

27 May 2015

## SUNCORP GROUP INVESTOR DAY OPTIMISED PLATFORM TO DELIVER \$170 MILLION IN BENEFITS

Suncorp today is hosting its annual Investor Day at SMART-PLUS motor repair centre in Riverwood<sup>1</sup>, Sydney. The presentation material is attached and the event will be webcast from 9.00am at [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au).

Suncorp Group Chief Executive Officer, Patrick Snowball said Investor Day is an opportunity to outline the next wave of 'Optimisation' projects that build on the Group's successful 'Building Blocks' and 'Simplification' programs.

"Suncorp has an excellent track record of executing projects which have been instrumental in transforming the Group's operations. Optimisation will put us ahead of the curve in meeting the ongoing challenges from our traditional competitors and disruptors in a digital world," Mr Snowball said.

"The Building Blocks and Simplification programs were completed on time and on budget delivering a stable cost base and improved shareholder returns."

"Advancing this strategy, we are making an investment of \$75 million for the 'Optimisation' program of work. This will deliver \$170 million of efficiency benefits in the 2018 financial year."

The new Optimisation program completes the redesign of the Group's operating systems. The savings include improved efficiency of processing claims, motor vehicle repairs, home repairs, procurement, technology and business intelligence.

"I have always said there is more gas in the tank and beyond the next wave of efficiency gains we can now demonstrate the benefits of our diversification. We are seeing improved performance and growth coming from our Bank, Life, Commercial Insurance and New Zealand businesses.

"The value of our diversification is just starting to play out. I am confident that as we maximise the value of our Strategic Assets and deliver on the next wave of projects we will see Suncorp achieve a sustainable ROE above 10%.

Suncorp said that, in addition to the Optimisation program of work, the new banking platform, Ignite, is on track to be completed in June 2016.

"This will reduce Suncorp Bank's cost-to-income ratio from the current rate of around 53 percent to under 50 percent in the 2017 financial year. It will also deliver a superior service to Suncorp Bank customers."

Patrick Snowball concluded that Suncorp was in great shape to hand over to incoming Group CEO, Michael Cameron later this year.

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<sup>1</sup> The SMART-PLUS site at Riverwood has recently joined Suncorp's SMART joint venture network that repairs around 125,000 vehicles per year across 27 sites in Australia and New Zealand. State-of-the-art technology is reducing average repair time for drivable vehicles from 5 days to 11 hours, improving customer service and providing Suncorp with savings of approximately \$400 per vehicle.

“Suncorp’s Investor Day proves the strategy we embarked upon five years ago has enabled us to become a leaner, faster and smarter business. Suncorp has a unique DNA represented by world-class technology, industry leading people and a strong capability of execution. This allows us to continually improve the service to our customers and deliver strong returns to our shareholders,” Mr Snowball said.

**Suncorp Investor Day will be webcast live between 9.00am-10.20am and 11.20pm-1.00pm at [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au).** A recording of the webcast will be available later in the day.

**Ends**

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Suncorp Group Limited

# Suncorp Group Limited

## Investor Day 2015

**Suncorp Group Investor Day**  
27 May 2015




# Suncorp Group Investor Day 2015

## Agenda

Speaker	Topic	Start time
Patrick Snowball	Welcome	9.00
General Insurance CEOs	General Insurance Transformation	9.20
John Nesbitt	Suncorp Bank	9.45
Geoff Summerhayes	Suncorp Life	10.05
Morning Tea	Customer innovation and Claims booths	10.20
Mark Reinke	Business Intelligence	11.20
Matt Pancino	Technology platforms	11.40
General Insurance CEOs	General Insurance Claims	12.00
Steve Johnston	Optimisation financial impacts	12.25
Executive team	QnA	12.35
Patrick Snowball	Conclusion	1.00

**Suncorp Group Investor Day**  
27 May 2015

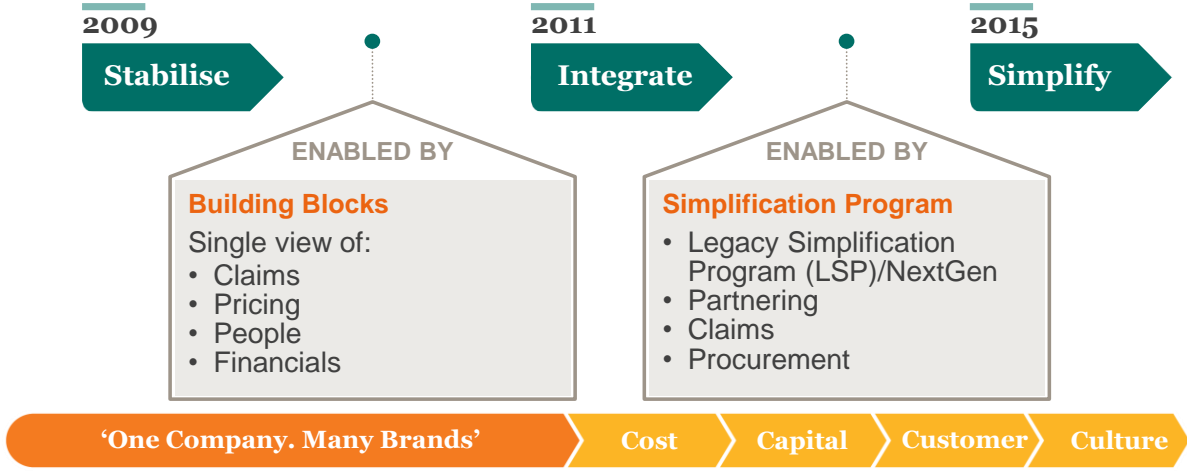


# Welcome

**Patrick Snowball**  
Chief Executive Officer, Suncorp Group Limited

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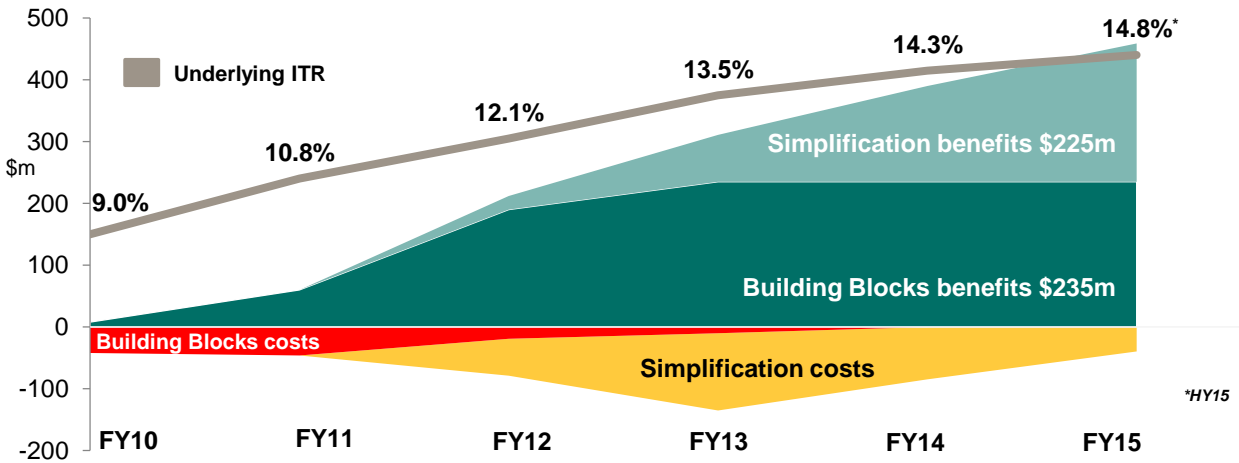
## Suncorp transformation The story so far



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# Building Blocks & Simplification

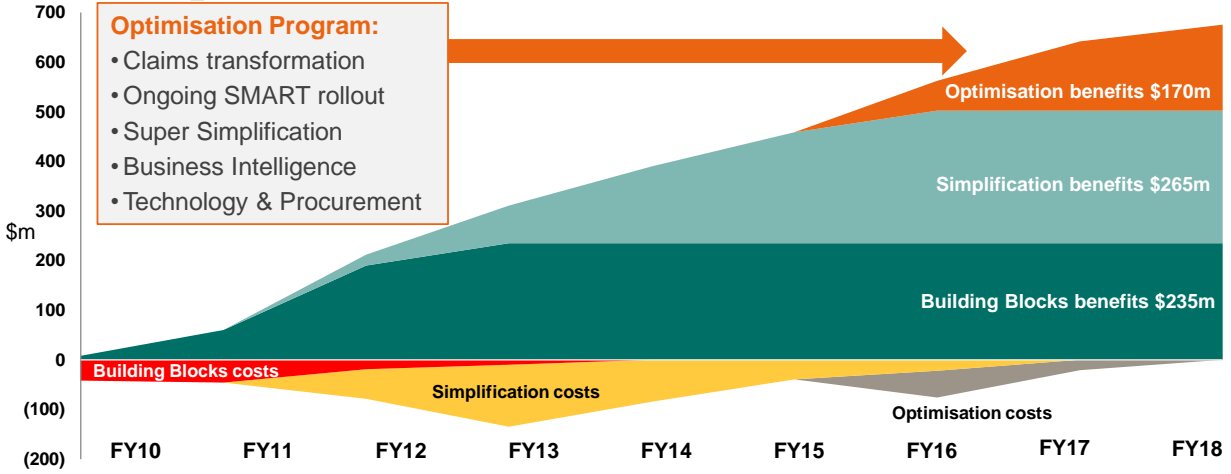
Delivering \$460 million of annual benefits



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# Optimisation

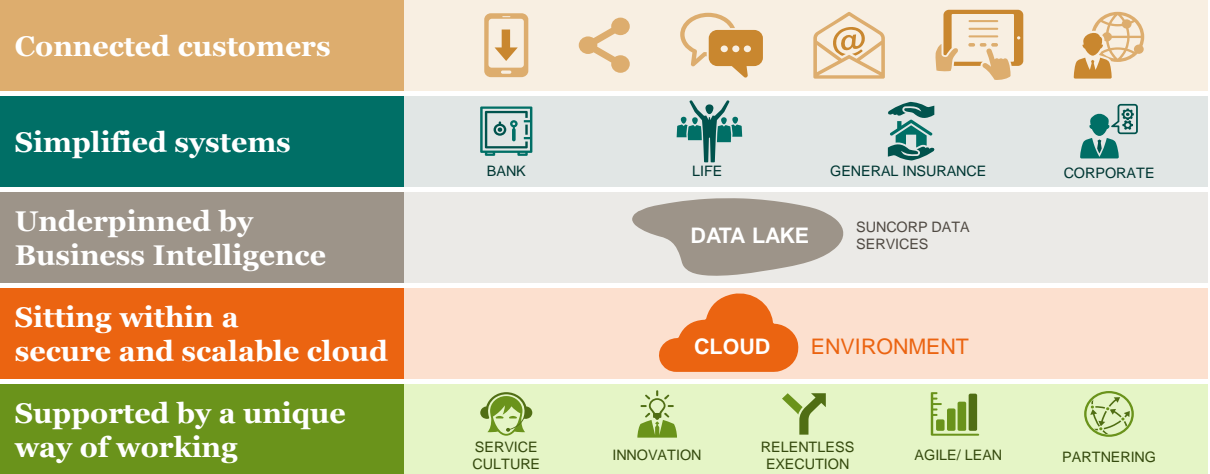
The next phase



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# Optimised Platform

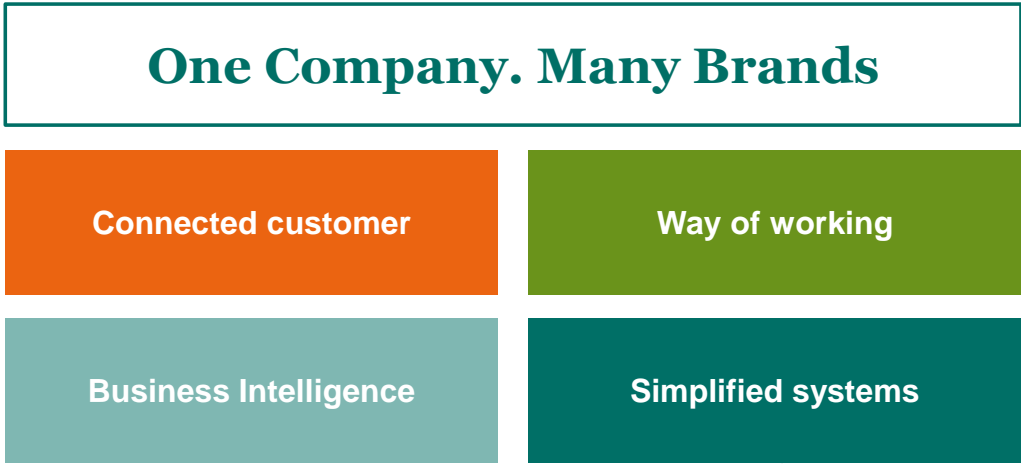
Unlocking the value of our 9 million customers



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# Optimised Platform

Leaner, faster, smarter



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# Suncorp Group

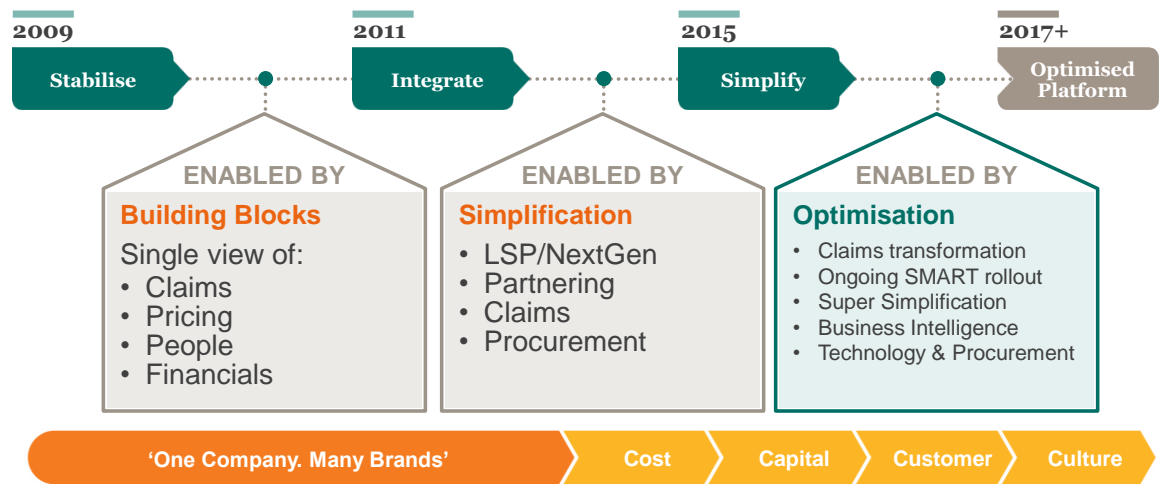
## Key targets

<b>1</b>	'Above-system' growth in key target markets	<b>4</b>	Continue to return surplus capital
<b>2</b>	'Meet or beat' an underlying ITR of 12% through the cycle	<b>5</b>	Optimisation benefits of \$170 million in 2018 financial year
<b>3</b>	60% to 80% dividend payout ratio	<b>6</b>	<b>Sustainable Group ROE of at least 10%</b>


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# Suncorp transformation

## Optimised Platform in 2017



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# General Insurance transformation

**Mark Milliner**      Personal Insurance CEO  
**Anthony Day**      Commercial Insurance CEO  
**Gary Dransfield**      Vero New Zealand CEO

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## Personal Insurance

Simplification has strengthened.....

Customer	Culture	Cost
		
<ul style="list-style-type: none"> <li>• LSP and ongoing customer initiatives have improved customer satisfaction supported by:               <ul style="list-style-type: none"> <li>- Shorter wait times</li> <li>- Better documentation and notices</li> <li>- Improved functionality in online &amp; digital (i.e. self-service, websites)</li> <li>- New services and features (e.g. Roadside Assist, payment options)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The new policy system increased in enablement metrics supported by:               <ul style="list-style-type: none"> <li>- Lower average handling time</li> <li>- Single customer view</li> <li>- Knowledge base to support consultants</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Majority of GWP on single platform               <ul style="list-style-type: none"> <li>- Lower cost to maintain</li> <li>- Substantial cost benefits when making functionality or product changes</li> </ul> </li> <li>• Improved customer retention</li> <li>• Benefits delivered on track and on time</li> </ul>

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# Commercial Insurance

Simplification is delivering






- All Compulsory Third Party brands on the Group's policy platform
- First Workers Compensation & Packages SME products now on the Group policy platform
- Launched new Packages product targeting mobile businesses

- All products on the Group's single policy platform within next two years
- All GIO Packages products on Group policy platform by Dec 2015
- Leverage National CTP platform for future market entries e.g. SA
- Improved broker front end interface

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# Commercial Insurance

Simplification has strengthened...

Customer & Broker	Culture	Cost
 <ul style="list-style-type: none"> <li>• Major reductions in average CTP call times</li> <li>• Able to focus customer types resulting from differing CTP schemes</li> <li>• Increased products offered 24/7 through online channels</li> <li>• Clear and concise documentation</li> <li>• Improved online and digital functions (i.e. self-service, websites)</li> </ul>	 <ul style="list-style-type: none"> <li>• <b>50%</b> less CTP systems &amp; processes</li> <li>• One national CTP team able to respond with flexibility and speed to customer needs</li> <li>• Harmonised, simpler ways of working</li> <li>• Enablement of our people to focus on their core skills (underwriting/sales) due to reduction in processing activity</li> </ul>	 <ul style="list-style-type: none"> <li>• Cost &amp; growth benefits of <b>\$35m</b> at full run rate</li> <li>• Reduced system build cost when entering new markets</li> <li>• Greater scale capacity supported by single policy platform</li> <li>• Lower cost to maintain</li> <li>• Substantial cost benefits when making functionality or product changes</li> </ul>

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# New Zealand General Insurance

## Market overview

- Market consolidation in personal lines
- Increased competition and softening commercial lines
- Fundamental change to availability, price and terms for reinsurance
- Significant regulatory change

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# New Zealand General Insurance

## Progress in Christchurch

- EQC Act under review
- Support dual insurance model
- Customers need a single point of contact for claims
- NZ\$15b of NZ\$20b paid by private insurers
- NZ\$4.3b paid by Suncorp (83% of total expected costs)



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# New Zealand General Insurance

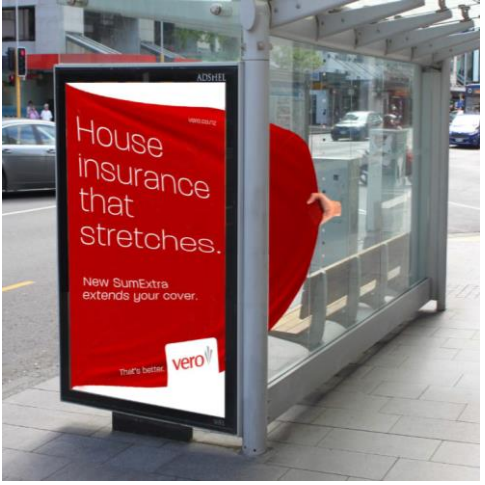
## Transformation and adapting for growth

Above system unit growth in Personal Insurance over the last two years

Growth through corporate partnerships – existing and new

Vero launched SumExtra policy benefit

Retention for Commercial Insurance above 84%






**New Bank in 2017**

**John Nesbitt**  
Chief Executive Officer, Suncorp Bank

# Suncorp Bank - Four strategic pillars










An Optimised Platform for the new bank in 2017

			
<p><b>Advanced</b> risk management</p>	<p><b>Business Intelligence</b> harnessing data</p>	<p>Group <b>customer initiatives</b></p>	<p>Project <b>Ignite</b></p>

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# Suncorp Bank - Ignite

Connecting through Open Application Programming Interface (API)

<p>Different types of users...</p>	 Customers	 Partners	 Customers	 Industry
<p>... use different types of apps...</p>	 Suncorp Apps	 Partner Systems	 Fin Tech Apps	 Industry Systems
<p>... via an appropriate API...</p>	<p>Suncorp Private API</p>	<p>Suncorp Private API</p>	<p>Open Bank API</p>	<p>Industry API</p>
<p>... that interacts with Ignite.</p>		 Ignite		

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# Suncorp Bank

## Project Ignite – the journey



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# Suncorp Bank

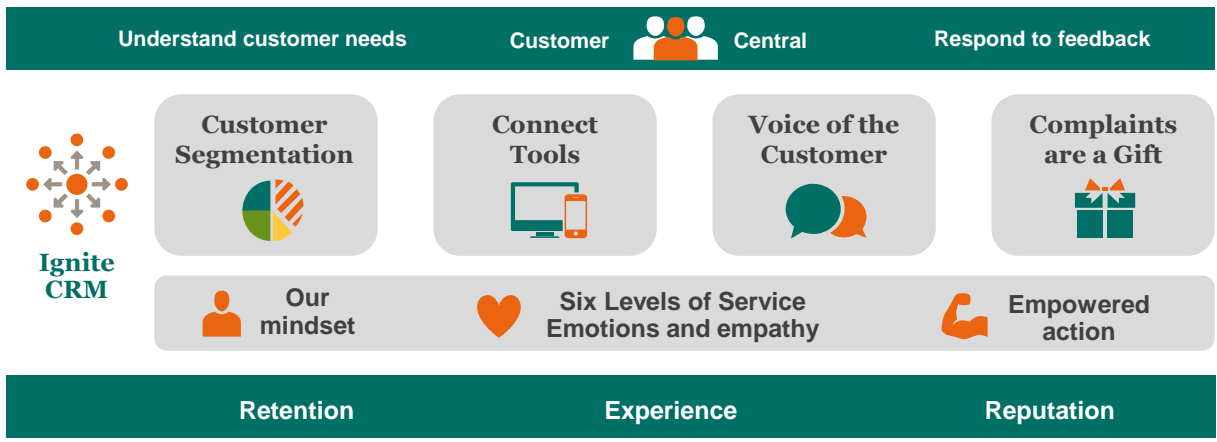
## Ignite by numbers

<p><b>1,051</b> people trained in <b>Ignite</b></p>  <p>through a combination of face-to-face and eLearning</p> 	<p><b>All</b> branches now using <b>Ignite</b></p> 	<p><b>Ignite</b> loans have been written in as little as</p>  <p><b>11</b> minutes</p>
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# Suncorp Bank

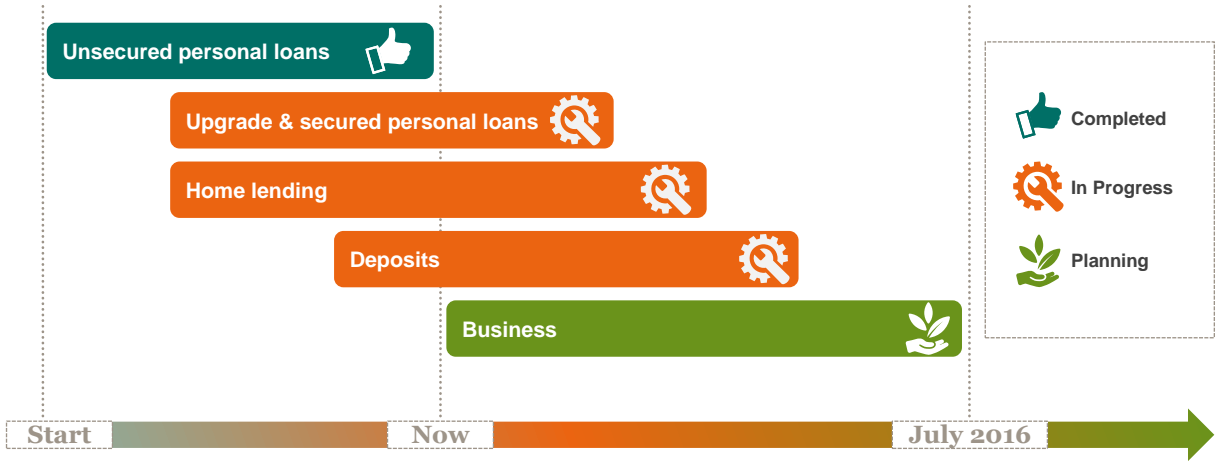
## Creating a culture of Customer Centricity



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# Suncorp Bank

## Ignite - our journey to completion



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# Suncorp Life Optimised Platform

**Geoff Summerhayes**  
Chief Executive Officer, Suncorp Life

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## Suncorp Life – Strategic Evolution

### Building an Optimised Platform

Business Foundations	Market Context	Optimised Platform
<ul style="list-style-type: none"> <li>• Simplification</li> <li>• Divestment</li> <li>• Capital release</li> <li>• Reset balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>• Structural change in advised Risk market</li> <li>• Changing fundamentals in Superannuation</li> <li>• Evolving customer dynamics and behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Customer at the Forefront</li> <li>• Operating model transformation:                             <ul style="list-style-type: none"> <li>– Super Simplification</li> <li>– “Acclaim” adviser segmentation model</li> </ul> </li> </ul>

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# Suncorp Life – Super Simplification

Improving scale, sustainability and agility

## Super Simplification Program

**Business process partnering**  
Partnering our service and administration activities

**IT partnering**  
Partnering our IT production, support and maintenance

**Technology**  
Transforming our core registry technology system

## How it enables our Superannuation strategy

**Simplify**

- Upgraded core system
- New offers and reduced legacy
- Lower unit costs
- De-risked operating environment

**Maximise customer value**

- Enhanced retention
- Introduction of Pension offering

**Grow**

- Extension of Everyday Super to other Group brands and channels
- Retirement solutions

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# Suncorp Life – ‘Acclaim’

A compelling proposition for advisers

## ‘Acclaim’ advisor segmentation

**Value-based segmentation**      Platinum, Gold, Silver and Bronze

**Differentiated experience**      Tiered service proposition by segment

**Business model alignment**      Re-aligned business to support segment approach

## How it enables our Advice Strategy

- Promotes sustainable IFA business; focus on ‘value’ over ‘volume’
- Builds a ‘virtual’ aligned advice network
- Ensures Customer at the Forefront outcomes

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# Morning tea



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# Business Intelligence

**Mark Reinke**  
Group Executive Customer, Data & Marketing

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# Business Intelligence

Opening 'the jaws' with predictive intelligence



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# Business Intelligence

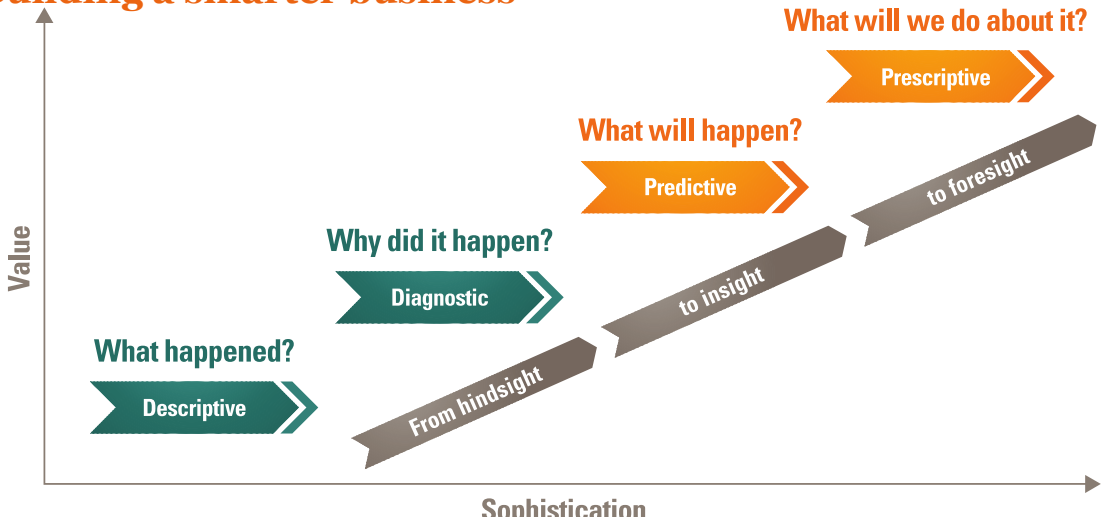
Capability development is well underway

DRIVER	PROGRESS
Harness and align internal talent and culture	Chief Data Office established
Accelerate through global partnerships	Mu Sigma partnership
Create single source of truth	Core data in 'data lake'
Detect 'all' customer signals	360 degree view of customer
Simplify legacy systems	7/13 warehouses decommissioned in FY 15

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# Business Intelligence

Building a smarter business



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# Business Intelligence

Innovating across the customer journey



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# Business Intelligence

Building new customer experiences

**SENSE AND RESPOND** 

**LOCATION INTELLIGENCE** 

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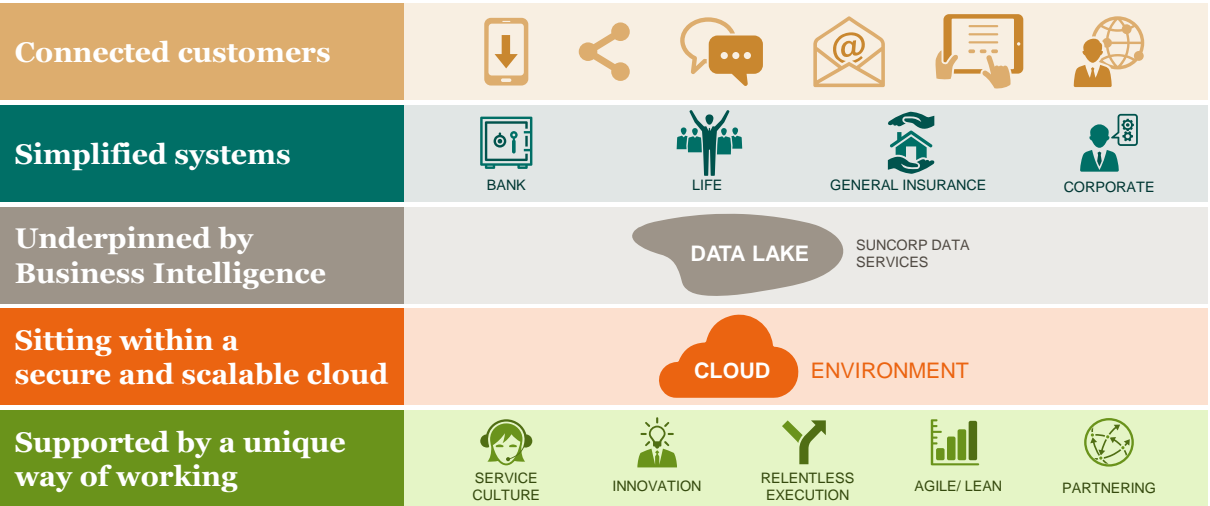


# Optimised Platform

**Matt Pancino**  
Chief Executive Officer, Suncorp Business Services

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### Optimised Platform



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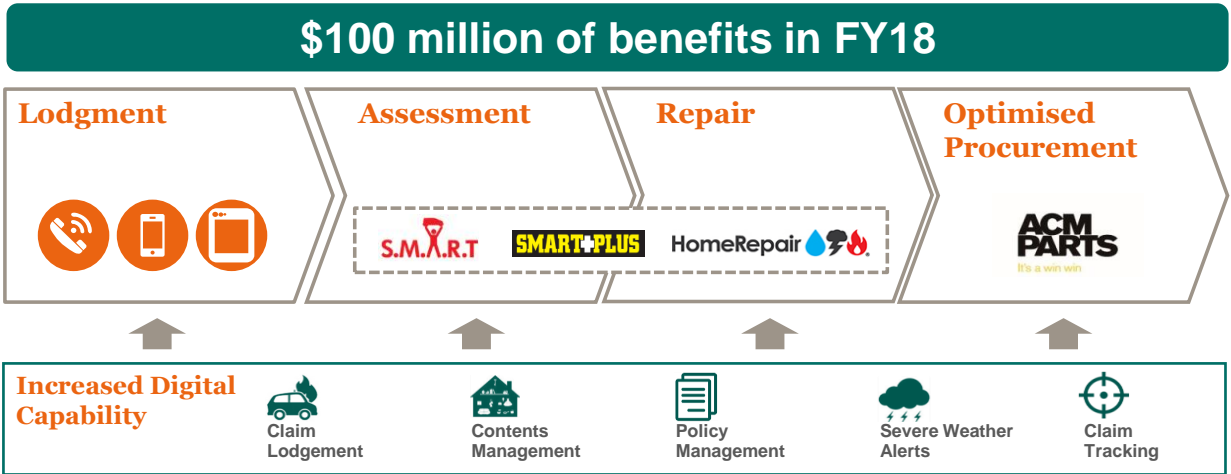
# Personal Insurance Claims

**Mark Milliner**  
Chief Executive Officer, Personal Insurance

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# Redefining the claims value chain

Digital, integrated, end-to-end platform



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# New Zealand General Insurance

## Claims experience

- Claims service is a key differentiator
- Leveraging Group technology platforms and business processes
- Dedicated Claims business unit – consolidated BAU and Earthquake claims
- Improved claims experience

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# New Zealand General Insurance

## Our customer journey

- Focused on getting the job done in Christchurch
- Now leveraging the Group’s customer tools and processes
- Developing a customer centric culture - 1%ers

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# New Zealand General Insurance

Delivering on innovation


SMART launched in Auckland in late 2014

Volumes, repair savings and customer experience are on target

From October, direct personal lines will lodge all new claims in ClaimCenter

Will access the Group's digital customer capability

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# Commercial Insurance

## A Statutory advantage

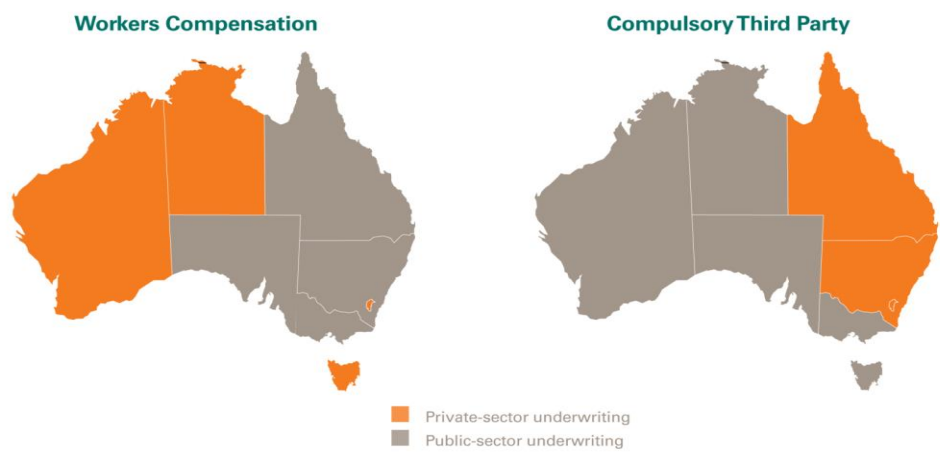
**Anthony Day**  
Chief Executive Officer, Commercial Insurance

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# Commercial Insurance growth opportunities

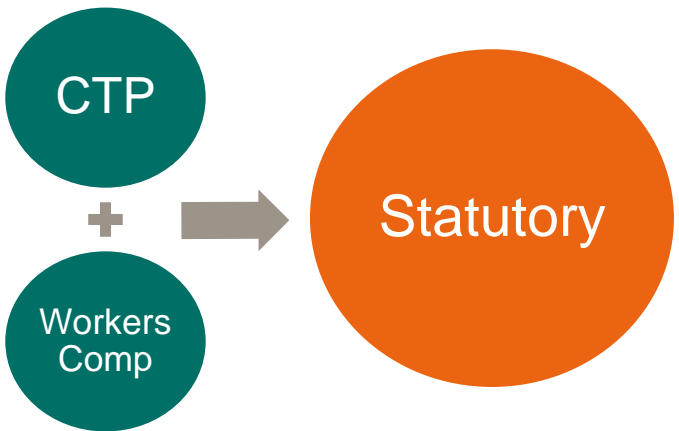
\$15b GWP: \$10b Government, \$5b private-sector



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# Commercial Insurance structure

Personal injury economies of scale



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# Commercial Insurance systems

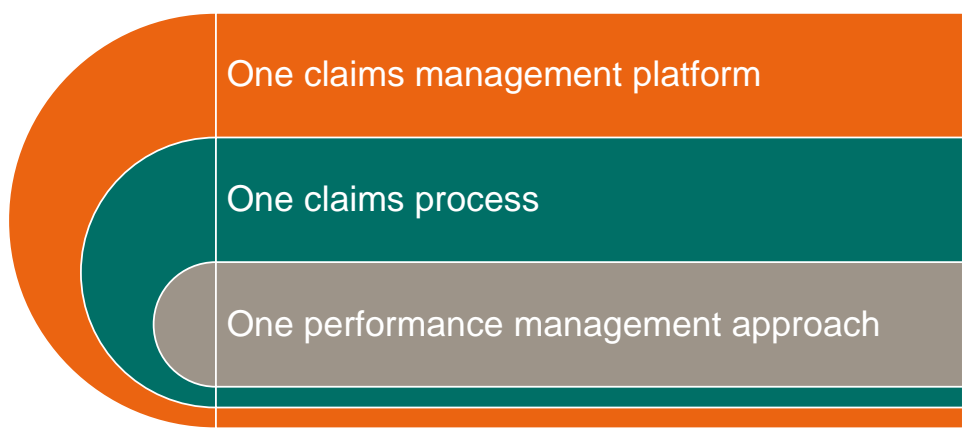
Leading edge claims management platform



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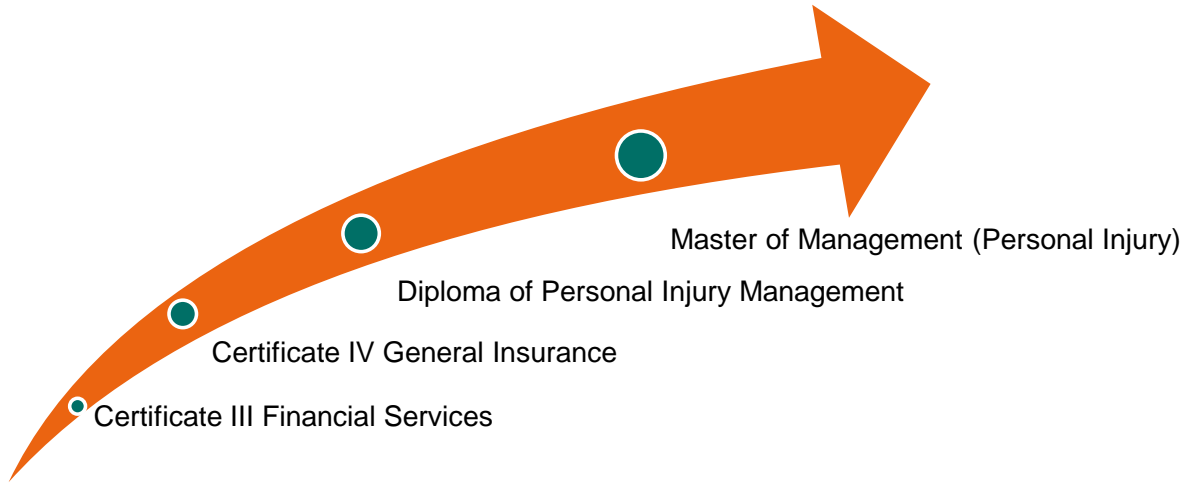
# Commercial Insurance processes

Nationally consistent best practice



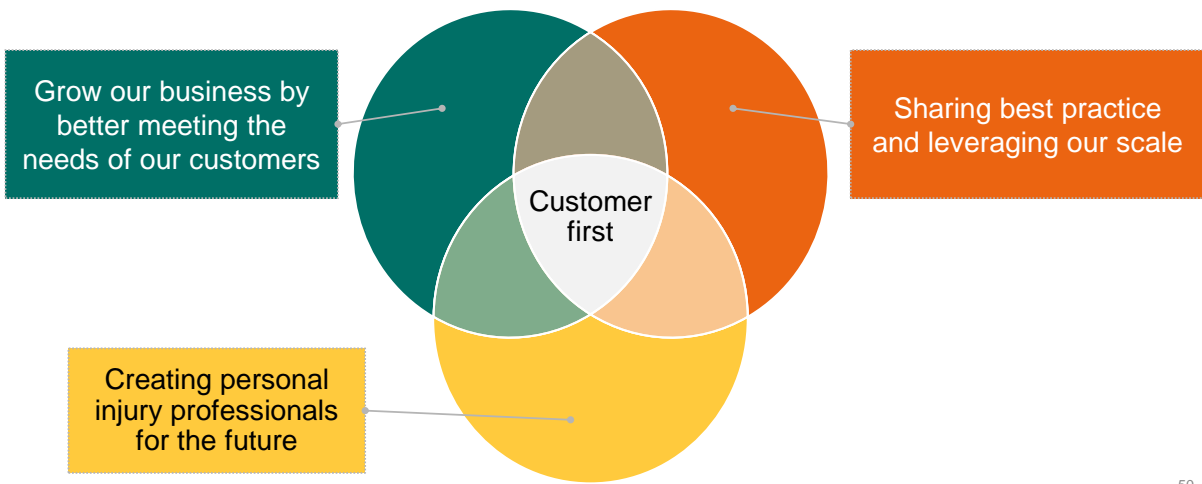
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# Commercial Insurance people Upskilling with tertiary qualifications



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# Commercial Insurance customer focus Short-tail management of long-tail claims



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# Commercial Insurance results

Outperforming our competitors

- Queensland CTP average claims costs better than the rest of industry**
- NSW Workers Compensation scheme: leading return-to-work**
- NSW Workers Compensation market share increase from 15.6% to 20.6%**

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# Optimisation financial impacts

**Steve Johnston**  
Chief Financial Officer, Suncorp Group Limited

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# Suncorp Shareholder Promise

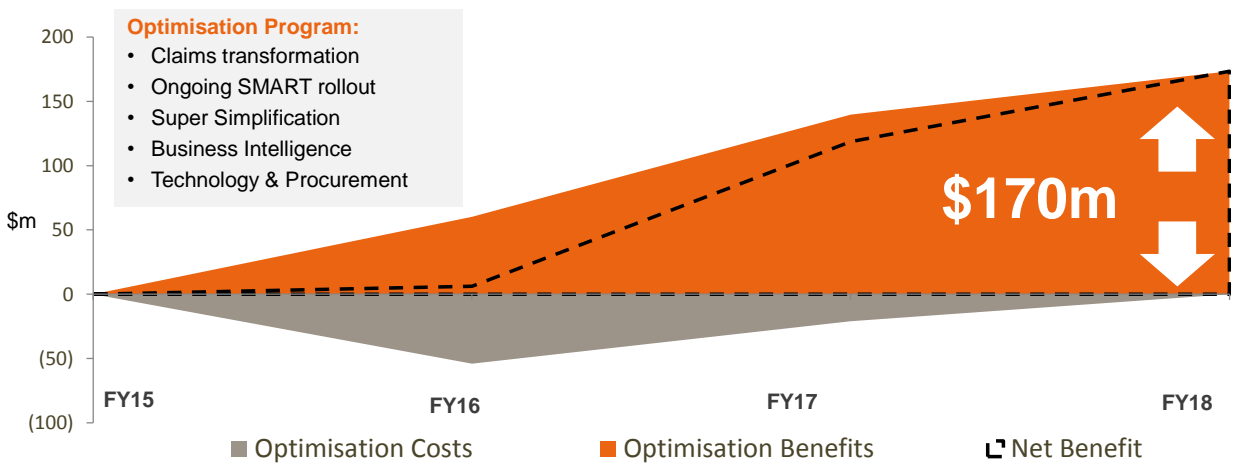
Simplified, de-risked financial services group



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# Optimisation

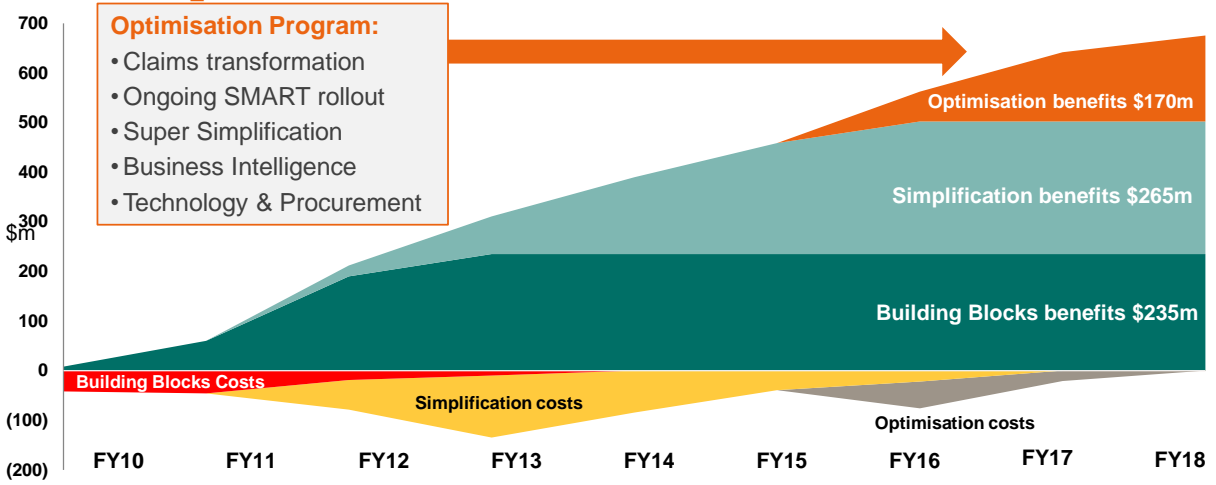
Additional benefits to flow



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# Optimisation

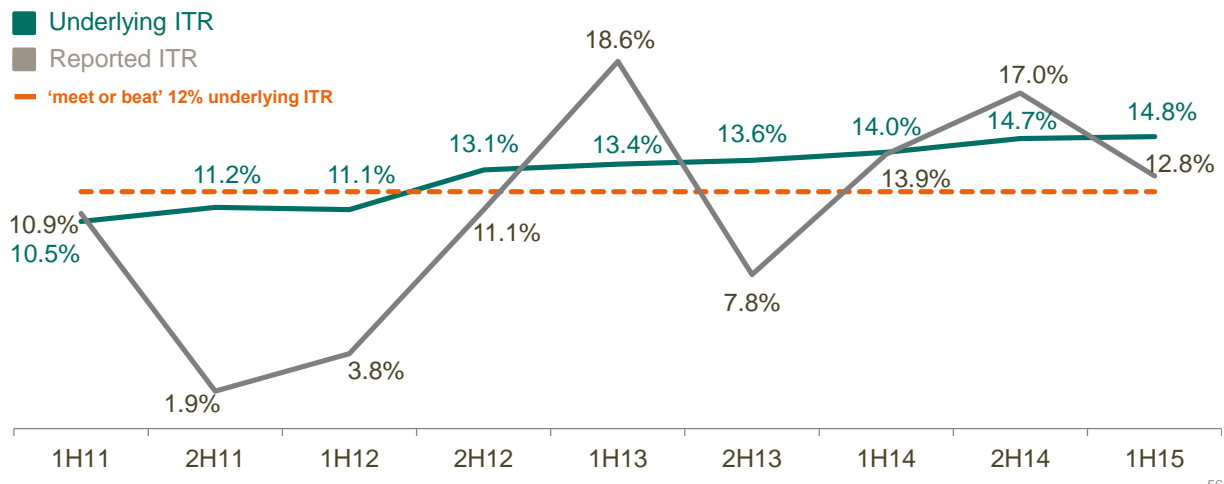
## The next phase



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# Underlying and Reported ITR

## Building Blocks and Simplification delivering



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# Q & A



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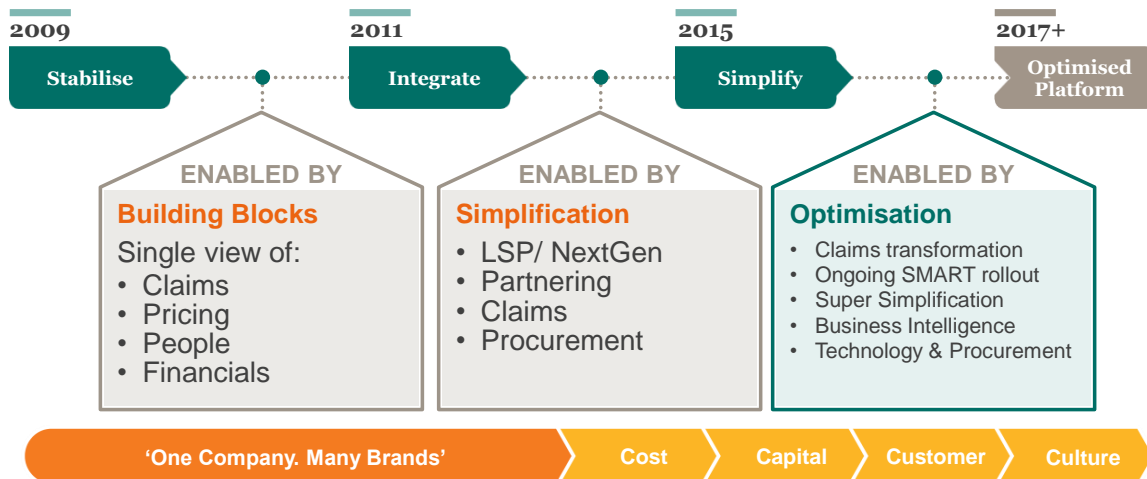
# Conclusion

**Patrick Snowball**  
Chief Executive Officer, Suncorp Group Limited

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# Suncorp transformation

## Optimised Platform in 2017



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## Important disclaimer

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