

29 May 2014

## SUNCORP GROUP INVESTOR DAY TECHNOLOGY, CULTURE AND INNOVATION RE-DEFINING BUSINESS

Suncorp will today host its annual Investor Day at the Group's technology headquarters in Sydney.

The presentation material is attached and the Investor Day event will be webcast from 8.20am at [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au). Suncorp shareholders are encouraged to download the iPad application "Suncorp IR" for the presentation, news, updates and share price movements.

Suncorp Group Chief Executive Officer Patrick Snowball said Investor Day is an opportunity to demonstrate how the Group harnessed technology and culture to re-define how business was done.

"A culture of innovation is enabling us to maximise the value of the Group's strategic assets, key among them being our nine million customers who are seeking the expertise and support of an integrated banking, general insurance and life insurance Group," he said.

"The convergence of technology, culture and innovation has underpinned the delivery of smart environments to better enable our workforce and is re-defining how we interact with customers, shareholders and the broader community."

Suncorp Business Services has been integral to the development of an agile, innovation culture and in turn, the successful delivery of the Building Blocks and Simplification programs under the Group's 'One Company. Many Brands' strategy.

This model has delivered:

- A Building Blocks program of work providing \$235 million in annualised savings from the consolidation of claims processes, pricing engines, employment arrangements, data and financial systems; and
- Simplification projects that are on track to deliver \$225 million in savings in FY15 and \$265 million in savings in FY16.

The results are evidenced in the Group's stable cost base and improved returns for shareholders.

Mr Snowball said the Group would substantially complete the Simplification program in FY15 and deliver major programs through to FY16 including the new banking platform, real estate consolidation, finance reporting optimisation, procurement simplification and the critical Business Intelligence project.

Suncorp Group this year launched its Business Intelligence program bringing together a 850-strong team of data analysts, modellers and technology specialists from across the business into a world-class shared services function, Suncorp Business Services.

"Business Intelligence is founded on simplification. It brings all of our data together in one place and provides real time insights as a source of competitive advantage. This represents a single source of truth that combines all customer, operational and financial data in one store," he said.

"We're using technology and a culture to mine the wealth of data at the centre of the Group's operations. It's enhancing business decision making, improving our response to market dynamics and enabling delivery of new and innovative banking, insurance and life products and services to nine million Group customers."

Suncorp Business Services CEO Jeff Smith said the formation of a leading shared services centre underpinned these programs of work.

“These are large change programs founded on a culture of innovation using the principles of Lean and Agile which embed strong project management and ‘way of working’ principles.”

Mr Smith said duplication and inefficiency could weigh heavily in a top-15 company with legacy acquisitions.

“We tackled the integration of Promina in earnest back in late 2010. That created a template for a whole new way of seeing business change and led to the creation of world-class shared services,” he said.

“The Suncorp Business Services model is based on talent and culture, backed up by the execution of leading practices, which can be applied to any shared service or line of business. Instead of bolting on new tools wherever a need is perceived, we now use the same systems and processes across the Group to consolidate, automate and transform.

“We work with Suncorp’s businesses to aggregate non-unique services and infrastructure to achieve scale advantages, lower risk and leverage talent and specialist skills. Our role is to simplify, differentiate and execute for the Group.”

Mr Smith said the use of expert partners was a fundamental of innovative companies.

“No company can efficiently and productively carry the expertise it needs inhouse. You’re only as good as the company you keep and we’ve chosen leading partners to improve all facets of our business and help us manage the risks,” he said.

“That particularly applies with the Group’s move to cloud technology where a range of world-leading providers are helping us change the way Suncorp builds and deploys applications. Cloud is lowering hardware costs and reducing risk by spreading workloads and building more resilient, scalable applications.

“This allows us to innovate faster and gives us a powerful point of differentiation.”

**Suncorp Investor Day will be webcast live between 8.20am-10.00am and 11.00pm-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**

For more information contact:

**Media:** Michelle Barry 0402 892 789

**Analysts/Investors:** Mark Ley 0411 139 134



# Suncorp Group Investor Day

29 May 2014

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**Suncorp Group Investor Day**  
29 May 2014

One Company  
Many Brands




## Suncorp Group Investor Day 2014

Agenda	Start Time
Patrick Snowball	8:20 am
Jeff Smith	8:40 am
Matt Pancino	9:00 am
Suncorp Group Innovation Day Presentations (x4)	9:15 am
Morning Tea including Showcases	10:00 am
Patrick Snowball- Introduction to Insight Sessions	11:00 am
Insight sessions (4 x 20 minutes) – LSP, Business Intelligence, Suncorp Life, Ignite	11:10 am
Q & A	12:30 pm
Patrick Snowball conclusion and announcement of Innovation Day winner	1:00 pm
Investor Lunch	1:15 pm

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**Suncorp Group Investor Day**  
29 May 2014

One Company  
Many Brands





# Welcome

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

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## Introduction

### Recap on Tuesday's update

Suncorp Life reset with forward looking assumptions

Group growth target of 4% to 6%

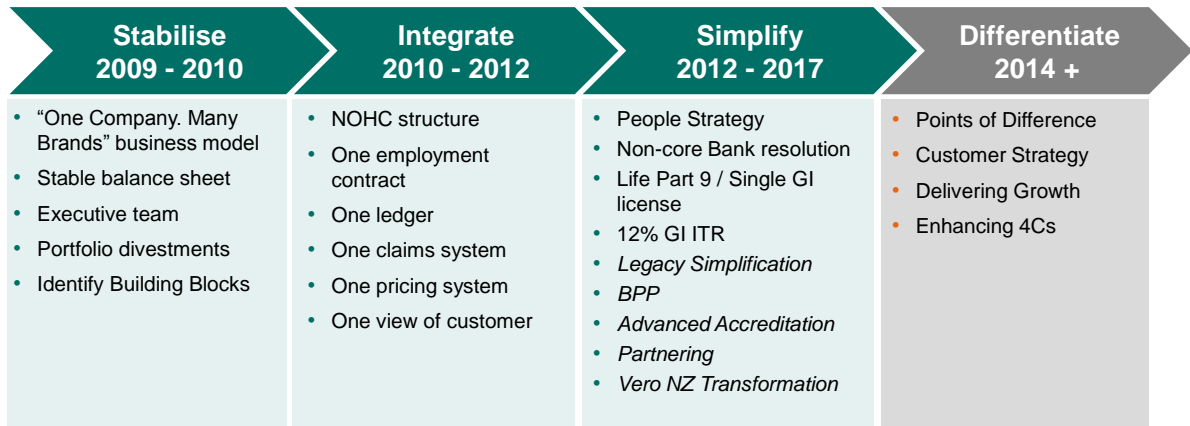
No impact on cash earnings or dividends

Minimal impact of \$27 million on Group's strong capital position

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## Suncorp: phases of transformation

### One Company. Many Brands



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## Suncorp's strategic assets

### Our focus

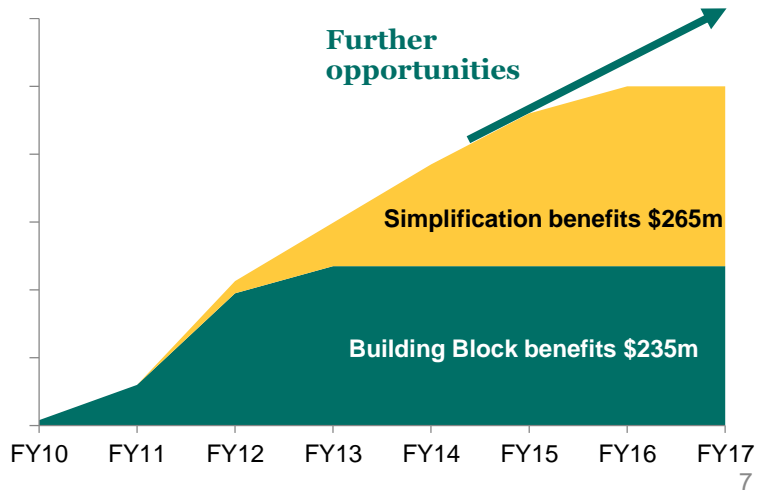
<b>Cost</b>	<ul style="list-style-type: none"> <li>• Deliver cost benefits from third party <b>procured goods / services</b></li> <li>• Share <b>scale on infrastructure</b> (real estate, enterprise technology) and <b>non-unique business services</b></li> </ul>
<b>Customer</b>	<ul style="list-style-type: none"> <li>• Increase the value of our <b>9 million customers</b> connections by selling multiple products from all business lines</li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>• Demonstrate a <b>capital diversification</b> benefit</li> <li>• A+/A1 credit rating</li> </ul>
<b>Culture</b>	<ul style="list-style-type: none"> <li>• Operate as ‘<b>One Company. Many Brands. One Team</b>’</li> </ul>

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## Cost

### Building Blocks and Simplification will continue to deliver

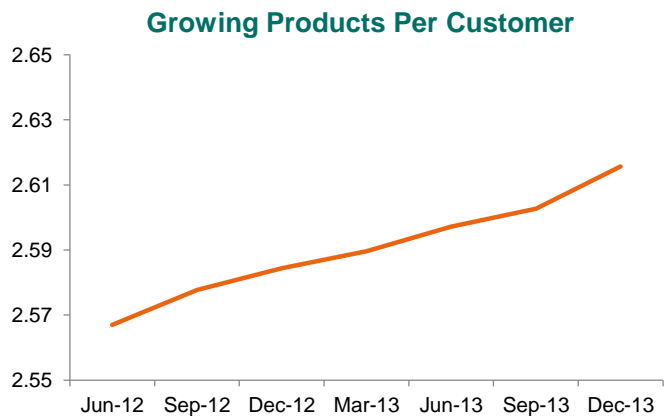
- Building Block program continue to deliver \$235 million in benefits
- Underpins the 'meet or beat' 12% underlying ITR commitment
- Simplification on track to deliver \$265 million in FY16
- Further opportunities in the supply chain and Business Intelligence projects



## Customer

### Increasing the inherent value of 9 million customers

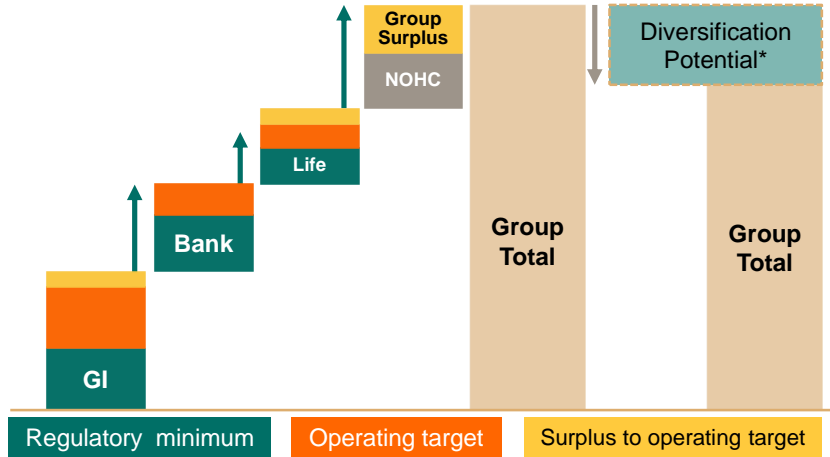
- Direct Life growth (13% HoH new business growth)
- New products (APIA Health, AAMI Life, Suncorp EverydaySuper)
- High customer advocacy
- Strong customer culture (84% of staff recommend the Group's products)



# Capital

## Risk-based capital modelling progressing

- Simplification and de-risking have supported capital returns
- Balance sheet very strong
- Risk-based capital on track
- Enhance decision making



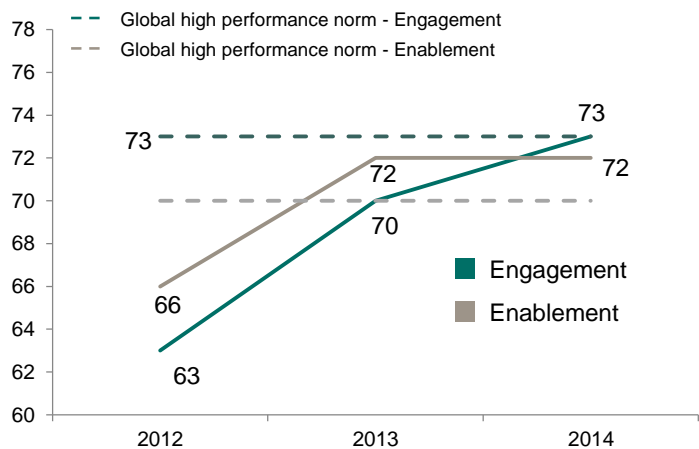
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# Culture

## Suncorp is now THE place to work

**93% of staff participated in our recent survey:**

- Engagement and Enablement are at or above Global High Performance Norms
- Our Leader Index at **82** is 12 points above the GHPN
- 'Proud to work for Suncorp' score is **84**
- 'Teamwork and collaboration' score is **91**



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# Shaping Suncorp Business Services

**Jeff Smith**  
Chief Executive Officer, Suncorp Business Services

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## Suncorp Business Services Aspiring to be world-class



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**Passion and Purpose**

“ **Problems are the price of progress.** Don't bring me anything but trouble. Good news weakens me. ”

**Charles Kettering**

## SBS passion and purpose

### Enabling our business

#### Technology

- Lower variable costs
- World-class capability
- Listening/learning from others



#### The way we work

- Simplify through Lean
- Innovate through Agile
- Smart Environments
- Unique Distributed Agile model



#### Our people

- World-class engagement
- Flexible teams
- Global graduate and intern program



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## Transforming our organisation

### Building reusable assets to drive costs down

- Leveraging and reusing systems
- Single Insurance claims and policy systems
- Single digital platform
- Single finance, HR and legal Systems
- 20% reduced office space
- Platforms for General Insurance, Bank and Life
- 45% reduction in suppliers
- Unique way of working

Aggregate

Simplify

Differentiate

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## Creating new opportunities

### Through talent, technology and our way of working

#### Our objectives

- Attract and develop the best talent globally
- Create smart work environments
- Build, deploy and reuse technology solutions
- Build data assets for smarter decisions
- Create personalised experiences for customers



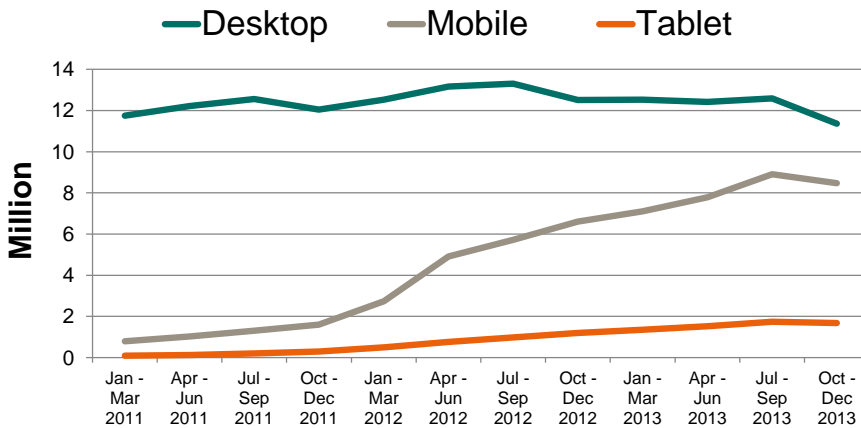
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# Digital and Cloud

**Matt Pancino,**  
Chief Information Officer, Suncorp Group

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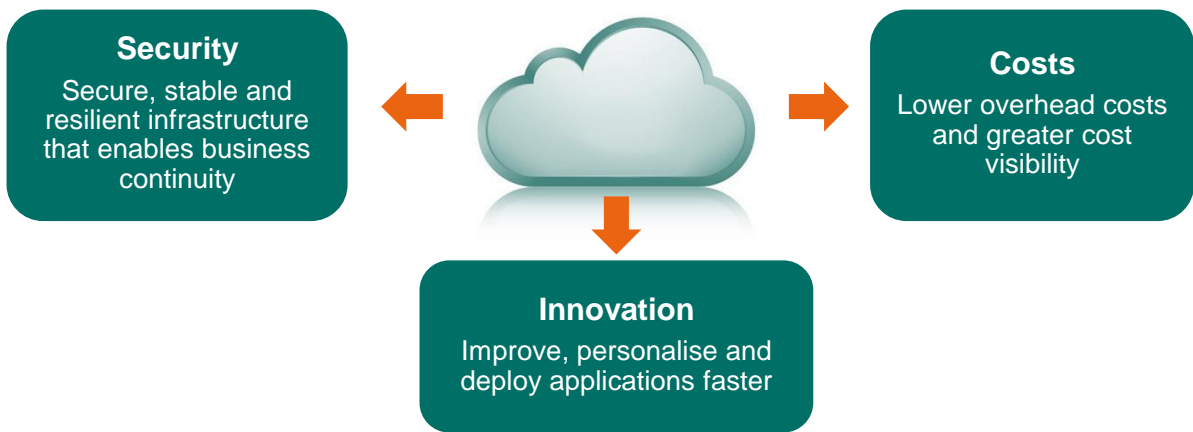
## Customer needs are changing Digital technology



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## Cloud computing driving innovation

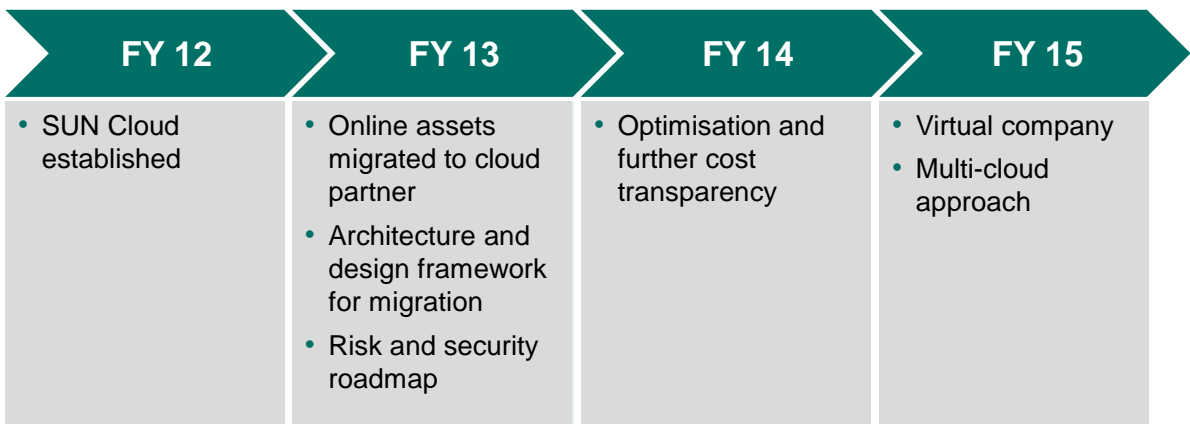
Cloud enables us to focus on core offerings



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## Transitioning to Cloud

Implementation



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# Innovation Day 2014

Delivering something special for customers in 24-hours

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One Company  
Many Brands



## Showcases

- Innovation in our supply chain
- Innovative working culture
- Leveraging innovative digital solutions
- Reducing legal costs

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Many Brands



## Insight sessions

Legacy Simplification Program

Business Intelligence

Suncorp Life – Executing the Life strategy

Ignite – Banking Platform Project

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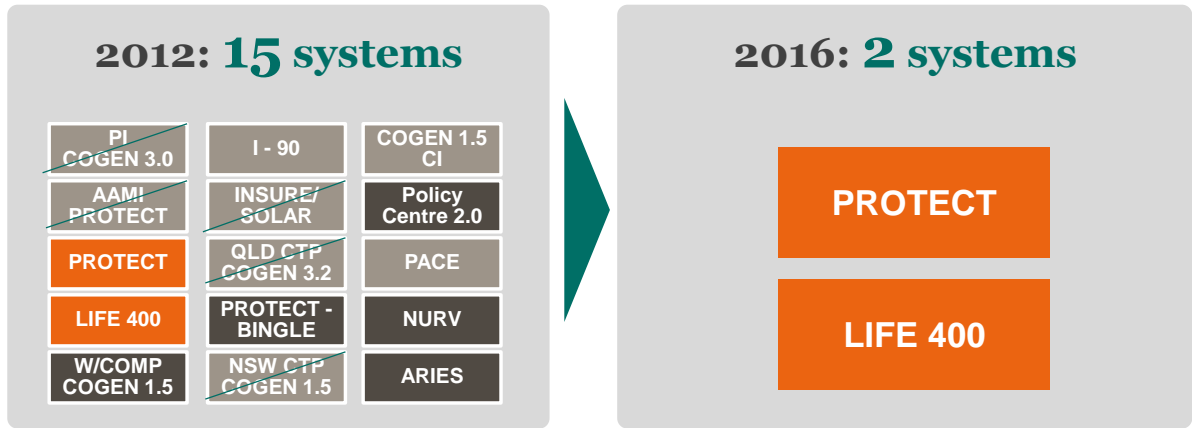


# Legacy Simplification Program

**Mark Milliner,**  
Chief Executive Officer, Personal Insurance  
**Lisa Harrison,**  
EGM Customer Product and Pricing and  
**Andrew Mulvogue,**  
EGM Personal Insurance Distribution

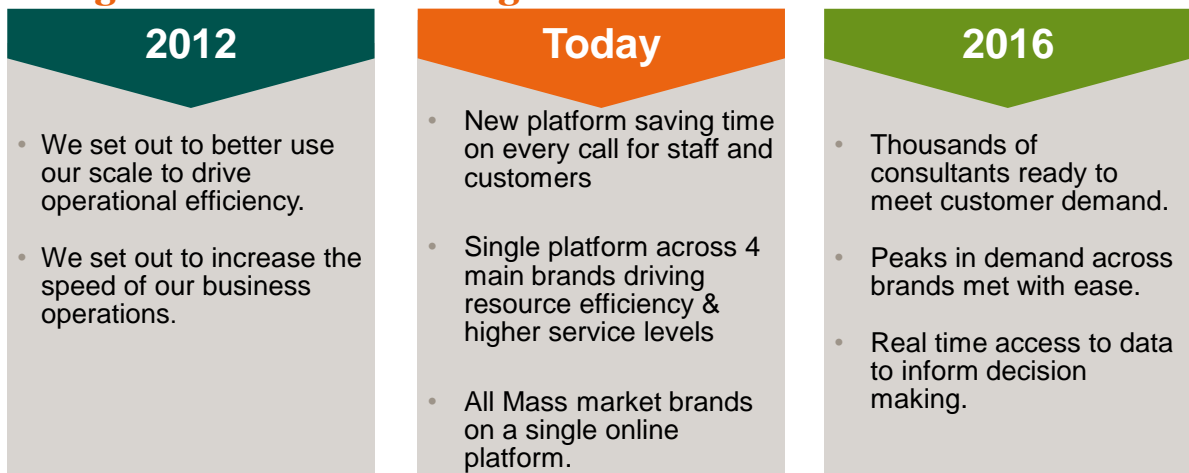
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## Legacy Simplification Program Project update



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## Operational efficiency & speed to market Using scale to our advantage



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## Single view of our customers

### Enabling an increased share of wallet

2012

- We set out to create a single view of customers across brands and business units.

Today

- Visibility across PI and Life. PI to Life referrals increasing.
- AAMI, GIO and Suncorp utilising common customer management platform.

2016

- Visibility across all GI brands.
- Continue to leverage improved data
- Employees aware of total client value and VIP customers.

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## Harmonised products

### Simplifying our business

2012

- We set out to remove legacy variations, harmonise our products and create valuable points of difference.

Today

- Harmonised PDS across AAMI, GIO and Suncorp.
- Opportunity to differentiate.
  - AAMI Roadside Assist.
  - APIA Health

2016

- GI brands operating from a harmonised base.
- Value variations, not legacy variations.
- Clear competitive points of difference.

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## Questions?

### Key Takeaways

- ✓ On time, on budget
- ✓ Benefits on track across GI
- ✓ Reuse of technology to leverage our scale
- ✓ Single customer view across PI and Life

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## Growing with Business Intelligence

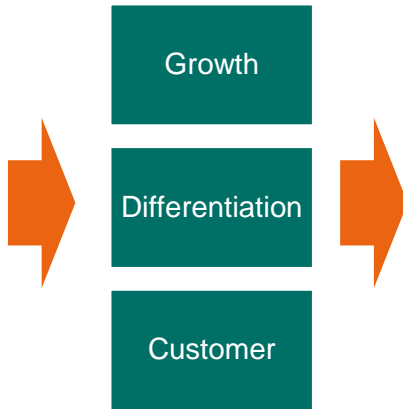
**Adrian McKnight,**  
Chief Data Officer  
**Mark Reinke,**  
Group Executive Marketing

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## Driving value

### Business Intelligence

We will use Business Intelligence to leverage our nine million customers, scale and brands



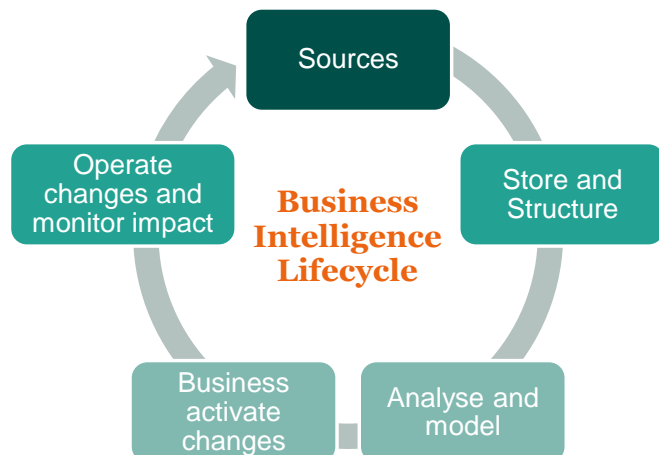
- ✓ Single customer view
- ✓ One data store by FY15
- ✓ Analytics and modelling Centre of Expertise
- ✓ Reuse and reapply across brands
- ✓ Cloud for speed and scale
- ✓ Partnering with experts for skills and know-how

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## Strategy

### Model and approach

- Harness our data potential
- Combining internal and external data
- Faster, more responsive and better decisions
- Innovation and new business approaches

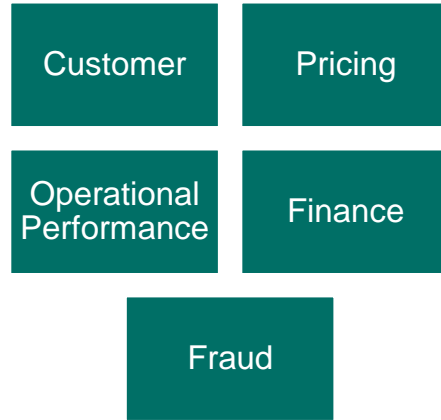


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## A strategic differentiator

### Key focus areas

- Data insights
- Sense and respond capability
- Predictive and prescriptive modelling
- Innovation and new approaches



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## Creating simple, differentiated customer experiences

Customer driver	Smart use of our data	Example	Value delivered
“Help me make the right choice”	Simplifying insurance purchase with aggregated data		<ul style="list-style-type: none"> <li>↑ Advocacy &amp; GWP</li> <li>↓ Under insurance</li> </ul>
“Put me in control”	Putting the power of information in our customers' hands		<ul style="list-style-type: none"> <li>↑ Advocacy &amp; Cross-sell</li> <li>↓ Cost to serve</li> </ul>
“There when it matters”	Identifying key life moments		<ul style="list-style-type: none"> <li>↑ Revenue &amp; Loyalty</li> <li>↓ Acquisition costs</li> </ul>

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# Suncorp Life

## Executing the Life Strategy

**Geoff Summerhayes**,  
Chief Executive Officer, Suncorp Life  
**Tony Wessling**,  
EGM Product & Portfolio Management  
**Jordan Hawke**,  
EGM Distribution

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## Customer focused strategy

Executing in those areas we control



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## IFA remediation

Focus on economics and lifting value

Customer at the forefront

Address product economics

Ongoing sustainability

- Targeted repricing
- LEAN efficiency
- Retention – customer campaigns

- Further repricing
- Channel economics / Adviser Proposition
- Claims optimisation

- Flexible product and premium structures
- Benefits restructure
- Risk based pricing

**DONE**

**DOING**

**NEXT**

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## Ongoing Direct Growth

Further unlock the value of the Group customer base

Customer at the forefront

Foundations

Ongoing growth

- In-house manufacturing
- 90k Life customers
- #1 Direct online

- Data and Analytics
- E-Commerce
- New products

- GI and Bank product co-design
- EDS to other Group brands

**DONE**

**DOING**

**NEXT**

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# Ignite Presentation

**John Nesbitt,**  
Chief Executive Officer, Suncorp Bank  
**Steve Kluss,**  
EGM, Banking Operations and Support  
**Matt Pancino,**  
Chief Information Officer, Business Technology

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## Ignite – a customer driven strategy



**Big Enough**  
Operational Excellence



**Small Enough**  
Service Excellence

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# Ignite – a customer driven strategy



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# Ignite Our journey so far



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## Questions?

Ignite outcomes



- ✓ Profitable, sustainable growth
- ✓ Enhanced differentiation and ability to compete
- ✓ Achieve cost-to-income ratio target
- ✓ Benefits for customers, shareholders and employees

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## Q & A

**Patrick Snowball,**  
Chief Executive Officer, Suncorp Group  
**Steve Johnston,**  
Chief Financial Officer, Suncorp Group  
**Jeff Smith,**  
Chief Executive Officer, Suncorp Business Services

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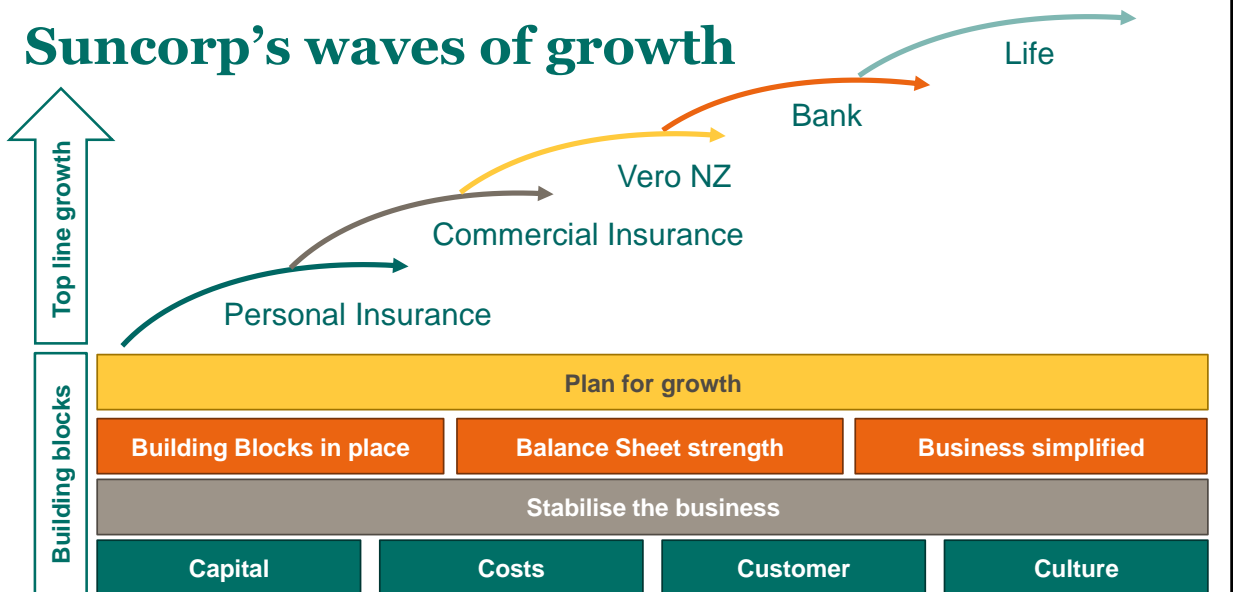


# Conclusion

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

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## Suncorp's waves of growth



## **Important disclaimer**

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