

11 May 2021

## Suncorp Investor Forum General Insurance

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Suncorp Group (ASX: SUN | ADR: SNMCY) is today hosting a virtual investor forum to discuss its three-year plan for its General Insurance business. The presentation is attached.

Suncorp's Executive Leadership Team will outline key initiatives and progress, with an opportunity for questions. A live video webcast will commence at 10:00am AEST and can be viewed on the [Suncorp Group website](#). A recording and transcript will be made available following the presentation.

Suncorp is also hosting a second investor forum on Monday 17 May 2021 at 10:00am to discuss its Banking & Wealth business.

**ENDS**

Authorised for lodgement with the ASX by the Suncorp Disclosure Committee.

### For more information contact:

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# Suncorp Group Investor Forum

General Insurance  
update



# Agenda – General Insurance



**Steve Johnston**  
Group CEO

Introduction	Steve Johnston
Technology and transformation	Adam Bennett
Underwriting, Pricing & Distribution	Lisa Harrison
Best in class claims	Paul Smeaton
Suncorp New Zealand	Jimmy Higgins
Financial update	Jeremy Robson
Conclusion	Steve Johnston
Q&A	

## **Lisa Harrison**

### **CEO Insurance Products and Portfolio**

Joined Suncorp: 2004

Prior role: Chief Customer & Digital Officer



## **Paul Smeaton**

### **COO Insurance**

Joined Suncorp: 1994

Prior role: CEO Suncorp NZ



## **Jimmy Higgins**

### **CEO New Zealand**

Joined Suncorp: 2008

Prior role: CFO Suncorp NZ



## **Jeremy Robson**

### **Group CFO**

Joined Suncorp: 2013

Prior role: Suncorp Deputy CFO



## **Adam Bennett**

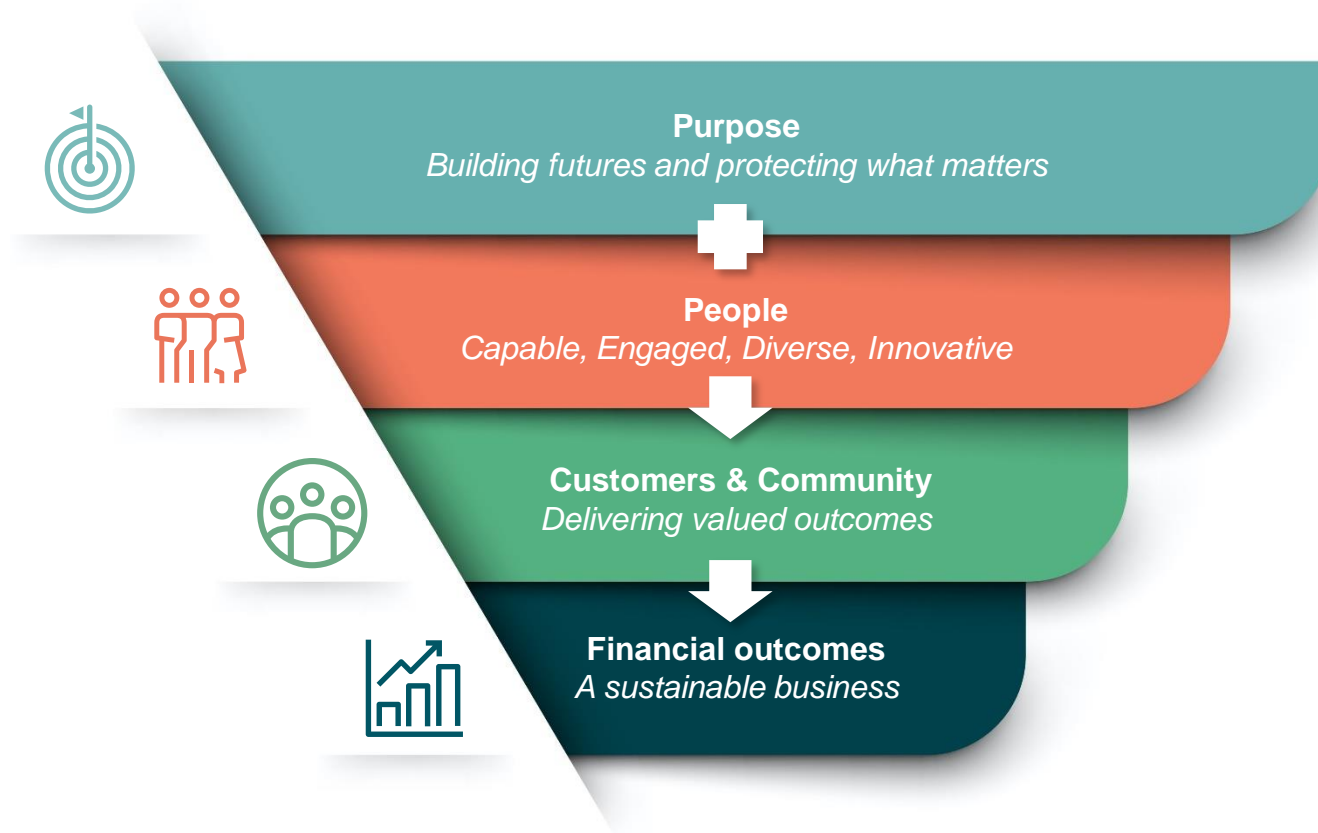
### **Chief Information Officer**

Appointed: July 2020

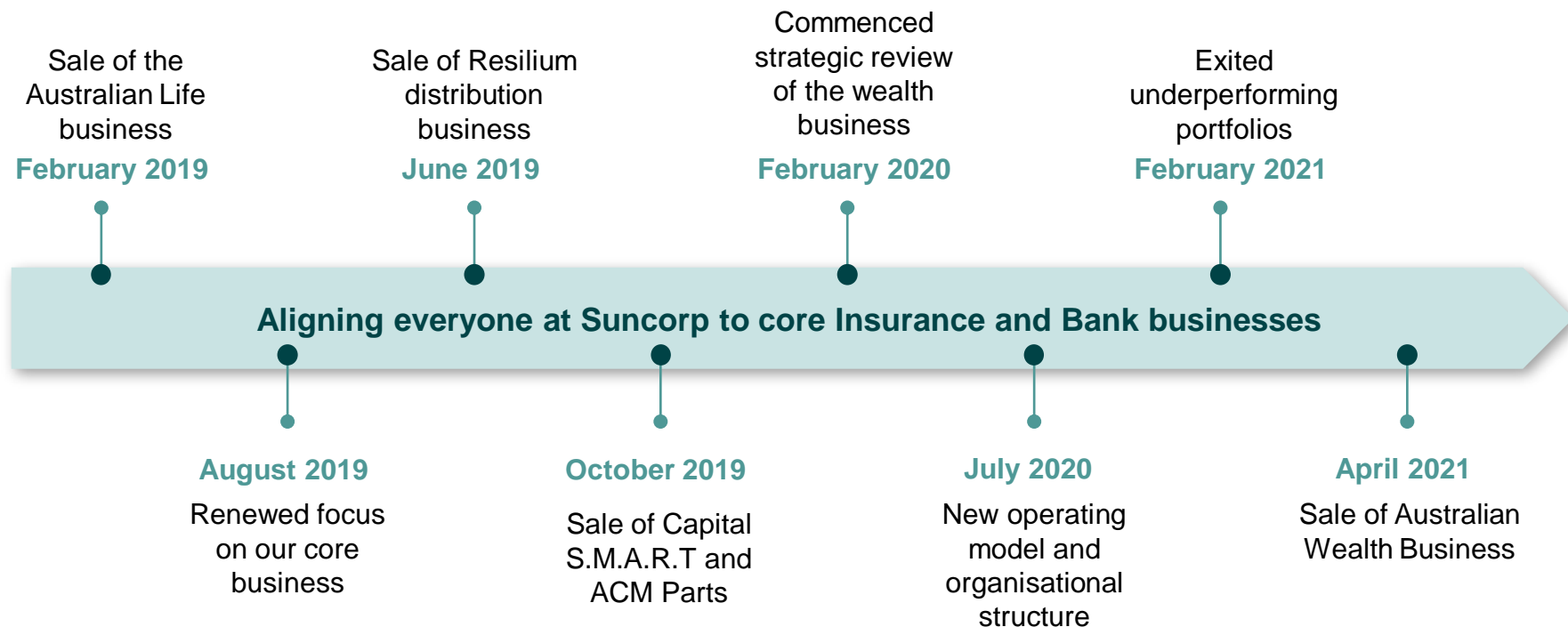
Prior role: Group Exec Bus & Private Banking, CBA



# Purpose driven, delivering sustainable outcomes



# Reshaping and simplifying



# Momentum continuing following the 1H21 result

## 1H21 Result Highlights

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Australian consumer insurance GWP growth of 5.2%; positive unit count



Prior year reserve releases above 1.5% of Group NEP



NZ GWP growth of 5.4%



Bank NIM up 8 basis points, supported by strong deposit growth

## Continued momentum in Q3

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Continued rate and unit trends in Australian consumer insurance



Bank balance sheet growth from February, driven by broker channel



Digital interactions continue to increase across both businesses



Strong reinsurance cover for remainder of FY21



**Adam Bennett**  
Chief Information  
Officer

# Technology & Transformation

- **Vision:** Suncorp's growth engine enabled through digital, data, automation and modernised technology
- **Role:** Working alongside the business to simplify and strengthen Suncorp's technology assets. Centres of excellence drive an enterprise-wide focus on group strategy, technology infrastructure, data and artificial intelligence, cyber security, partnering and automation
- **FTE: ~1,600<sup>1</sup>**

1. Excludes third-party partner resources



# Purpose driven plan

Purpose	Building futures and protecting what matters			
Strategic pillars	<b>Customer led</b> <i>Digital first and personalised customer experiences</i>	<b>Technology enabled</b> <i>Automated processes and modernised technology platforms</i>	<b>Workforce reimagined</b> <i>Exceptional people empowered to make a difference every day</i>	<b>Change advocated</b> <i>Building towards a fair and sustainable industry for our stakeholders</i>
Business initiatives	<b>Insurance (Australia)</b> <ul style="list-style-type: none"> <li>— Revitalise growth</li> <li>— Optimise pricing and risk selection</li> <li>— Digital first customer experiences</li> <li>— Best in class claims</li> </ul>	<b>New Zealand</b> <ul style="list-style-type: none"> <li>— Grow brands and strategic partnerships</li> <li>— Best in class claims</li> </ul>	<b>Bank</b> <ul style="list-style-type: none"> <li>— Grow in home lending</li> <li>— Simplify products and processes</li> <li>— Optimise blended distribution</li> <li>— Accelerate digital and everyday banking</li> <li>— Targeted growth in business banking</li> </ul>	
Key metrics	<ul style="list-style-type: none"> <li>— Market share v. system</li> <li>— Expense ratio</li> <li>— Loss ratio</li> <li>— Market leading NPS</li> </ul>	<ul style="list-style-type: none"> <li>— Market share v. system</li> <li>— Expense ratio</li> <li>— Loss ratio</li> <li>— Market leading NPS</li> </ul>	<ul style="list-style-type: none"> <li>— Market share v. system</li> <li>— Expense ratio</li> <li>— Market leading NPS</li> </ul>	
Outcome	Underlying ITR			Cost to income ratio

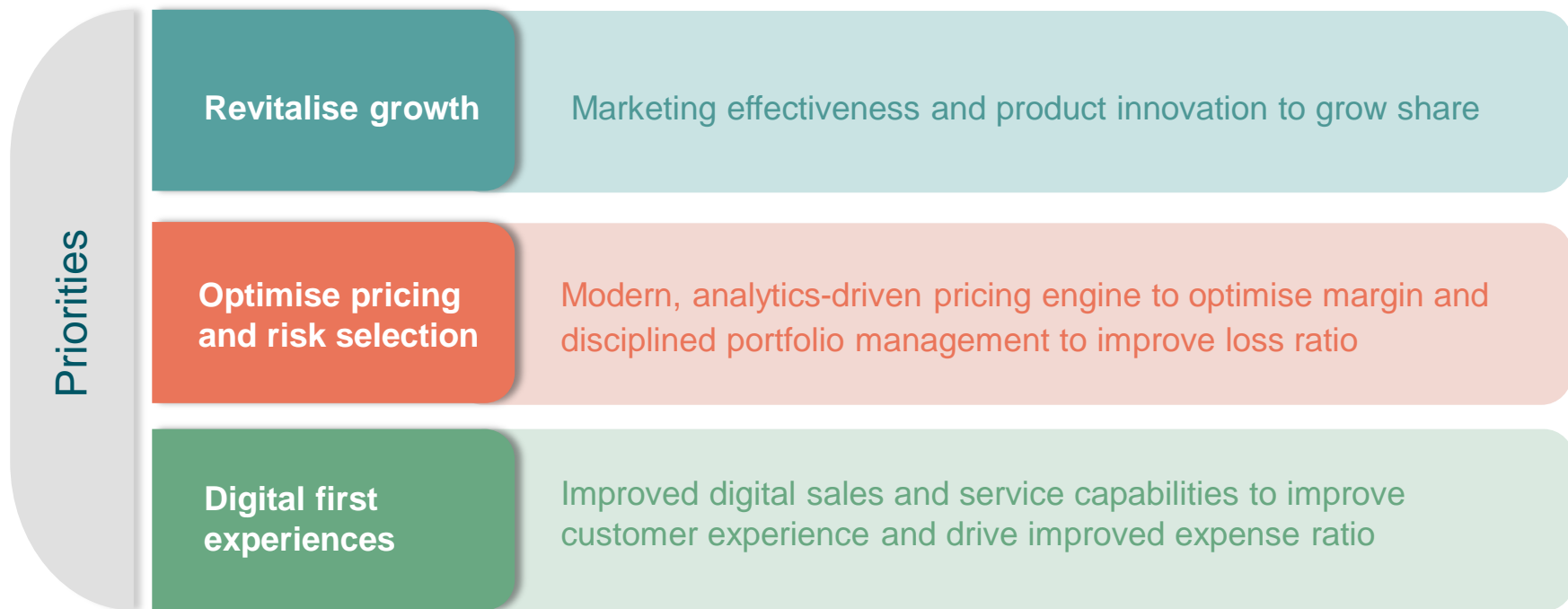


**Lisa Harrison**  
CEO Insurance  
Product & Portfolio

# Insurance Product & Portfolio

- **Vision:** Australia's most innovative and trusted insurer
- **Role:** Overseeing Insurance Australia distribution channels including contact centres, digital channels and intermediated partnerships; customer strategy; brand and marketing; product and portfolio management
- **FTE:** ~3,100

# Insurance Product & Portfolio



## Revitalise growth

### AAMI *National Brand*



### Suncorp and GIO *Regional Champions*



### Niche Brands



### Vero



## Optimise pricing and risk selection

- **Home portfolio re-pricing**  
ongoing
- **Modern pricing engine** to provide  
a full view of customers, real time  
data and increased personalisation
- **Commercial property**  
underwriting tool to improve risk  
selection
- Ongoing **portfolio management**



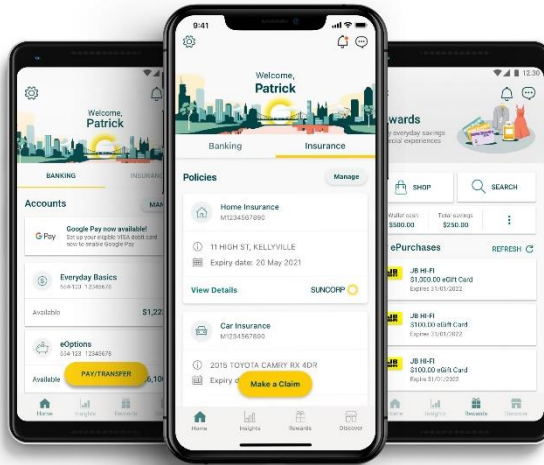
# Digital first experiences

## Reimagining AAMI Digital Experience



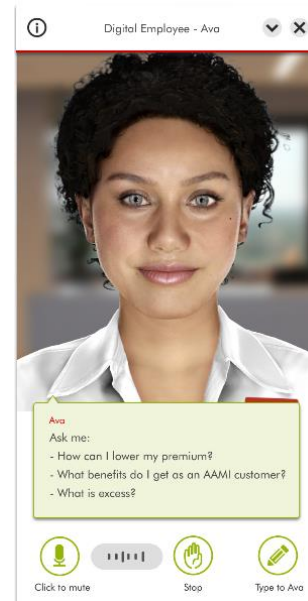
**34% improvement in digital conversion in AAMI Home**

## Suncorp App



**1 million+ Suncorp App downloads and 42 million+ logins since launch**

## Contact Centre Automation



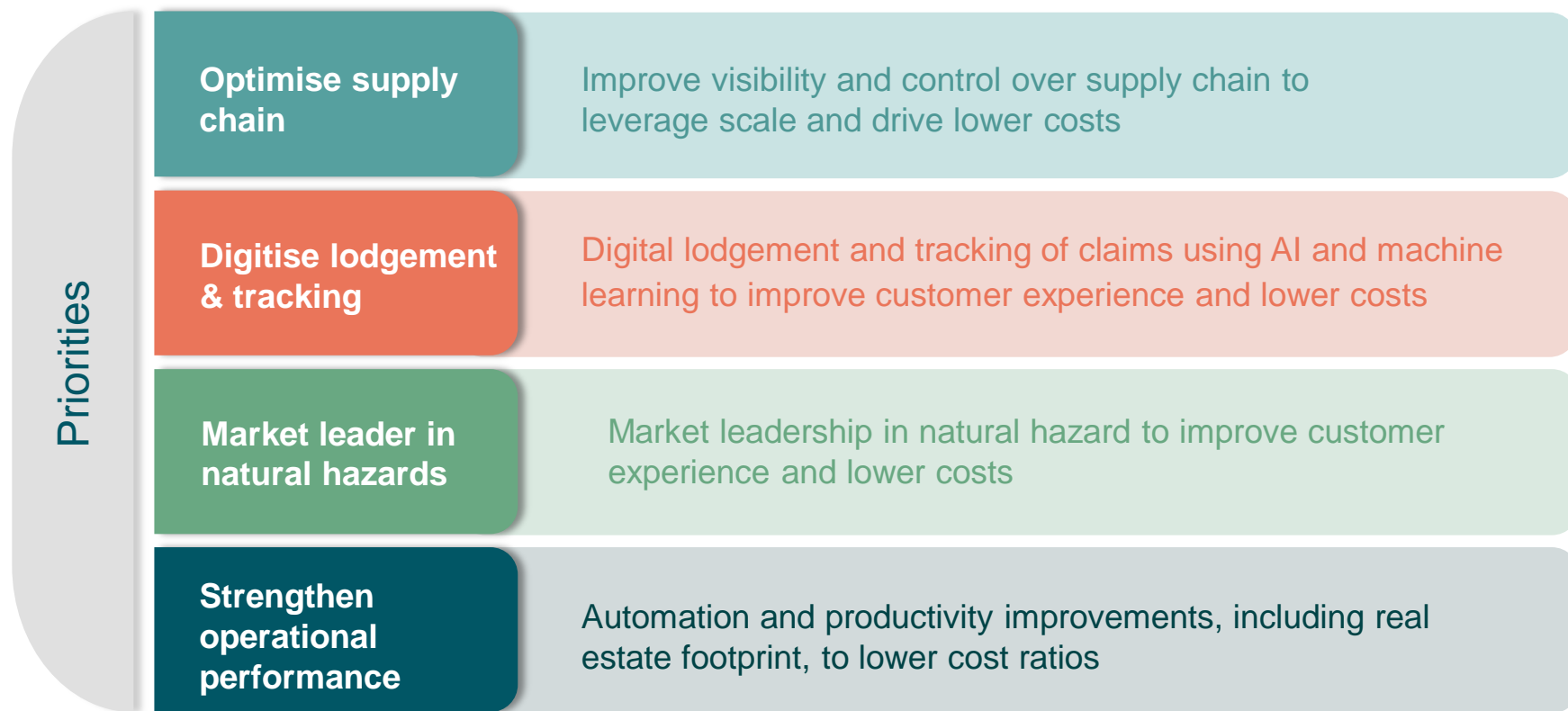


**Paul Smeaton**  
Chief Operating  
Officer Insurance

# Insurance Claims & Operations

- **Vision:** Best in class-claims globally
- **Role:** Overseeing all aspects of claims management, operations and projects. The team also manage claims and non-claims procurement and real estate.
- **FTE:** ~4,300

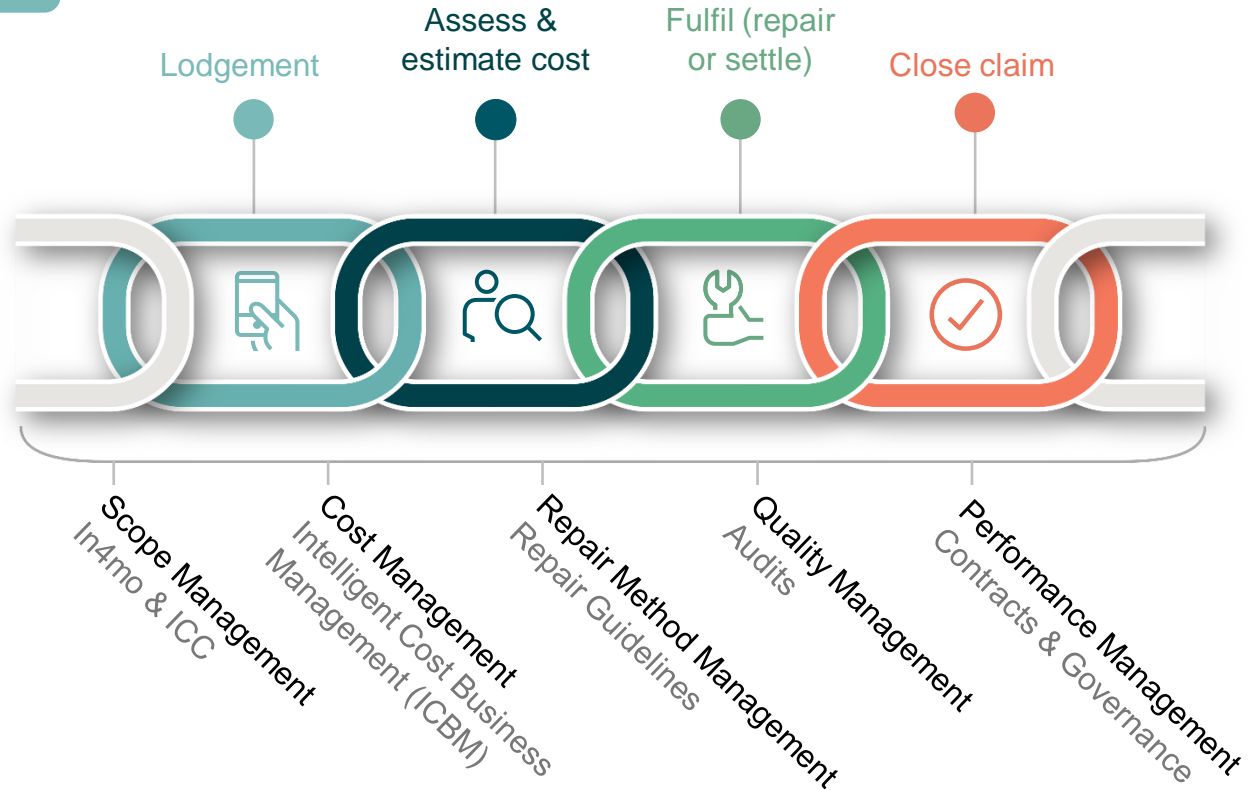
# Insurance Claims & Operations





## Optimise supply chain

- Improve **visibility and control** over our supply chain
- Leverage our **scale to drive** better commercial outcomes
- Deploy **new parts system** to Suncorp repairers, supplies and assessors

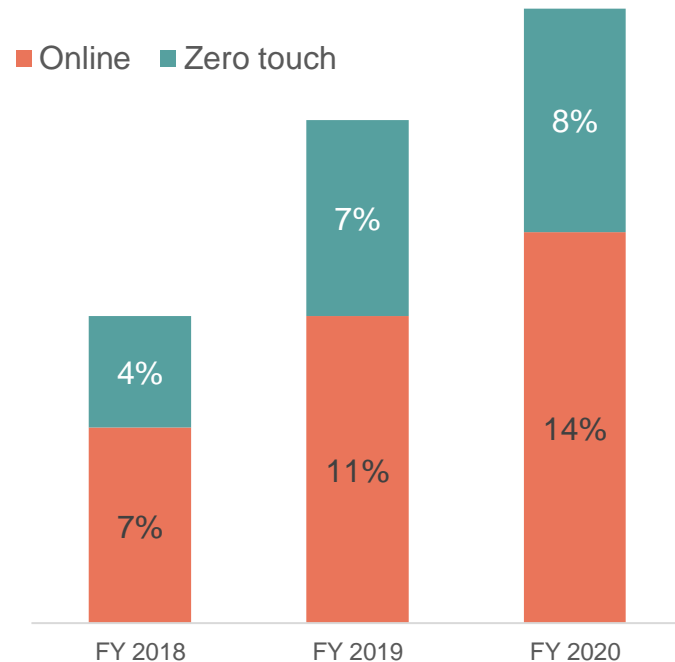


## Digitise lodgement & tracking

- Enhance **digital claims lodgement**
- **Express claims management** to self-fulfil simple claims
- Use **artificial intelligence** and **machine learning** to cash settle or auto path
- **Enhance webchat** and **collaborative browsing** for improved customer support

### Online and Zero Touch Claims

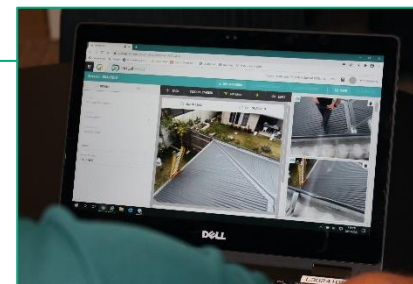
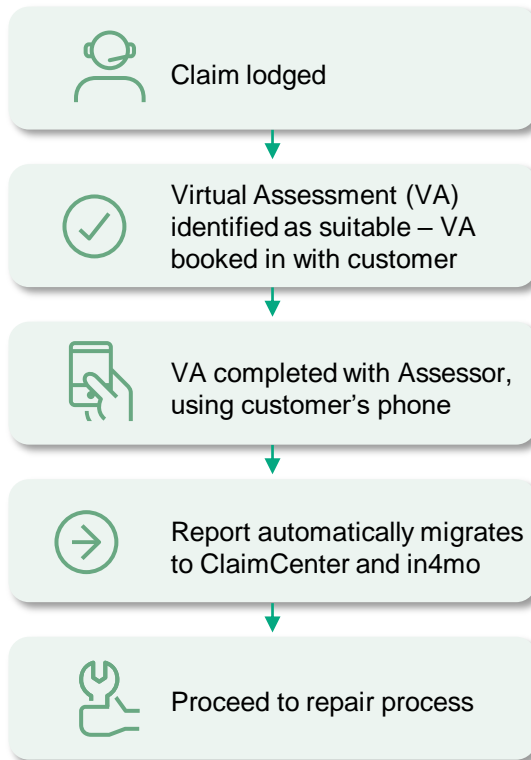
(% of total home & motor claims)



## Market leader in natural hazards

- Employ a **scaled, permanent, flexible, dispersed team** to support event claims
- **Improved data and analytics** for event response
- Enhanced capability to **predict and respond** to Natural Hazards
- **Zero-touch** motor hail digital lodgement capability

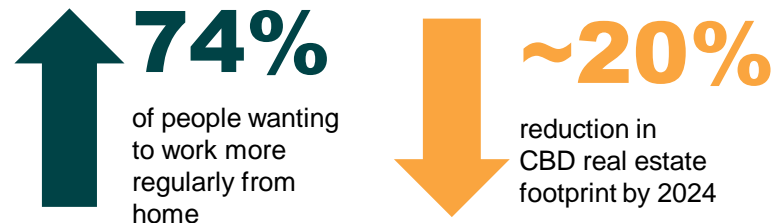
### The virtual assessment process



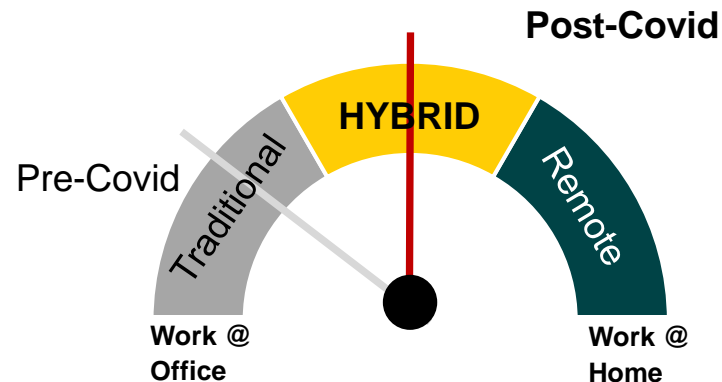
## Strengthen Operational Performance

- **Data based automation** of standardised, routine, transaction orientated work
- **Improved measurement** and management of work managed by partners
- **Optimise real estate footprint** post COVID-19
- **Productivity enhancements**

### POST COVID CHANGES



### WAYS OF WORKING





**Jimmy Higgins**  
Chief Executive  
Officer

# Chief Executive Officer, New Zealand

- **Vision:** To be the number one choice for New Zealanders, because of our digital capability and seamless partnership model.
- **Role:** Delivering financial services to New Zealanders through our go-to-market general and life insurance brands.
- **FTE: ~900**

## Brands and strategic partnerships

### Trusted brands driving growth



GWP and customer **growth across broker and corporate channels**



Renewed **relationship model to accelerate growth**



Most trusted brand in New Zealand and also **our fastest growing business**



### Significant opportunities exist



**Improved digital capability** to connect to broker and corporate partner platforms



**Compelling market propositions** and competitive remuneration structures.



Seamless and integrated access to **more products and services.**

## Best in class claims



**Single claims platform** improving customer service through simplification and automation



Introducing **new channels for customer engagement** including webchat and self service



**Seamless connectivity** with suppliers and partners



Standardising and **automating manual work** for improved efficiency



## Returns

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

## Dividends

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

## Key divisional metrics

### General Insurance

- Underlying ITR of 10 – 12% by FY23
- Australian consumer unit growth in line with system
- NZ GWP growth in line with system

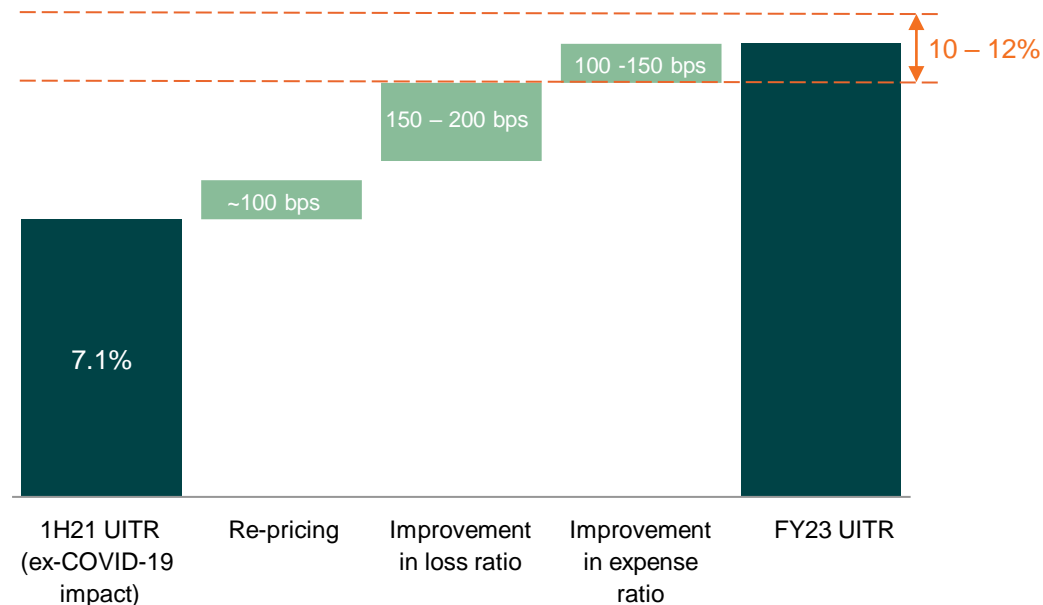
### Banking & Wealth

- Cost-to-income ratio of ~50% by FY23
- Mortgage lending growth above system



# Pathway to achieving 10-12% General Insurance underlying ITR by FY23

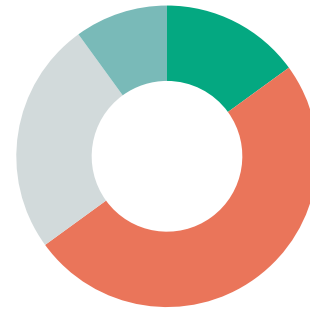
## Key drivers of General Insurance underlying ITR



## Loss ratio improvement



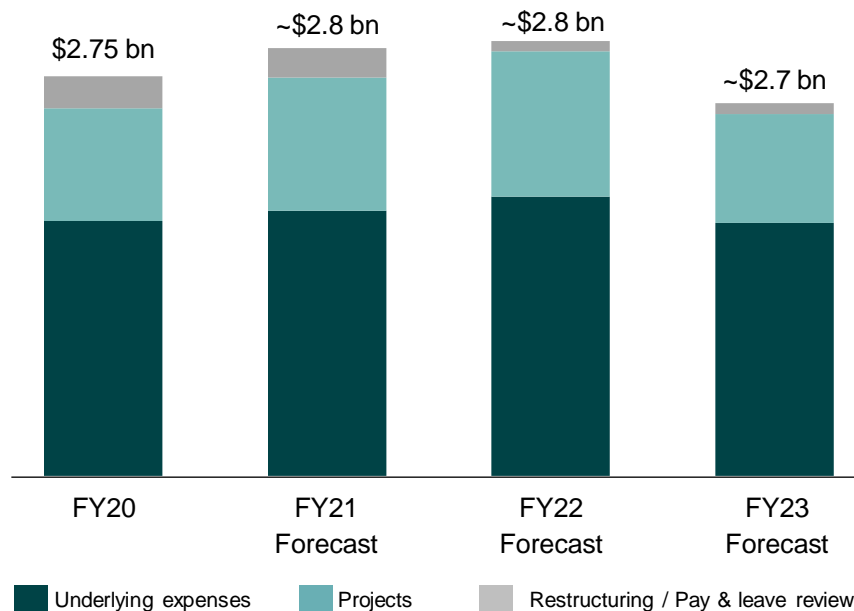
## Expense ratio improvement



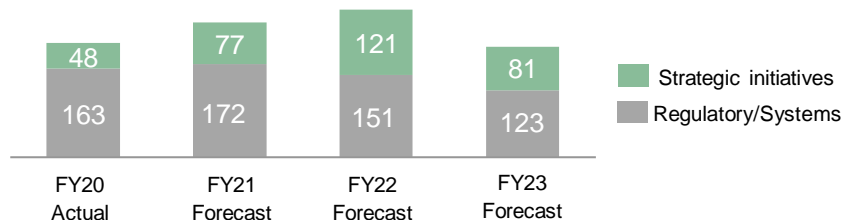
- Optimise supply chain
- Strengthen operational performance (Aus & NZ)
- Digital first experiences
- Revitalise Brands
- Pricing and Risk Selection
- End to end digital lodgement and tracking

# Underlying expenses broadly flat over the plan period

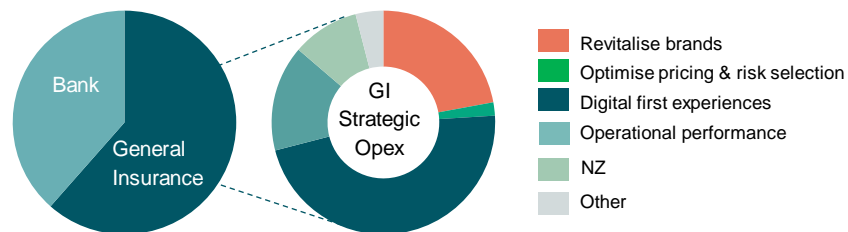
## Evolution of Group operating cost base FY20 – FY23



## Overview of project slate (Opex) FY20 – FY23






## Strategic initiatives (Opex) FY21 – 23



# Four point plan to build resilience

1. Improve public infrastructure
2. Address inadequate planning laws and approval processes
3. Remove inefficient taxes and charges from insurance premiums
4. Provide subsidies to improve the resilience of private dwellings

	 Townsville floods 2019	 Black summer bushfires 2019	 Hailstorms 2020
<b>Economic impact</b>	\$2.5 billion reduction in GDP	\$4.6 billion reduction in GDP	\$1.7 billion reduction in GDP
<b>Contribution from insurance</b>	\$1.4 billion	\$1.2 billion	\$1.4 billion
<b>Contribution from insurance over 3 years</b>	\$2.9 billion	\$2.5 billion	\$1.4 billion

 Suncorp's **One House To Save Many** initiative

*Economic Recovery after Disaster Strikes Volume Two - SGS & Suncorp, January 2021*



# Q&A



**SUNCORP**

**Building Futures and Protecting What Matters**

## Pathway to delivering improved TSR



Reshaped and simplified business

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Demonstrating momentum, with a strong balance sheet

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Clear plan and framework to deliver improved ROE

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Aligned executive team, in place for 12 months, with clear accountabilities

# ONE HOUSE

TO SAVE MANY

SUNCORP 