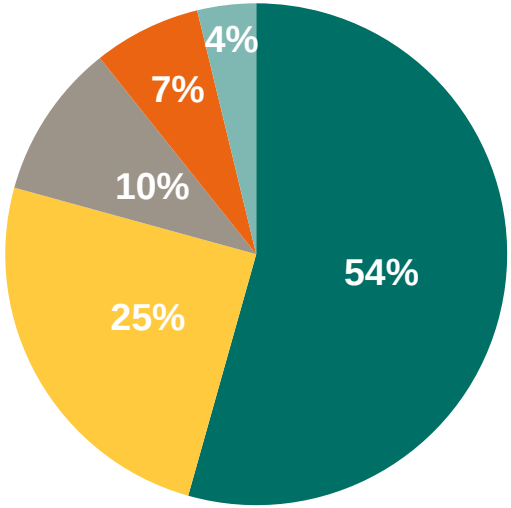
Total lending assets $52.9 billion

Portfolio



- Commercial (SME)
- Housing
- Agri
- Consumer

Geography

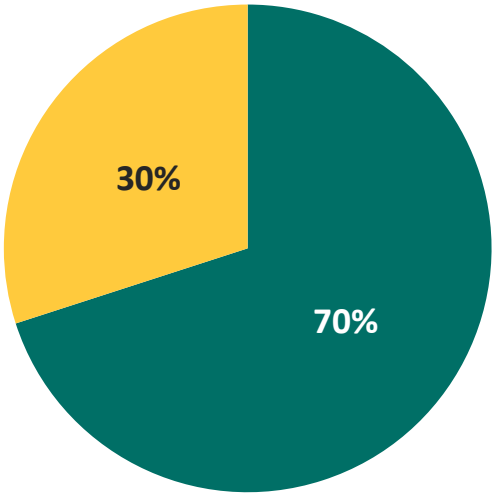


- New South Wales
- Queensland
- Victoria
- South Australia and other
- Western Australia

Suncorp Bank

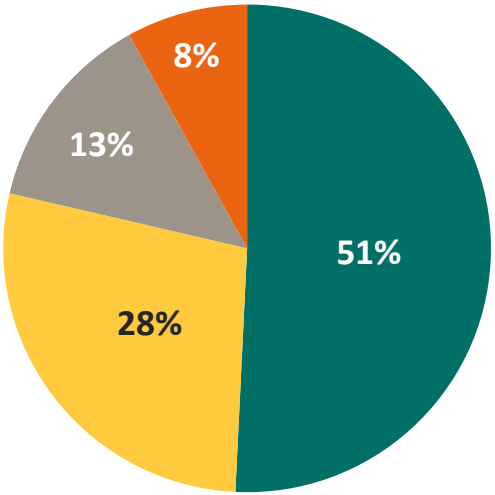
Home lending assets $43 billion

Borrower type



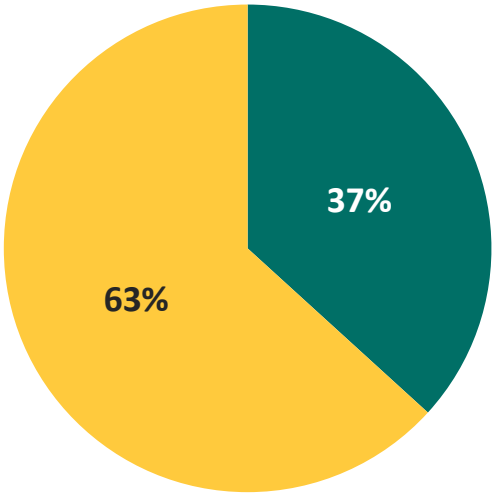
- Investor
- Owner occupied

Geography



- New South Wales and ACT
- Queensland
- Victoria, South Australia and Other
- Western Australia

Channel



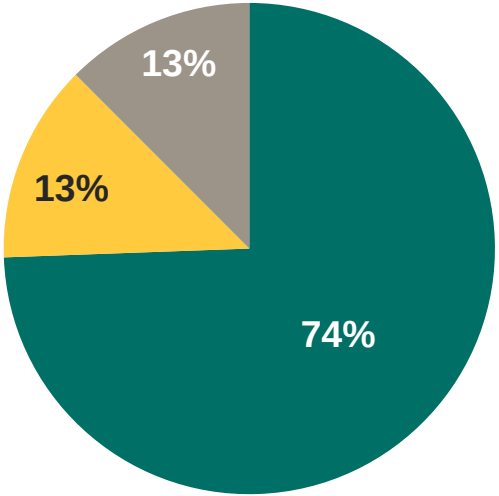
- Intermediary
- Direct

Suncorp Bank

Commercial (SME) assets $5.2 billion

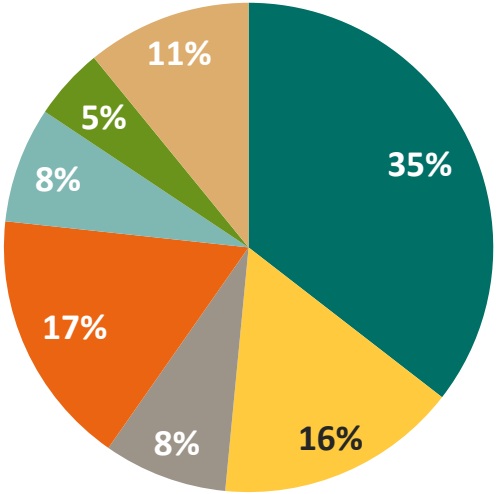
One Company Many Brands

Geography



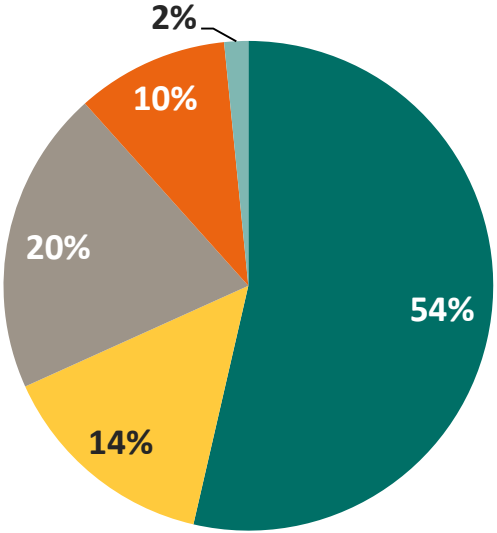
- New South Wales
- Queensland
- Other

Industry



- Hospitality and accommodation
- Property investment
- Construction and development
- Retail
- Services
- Manufacturing and mining
- Other

Exposure size



- < $5 million
- $5-$10 million
- $10-$25 million
- $25-$50 million
- $50-$100 million

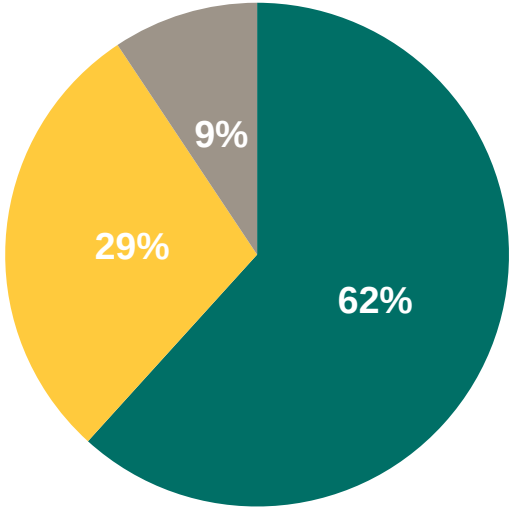
Suncorp Bank

Agri assets $4.3 billion

One Company Many Brands

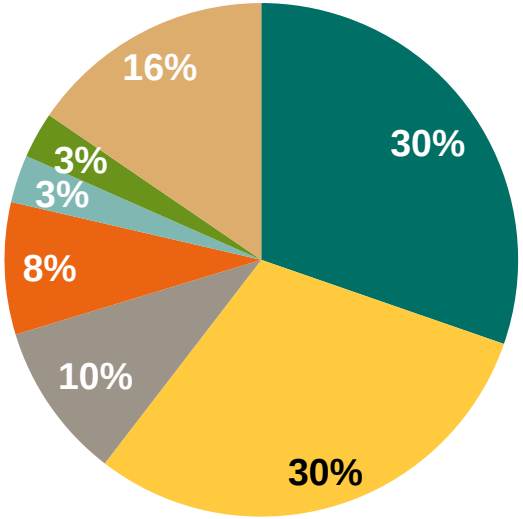
SUNCORP GROUP

Geography



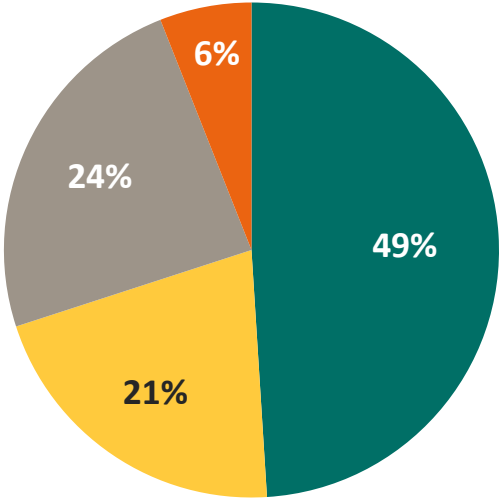
- Queensland
- New South Wales
- Other

Industry



- Beef
- Grain and mixed farming
- Sheep and mixed livestock
- Sugar
- Cotton
- Fruit
- Other

Exposure size



- < $5 million
- $5-$10 million
- $10-$25 million
- $25-$50 million

Suncorp Bank

Credit quality – gross impaired and past due loans

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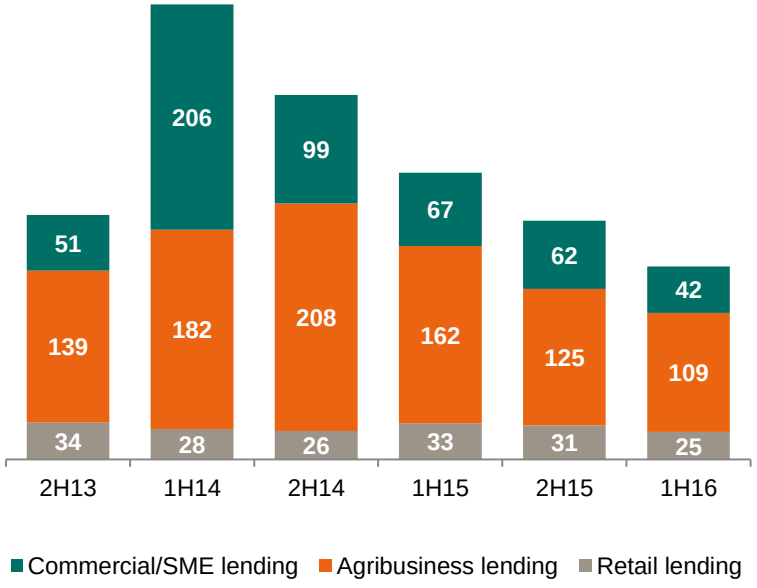
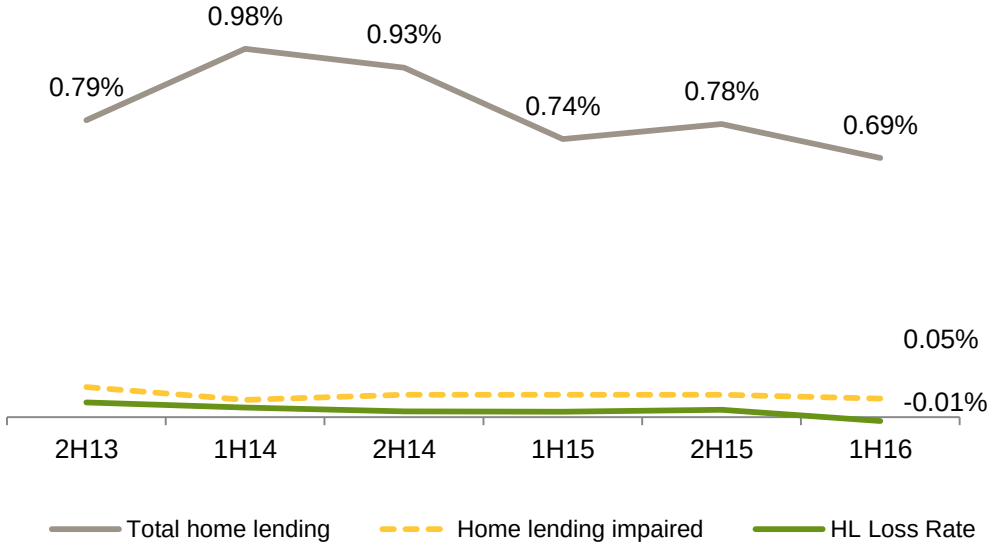
Gross impaired loans by segment ($m)



Past due home loans (% gross home loans)



Suncorp Bank

Credit quality - impairments

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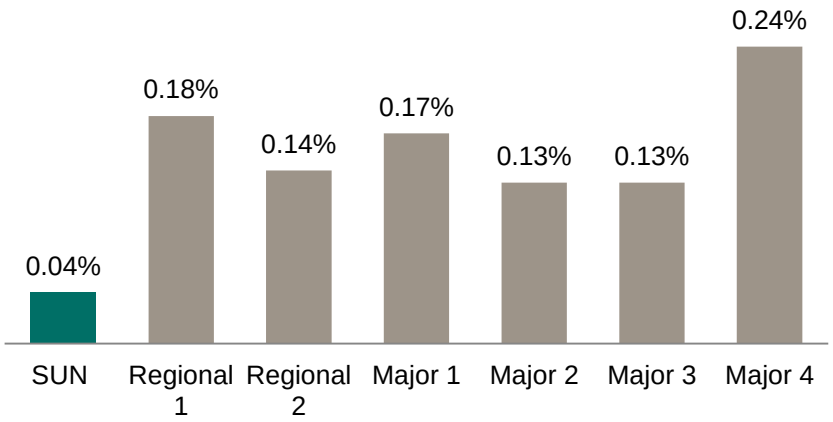
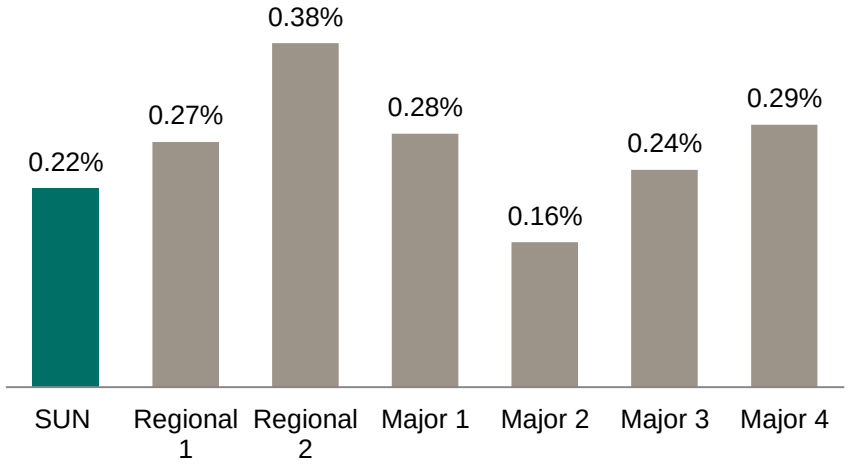
Impairment losses to gross loans



Net impaired loans to gross loans

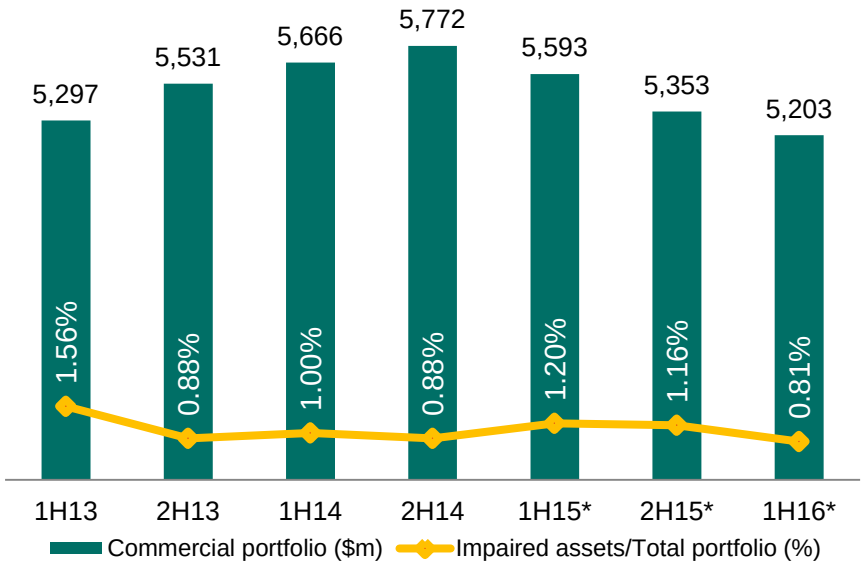


Source: Latest peer financial reports

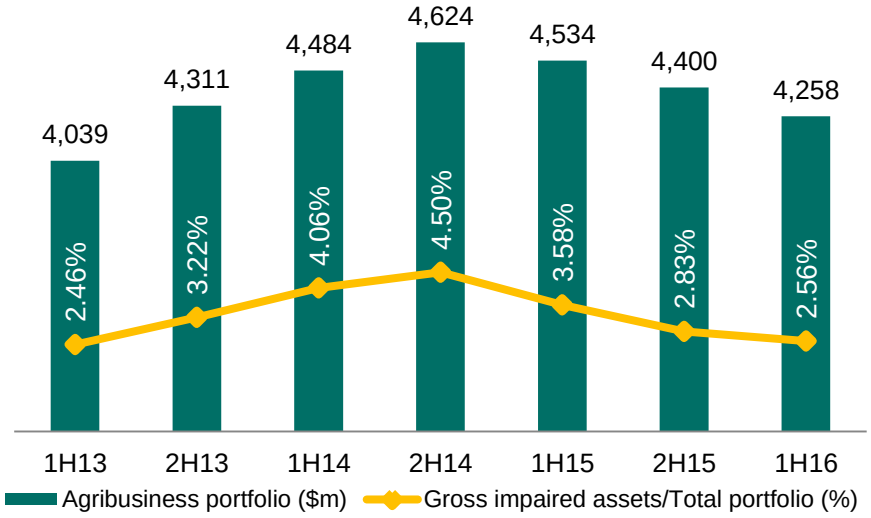
Suncorp Bank

Asset growth and credit quality ($m)

Commercial (SME) portfolio



Agribusiness portfolio



Suncorp Bank

Liquidity

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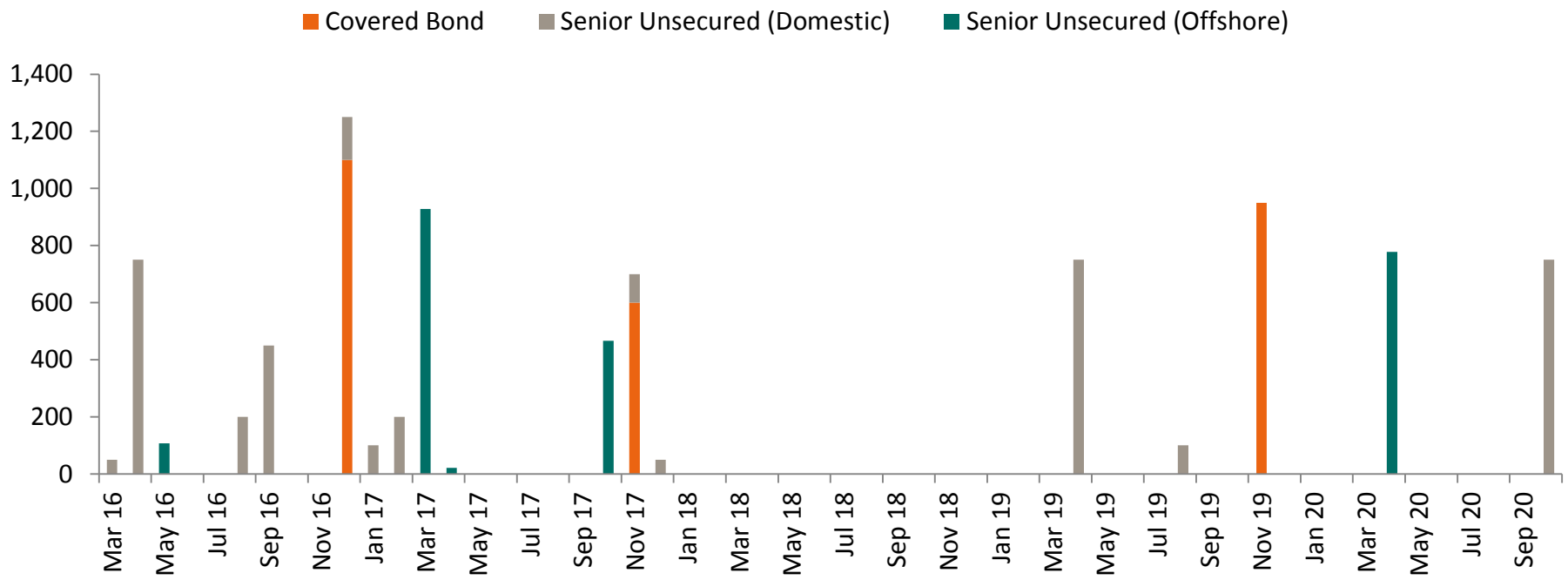
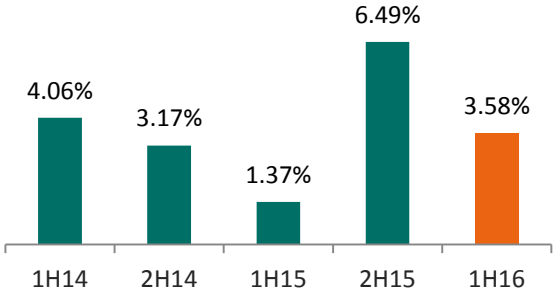
Long-term funding profile ($m)



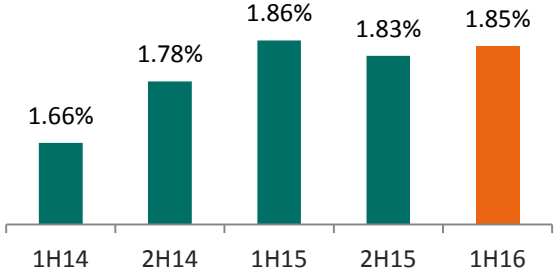
Suncorp Bank

Key ratios

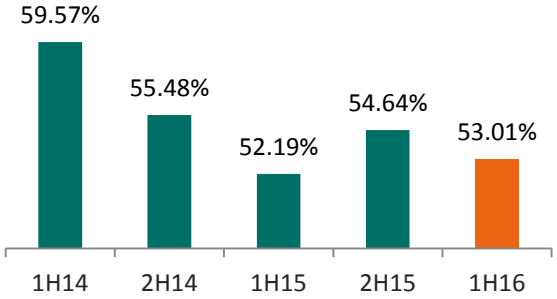
Lending growth (annualised)



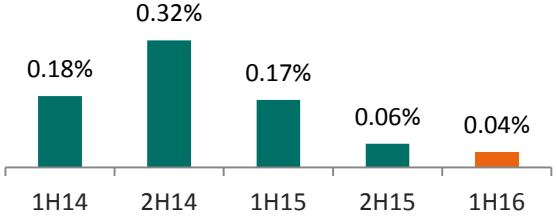
Net interest margin (interest-earning assets)



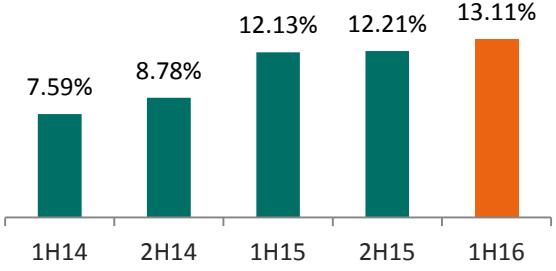
Cost to income ratio



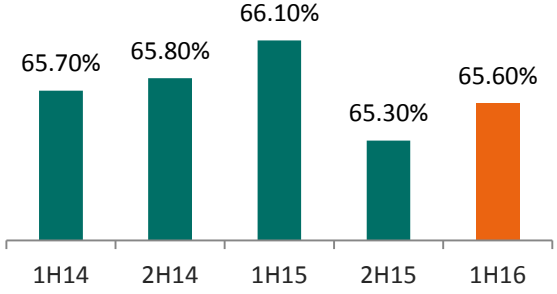
Impairment losses to gross loans and advances (annualised)



Return on Common Equity Tier 1

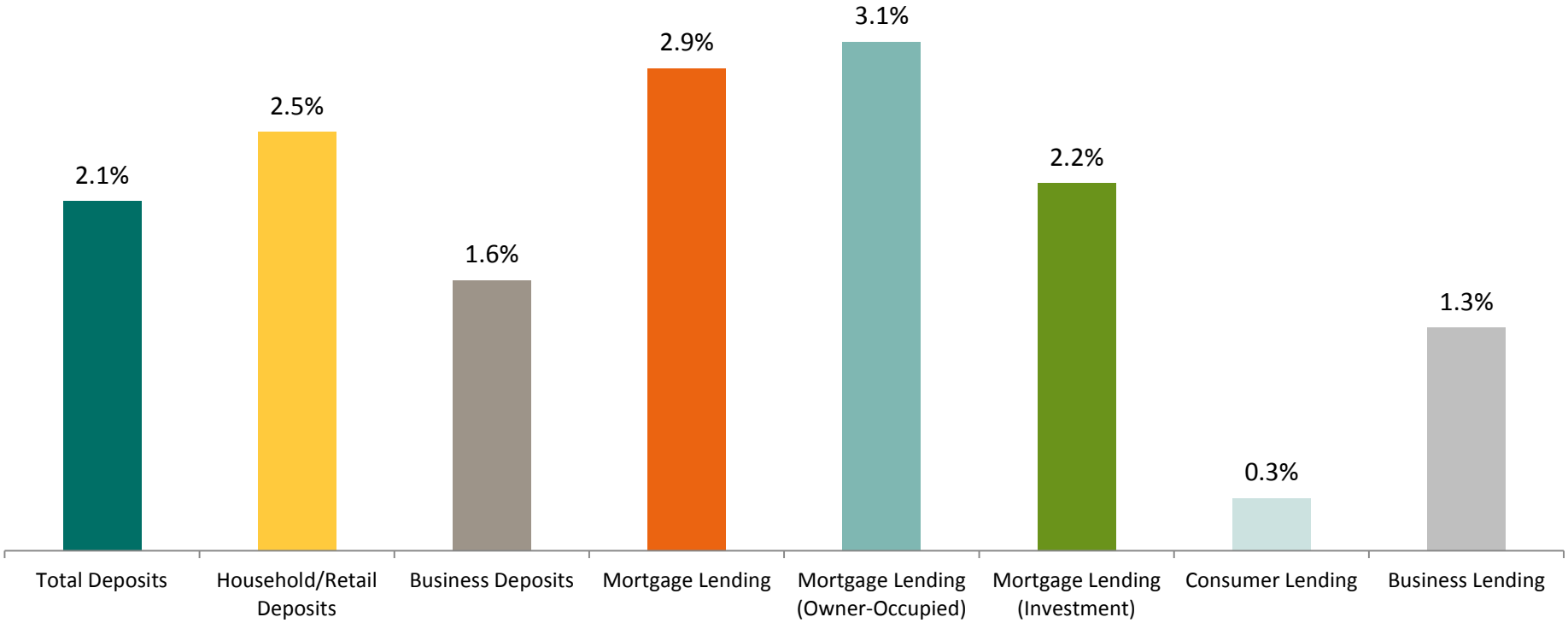


Deposit to loan ratio



Suncorp Bank

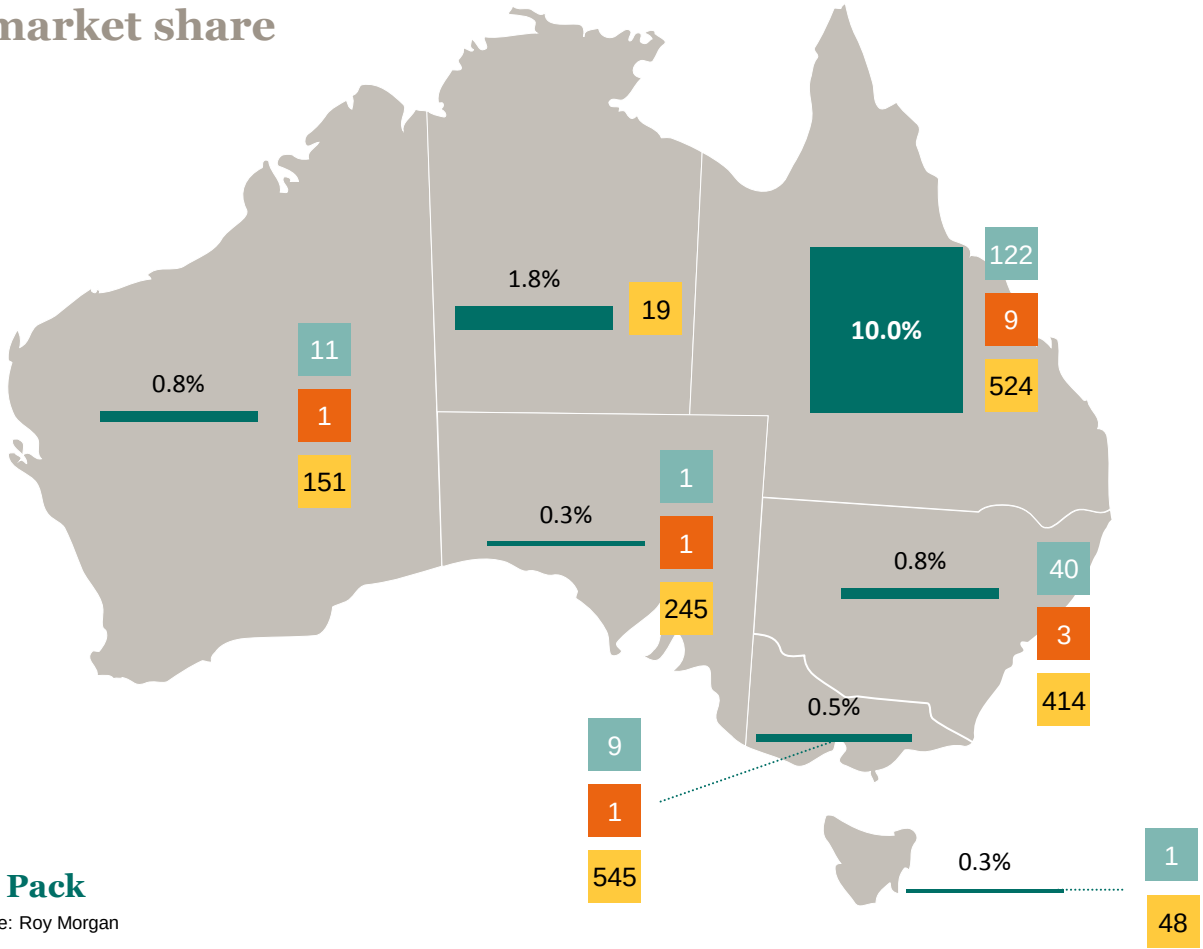
Market share by product



Source: APRA

Suncorp Bank

Retail banking market share



Source: Roy Morgan

Suncorp Bank

Home lending assets $43 billion

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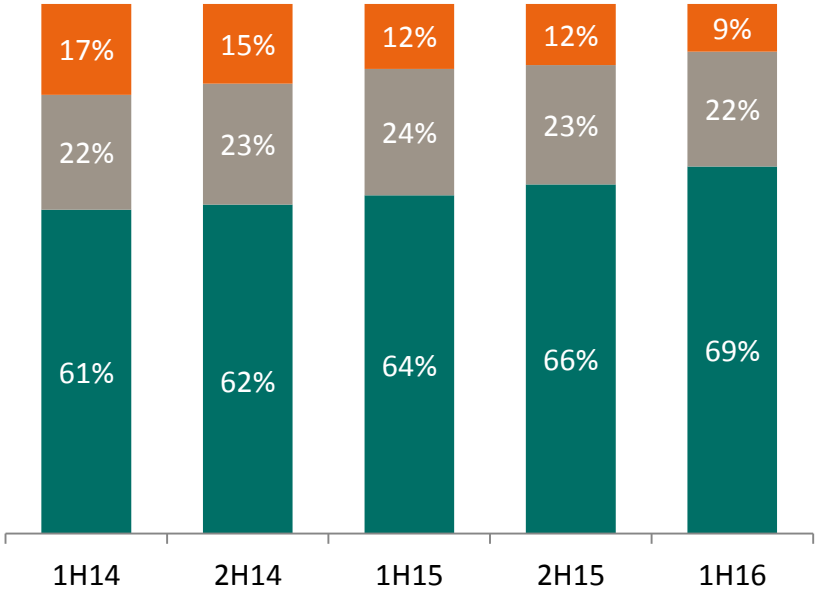
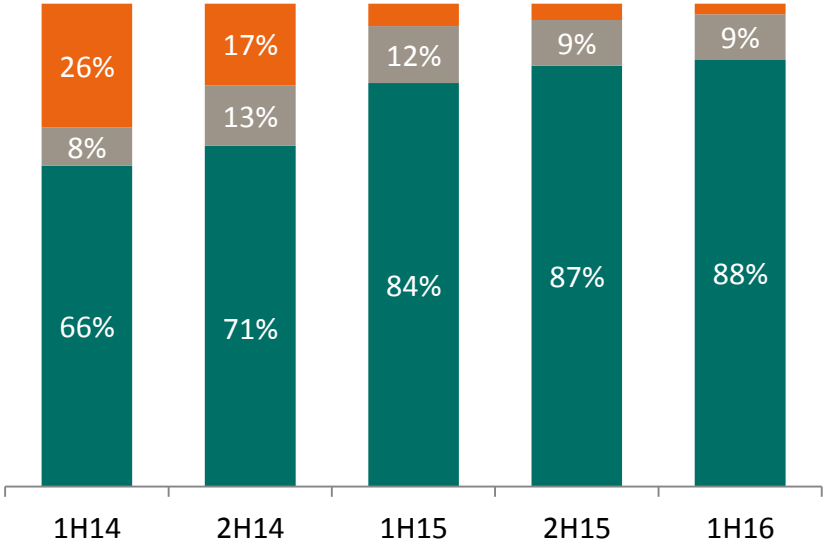
Home Lending Assets by LVR



Home Lending New Business by LVR

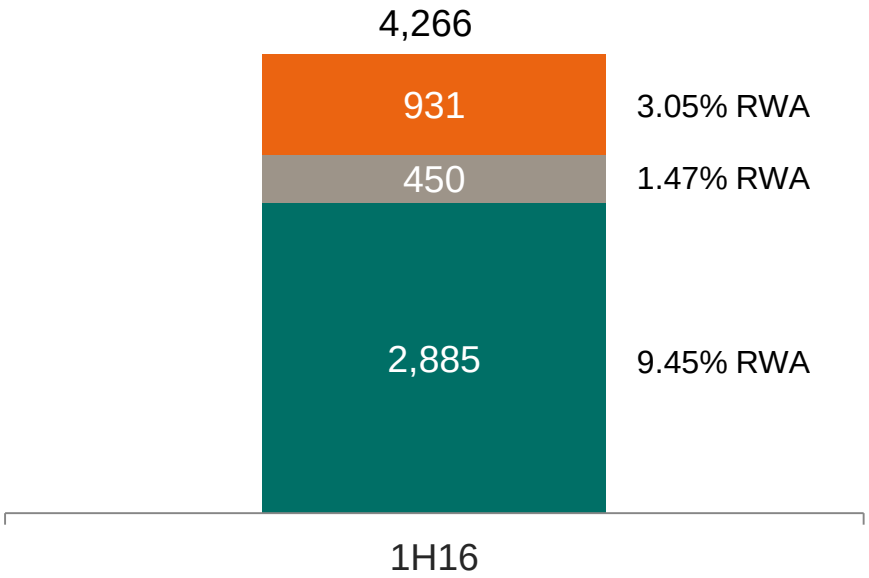


- 0 - 80%
- 80.01 % - 90%
- 90.01% +

Suncorp Bank

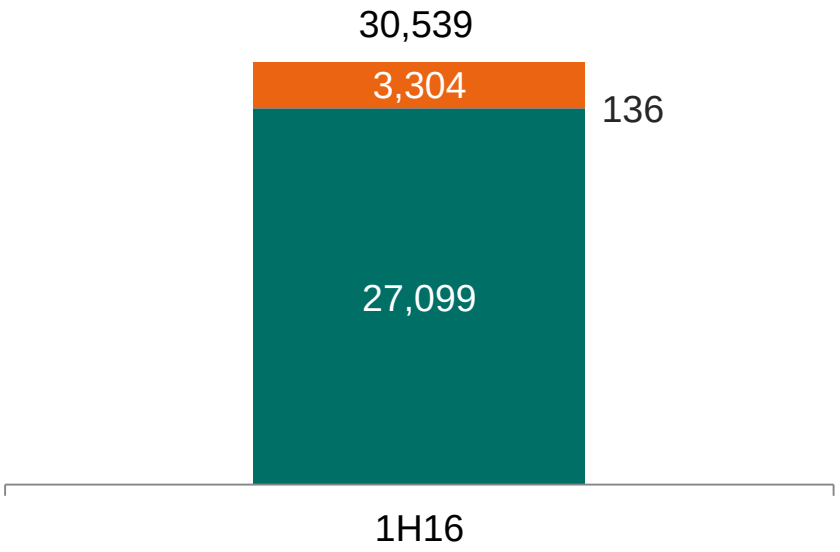
Capital

Suncorp Bank capital levels



- Common equity tier 1
- Additional tier 1 capital
- Tier 2 capital

Risk weighted assets



- Credit risk
- Market risk
- Operational risk

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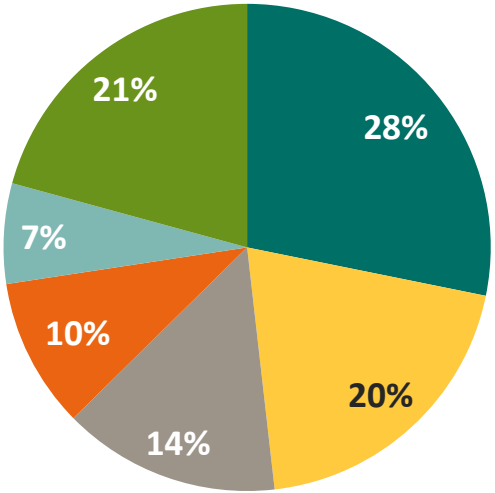
Suncorp Life

“Creating value for our customers”

Suncorp Life

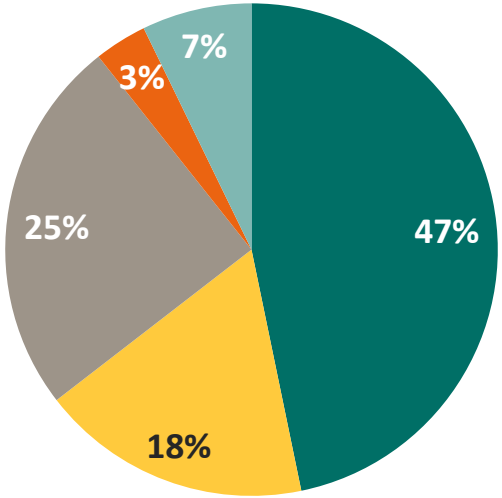
Inforce - $1 billion

Geography



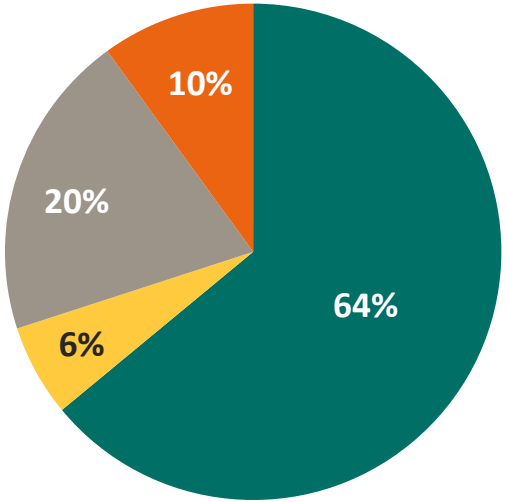
- New South Wales
- Queensland
- Victoria and Tasmania
- Western Australia
- South Australia and Northern Territory
- New Zealand

Product



- Trauma
- Term and TPD
- Disability income
- Other
- Group

Distribution

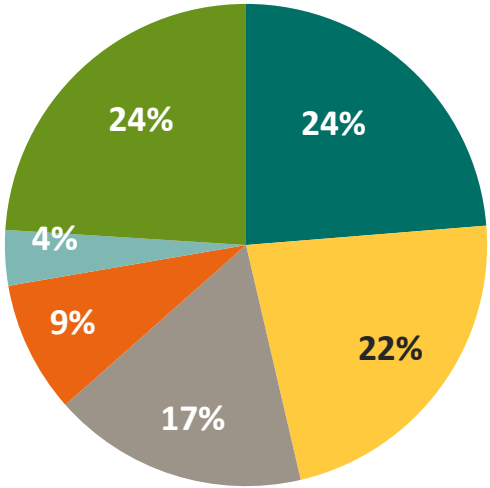


- Advised
- Direct via GI
- New Zealand
- Group and Other

Suncorp Life

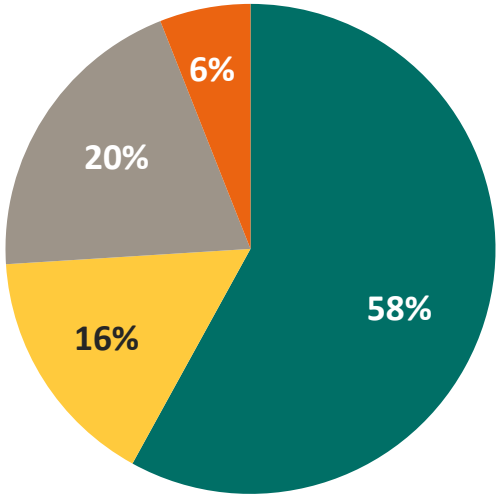
New business premiums - $50 million

Geography



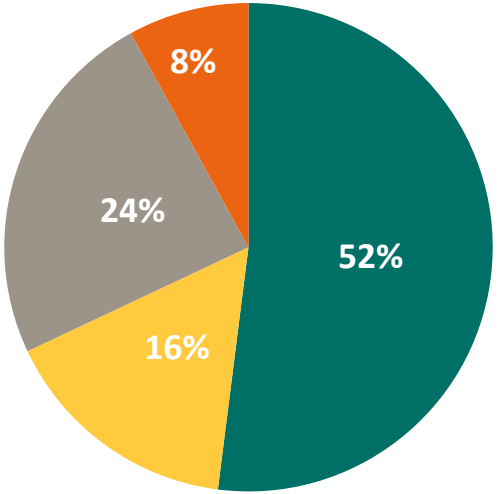
- New South Wales
- Queensland
- Victoria and Tasmania
- Western Australia
- South Australia and Northern Territory
- New Zealand

Product



- Trauma
- Term and TPD
- Disability income
- Other

Distribution

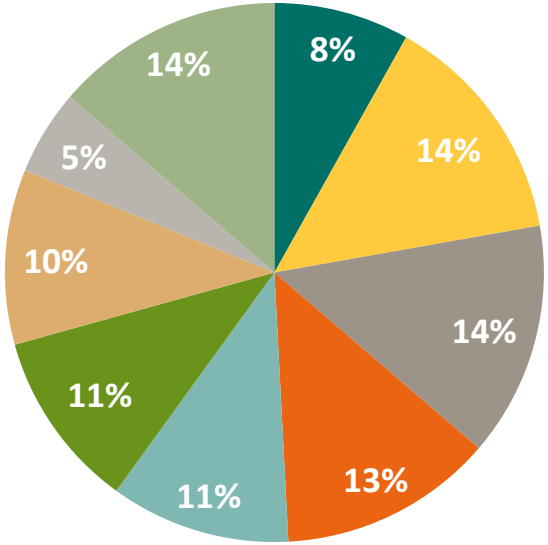


- Advised
- Direct via GI
- New Zealand
- Group and Other

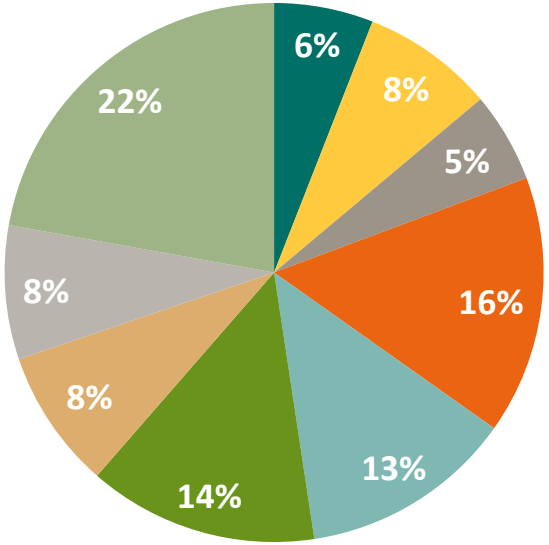
Suncorp Life

Market share- Individual risk (Australia)*

Inforce
$9.07b**



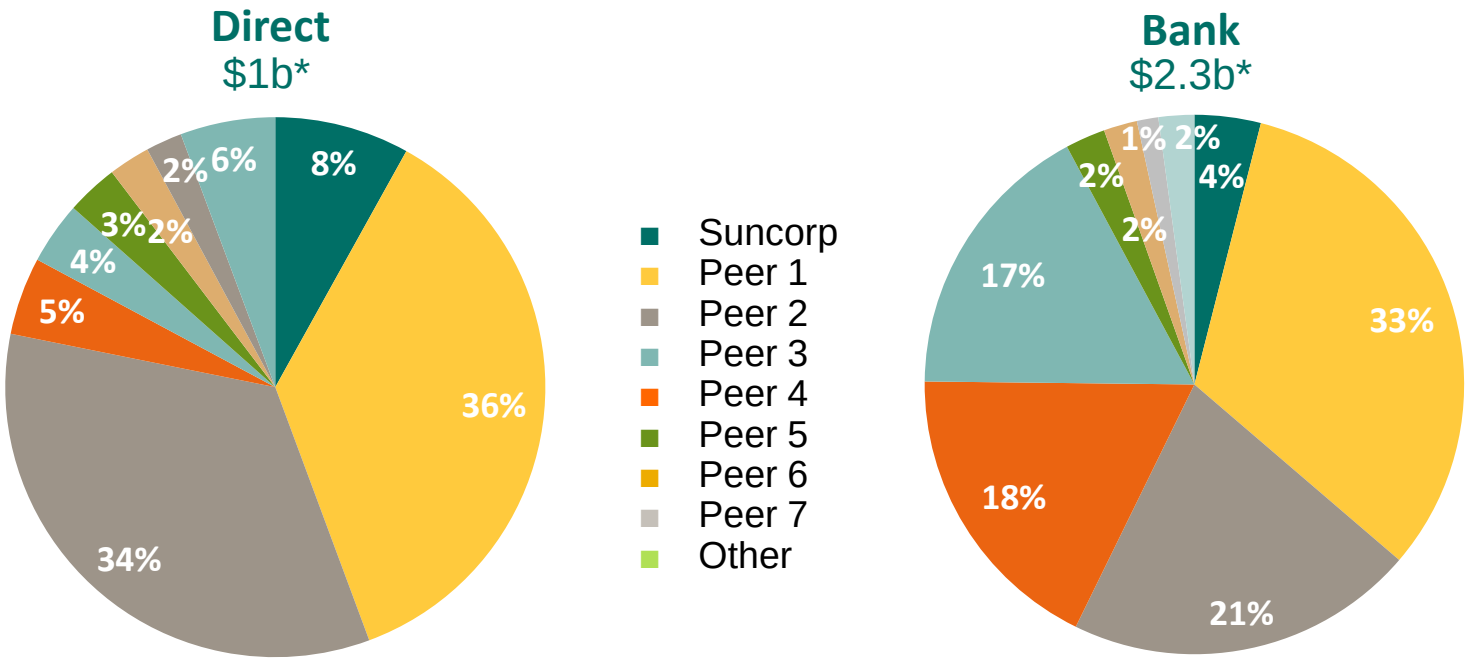
New Business
$1.1b**



* Data source: NMG consulting
**as at September 2015

Suncorp Life

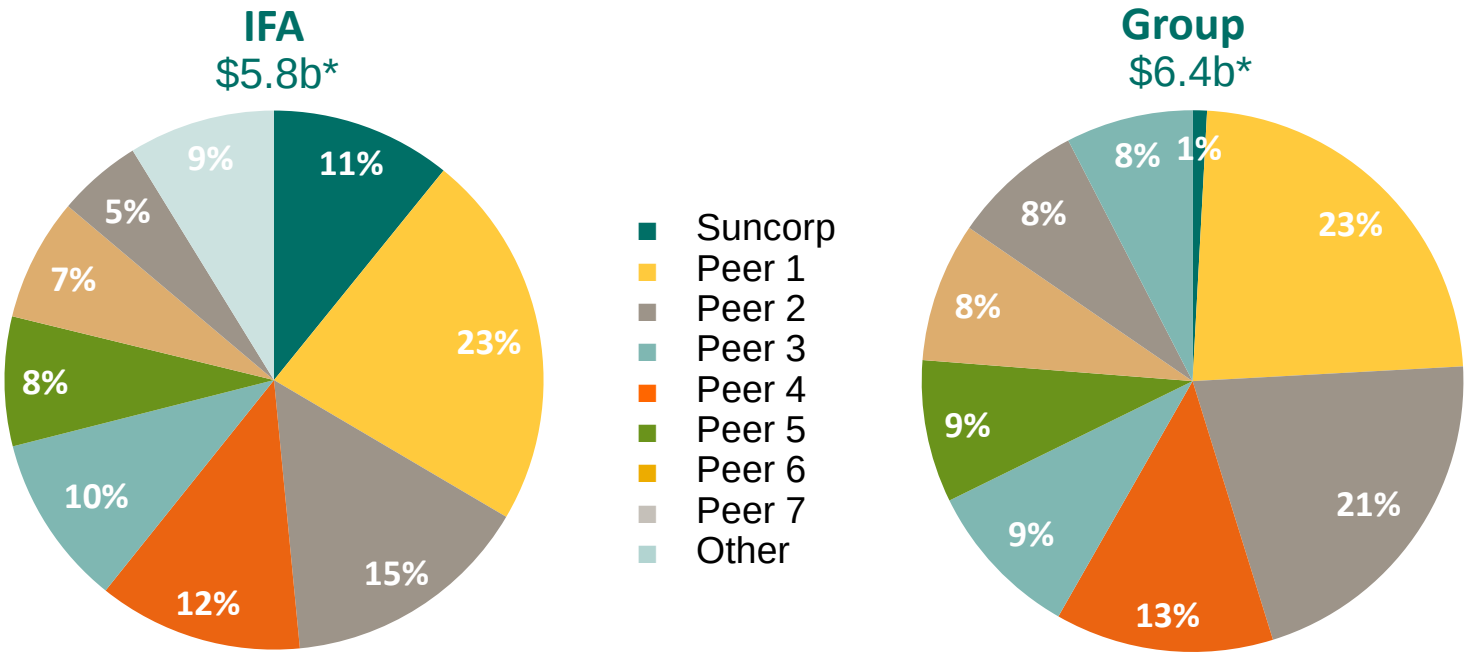
Market share - distribution



* Data source: NMG consulting
**as at September 2015

Suncorp Life

Market share - distribution

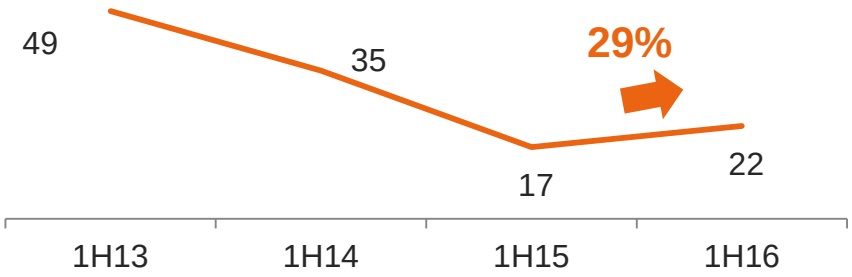


* Data source: NMG consulting
**as at September 2015

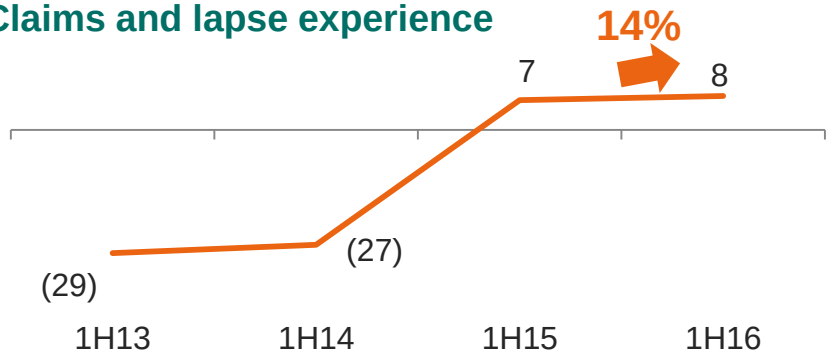
Suncorp Life

Key metrics

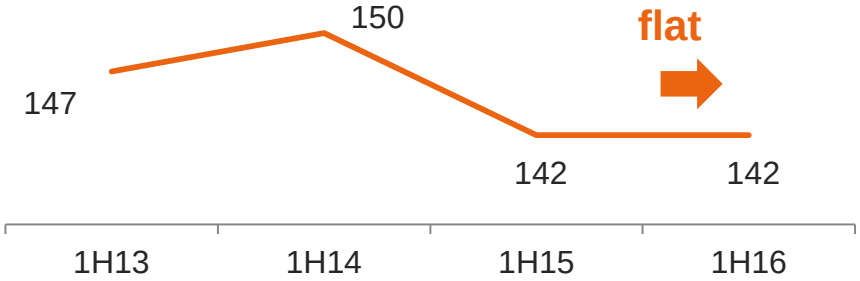
Planned margins ($m)



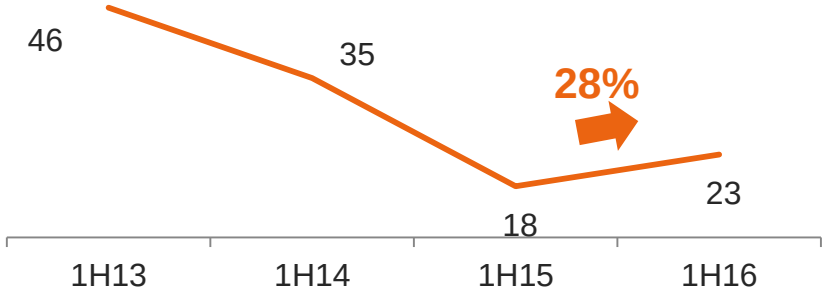
Claims and lapse experience



Total operating expenses ($m)



VOYS ($m)



Suncorp Life

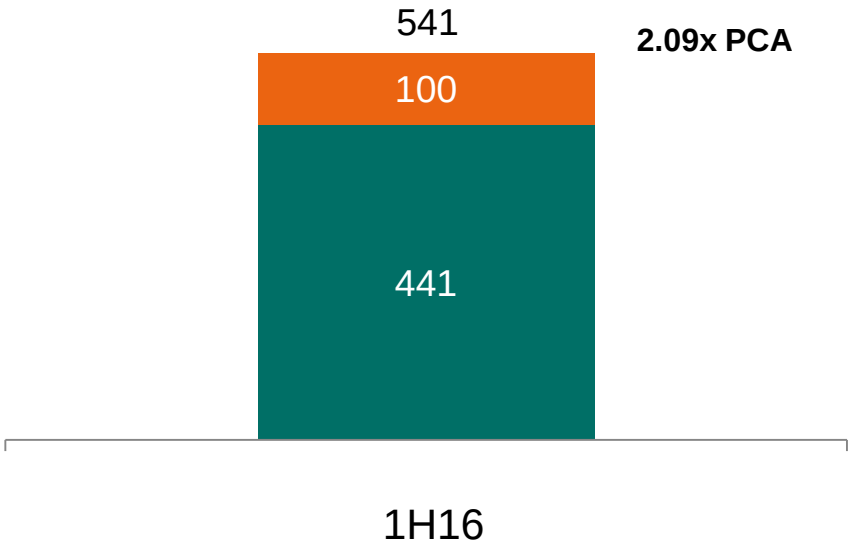
IFA commission structures

	Current (1 year responsibility period)	Jul-16 (2 year responsibility period)	Jul-17 (2 year responsibility period)	Jul-18 (2 year responsibility period)
Upfront commission	110%	88%	77%	66%
Trail commission	11%	22%	22%	22%

Suncorp Life

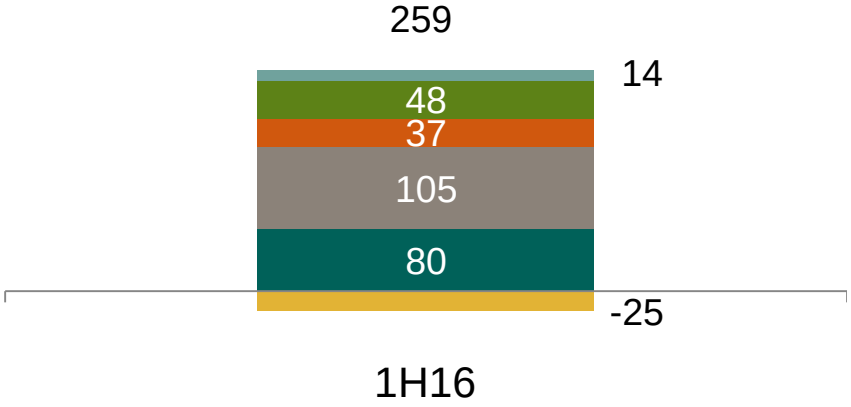
Capital

Suncorp Life capital levels



- Common equity tier 1
- Additional tier 1 capital
- Tier 2 capital

Prescribed Capital Amount



- Insurance risk charge
- Asset risk charge
- Operational risk charge
- Aggregation benefit
- Combined stress scenario adjustment
- Other regulatory requirements

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Economy

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Favourable economic fundamentals

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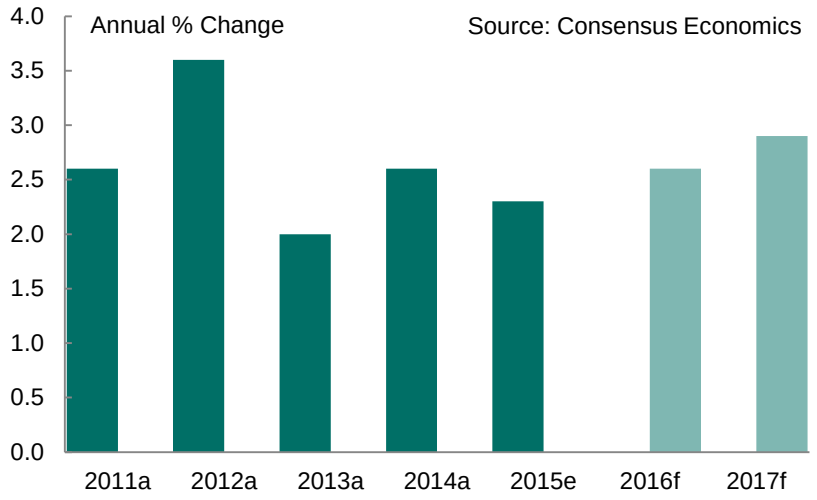
Australian economic growth



- Australia continues to see moderate economic growth despite the impact from the resources sector.
- Consensus forecasts expect growth to improve through 2016 and 2017.

Other key metrics supportive

	Australia	Queensland	Data as at:
Population Growth (pa)	**1.4%**	**1.2%**	Jun-15
Unemployment Rate	**5.8%**	**5.8%**	Dec-15
Inflation	**1.7%**	**1.7%**	Dec-15
Budget Position	**$33bn deficit (2.0% of GDP)**	**$1bn deficit (0.4% of GSP)**	2015/16 forecast
Credit Rating (S&P/Moody's)	**AAA / Aaa**	**AA+ / Aa1**	Feb-16

- Fundamentals remain positive for both Australia and Queensland.
- Australia has also retained its AAA credit rating.
- Population growth continues to support economic activity while unemployment has declined.

Monetary policy is supporting activity

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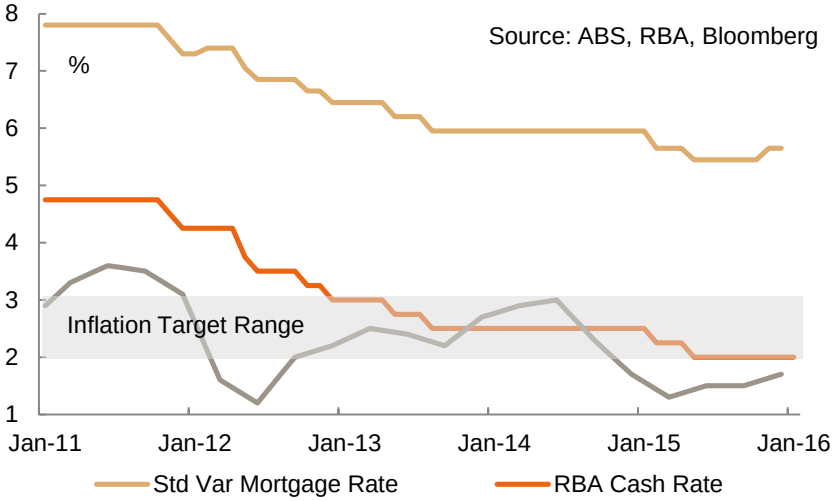
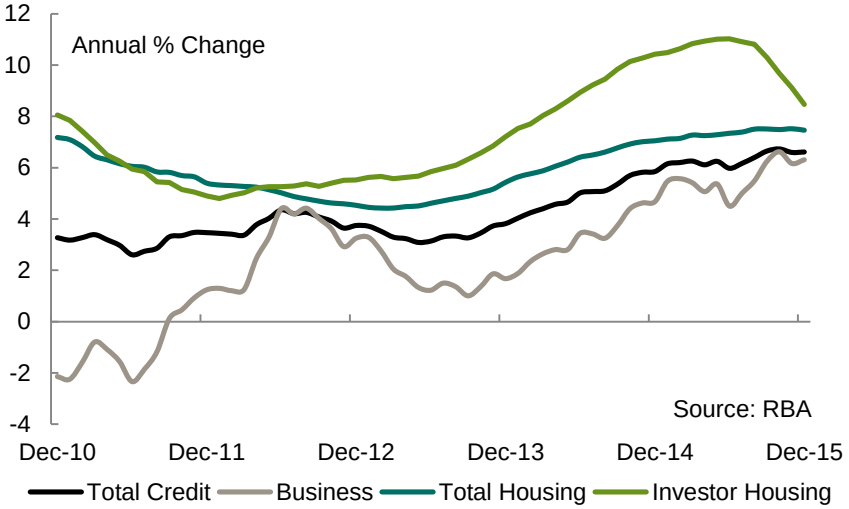
Inflation & interest rates



- The RBA's most recent reduction in the cash rate was in May 2015.
- Recent RBA commentary notes that the economy strengthened during 2015 yet financial market volatility has created uncertainty.

Lending growth



- Credit growth remains stable. The increase in business loans has been offset by slower growth in residential investor lending following the macro-prudential measures taken by APRA in 2015.

Favourable trends in building and labour

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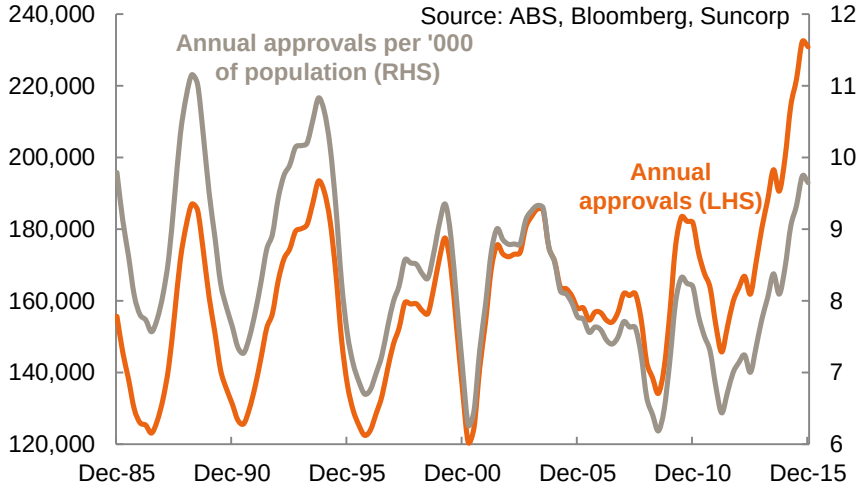
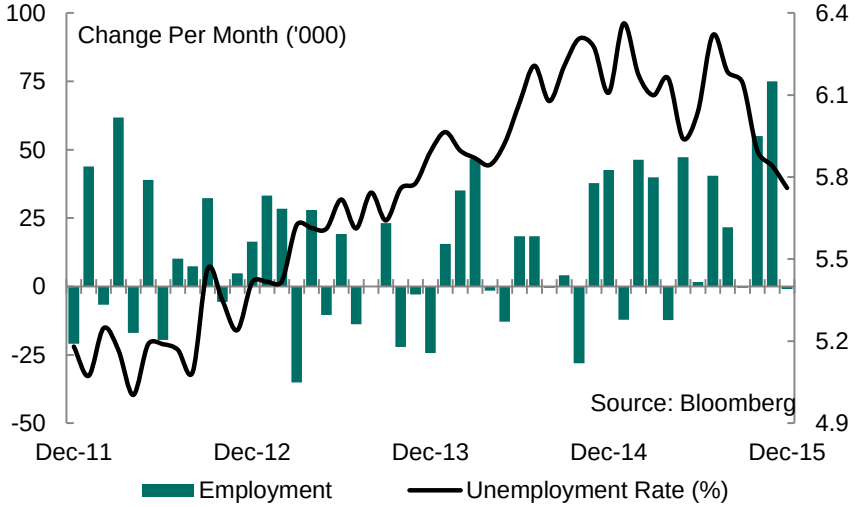
Building approvals



- Dwelling approvals are at long term highs. However adjusting for population growth, high levels of residential building activity are likely to continue.
- The non-residential building market continues to improve albeit gradually.

Labour market



- Labour market conditions continue to improve, with employment growth at the strongest levels since 2006.
- The unemployment rate has decreased to 5.8% from 6.0%.

Other indicators are mixed

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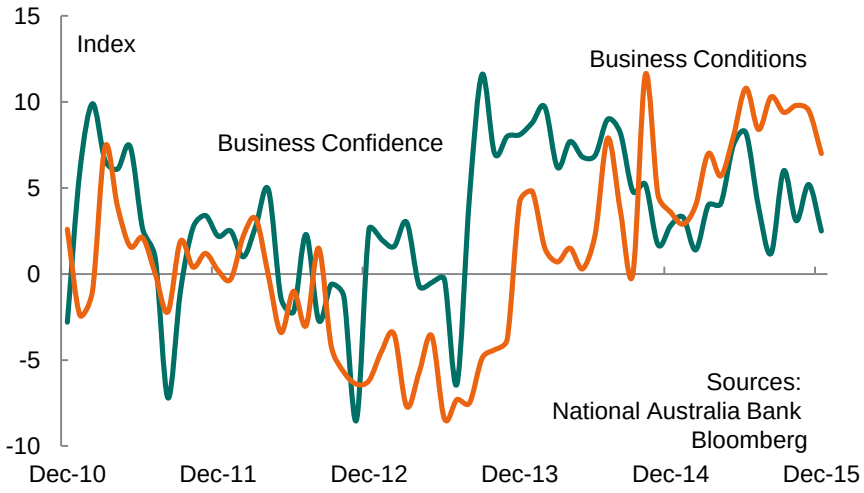
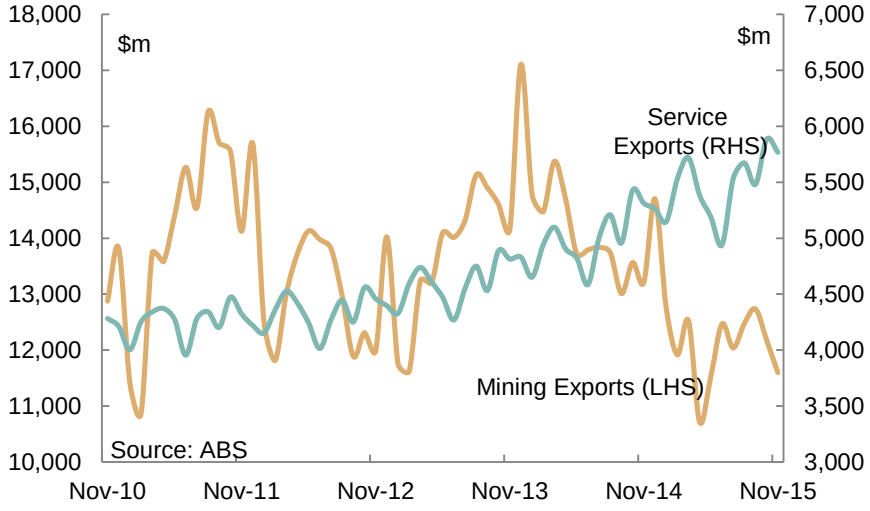
Confidence indicators



- Business and consumer confidence indicators improved through 2015 and remain above average despite continued been volatility.

Shifting export trends



- Australia's exports continue to rebalance due to a more competitive AUD.
- Service exports such as tourism and education performed well in 2015.

Household financial conditions

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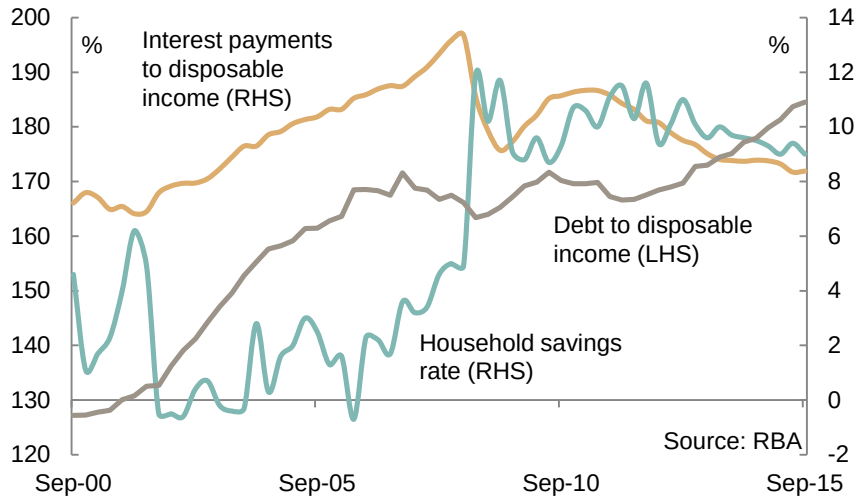
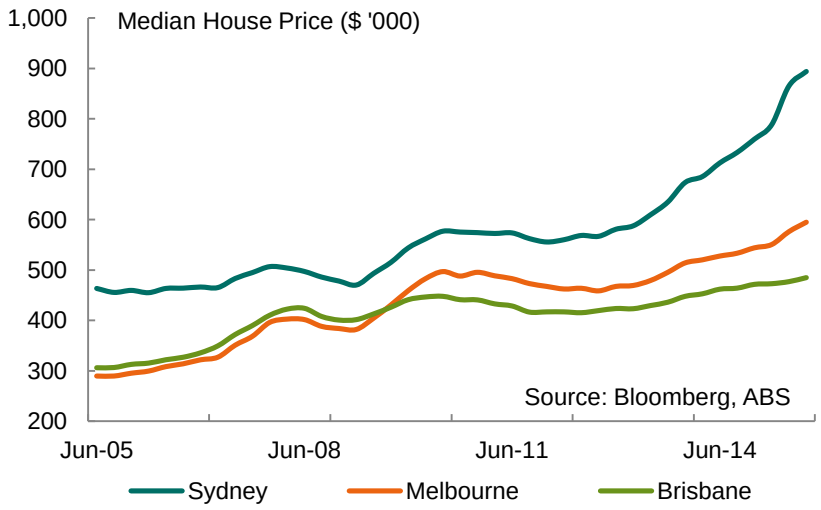
Debt and debt servicing



- Notwithstanding the lift in household borrowing, interest payments have fallen, savings have been maintained and unemployment has fallen.
- Meanwhile, the RBA notes that *"indicators suggest that household financial stress remains fairly benign"* (Financial Stability Review October 2015).

House prices



- Increases in house prices have boosted household wealth.
- House prices in Brisbane are now showing a clear affordability advantage.

Queensland prospects

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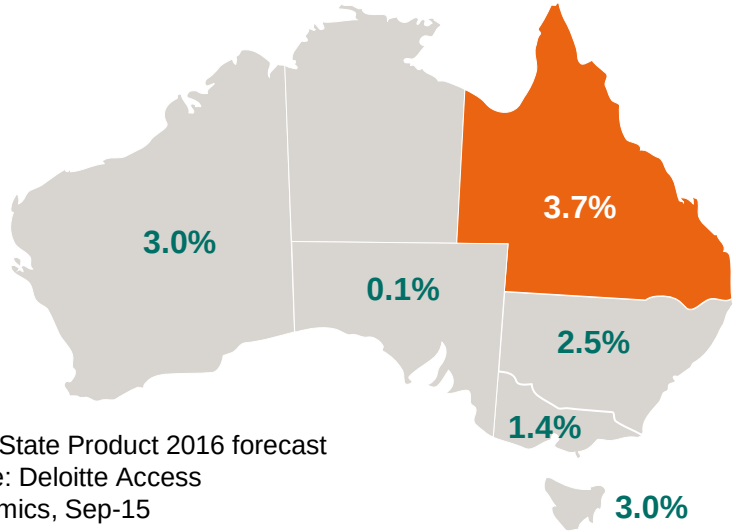
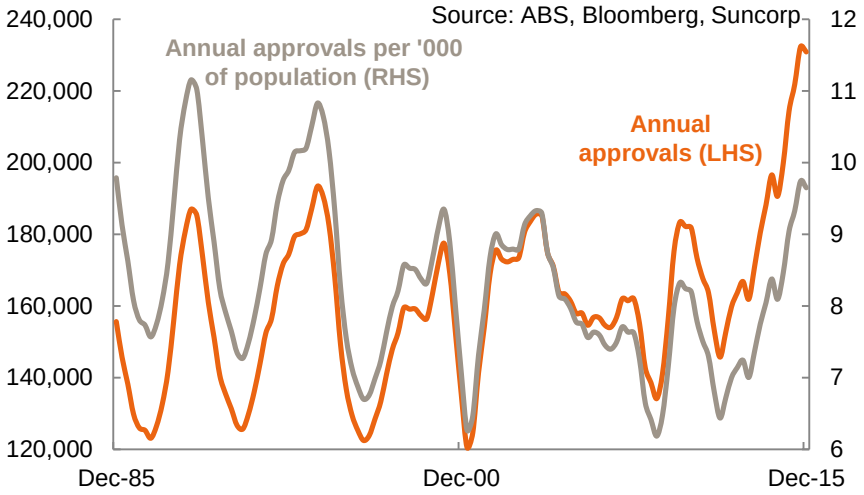
State economic growth



Gross State Product 2016 forecast
Source: Deloitte Access Economics, Sep-15

- Queensland is forecast to lead state growth in 2016, assisted by a diversified economic base.
- The pullback in resources has however had an impact beyond measures of real economic growth.

Queensland building approvals



- Queensland saw a buoyant residential building market over 2015.
- However, population growth of >2% per annum over the past decade means that building levels adjusted for population are only back at average levels.

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Glossary

“Creating value for our customers”

Glossary

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Acquisition expense ratio	Acquisition expenses expressed as a percentage of net earned premium
Cash earnings	Net profit after tax adjusted for the amortisation of acquisition intangible assets, the write down of Life intangible assets, the profit or loss on divestments and their tax effect
Cash earnings per share	Basic: cash earnings divided by the weighted average number of ordinary shares (net of treasury shares) outstanding during the period Diluted: cash earnings adjusted for consequential changes in income or expenses associated with the dilutive potential ordinary shares divided by the weighted average number of diluted shares (net of treasury shares) outstanding during the period
Cash return on average shareholders' equity	Cash earnings divided by average equity attributable to owners of the Company. Averages are based monthly balances over the period. The ratio is annualised for half years
Combined operating ratio	The percentage of net earned premium that is used to meet the costs of all claims incurred plus pay the costs of acquiring (including commission), writing and servicing the General Insurance business
Common Equity Tier 1 (CET1)	Common Equity Tier 1 Capital comprises accounting equity plus adjustments for intangible assets and regulatory reserves
Common Equity Tier 1 ratio	Common Equity Tier 1 divided by the Prescribed Capital Amount for Life and General Insurance, or total risk-weighted assets for the Bank
Connected Customer	Connected Customers are active customers holding at least two Suncorp products or services.
Cost to income ratio	Operating expenses of the Banking business divided by total income from Banking activities
Credit risk-weighted assets	Total of the carrying value of each asset class multiplied by their assigned risk weighting, as defined by APRA
Deferred acquisition costs (DAC)	The portion of acquisition costs not yet expensed on the basis that it can be reliably measured and it is probable that it will give rise to premium revenue that will be brought to account in subsequent financial periods
Deposit to loan ratio	Total retail deposits divided by total loans and advances, excluding other receivables
Diluted shares	Diluted shares is based on the weighted average number of ordinary shares outstanding during the period adjusted for potential ordinary shares that are dilutive in accordance with AASB 133 Earnings per Share
Fire service levies (FSL)	The expense relating to the amount levied on policyholders by insurance companies as part of premiums payable on policies with a fire risk component, which is established to cover the corresponding fire brigade charge which the Group will eventually have to pay
General Insurance – Commercial	Commercial products consist of commercial motor insurance, commercial property insurance, marine insurance, industrial special risk insurance, public liability and professional indemnity insurance, workers' compensation insurance and compulsory third party insurance
General Insurance – Personal	Personal products consist of home and contents insurance, motor insurance, boat insurance, and travel insurance

Glossary

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Insurance Trading Result	Underwriting result plus investment income on assets backing technical reserves
Insurance Trading Ratio (ITR)	The insurance trading result expressed as a percentage of net earned premium
Life insurance policyholders' interests	Amounts due to an entity or person who owns a life insurance policy. This need not be the insured. This is distinct from shareholders' interests
Life risk in-force annual premiums	Total annualised statistical premium for all business in-force at the date (including new business written during the period)
Life risk new business annual premiums	Total annualised statistical premium for policies issued during the reporting period
Life underlying profit after tax	Life underlying profit refers to net profit after tax less market adjustments. Market adjustments represents the impact of movements in discount rates on the value of policy liabilities, investment income experience on invested shareholder assets and annuities mismatches
Loss ratio	Net claims incurred expressed as a percentage of net earned premium. Net claims incurred consist of claims paid during the period increased (or decreased) by the increase (decrease) in outstanding claims liabilities
Net profit after tax	Net profit after tax attributable to owners of the Company derived in accordance with Australian Accounting Standards
Other underwriting expenses ratio	Other underwriting expenses expressed as a percentage of net earned premium
Payout ratio – cash earnings	Ordinary shares (net of treasury shares) at the end of the period multiplied by ordinary dividend per share for the period divided by cash earnings
Payout ratio – net profit after tax	Ordinary shares (net of treasury shares) at the end of the period multiplied by the ordinary dividend per share for the period divided by profit after tax
Profit after tax from business lines	The net profit after tax for the General Insurance, Bank and Life business lines
Return on average shareholders' equity	Net profit after tax divided by average equity attributable to owners of the Company. Averages are based monthly balances over the period. The ratio is annualised for half years
Total operating expense ratio	Total operating expenses (acquisition and other underwriting expenses) expressed as a percentage of net earned premium
Total risk-weighted assets	Bank credit risk-weighted assets, off-balance sheet positions and market risk capital charge and operational risk charge, as defined by APRA
Treasury shares	Ordinary shares of Suncorp Group Limited that are acquired by subsidiaries

Important disclaimer

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This report contains general information which is current as at 11 February 2016. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to the Group or any product or service offered by Suncorp or any of its subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

This report should be read in conjunction with all other information concerning Suncorp filed with the Australian Securities Exchange (ASX).

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Suncorp undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report (subject to ASX disclosure requirements)