Group

Financial results for the full year ended 30 June 2020
Suncorp Group

Suncorp is an ASX-listed company and financial services provider in Australia and New Zealand, and ultimate parent company of the Suncorp Group, which delivers insurance, banking and wealth products and services to customers in Australia and New Zealand and employs more than 13,500 people.

Suncorp has three core businesses – Insurance (Australia), Banking & Wealth and Suncorp New Zealand. The operating functions are responsible for product design, manufacturing, claims management and distribution.

<table>
<thead>
<tr>
<th>Insurance (Australia)</th>
<th>Banking &amp; Wealth</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Insurance (Australia) provides consumer, commercial and personal injury insurance to the Australian market.</td>
<td>– Suncorp Bank is focused on lending, deposit gathering and transaction account services to personal, small and medium enterprise, commercial and agribusiness customers.</td>
<td>– New Zealand delivers financial services through go-to market general and life insurance brands and partnerships.</td>
</tr>
<tr>
<td>– Suncorp is one of Australia’s largest general insurers by Gross Written Premium (GWP).</td>
<td>– The Wealth portfolio manufactures, administers and distributes superannuation products.</td>
<td>– Distributes consumer, commercial and life insurance products through intermediaries and corporate partners as well as insurance and personal loans directly to customers via partnerships with the New Zealand Automobile Association.</td>
</tr>
<tr>
<td>– Products include home and contents, motor, caravan, Compulsory Third Party (CTP), worker’s compensation, commercial, health and travel insurance under the portfolio of insurance brands.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## FY20 key financial highlights

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY19</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance (Australia) profit after tax</strong></td>
<td>$m</td>
<td>384</td>
<td>581</td>
</tr>
<tr>
<td><strong>Banking &amp; Wealth profit after tax</strong></td>
<td>$m</td>
<td>242</td>
<td>364</td>
</tr>
<tr>
<td><strong>New Zealand profit after tax</strong></td>
<td>$m</td>
<td>245</td>
<td>245</td>
</tr>
<tr>
<td><strong>Profit after tax from ongoing functions</strong></td>
<td>$m</td>
<td>871</td>
<td>1,190</td>
</tr>
<tr>
<td><strong>Other profit (loss) after tax</strong></td>
<td>$m</td>
<td>(123)</td>
<td>(105)</td>
</tr>
<tr>
<td><strong>Cash earnings</strong></td>
<td>$m</td>
<td>749</td>
<td>1,115</td>
</tr>
<tr>
<td><strong>Net profit (loss) on sale of ceased operations (after tax)</strong></td>
<td>$m</td>
<td>285</td>
<td>(899)</td>
</tr>
<tr>
<td><strong>Acquisition amortisation (after tax)</strong></td>
<td>$m</td>
<td>(121)</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Net profit after tax</strong></td>
<td>$m</td>
<td>913</td>
<td>175</td>
</tr>
<tr>
<td><strong>Insurance trading ratio</strong></td>
<td>%</td>
<td>8.9</td>
<td>11.6</td>
</tr>
<tr>
<td><strong>Underlying insurance trading ratio</strong></td>
<td>%</td>
<td>11.1</td>
<td>12.3</td>
</tr>
<tr>
<td><strong>Bank net interest margin</strong></td>
<td>%</td>
<td>1.94</td>
<td>1.90</td>
</tr>
<tr>
<td><strong>Cash return on average shareholders’ equity</strong></td>
<td>%</td>
<td>5.9</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Cash earnings per share – diluted</strong></td>
<td>cents</td>
<td>56.28</td>
<td>84.05</td>
</tr>
<tr>
<td><strong>Ordinary dividends per ordinary share</strong></td>
<td>cents</td>
<td>36.0</td>
<td>70.0</td>
</tr>
<tr>
<td><strong>Payout ratio – cash earnings</strong></td>
<td>%</td>
<td>60.7</td>
<td>81.2</td>
</tr>
<tr>
<td><strong>General Insurance total capital PCA coverage</strong></td>
<td>times</td>
<td>1.68</td>
<td>1.85</td>
</tr>
<tr>
<td><strong>Bank Common Equity Tier 1 ratio</strong></td>
<td>%</td>
<td>9.34</td>
<td>9.27</td>
</tr>
</tbody>
</table>
## Group profit and operating expenses

### Profit after tax from functions ($m)

<table>
<thead>
<tr>
<th>Function</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking &amp; Wealth</td>
<td>1,263</td>
<td>1,220</td>
<td>1,380</td>
</tr>
<tr>
<td>New Zealand</td>
<td>681</td>
<td>581</td>
<td>405</td>
</tr>
<tr>
<td>Discontinued business*</td>
<td>78</td>
<td>30</td>
<td>85</td>
</tr>
<tr>
<td>Insurance (Australia)</td>
<td>135</td>
<td>245</td>
<td>453</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,380</td>
<td>1,395</td>
<td>1,413</td>
</tr>
</tbody>
</table>

### Operating expenses (excluding Fire Service Levies) ($m)

<table>
<thead>
<tr>
<th>Function</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking &amp; Wealth</td>
<td>2,700</td>
<td>2,685</td>
<td>2,747</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1,380</td>
<td>1,395</td>
<td>1,413</td>
</tr>
<tr>
<td>Discontinued business**</td>
<td>168</td>
<td>85</td>
<td>82</td>
</tr>
<tr>
<td>Insurance (Australia)</td>
<td>405</td>
<td>453</td>
<td>484</td>
</tr>
<tr>
<td>Other***</td>
<td>747</td>
<td>752</td>
<td>768</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,665</td>
<td>2,665</td>
<td>2,665</td>
</tr>
</tbody>
</table>

* FY18 includes performance from the sold Australian Life Business; FY19 includes performance from the sold Australian Life Business and the Capital S.M.A.R.T ("SMART") and ACM Parts businesses; FY20 includes performance from the sold SMART and ACM Parts businesses
** FY18 and FY19 includes expenses from the sold Australian Life Business
*** Includes a $60 million provision for the ongoing pay and leave entitlements review and $22 million of COVID-19 related costs which have been deducted from the reported divisional operating expenses

Excluding the ongoing pay and leave entitlements review provision and COVID-19 related costs.
Shareholder returns

Dividends (cps)\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim</td>
<td>30</td>
<td>33</td>
<td>33</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Final</td>
<td>38</td>
<td>40</td>
<td>40</td>
<td>44</td>
<td>36</td>
</tr>
<tr>
<td>Special</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

Cash ROE (%)

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash ROE</td>
<td>8.2</td>
<td>8.4</td>
<td>8.0</td>
<td>8.4</td>
<td>5.9</td>
</tr>
<tr>
<td>Cash ROE pre-goodwill</td>
<td>13.0</td>
<td>13.1</td>
<td>12.4</td>
<td>13.0</td>
<td>9.4</td>
</tr>
</tbody>
</table>

\(^1\) The Group aims to pay annual dividends based on a target payout range of 60% to 80% of cash earnings
General Insurance
Reserve releases

($m)

FY17 FY18 FY19 FY20

Total reserve releases as % of Group NEP
Personal injury reserve releases as a % of Group NEP
Total reserve release assumption of 1.5% of Group NEP
FY21 reinsurance program – natural hazards

1 Dropdown aggregate cover in the above diagram relates to Australian events; a separate cover exists for New Zealand events.
FY21 reinsurance program – dropdown aggregate covers

1 Provides $50m of cover, for events > $200m once the cumulative impact of qualifying events reaches $50m
2 Provides $100m of cover, for events > $150m once the cumulative impact of qualifying events reaches $200m
3 Provides $100m of cover, for events > $50m once the cumulative effect of qualifying events reaches $200m
1, 2 & 3 relate to Australian events only
4 Provides $400m of cover for portion of events > $5m once accumulated total reaches $650m
50 year history of major natural hazards

Note: Adjusted for inflation, population growth and market share
Group capital position

Capital management strategy
- Optimise shareholder value by managing the level, mix and use of capital resources
- Ensure sufficient capital resources to maintain and grow the business, in accordance with risk appetite
- Compliance with external capital requirements set and monitored by APRA and the RBNZ

Dividend policy
- Conservative mindset when making decisions on dividends in the current environment
- Medium term target payout ratio of 60-80% of cash earnings
- Remain committed to returning excess capital to shareholders once current uncertainty is resolved

FY20 Capital Position
- Group’s excess to CET1 target is $823m (ex dividend)
- $605m of CET1 held at Group (SGL and Corporate Services)
- GI business is at the top, and the Bank within the top half, of their respective target operating ranges

<table>
<thead>
<tr>
<th>$(m)</th>
<th>As at 30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GI²</td>
</tr>
<tr>
<td>CET1</td>
<td>3,146</td>
</tr>
<tr>
<td>CET1 target</td>
<td>2,898</td>
</tr>
<tr>
<td>Excess to CET1 target (pre div)</td>
<td>248</td>
</tr>
<tr>
<td>Group dividend</td>
<td></td>
</tr>
<tr>
<td>Group excess to CET1 target (ex div)</td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier 1 ratio¹</td>
<td>1.25x</td>
</tr>
<tr>
<td>Total capital</td>
<td>4,241</td>
</tr>
<tr>
<td>Total target capital</td>
<td>3,906</td>
</tr>
<tr>
<td>Excess to target (pre div)</td>
<td>335</td>
</tr>
<tr>
<td>Group dividend</td>
<td></td>
</tr>
<tr>
<td>Group excess to target (ex div)</td>
<td></td>
</tr>
<tr>
<td>Total capital ratio¹</td>
<td>1.68x</td>
</tr>
</tbody>
</table>

¹ Capital ratios are expressed as coverage of the PCA for General Insurance and as a percentage of Risk Weighted Assets for the Bank
² The Bank and General Insurance targets are shown as the midpoint of the target operating ranges
³ Jun-19 comparatives have been restated to reflect immaterial changes in Bank credit risk-weighted assets as set out in the revised Jun-19 APS 330 disclosures published on the Suncorp group website on 31 January 2020
General Insurance capital

Total capital ($m)

- CET1 Target (1.05 – 1.25x PCA)
  - Common Equity Tier 1: 555
  - Additional Tier 1: 540
  - Tier 2: 3,146

Prescribed Capital Amount (PCA) ($m)

- Outstanding claims risk: 315
- Premium liabilities risk: 937
- Insurance concentration risk: 250
- Asset risk: 599
- Operational risk: 969
- Aggregation benefit: -550

Capital ratios vs Australian peers

- SUN: 1.68x PCA
- Peer 1: 1.97x PCA
- Peer 2: 1.80x PCA

Source: Latest published company reports
Bank capital

- **Total capital ($m)**
  - 4,540
  - 864
  - 585
  - 3,091
  - CET1 Target (9.0% – 9.5% RWA)

- **Risk-weighted assets (RWA) ($m)**
  - 33,107
  - 3,572
  - 93

- **Capital ratios vs peers**
  - SUN
  - Regional 1
  - Regional 2
  - Major 1
  - Major 2
  - Major 3
  - Major 4

Source: Latest published company reports
Credit ratings

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P Global Ratings</th>
<th>Moody’s Investors Service</th>
<th>Fitch Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suncorp Group</td>
<td>A+ Positive</td>
<td>A1 Stable</td>
<td>A+ Negative</td>
</tr>
<tr>
<td>Major banks¹</td>
<td>AA- Negative</td>
<td>Aa3 Stable</td>
<td>A+ Negative</td>
</tr>
<tr>
<td>Regional banks²</td>
<td>BBB+ Stable</td>
<td>A3 Stable</td>
<td>A- Negative</td>
</tr>
</tbody>
</table>

¹ Major banks include Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited and Westpac Banking Corporation
² Regional banks include Bank of Queensland Limited and Bendigo and Adelaide Bank Limited
## Customer and digital

<table>
<thead>
<tr>
<th>Customer advocacy</th>
<th>FY20</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Net Promoter Score (NPS)</td>
<td>+5.2</td>
<td>+5.0</td>
</tr>
<tr>
<td>Business Net Promoter Score (NPS)</td>
<td>+9.1</td>
<td>+2.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer engagement via digital channels</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of digital users (1) (m)</td>
<td>3.83</td>
<td>3.35</td>
</tr>
<tr>
<td>Proportion of digital claims (2) (%)</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>Proportion of digital claims that are ‘zero touch’ (%)</td>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>Proportion of Insurance new business sales via digital (3) (%)</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Proportion of Banking new business sales via digital (4) (%)</td>
<td>63%</td>
<td>47%</td>
</tr>
</tbody>
</table>

1 Digital users are Australian visitors that have logged into Suncorp’s authenticated digital assets like internet banking, mobile banking app, insurance policy self-service web and mobile applications.

2 Relates to Australian Home and Motor claims only. Calculated using an updated methodology to account for ‘Report Only’ claims that were not previously included in total claims. ‘Report Only’ refers to claims that are initiated digitally and completed via another channel. Previously disclosed as: Jun-19: 20%.

3 Relates to Australian General Insurance new business sales only. Calculated using updated methodology to exclude CTP in South Australia as it is not available via the digital channel.

4 Relates to at-call deposit account openings only. Calculated using an updated methodology including improvements to online attribution. Jun-19 result previously disclosed as 46%.
Insurance (Australia)

Financial Results for the full year ended 30 June 2020
Insurance (Australia)
GWP excluding Fire Service levies (FSL)

Total GWP (excluding FSL) increased 1.0% to $8.2bn

Portfolio by geography*
- Queensland: 31%
- New South Wales: 26%
- Victoria: 24%
- Western Australia: 9%
- South Australia: 4%
- Tasmania: 2%
- Other: 4%

Portfolio by product*
- Motor: 36%
- Home: 28%
- Commercial: 18%
- CTP: 13%
- Workers’ compensation & other: 5%

Portfolio by channel*
- Intermediaries: 57%
- Contact centre: 13%
- Digital: 9%
- Direct Underwriting & Others: 21%

* Presented as a percentage of GWP
Insurance (Australia)
Personal lines market share

Source: APRA, Motor and Home gross earned premium market share by state March 2020
Insurance (Australia)
Market share

**Personal lines**
- $19.5bn
- 5%: Suncorp
- 26%: Peer 1
- 11%: Peer 2
- 9%: Peer 3
- 28%: Peer 4
- 6%: Peer 5
- 14%: Peer 6
- 1%: Peer 7
- Others (11%)

**Commercial lines**
- $14.7bn
- 36%: Suncorp
- 17%: Peer 1
- 12%: Peer 2
- 6%: Peer 3
- 18%: Peer 4
- 11%: Peer 5
- Others (18%)

**CTP**
- $3.4bn
- 22%: Suncorp
- 31%: Peer 1
- 19%: Peer 2
- 19%: Peer 3
- 16%: Peer 4
- 19%: Peer 5
- 19%: Peer 6
- 22%: Peer 7
- Others (22%)

**WA workers’ compensation**
- $1.1bn
- 20%: Suncorp
- 22%: Peer 1
- 22%: Peer 2
- 16%: Peer 3
- 19%: Peer 4
- 19%: Peer 5
- 18%: Peer 6
- 19%: Peer 7
- Others (19%)

* Source: APRA, Company Data, DBM Consumer Atlas
Mar-20, latest Suncorp Estimates

** Source: latest Suncorp estimates

*** Source: State scheme regulators
Includes QLD, NSW, ACT & SA schemes

**** Source: latest Suncorp estimates
Includes WA only
Insurance (Australia)

CTP market share

QLD* $1.0bn
- Suncorp: 44%
- Peer 1: 27%
- Peer 2: 21%
- Peer 3: 8%

NSW* $1.9bn
- Suncorp: 24%
- Peer 1: 26%
- Peer 2: 20%
- Peer 3: 30%

ACT* $138m
- Suncorp: 66%
- Peer 1: 34%

SA* $284m
- Suncorp: 25%
- Peer 1: 27%
- Peer 2: 20%
- Peer 3: 28%

Source: State scheme regulators
*12 months to June 2020
Banking & Wealth

Financial Results for the full year ended 30 June 2020
Suncorp Group FY20 Results

Banking & Wealth
Home lending portfolio

Total home lending assets of $46.5bn down 2.8% since 30 June 2019

Portfolio by borrower type
- Owner occupied: 72%
- Investor: 28%

Portfolio by geography
- Queensland: 49%
- New South Wales: 29%
- Western Australia: 10%
- Victoria: 7%
- South Australia & other: 5%

Portfolio by channel
- Direct: 68%
- Intermediaries: 32%
Banking & Wealth
Home lending origination by repayment type

- Continued focus on high quality lending including serviceability, credit quality and loan-to-value ratios
- Interest-only loans comprised 19% of new business for the period
- The Bank has implemented new COVID-19 specific lending guidelines in all new lending applications

New business origination by repayment type

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal &amp; Interest</td>
<td>72%</td>
<td>78%</td>
<td>82%</td>
<td>81%</td>
</tr>
<tr>
<td>Interest only*</td>
<td>28%</td>
<td>22%</td>
<td>18%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Interest only* proportion of new business home lending vs peers

<table>
<thead>
<tr>
<th></th>
<th>SUN</th>
<th>Major 1</th>
<th>Major 2</th>
<th>Major 3</th>
<th>Major 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>19%</td>
<td>16%</td>
<td>17%</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Latest peer financial reports
* excludes Lines of Credit (Asset Lines)
Banking & Wealth
Commercial (SME) portfolio

Total assets of $7.3bn down 0.3% since 30 June 2019

1 Reflects changes to business loan reporting to recategorize asset location based on industry code and primary collateral state rather than the origination business centre. These changes resulted in $427 million of exposures moving from Agribusiness to Commercial (SME) and a 3% decrease in Queensland exposures

2 Includes a portion of small business loans, with limits below $1 million, that are not classified
Banking & Wealth
Agribusiness portfolio

Total assets of $4.1bn up 1.6% since 30 June 2019

Portfolio by industry
- Beef: 3%
- Grain & mixed farming: 8%
- Sheep & mixed livestock: 8%
- Sugar: 10%
- Fruit: 10%
- Cotton: 3%
- Other: 41%

Portfolio by geography
- Queensland: 27%
- New South Wales: 67%
- Victoria: 3%
- Other: 3%

Portfolio by exposure size
- <$5 million: 22%
- $5 - $10 million: 26%
- $10 - $25 million: 9%
- $25 - $50 million: 43%

1 Reflects changes to business loan reporting to reclassify asset location based on industry code and primary collateral state rather than the origination business centre. These changes resulted in $427 million of exposures moving from Agribusiness to Commercial (SME) and a 3% decrease in Queensland exposures.
Banking & Wealth
Key ratios

Lending growth

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.92%</td>
<td>6.13%</td>
<td>0.98%</td>
<td>-2.17%</td>
<td></td>
</tr>
</tbody>
</table>

Net interest margin (NIM) (interest-earning assets)*

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.83%</td>
<td>1.84%</td>
<td>1.90%</td>
<td>1.94%</td>
<td></td>
</tr>
</tbody>
</table>

Cost to income ratio

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.7%</td>
<td>54.7%</td>
<td>56.2%</td>
<td>57.3%</td>
<td></td>
</tr>
</tbody>
</table>

Impairment losses to gross loans and advances

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.01%</td>
<td>0.05%</td>
<td>0.02%</td>
<td>0.29%</td>
<td></td>
</tr>
</tbody>
</table>

Common Equity Tier 1 ratio**

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.23%</td>
<td>9.07%</td>
<td>9.27%</td>
<td>9.34%</td>
<td></td>
</tr>
</tbody>
</table>

Deposit to loan ratio

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>66.6%</td>
<td>65.7%</td>
<td>65.6%</td>
<td>68.9%</td>
<td></td>
</tr>
</tbody>
</table>

*Prior to FY19, the interest-earning assets used in calculating Suncorp’s NIM were gross of offset accounts. FY19 and FY20 NIM reflect a net of offset accounts methodology, consistent with peer disclosures.

**FY19 comparatives have been restated to reflect immaterial changes in Bank credit risk-weighted assets as set out in the revised Jun-19 APS 330 disclosures published on the Suncorp Group website on 31 January 2020.
Banking & Wealth
Loan-to-value ratio (LVR)

Total home lending assets of $46.5bn

- Home lending assets sub 80% LVR continued to increase as a proportion of the home lending portfolio, whilst assets above 90% LVR continued to fall

- Portfolio dynamic LVR of 63% at Jun-2020 (Jun-2019: 66%)

- The Bank has continued to deliver a targeted program of work to enhance turn-around times for loan applications
Banking & Wealth

Credit quality impaired loans

- Gross impaired assets increased $24m to $170m, representing 29 bps of gross loans and advances
- Retail impaired loans increased slightly to $60m (excludes COVID-19 loan deferrals)
- Agribusiness impaired loans increased $6m to $38m, partially driven by the impact of drought
- Commercial impairments increased $14m to $72m, largely driven by exposures in the accommodation and property investment sectors, which were experiencing financial difficulty prior to the onset of the COVID-19 pandemic

Note: impaired loans are where doubt exists that the full amount of principal and interest will be collected in a timely manner in compliance with agreed terms
Banking & Wealth
Credit quality home lending

- Home lending past due loans were relatively flat (excludes COVID-19 deferrals)
- Continued focus on collection process enhancements and improving customer support through the arrears process

Home lending impaired assets and non-performing loans (% gross home loans)

Note: past due loans are loans which are more than 90 days in arrears
Banking & Wealth
Credit quality business lending

Commercial (SME) portfolio\(^1\) ($bn)

<table>
<thead>
<tr>
<th>Period</th>
<th>($bn)</th>
<th>Gross impaired assets/Total portfolio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H19</td>
<td>7.2</td>
<td>0.92%</td>
</tr>
<tr>
<td>2H19</td>
<td>7.3</td>
<td>0.79%</td>
</tr>
<tr>
<td>1H20</td>
<td>7.3</td>
<td>0.88%</td>
</tr>
<tr>
<td>2H20</td>
<td>7.3</td>
<td>0.99%</td>
</tr>
</tbody>
</table>

1 Reflects changes to business loan reporting to reclassify asset location based on industry code and primary collateral state rather than the origination business centre. These changes resulted in $427 million of exposures moving from Agribusiness to Commercial (SME) and a 3% decrease in Queensland exposures. Prior periods have been restated.

Agribusiness portfolio\(^1\) ($bn)

<table>
<thead>
<tr>
<th>Period</th>
<th>($bn)</th>
<th>Gross impaired assets/Total portfolio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H19</td>
<td>3.9</td>
<td>0.96%</td>
</tr>
<tr>
<td>2H19</td>
<td>4.0</td>
<td>0.80%</td>
</tr>
<tr>
<td>1H20</td>
<td>3.9</td>
<td>0.79%</td>
</tr>
<tr>
<td>2H20</td>
<td>4.1</td>
<td>0.93%</td>
</tr>
</tbody>
</table>
### Overall funding mix

<table>
<thead>
<tr>
<th></th>
<th>Customer deposits</th>
<th>Long-term wholesale</th>
<th>Short-term wholesale</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>15%</td>
<td>22%</td>
<td>63%</td>
</tr>
<tr>
<td>FY18</td>
<td>12%</td>
<td>25%</td>
<td>63%</td>
</tr>
<tr>
<td>FY19</td>
<td>13%</td>
<td>24%</td>
<td>63%</td>
</tr>
<tr>
<td>FY20</td>
<td>11%</td>
<td>23%</td>
<td>66%</td>
</tr>
</tbody>
</table>

### Net stable funding ratio (NSFR)

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSFR</td>
<td>110%</td>
<td>112%</td>
<td>112%</td>
<td>123%</td>
</tr>
</tbody>
</table>

### Stable funding composition

- **$46.2bn** Wholesale funding & other liabilities
- **$37.6bn** Liquids & other assets

### Notes:

1. Historical NSFR figures disclosed are based on regulatory instructions available at the relevant reporting dates.
2. Other assets includes derivatives and other assets.
3. Other loans includes off balance sheet exposures and residential mortgages >35% risk weight.
Banking & Wealth

Home loan deferrals

- The Bank has been focused on supporting customers through the COVID-19 pandemic and has provided a range of support options including removing fees and temporarily deferring loan repayments based on the individual needs of customers.

- Home lending customers were offered a three-month temporary repayment deferral with an option for a further three-months post check-in.

- As at 31 July 2020, around 7.7k home loan accounts were under deferral arrangements, representing $2.4bn of home loans.

- As at 31 July 2020, 5% of the home lending portfolio was under temporary loan deferral arrangements, down from 8% at 30 June.

Historical home loan deferral accounts

- 7.3k accounts were under deferral arrangements on 30 April.
- 13.2k accounts were under deferral arrangements on 31 May.
- 12.4k accounts were under deferral arrangements on 30 June.
- 7.7k accounts were under deferral arrangements on 31 July.

Home loan – three-month check-in responses as at 31 July

- 51% of customers resuming repayments.

- 13% Unresponsive (automatically resume payments).
- 38% Partial repayments / change to interest only.
- 45% Seeking further deferral.
- 4% No further relief.

Home loan deferrals by borrower

- 68% Owner occupied.
- 32% Investor.

Home loan deferrals by state

- Victoria: 41%.
- New South Wales: 34%.
- Queensland: 13%.
- Other: 12%.

Home loan deferrals by repayment

- Principal & interest: 85%.
- Interest only: 15%.

Home loan deferrals by LVR

- < 80%: 23%.
- 80-90%: 8%.
- >90%: 69%.

Note: Deferral data as at 31 July 2020 and based on APRA Economic and Financial Statistics definitions.
Banking & Wealth

Business loan deferrals

- Business lending customers have been offered temporary loan repayment deferrals for up to six months

- As at 31 July, approximately 1.5k business loans were receiving repayment deferrals, representing $1.2bn of business loans

- The numbers of business loan accounts and the proportion of the business lending customers under deferral arrangements compared to the total business lending portfolio has remained broadly stable from June to July.

Note: Deferral data as at 31 July 2020 and based on APRA Economic and Financial Statistics definitions
Banking & Wealth

Collective provision

As at 30 June 2020, the collective provision of $255m incorporates the following:

– The modelled collective provision
– A forward-looking significant increase in credit risk component, to ensure that the ECL includes the full impact implied by the economic outlook
– A separate economic overlay reflecting the considerable uncertainty remaining given the unprecedented impacts of COVID-19
– Several smaller portfolio specific overlays

The difference in the collective provision between March and June is a result of updates to the Bank’s economic assumptions and the inclusion of a separate overlay reflecting the more uncertain outlook

Collective provision ($m)

Economic scenarios

<table>
<thead>
<tr>
<th>Key economic assumptions</th>
<th>Mar-20</th>
<th>Jun-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth (annual)</td>
<td>Peak</td>
<td>Expected</td>
</tr>
<tr>
<td></td>
<td>-11.2%</td>
<td>Dec-20</td>
</tr>
<tr>
<td>Unemployment</td>
<td>11.5%</td>
<td>Jun-21</td>
</tr>
<tr>
<td>House prices</td>
<td>-10.6%</td>
<td>Mar-21</td>
</tr>
<tr>
<td>Commercial Property</td>
<td>-13.8%</td>
<td>Mar-21</td>
</tr>
</tbody>
</table>

Collective provision by portfolio

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Collective provision ($m)</th>
<th>Gross Loans and Advances ($m)</th>
<th>Collective Provision to Gross Loans and Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>75</td>
<td>46,629</td>
<td>0.16%</td>
</tr>
<tr>
<td>Agribusiness</td>
<td>52</td>
<td>4,081</td>
<td>1.27%</td>
</tr>
<tr>
<td>Commercial (SME)</td>
<td>128</td>
<td>7,295</td>
<td>1.75%</td>
</tr>
</tbody>
</table>
During FY20, the Bank demonstrated responsiveness to market conditions by issuing $2.0bn of domestic senior unsecured and covered bonds with a weighted average term of 4.1 years.

Issuances included an oversubscribed $750m 5-year covered bond in April 2020, demonstrating the strength of the wholesale funding program during a period of notable market volatility.

Note: Maturity profile shown on a quarterly basis.
Banking & Wealth
Market share

Retail banking market share and Suncorp footprint

- The Bank continues to assist customers through the Store network during COVID-19, while balancing the safety of Suncorp’s people and the wider community

- During COVID-19 16 stores have closed temporarily and 45 stores have reduced operating hours

Note: Footprint as at June 2020
Market share source: Customer Atlas, June 2020
Banking & Wealth

Housing lending vs system

- Home lending contracted 2.8% over the year, reflecting strong competition for new and existing business, reduced system growth and an extended period of elevated loan processing turn-around times in 2019 calendar year.

- The Bank has continued to deliver a targeted program of work to enhance turn-around times for loan applications.

Source: APRA, June 2020
Banking & Wealth

Business lending vs system

- Commercial lending contracted 0.3% to $7.3bn, driven by the cyclical nature of the construction/development sector, and reductions in hospitality and accommodation exposures, partially offset by growth in property investment.

- Agribusiness lending grew 1.6% to $4.1bn, driven by improved rainfall particularly in New South Wales and Victoria.

Source: APRA, June 2020
Banking & Wealth
Customer deposits by interest rate

- At-call deposits growth of 27.5% to $28.7 billion, above system, driven by continued momentum from improved digital capabilities

- Continued to optimise the customer deposit portfolio and reduce reliance on relatively more expensive term deposit funding, with the term deposit portfolio decreasing 31.3%
New Zealand

Financial Results for the full year
ended 30 June 2020

Note: All figures and commentary in the New Zealand section are displayed in New Zealand dollars unless otherwise specified.
New Zealand
General Insurance GWP

Total GWP of NZ$1.7bn, up 2.6% on the pcp

- Excluding COVID-19 and customer remediation impacts, GWP grew by 5.0%
New Zealand
General Insurance market share

Source: Insurance Council of New Zealand, June 2020
New Zealand
Life Insurance in-force premium

Total in-force premium of NZ$277m
New Zealand
Life Insurance market share

Individual risk

**In-force**
NZ$2.6bn

<table>
<thead>
<tr>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>SUN</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>32%</td>
<td>13%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
<td>10%</td>
<td>11%</td>
</tr>
</tbody>
</table>

**New business**
NZ$171m*

<table>
<thead>
<tr>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>SUN</th>
<th>Peer 5</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>32%</td>
<td>24%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>4%</td>
<td>11%</td>
</tr>
</tbody>
</table>

* New business is 12 months to June 2020

Source: Financial Services Council, June 2020
Note: excludes traditional policies

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Suncorp Group FY20 Results

NEW ZEALAND
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- There are a number of other important factors that could cause actual results to differ materially from those set out in this presentation, including (without limitation) the risks and uncertainties associated with the on-going impacts from COVID-19, and the Australian and global economic environment.

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