



SUNCORP 

Burrell Stockbroking Annual Investment Briefing

28 October 2023

SUNCORP GROUP LIMITED | ABN 66 145 290 124

Purpose driven, delivering strong outcomes for the long term



Group result

Strong revenue growth and margin expansion

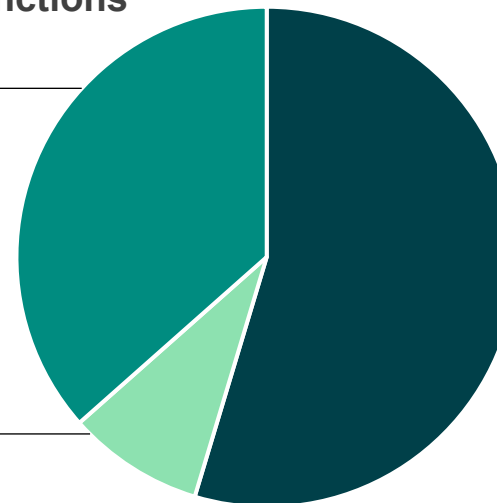
- Strong top-line growth across the Group
- Improved underlying margins and returns
- Significant turnaround in investment returns
- Reduced operating expenses
- Elevated natural hazard activity and inflationary pressures
- Fully franked final ordinary dividend of 27 cents per share, representing a full year payout ratio of 60% of cash earnings
- FY23 plan completed successfully

Profit after tax from Functions

Suncorp Bank
\$470m (↑ 27.7%)

Suncorp New Zealand
\$105m (↓ 32.3%; ↓ 30.3% in NZD)

Insurance (Australia)
\$755m (↑ 333.9%)



NET PROFIT AFTER TAX

\$1,148m

↑ 68.6%

FULL YEAR
ORDINARY DIVIDEND

60cps

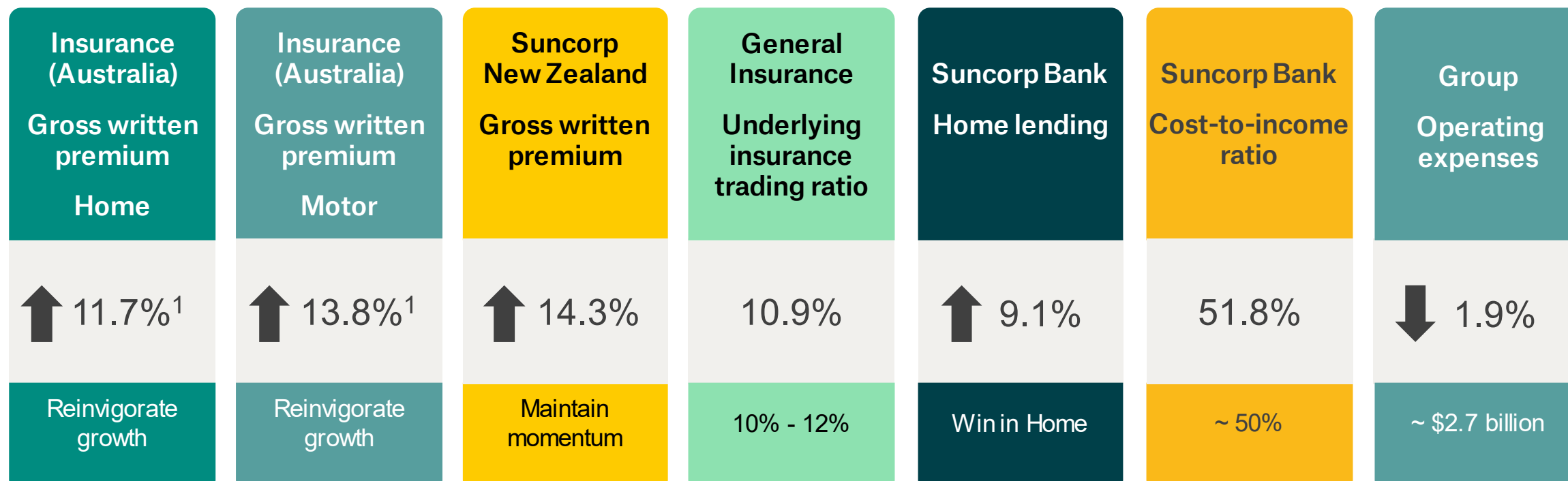
CASH EARNINGS

\$1,254m

↑ 86.3%

Result highlights

Strong top-line growth and underlying momentum across the Group



1. Excluding emergency services levies and portfolio exits.

FY23 Plan – strategic initiatives and targets

Strategic Initiatives

Insurance Australia

Revitalise growth
Optimise pricing and risk selection
Digital first customer experiences
Best in class claims

Suncorp New Zealand

Grow brands and strategic partnerships
Best in class claims
Digitise and automate

Suncorp Bank

Win in Home
Seamless everyday banking
Grow businesses
Digital first
Customer service excellence

Strategic Targets

Return on equity

Cash return on equity above the through-the-cycle cost of equity

Dividends

Payout ratio 60% to 80% of cash earnings
Return any capital to shareholders that is excess to the needs of the business

General Insurance

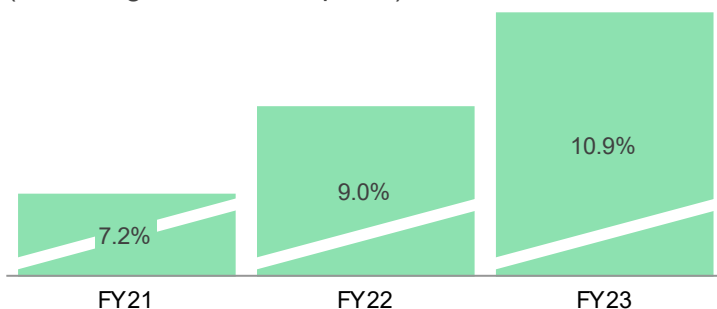
Underlying insurance trading ratio of 10% to 12% by FY23

Bank

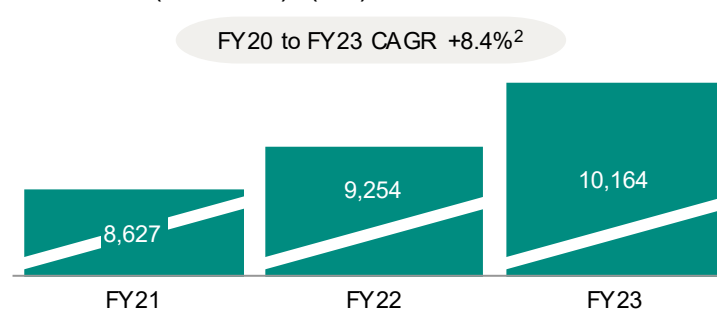
Cost-to-income ratio of ~50% by end of FY23

FY23 Plan completed successfully

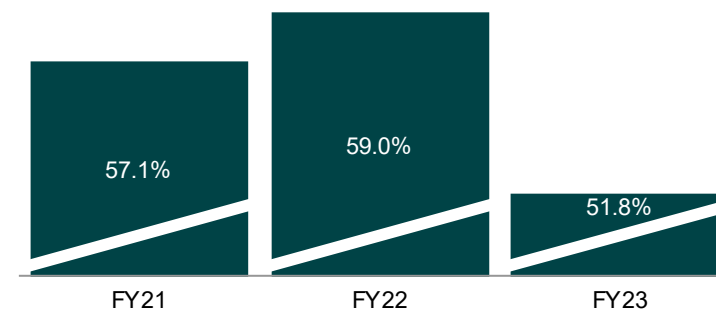
UNDERLYING INSURANCE TRADING RATIO (excluding COVID-19 impacts)



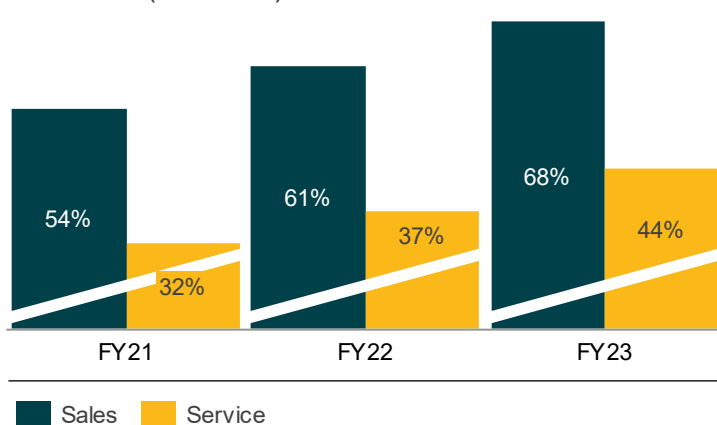
GROSS WRITTEN PREMIUM Insurance (Australia)¹ (\$m)



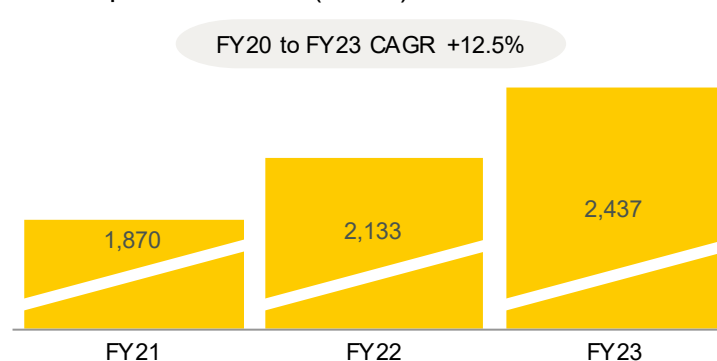
BANK COST-TO-INCOME RATIO



DIGITAL SALES & SERVICE TRANSACTIONS Insurance (Australia)³

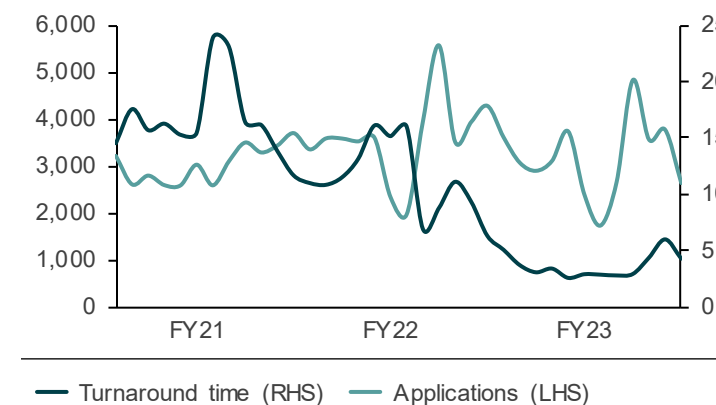


GROSS WRITTEN PREMIUM Suncorp New Zealand (NZ\$m)



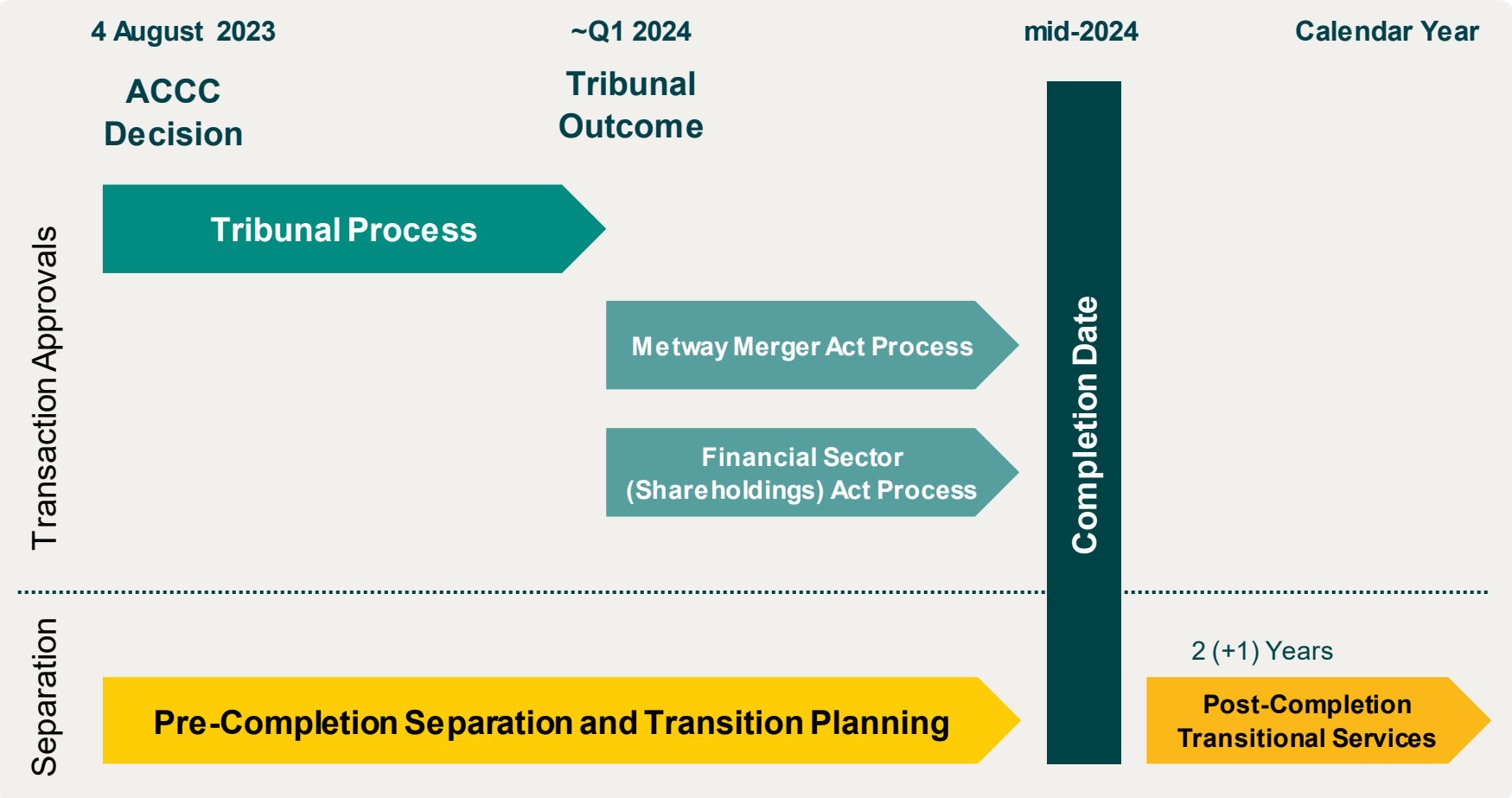
HOME LENDING

Turnaround times⁴ (working days) / applications (#)



1. Excluding emergency services levies. 2. Excluding emergency services levies and portfolio exits. 3. For mass brands across Home, Motor and Compulsory Third Party products only. 4. Source: Australian Finance Group Ltd and Suncorp source data calculated as median working days from application to unconditional approval (excluding public holidays) for all home loan applications (including pre-approvals).

Pathway to Bank completion and transition



NOTES

- On 4 August 2023, the Australian Competition and Consumer Commission (ACCC) did not approve merger authorisation application
- Process will now continue to Australian Competition Tribunal
- ACCC decision disappointing but remain confident in the merits of the transaction
- We continue to work co-operatively with governments and regulators
- Targeted completion now anticipated by mid-2024, subject to regulatory approvals and legislative amendments
- Net proceeds remain materially unchanged, with the intention to return the majority to shareholders subject to the needs of the business

FY24 priorities

Purpose | Risk Appetite | Financial Settings | Reinsurance Strategy | ESG

PORTFOLIOS

Motor

Strengthen our leading position in Australia

Home

Develop a more sustainable and resilient Home portfolio in Australia

Commercial

Grow and diversify Commercial Insurance in Australia

Statutory classes

Strengthen our leading position in Australia across private and public insurance schemes

New Zealand

Grow market share by building resilience in our core business and establishing new partnerships

Bank

Win in Home, Seamless everyday banking, Grow businesses, Digital first, Customer service excellence

ENABLERS

People, Culture, Ways of Working

Purpose Led
Customer Obsessed
Productive and Performance Mindset
New Ways of Working

Technology

Simplified and modernised technology platforms

Operational Transformation

Efficiency through automation at scale
Best-in-class Claims
Digital-first, superior customer experiences
Integrated AI

Resilience & Mitigation – Four Point Plan

Suncorp has developed a four point plan for a more resilient Australia and will continue to advocate for action

1

Improve public infrastructure

2

Provide subsidies to improve the resilience of private dwellings



3

Address inadequate planning laws and approval processes

4

Remove inefficient taxes and charges from insurance premiums

Questions

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