

SUNCORP GROUP LIMITED
ABN 66 145 290 124
DATA PACK
RELEASE DATE 4 AUGUST 2016



Financial results for the full year ended 30 June 2016

Create a better today



Highlights



1. Strategy reset to **deliver value to customers**
2. **Operating model aligned** to new strategy
3. Improvements in working claims to **benefit UTR**
4. **Positive top line momentum**
5. Building a more **resilient** business

Result Overview



Diversified business model provides earnings stability

	FY16 (\$m)	FY15 (\$m)
General Insurance	624	756
Bank	393	354
Suncorp Life	142	125
Business Lines NPAT	1,159	1,235
Other ⁽¹⁾	(70)	(44)
Cash earnings	1,089	1,191
Acquisition amortisation	(51)	(58)
Reported NPAT	1,038	1,133
Ordinary dividend (per share fully franked)	68 cents	76 cents

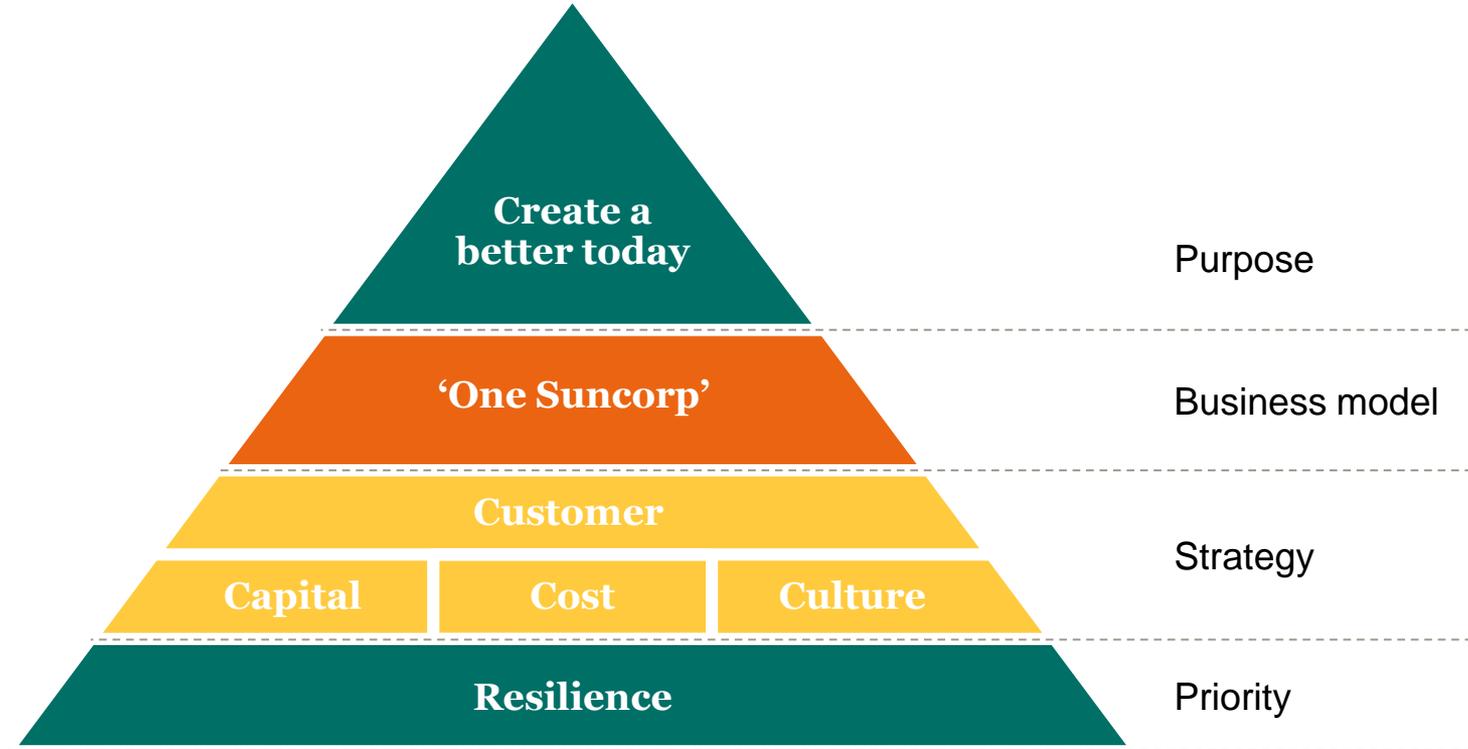
(1) Includes investment income and interest expense for capital held at the Group level, consolidation adjustments, Tyndall disposal, non-controlling interests, transaction costs, and operating model restructuring costs.

FY16 Result Overview



	FY16 (\$m)	FY15 (\$m)
	1,047	1,146
Natural Hazards (after tax)	(511)	(748)
Investment Earnings (after tax)	298	436
Reserve Releases (after tax)	243	299
Restructure Provision (after tax)	(39)	-
Reported NPAT	1,038	1,133

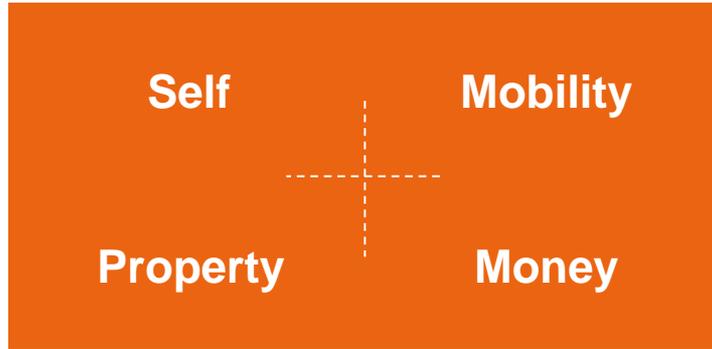
1. Strategy reset to deliver value to customers



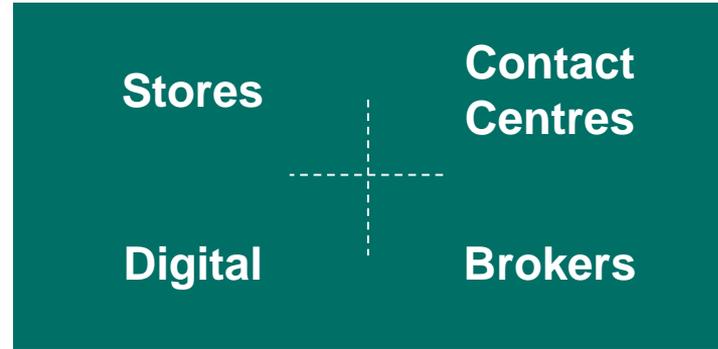
The Suncorp Marketplace



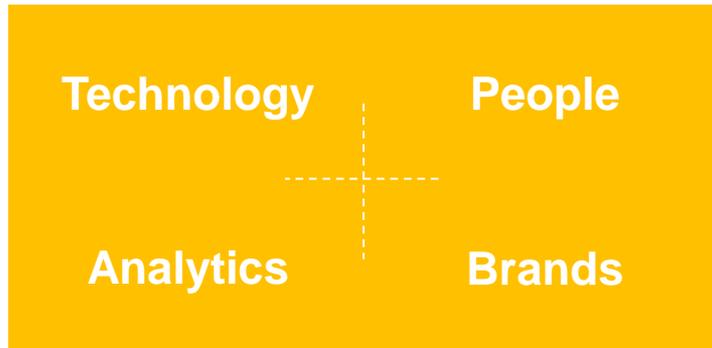
Needs



Access



Enablers



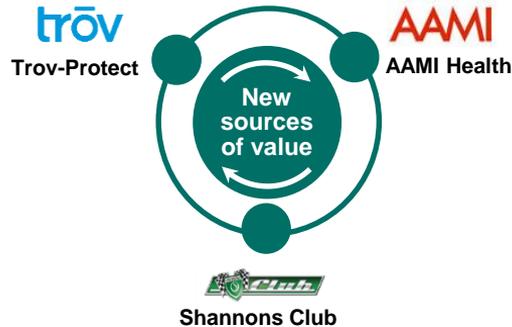
Solutions



Progress on Customer Strategy



- 1/3 of Suncorp's customers are **Connected Customers**
- Connected Customers have **two or more need groups** met
- The **retention** rate for Connected Customers is 96%



- **Trov-Protect** launched in April 2016
- New **health insurance** offering planned for Group brands
- **Shannon's Club** app launched



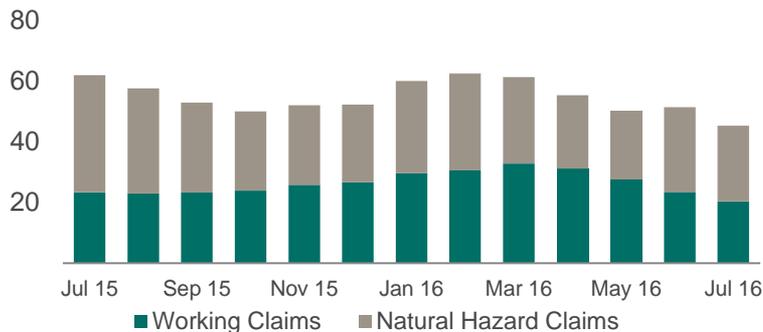
- **9Spokes** solution to support **SME business**
- New third party **annuity** offering for **mature** customers
- AAMI **Smartplates** helping L-platers become skilled drivers

2. Operating model aligned to New Strategy

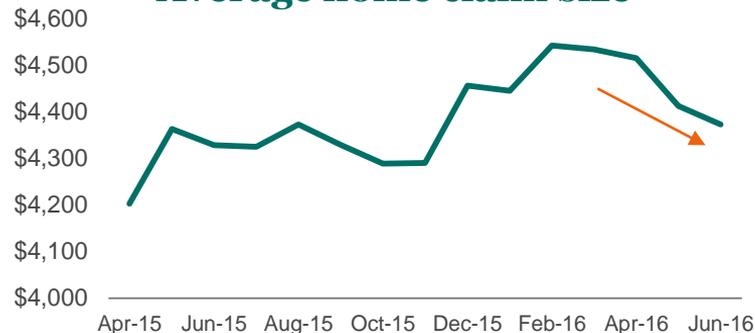


3. Improvements in Working Claims to benefit UTR

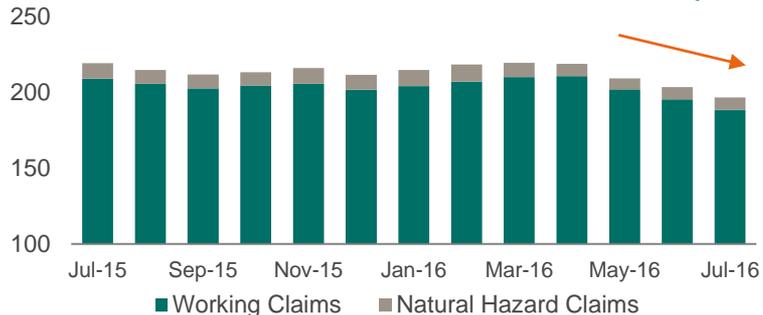
Home active claim volumes ('000)



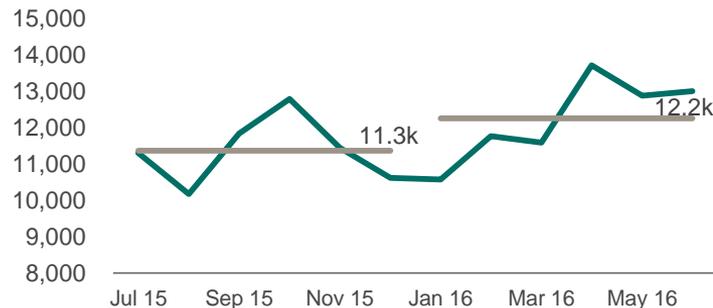
Average home claim size



Motor active claims volumes ('000)



SMART volumes (per month)

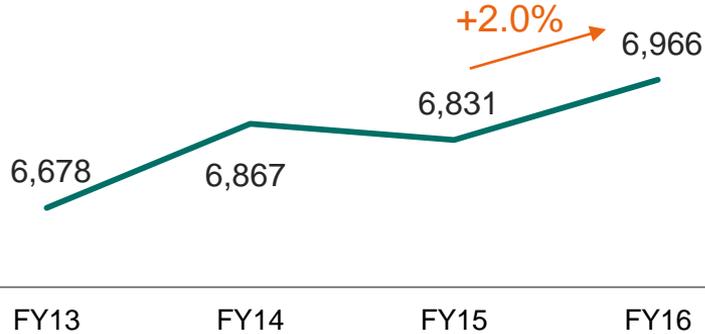


4. Positive Top Line Momentum of 2.9%

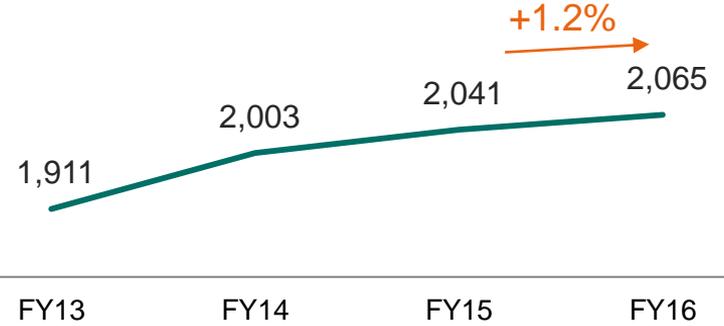
Growth remains solid across all business lines (\$m)



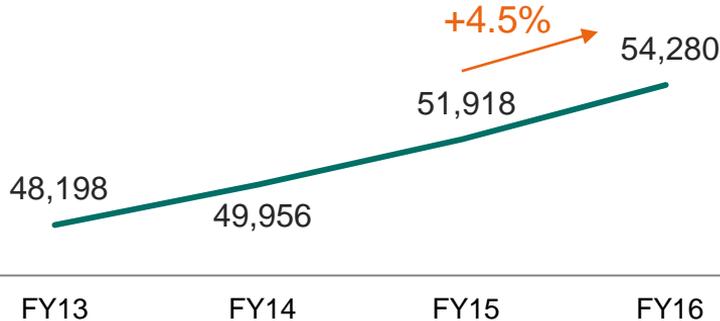
Short Tail GWP



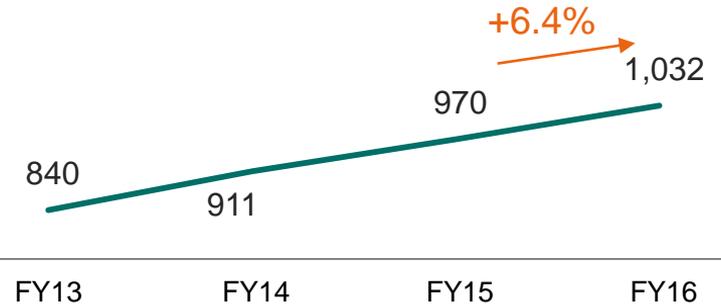
Long Tail GWP



Bank Lending



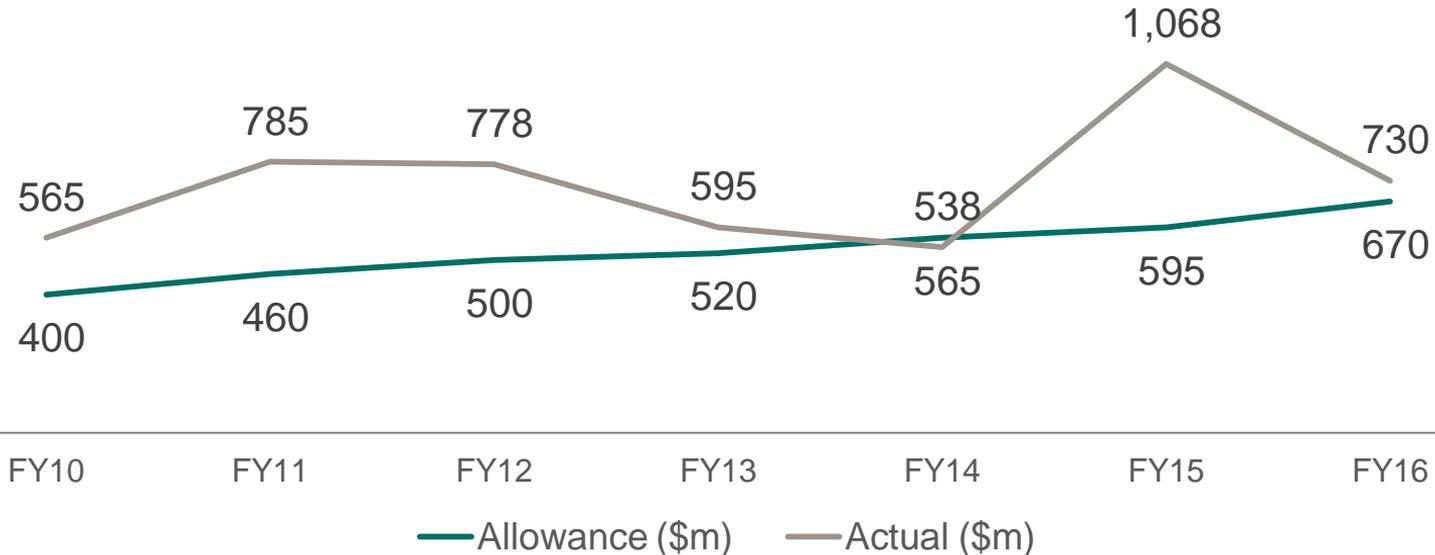
Life In-Force Annual Premium



5. Building a more resilient business

New Natural Hazard Aggregate Cover in place for FY17

- \$300 million cover for natural hazards events greater than \$5 million in size, once the total retained cost of these events reaches \$460 million
- Additional protection results in FY17 natural hazard budget reduction to \$620 million



General Insurance



Positive underwriting result, impacted by volatility in investment markets

	FY16 (\$m)	FY15 (\$m)	Change (%)
GWP	9,031	8,872	1.8
Net earned premium	7,938	7,865	0.9
Net incurred claims	(5,661)	(5,587)	1.3
Operating expenses	(1,749)	(1,783)	(1.9)
Underwriting result	528	495	6.7
Investment income - insurance funds	254	399	(36.3)
Insurance trading result	782	894	(12.5)
Investment income - shareholder funds	101	163	(38.0)
Managed schemes, JVs and funding costs	(8)	3	n/a
Income tax	(251)	(304)	(17.4)
NPAT	624	756	(17.5)

Key highlights

- GWP growth across all business units resulting in solid underlying growth
- Underlying ITR of 10.6%
- Operating expenses ratio of 22.0%
- Impacted by lower investment returns and MTM adjustments
- Reserve releases of \$347m or 4.4% of NEP

Gross Written Premium

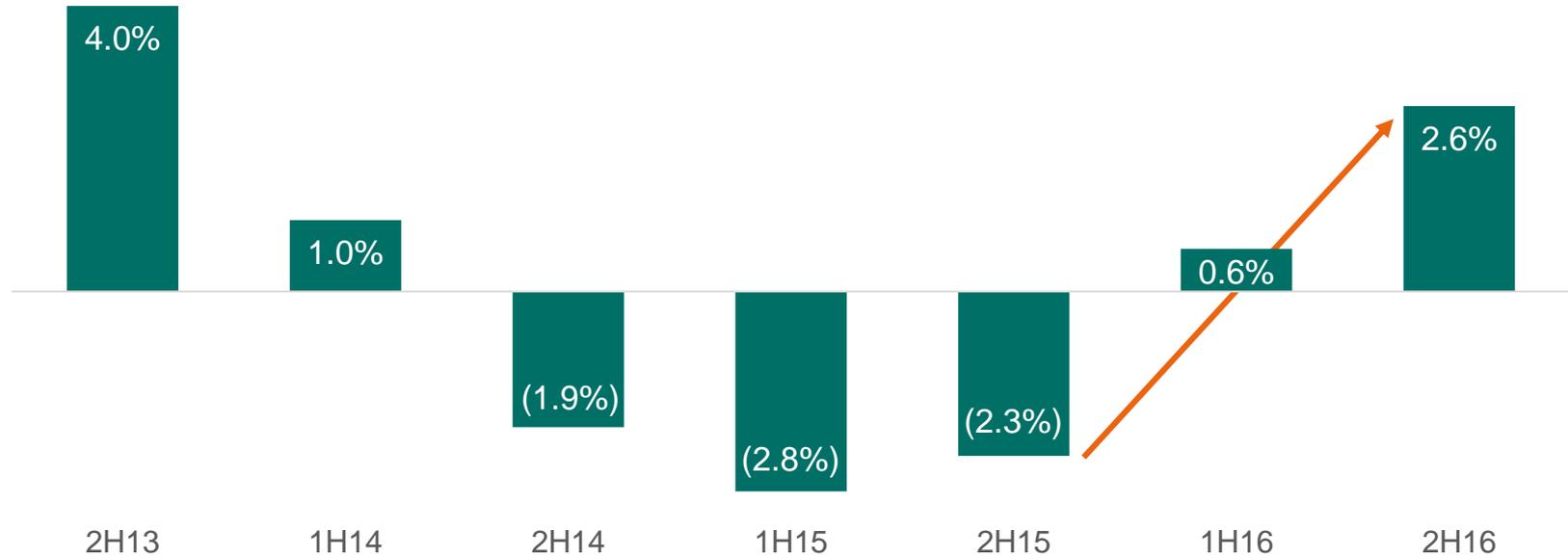


Solid growth across all major classes

Products	FY16 (\$m)	Change (%)	
Motor	2,858	2.9	Low single digit premium increases with stable retention
Home	2,585	1.8	Direct channel growth of 3.7% offset by a reduction in intermediated channels
Commercial	2,079	0.0	1.7% growth in Australia offset by a 4.9% decline in New Zealand
CTP	1,215	9.2	Growth across NSW, Qld and ACT portfolios
Workers Compensation and Other	294	(19.0)	Impacted by WA Workers Compensation
Total	9,031	1.8	
Australia	7,803	1.8	
New Zealand	1,228	1.9	3.2% in NZ\$ terms

Australian Personal Insurance GWP growth

A turnaround achieved, driven by retention and targeted premium increases



Gross Written Premium



Solid growth across all major classes

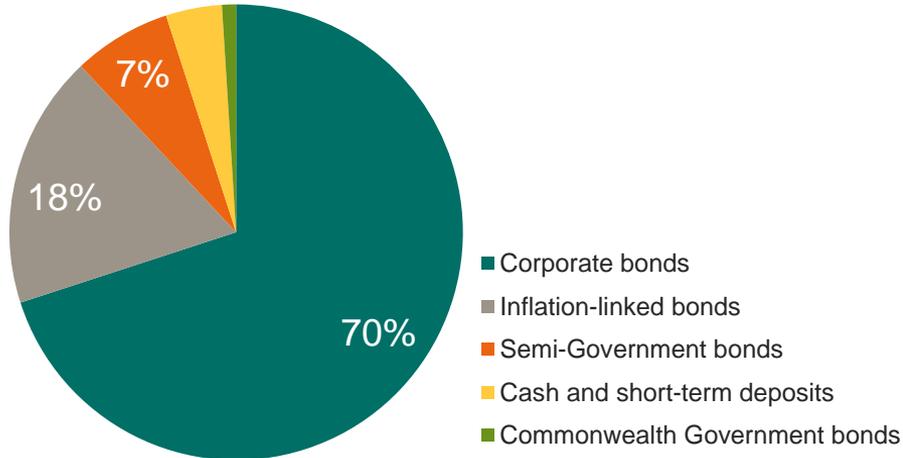
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Investment Assets

Total investment income of \$355 million

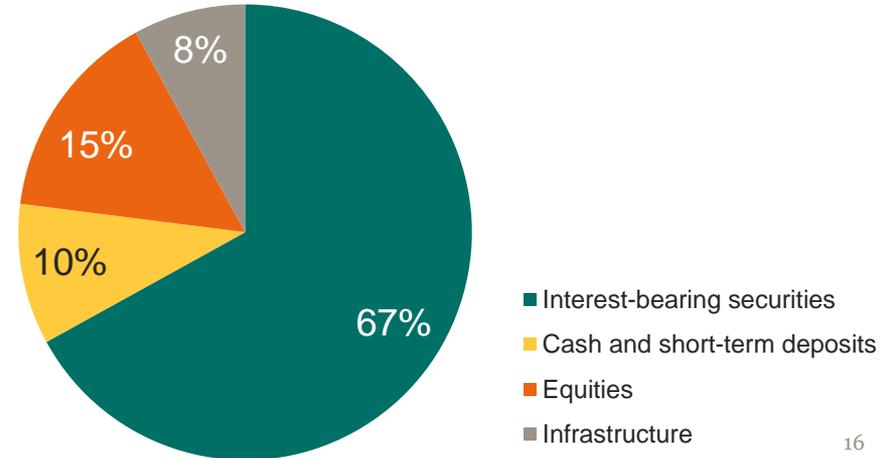
Insurance Funds \$9.8 billion

- Investment income of \$254 million (FY15: \$399 million)
- \$228 million MTM gain from a decrease in risk-free rates
- \$46 million MTM loss from widening credit spreads
- \$181 million MTM loss from decline in ILBs
- 2.7% annualised underlying return



Shareholder Funds \$2.9 billion

- Investment income of \$101 million (FY15: \$163 million)
- Impacted by volatile equity markets and widening credit spreads, slightly offset by improving returns from a growing infrastructure and property portfolio
- 3.4% annualised return



Suncorp Bank



Another period of strong profitability

	FY16 (\$m)	FY15 (\$m)	Change (%)
Net interest income	1,129	1,103	2.4
Net non-interest income	88	107	(17.8)
Total income	1,217	1,210	0.6
Total operating expenses	(639)	(646)	(1.1)
Profit before impairment losses on loans and advances	578	564	2.5
Impairment losses on loans and advances	(16)	(58)	(72.4)
Bank profit before tax	562	506	11.1
Income tax	(169)	(152)	11.2
NPAT	393	354	11.0

Key highlights

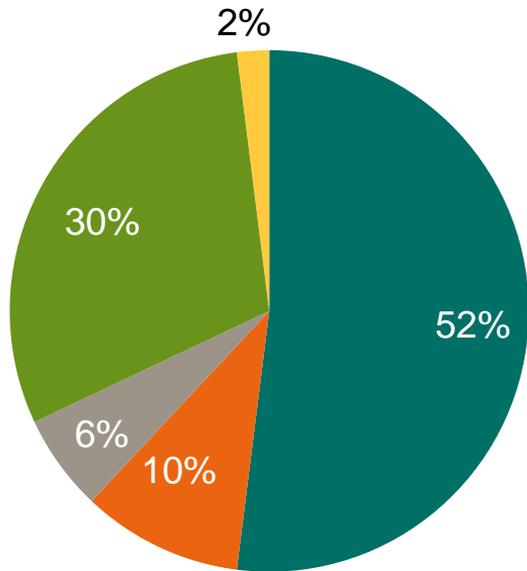
- 4.5% total lending growth
- NIM increased to 1.86%
- Cost to income ratio reduced to 52.5%
- Impairment losses reduced to 3 bps of gross loans and advances
- Core banking platform now in place

Suncorp Bank



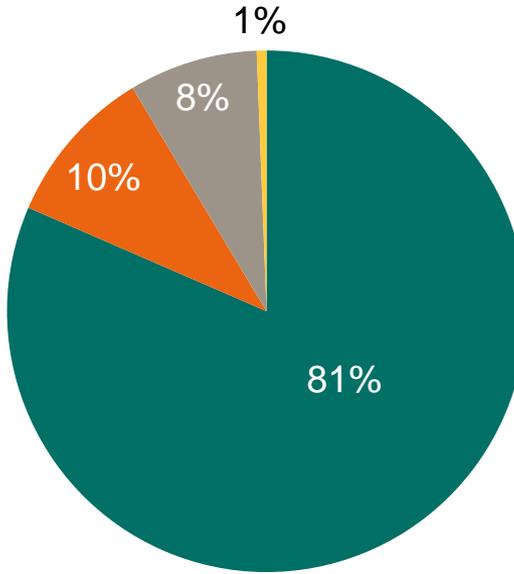
Evolution of the lending portfolio

FY09 lending portfolio
\$54.4 billion



- Housing
- Commercial (SME)
- Agribusiness

FY16 lending portfolio
\$54.3 billion



- Corporate & Property
- Other

	FY09	FY16
Exposures over \$50m	121	1
Margin	1.68%	1.86%
Impaired assets	\$1,474m	\$150m
Impairment losses	\$710m	\$16m

Improvement due to \$21 million of positive claims and lapse experience

	FY16 (\$m)	FY15 (\$m)	Change (%)
Planned profit margin release	45	38	18.4
Claims experience	6	8	(25.0)
Lapse experience	15	7	114.3
Other experience	(10)	(8)	25.0
Underlying investment income	31	31	-
Superannuation	37	37	-
Total Life underlying profit after tax	124	113	9.7
Market adjustments	18	12	50.0
NPAT	142	125	13.6

Key highlights

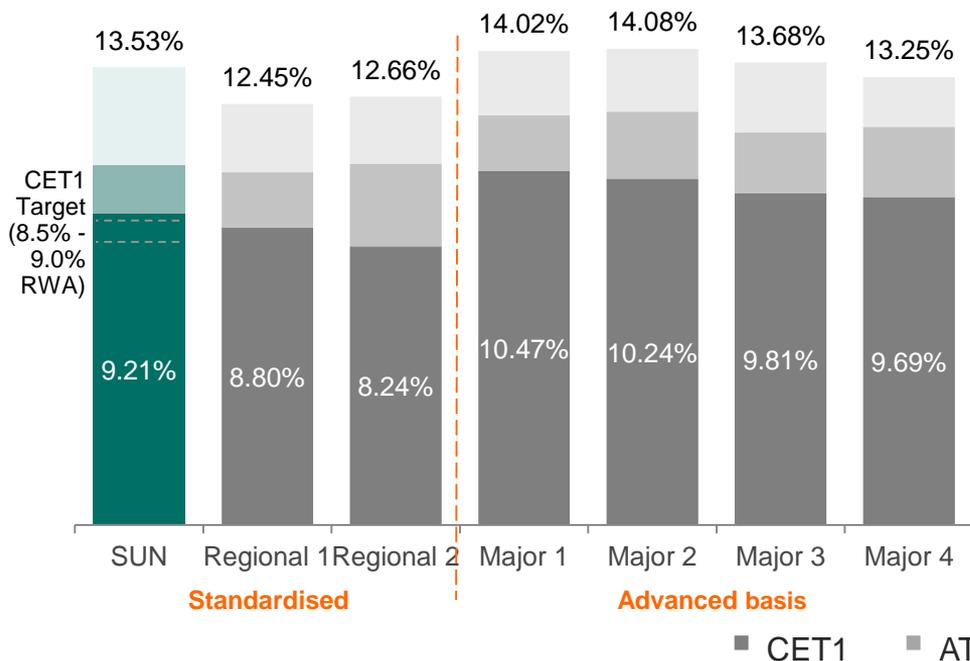
- In-force premium growth and benefits of repricing
- Sustainable growth as in-force premiums increased to \$1.0 billion, with focus on value over volume
- Two successive years of positive claims and lapse experience

Capital Position

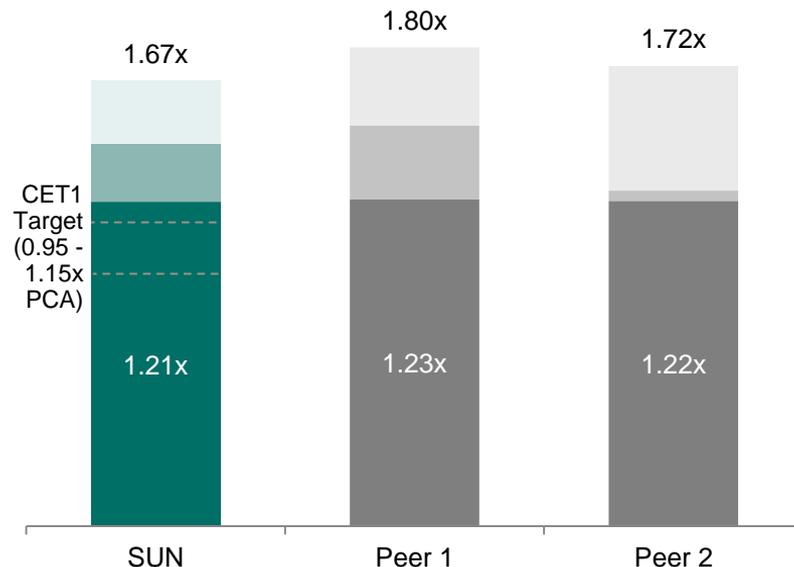


Strong Bank and General Insurance capital ratios compared to targets and peers

Bank capital ratios



General Insurance capital ratios



Additional \$148 million capital held at Suncorp Group level

Medium Term Targets

- **Broadening** of customer relationships
- **Cost base flat** in FY17 and FY18
- **Improving** underlying NPAT
- Sustainable **ROE of at least 10%**, which implies an underlying **ITR of at least 12%**
- Maintaining a dividend payout ratio of **60% to 80%** of cash earnings

‘Create a better today’

- Australian economy **still in transition**
- **Global economy impacted** by volatility
- Suncorp is **well positioned** to drive growth and increase **resilience**
- A ‘**One Suncorp**’ approach
- Creating value for **Connected Customers**

Key Customer Initiatives for 2017

Right

Strengthening core business

- Customer Pathways
- Pain point elimination
- Efficiency

Better

Stretching core business

- New customer access points
- New propositions
- New sources of revenue

Different

Strategic response

- Individuals (not assets)
- Connected Home
- Modular Financial Services



Highlights



1. Strategy reset to **deliver value to customers**
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Financial results for the full year ended 30 June 2016

Create a better today



Suncorp Group



Leading financial services brands in Australia and New Zealand

Top 20 ASX listed company

\$16 billion market capitalisation at 30 June 2016

\$96 billion in group assets

13,500 employees in Australia and New Zealand

Approximately 9 million customers

End-to-end ownership of brands



Suncorp's shareholder promise

Simplified, de-risked financial services group



Yield

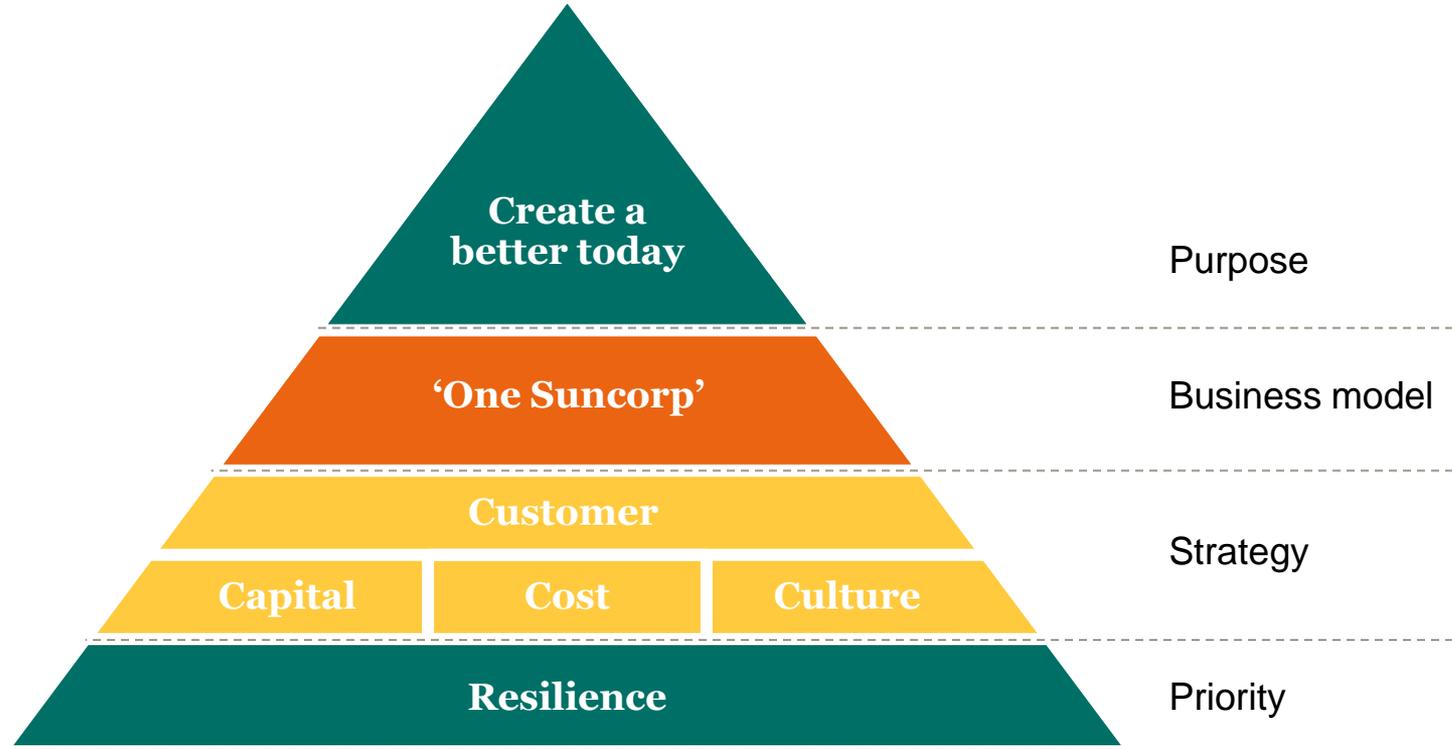
- Dividend payout ratio of **60%** to **80%**
- Strategy focused exclusively in Australia and New Zealand
- De-risked and simplified business model



Growth

- Efficiency-led profit growth
- Multi-brand, multi-channel approach providing greater value to the Group's 9 million customers
- 'Above system' growth in key markets
- Incremental market opportunities such as South Australia CTP

Suncorp's strategy



Create a better today



For our Customers

Customers with solutions that enable them to enjoy the life they have today and feel secure that good choices are in place for the life they want tomorrow.

For our Shareholders

A resilient business that will continue to deliver strong returns and growth over the long term.

For our People

Our people are inspired to be innovative, make decisions and behave in ways that contribute to creating a better today for all stakeholders.

For our Communities

We are an integral part of the communities in which we operate. We collaborate to build resilience for today so they can thrive in a changing world.

For our Industry

Our clear focus on providing innovative solutions that meet customer needs raises industry standards and improves public perception.

For our Economy

A stable company that provides financial protection and liquidity so that individuals, businesses and governments can use their capital productively.

Our Strategy



Our Priorities



Our Goals



Suncorp's strategic assets



Our focus

Customer

- Creating value for our customers
- Broadening the connection with the Group's nine million customers by deepening their relationships with the Group's brands

Capital

- Demonstrating a diversification benefit through Group Risk Based Capital modelling
- A+/A1 credit rating

Cost

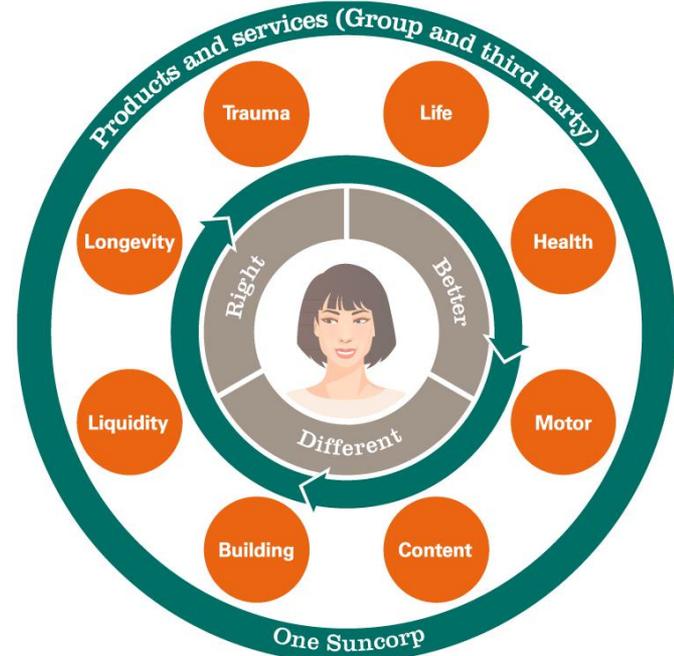
- Deliver scale cost benefits on third party procured goods / services
- Maintain a stable operating expense base as a result of leveraging the Group's scale, buying power and supplier relationships

Culture

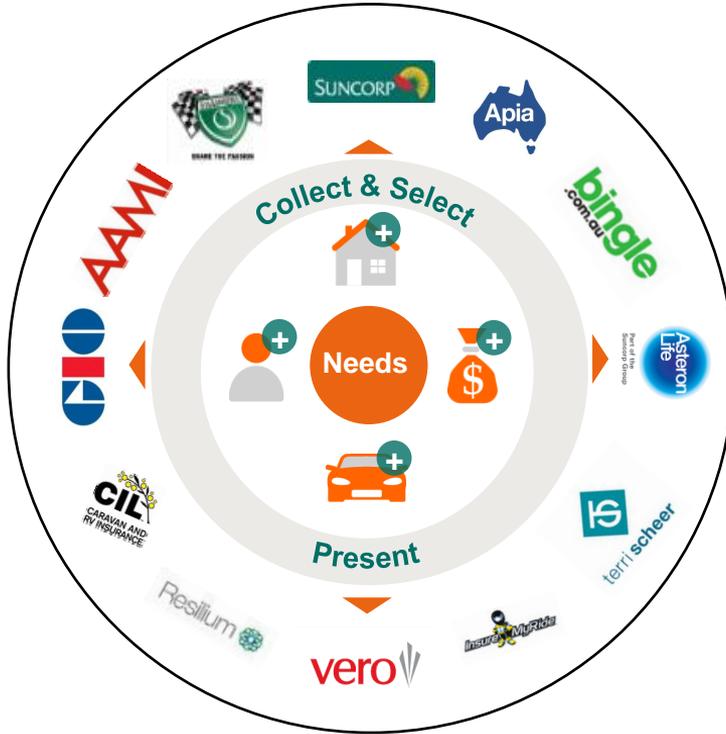
- Operating as 'One Suncorp'

Suncorp's operating model

A management structure to deliver a 'One Suncorp' approach



Suncorp's marketplace approach



- **Engaging** customers through omni-channel
- **Curating** solutions that customers care about
- **Enabling** customers to navigate and make informed decisions

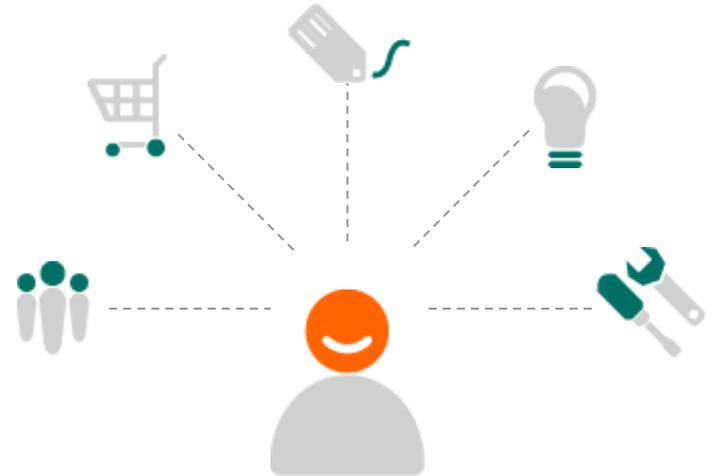
Connected Customers

Broadening and deepening customer relationships



&

Increasing frequency of interactions



Our strategy to grow Connected Customers



Customer

Deep insights

Priority segments

New propositions



Marketplace

Curate solutions

Omni-channel

Customer navigation



Experience

Seamless experience

Simplified journeys

Personalised services



Brands

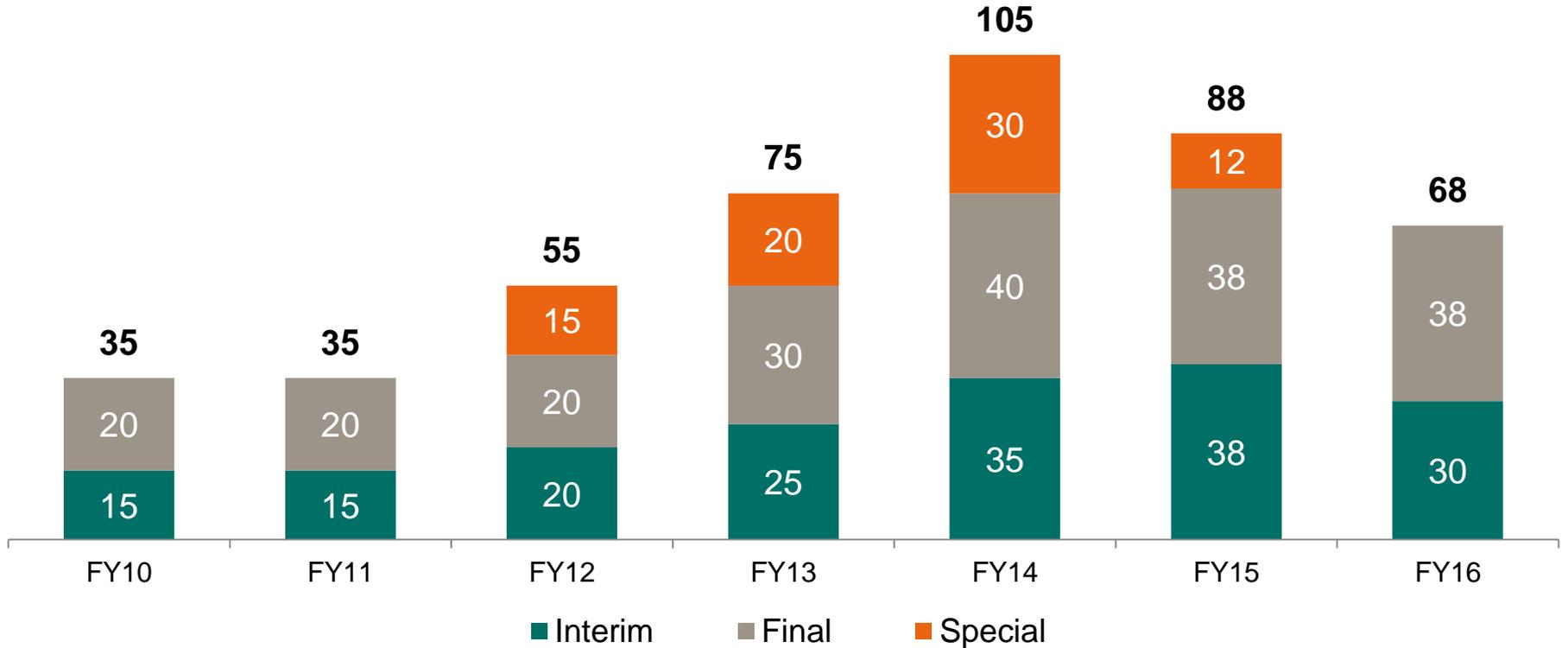
Reposition master brand

Distinct and complementary

Networked

Dividends

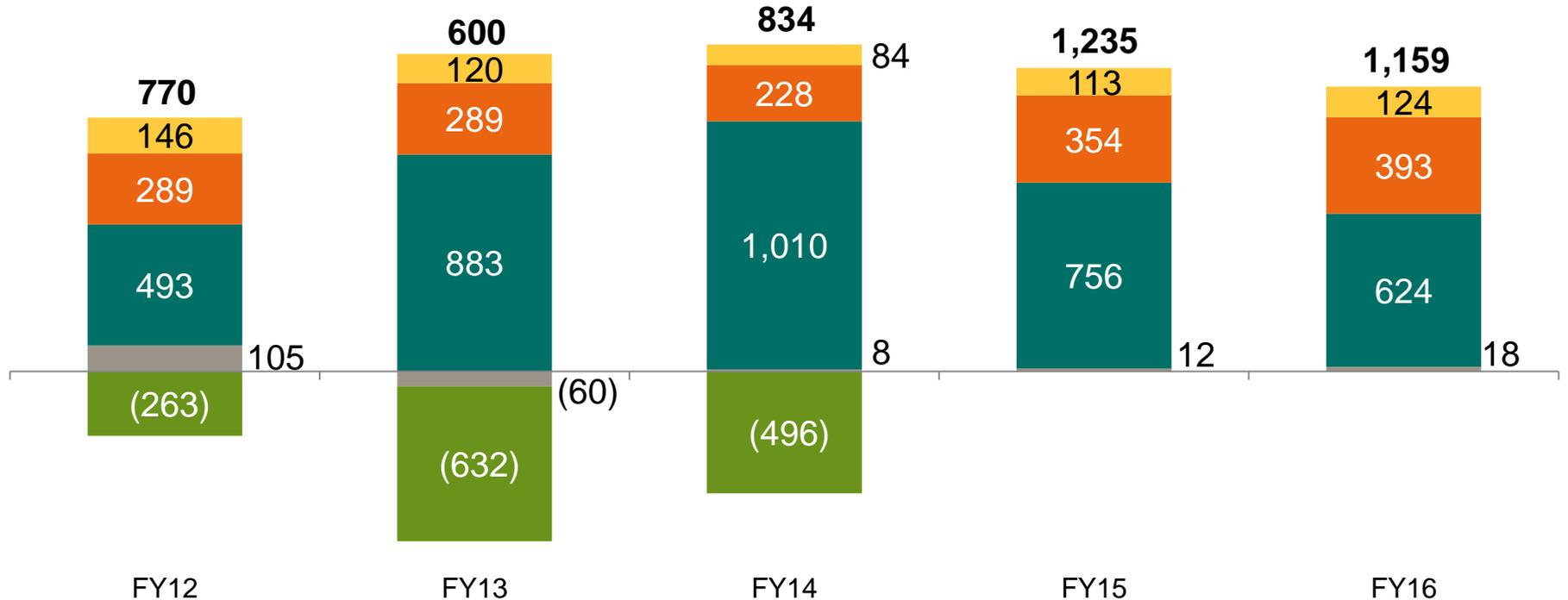
68 cent total dividend, cash earnings payout ratio of 80%



Suncorp Group business line NPAT (\$m)



Diversification of earnings



■ General Insurance
■ Bank

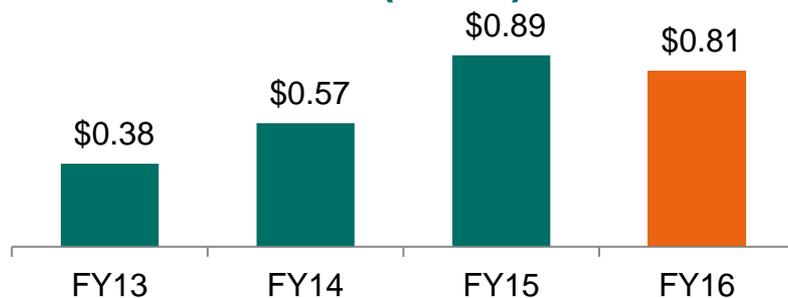
■ Non-core Bank / Life write down of intangible assets

■ Life underlying NPAT
■ Life market adjustments

Shareholder metrics



EPS (basic)



EPS (diluted)



	FY13	FY14	FY15	FY16
Numerator (\$m)				
Earnings (EPS basic)	491	730	1,133	1,038
Interest expense on CPS (net of tax)	-	-	45	43
Earnings (EPS diluted)	491	730	1,178	1,081
Denominator (m)				
Weighted average ordinary shares (EPS basic)	1,278	1,278	1,279	1,275
Effect of conversion of CPS	-	-	72	80
Weighted average ordinary shares (EPS diluted)	1,278	1,278	1,351	1,355

Shareholder metrics



Cash EPS (basic)



Cash EPS (diluted)

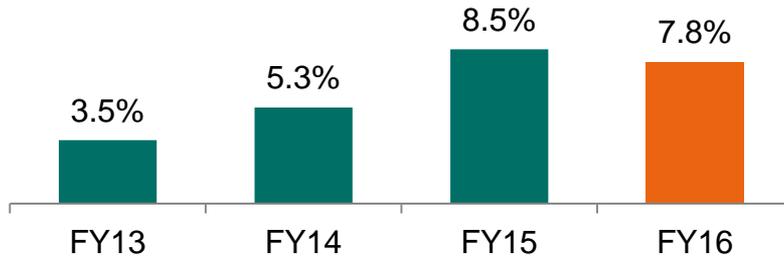


	FY13	FY14	FY15	FY16
Numerator (\$m)				
Earnings (EPS basic)	576	1,304	1,191	1,089
Interest expense on CPS (net of tax)	-	31	45	43
Earnings (EPS diluted)	576	1,335	1,236	1,132
Denominator (m)				
Weighted average ordinary shares (EPS basic)	1,278	1,278	1,279	1,275
Effect of conversion of CPS	-	47	72	80
Weighted average ordinary shares (EPS diluted)	1,278	1,325	1,351	1,355

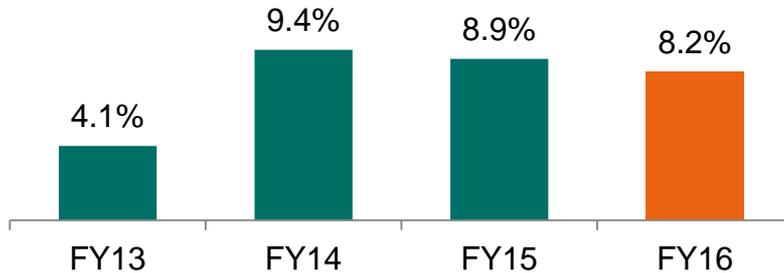
Shareholder metrics



ROE



Cash ROE



	FY13	FY14	FY15	FY16
ROE				
Earnings (\$m)	491	730	1,133	1,038
Average shareholders' equity (\$m)	14,118	13,868	13,345	13,282

	FY13	FY14	FY15	FY16
Cash ROE				
Cash Earnings (\$m)	576	1,304	1,191	1,089
Average shareholders' equity (\$m)	14,118	13,868	13,345	13,282

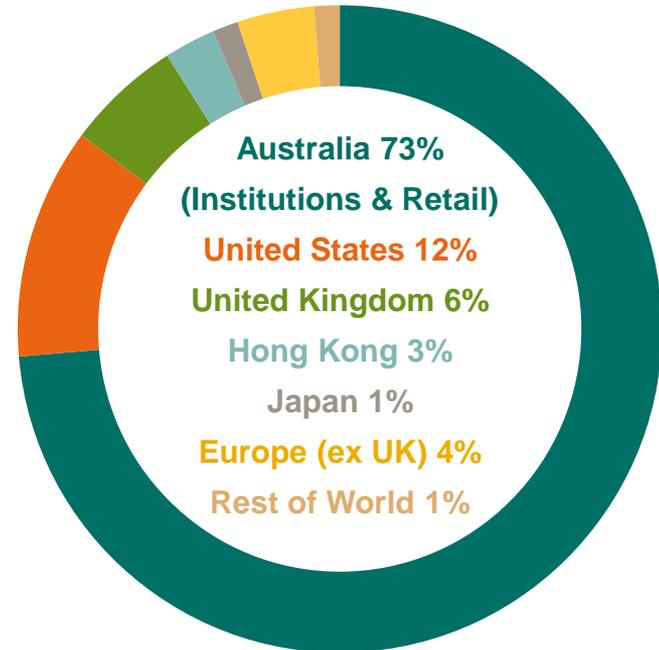
Suncorp's shareholder overview



SUN shareholders by type



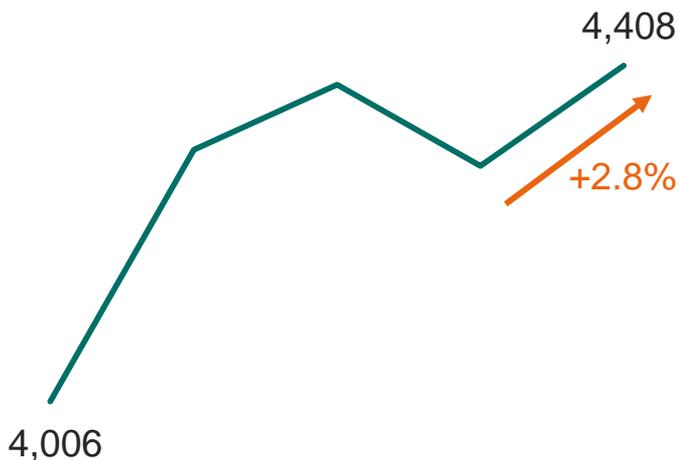
SUN shareholders by geography



Positive top line momentum of 2.9%



Personal Insurance GWP by direct channels (\$m)



Insurance

Motor GWP

Home GWP

Commercial GWP

CTP GWP

Workers Compensation and other GWP

Total GWP

Australia GWP

New Zealand GWP

Bank lending

Life in-force premium

Group growth (weighted average)

FY16 (\$m)	Change (%)
------------	------------

2,858	2.9
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2,585	1.8
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2,079	0.0
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1,215	9.2
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294	(19.0)
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9,031	1.8
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7,803	1.8
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1,228	1.9
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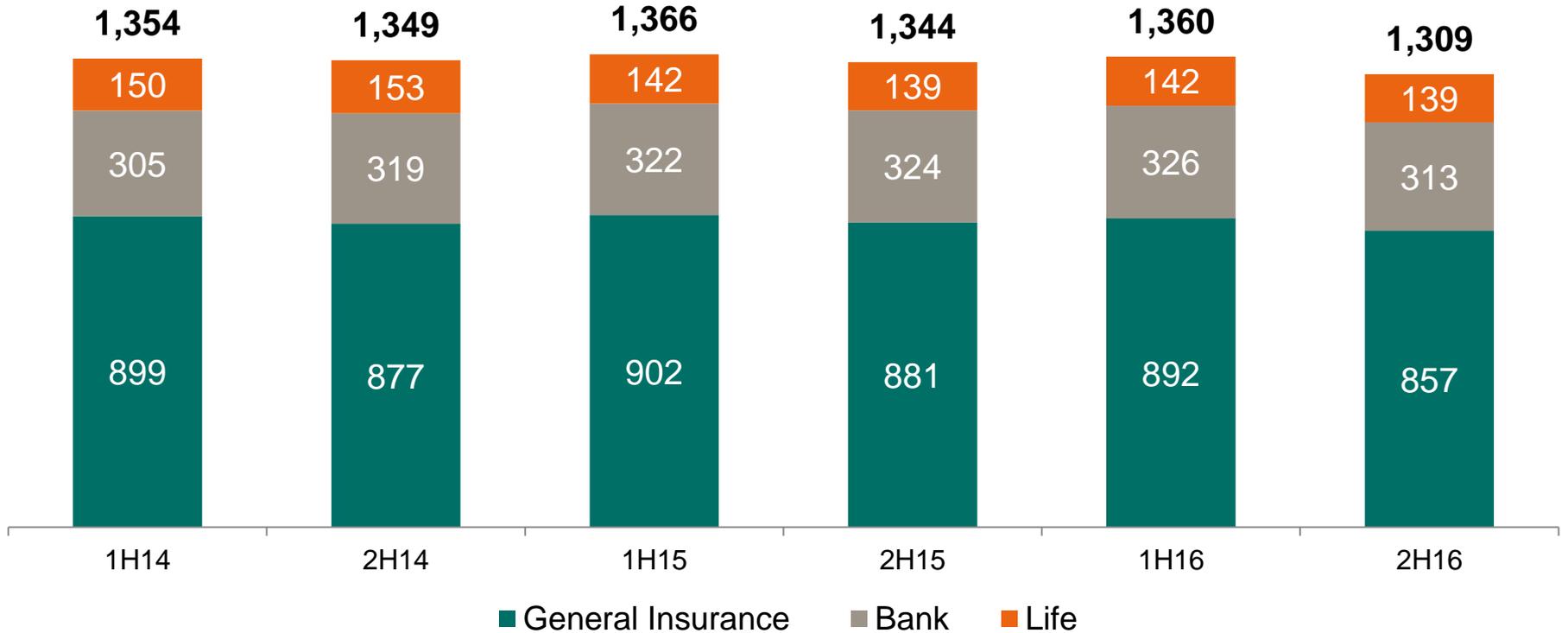
54,298	4.5
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1,032	6.4
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2.9	
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Operating expenses (\$m)

Stable over time



Capital position



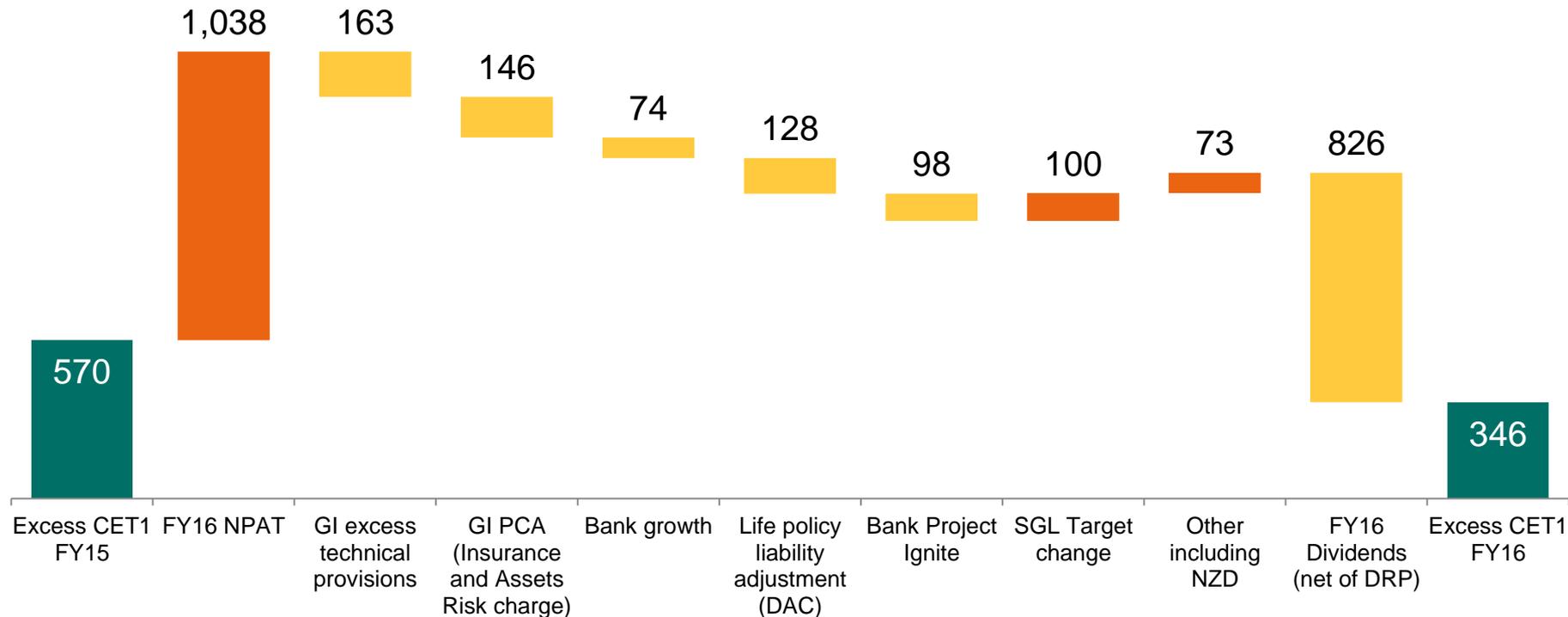
	GI ⁽²⁾	Bank ⁽²⁾	Life	SGL, Corp Services & Consol	FY16 Total	FY15 Total
CET1	2,827	2,896	467	148	6,338	6,629
CET1 Target	2,445	2,753	357	(3)	5,552	5,416
Excess to CET1 Target (pre div)	382	143	110	151	786	1,213
Group Dividend ⁽³⁾					(440)	(643)
Group Excess to CET1 Target (ex div)					346	570
CET1 Coverage Ratio ⁽¹⁾	1.21x	9.21%	1.80x			
Total Capital	3,890	4,255	567	148	8,860	9,176
Total Target Capital	3,492	3,854	419	(22)	7,743	7,555
Excess to Target (pre div)	398	401	148	170	1,117	1,621
Group Dividend ⁽³⁾					(440)	(643)
Group Excess to Target (ex div)					677	978
Capital Coverage Ratio ⁽¹⁾	1.67x	13.53%	2.18x			

⁽¹⁾ Capital ratios are expressed as coverage of the PCA for General Insurance and Life, 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⁾ Group dividend net of expected shares issued under the Dividend Reinvestment Plan.

CET1 Capital Base - FY16 movements (\$m)

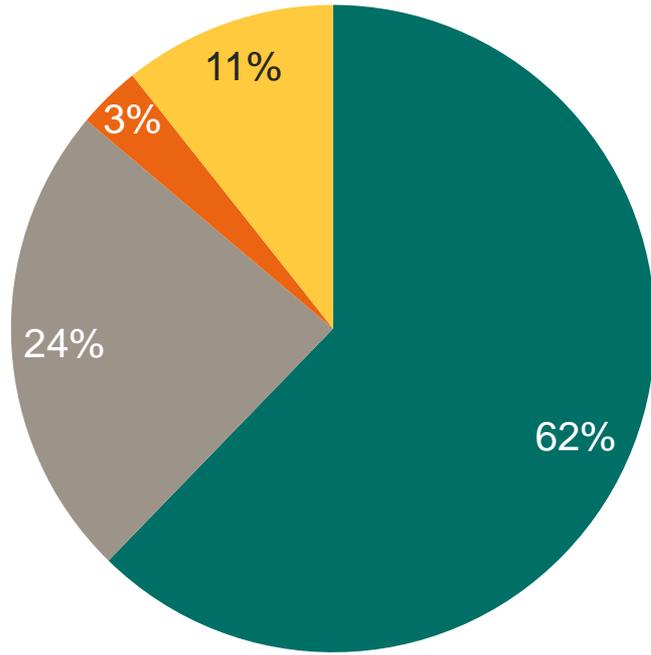


Group Risk Based Capital

Capital volatility by key risk type

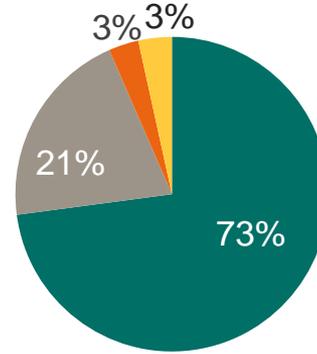


Suncorp Group

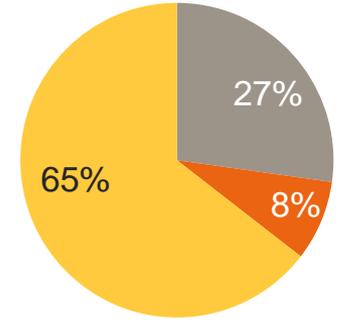


- Insurance Risk
- Operational Risk
- Market Risk
- Counterparty Credit Risk

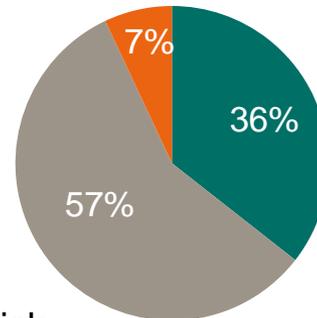
GI



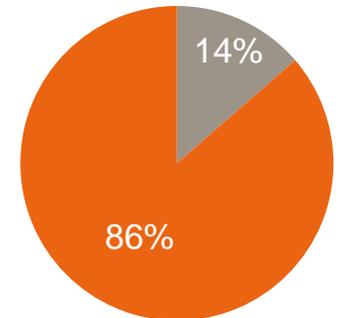
Bank



Life



Corporate



Capital instruments

Outstanding at 30 June 2016



	Semi-annual coupon rate / margin above 90 day BBSW	Optional Call / Exchange Date	Issue Date	30 JUNE 2016				Total Balance	Regulatory Capital
				GI	Bank	Life	SGL		
				\$M	\$M	\$M	\$M		
AAIL Subordinated Debt*	330 bps	Nov 2020	Nov 2015	225	-	-	-	225	225
AAIL Subordinated Debt	6.75%	Oct 2016	Oct 2006	101	-	-	-	101	108
AAIL Subordinated Debt	-	June 2017	Oct 2007	229	-	-	-	229	220
SGL Subordinated Debt	285 bps	Nov 2018	May 2013	-	670	100	-	770	770
SML FRCN	75 bps	Perpetual	Dec 1998	-	72	-	-	72	72
Total subordinated debt				555	742	100	-	1,397	1,395
SGL CPS2	465 bps	Dec 2017	Nov 2012	110	450	-	-	560	560
SGL CPS3	340 bps	June 2020	May 2014	400	-	-	-	400	400
Total Additional Tier 1 Capital				510	450	-	-	960	960
Total				1,065	1,192	100	-	2,357	2,355

Additional information is available in appendix 3 of the Analyst Pack.

During the 2015/16 financial year, AAI Limited issued \$225 million of Tier 2 capital in the form of subordinated debt.

Suncorp will continue to monitor similar opportunities across markets.

Suncorp projects key milestones



On track and delivering

Project	2H16	FY17
Motor claims	<ul style="list-style-type: none"> ✓ RepairLink rationalisation ✓ 1 new SMART site ✓ 4 SMARTPlus sites 	<ul style="list-style-type: none"> • 5 new SMART repair centres • 168,000 repairs via SMART network • Repair network rationalised
Super Simplification	<ul style="list-style-type: none"> ✓ New platform in and operational ✓ First new products released to market ✓ Progress on both product upgrade paths and migration to new platform 	<ul style="list-style-type: none"> • Simplification of 42 superannuation products to 9 • Migration of customers to new contemporary offers on new technology platform • Decommission current core superannuation system
Technology & Business Intelligence (BI)	<ul style="list-style-type: none"> ✓ 65% of total systems and applications migrated to cloud environments ✓ 10% of systems decommissioned ✓ 60% of legacy BI warehouses decommissioned ✓ Core Group Data available in one place on Suncorp Data Services (SDS) 	<ul style="list-style-type: none"> • Significant data migration into Cloud environment • Majority of system and legacy BI warehouse decommission complete • BI self service on the Cloud available to the wider workforce for analysis/reporting/modelling
Banking platform	<ul style="list-style-type: none"> ✓ Continue roll-out to Store network ✓ Deposit and Transactions accounts ✓ Integration with broker management systems ✓ Product migration ✓ Collateral legacy system decommissioning 	<ul style="list-style-type: none"> • Origination and servicing of Term Deposits, Transactions and Savings Accounts • Merchant management system • Data and product migration • Continue decommissioning of legacy systems
GI Legacy Simplification Program	<ul style="list-style-type: none"> ✓ Workers' compensation launched via new broker platform – Vero Edge ✓ 100% Workers' compensation underwritten new business transacted on strategic platform 	<p>Focus on intermediated business deliveries including;</p> <ul style="list-style-type: none"> • Vero – Motor, Profin, Property, Packages • Extension of Corporate Partners in NZ <ul style="list-style-type: none"> • 80% GWP on strategic platform • 70% Legacy platform decommissioning complete (9 of 13 systems) • 100% CI SME new business transacted on strategic platform
Real estate	<ul style="list-style-type: none"> ✓ Reduce Sydney real estate footprint 	<ul style="list-style-type: none"> • Preparing to optimise real estate footprint across Australia and New Zealand

SUNCORP GROUP LIMITED
ABN 66 145 290 124
DATA PACK
RELEASE DATE 4 AUGUST 2016



Financial results for the full year ended 30 June 2016

Create a better today



General Insurance

General Insurance

P&L



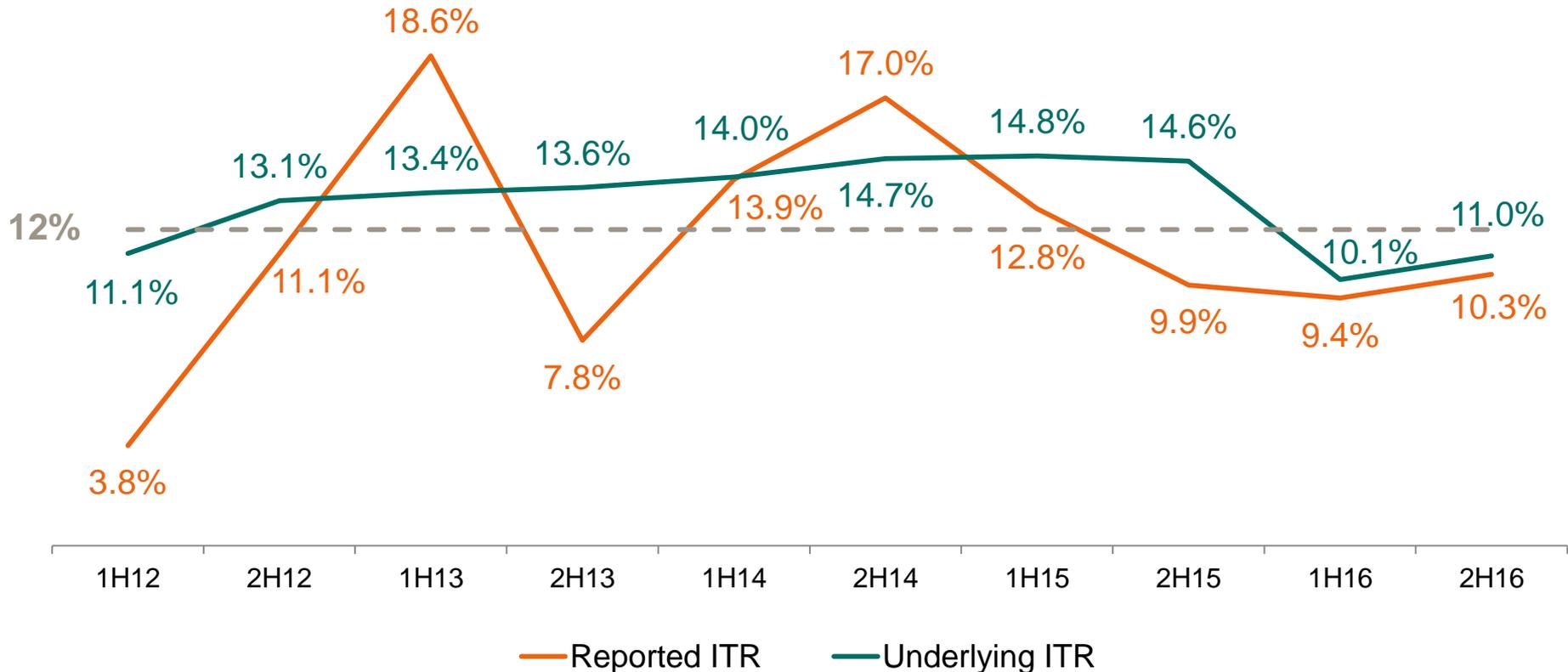
	FY16 (\$m)	FY15 (\$m)	Change (%)
GWP	9,031	8,872	1.8
Net earned premium	7,938	7,865	0.9
Net incurred claims	(5,661)	(5,587)	1.3
Operating expenses	(1,749)	(1,783)	(1.9)
Underwriting result	528	495	6.7
Investment income - insurance funds	254	399	(36.3)
Insurance trading result	782	894	(12.5)
Investment income - shareholder funds	101	163	(38.0)
Managed schemes, JVs and funding costs	(8)	3	n/a
Income tax	(251)	(304)	(17.4)
NPAT	624	756	(17.5)

Key highlights

- GWP growth across all business units resulting in solid underlying growth
- Underlying ITR of 10.6%
- Operating expenses ratio of 22.0%
- Impacted by lower investment returns and MTM adjustments
- Reserve releases of \$347m or 4.4% of NEP

General Insurance underlying and reported ITR

Impacted by claims inflation and lower investment yields

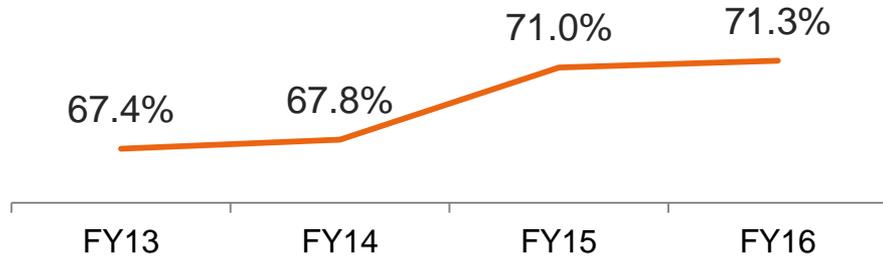


General Insurance

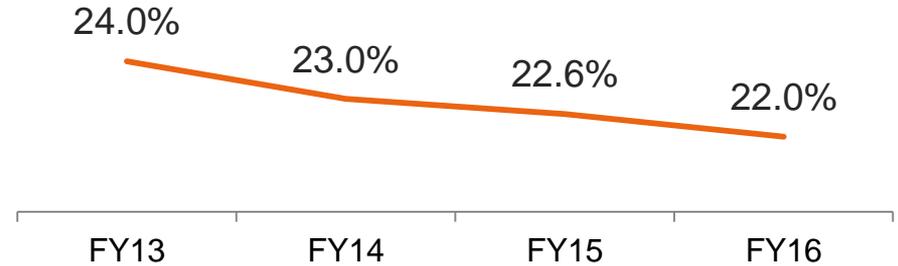
Key ratios



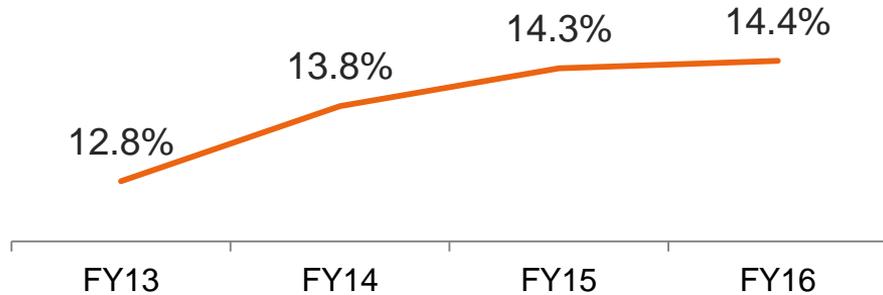
Loss ratio



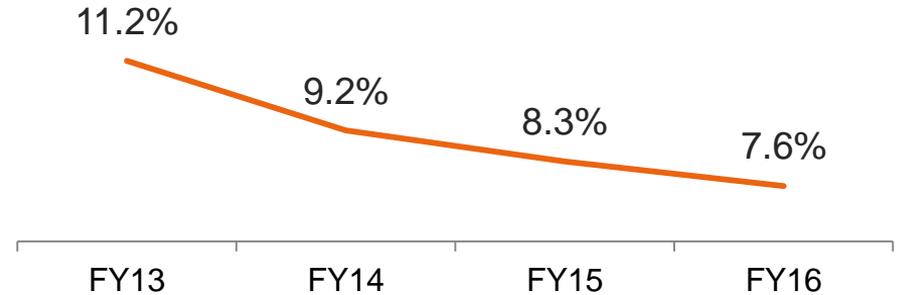
Total operating expenses ratio



Acquisition expenses ratio



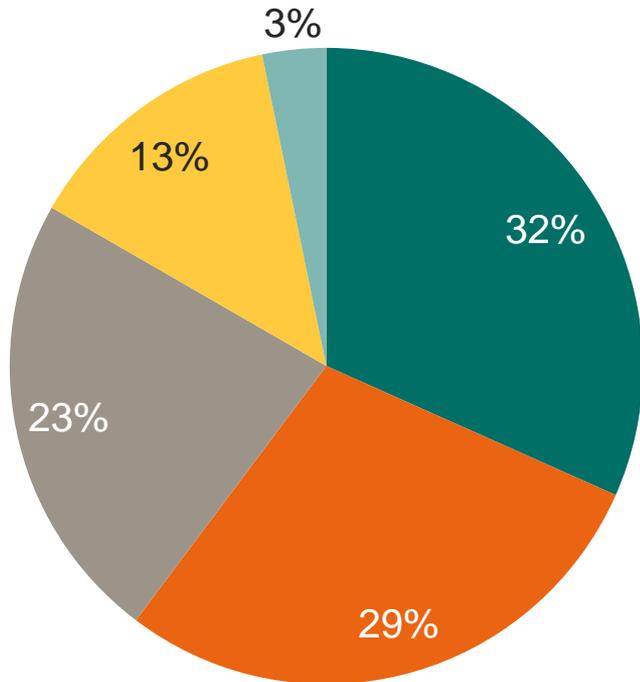
Other underwriting expenses ratio



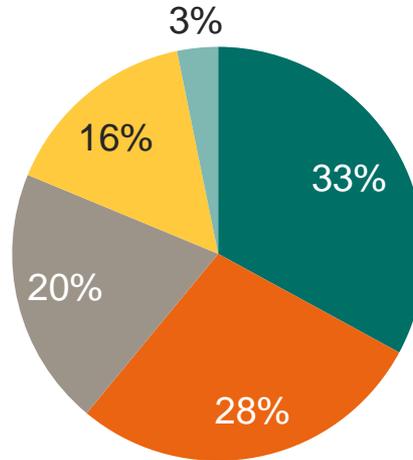
General Insurance

Total GWP of \$9.0 billion - by product

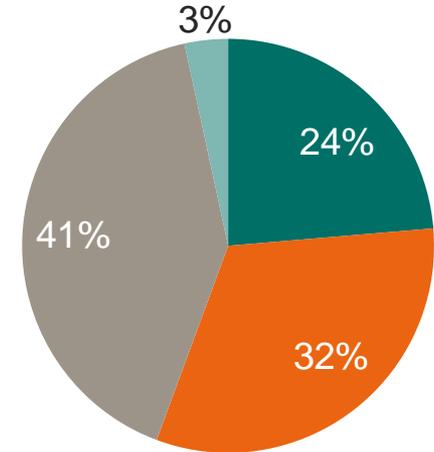
Total GI portfolio



Australia \$7.8 billion



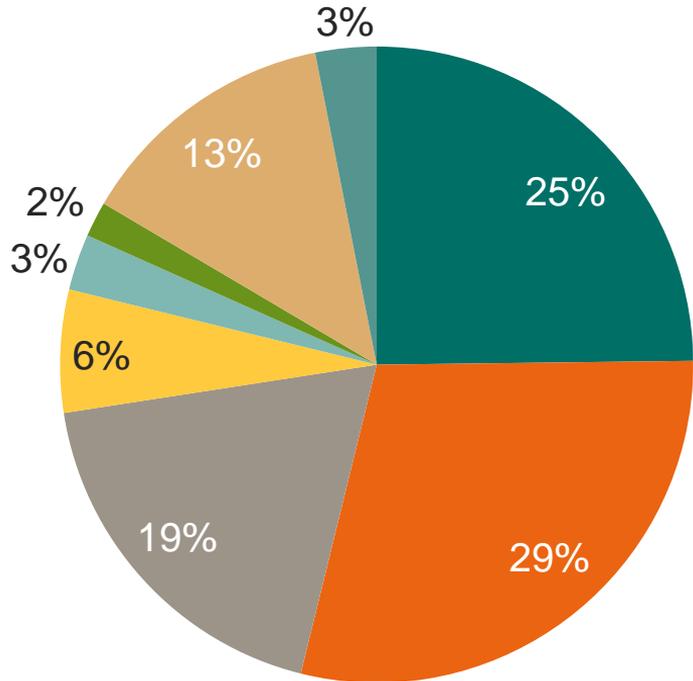
New Zealand \$1.2 billion



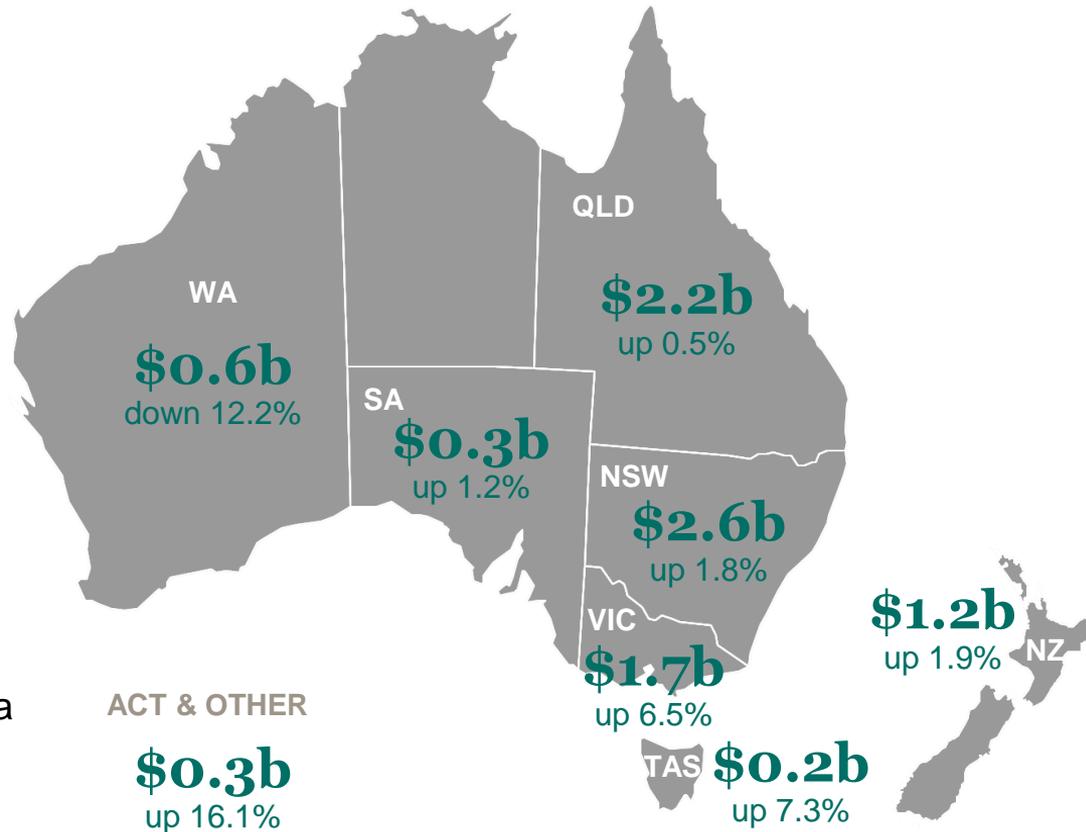
- Motor
- Home
- Commercial
- CTP
- Workers compensation & other

General Insurance

Total GWP of \$9.0 billion - by geography



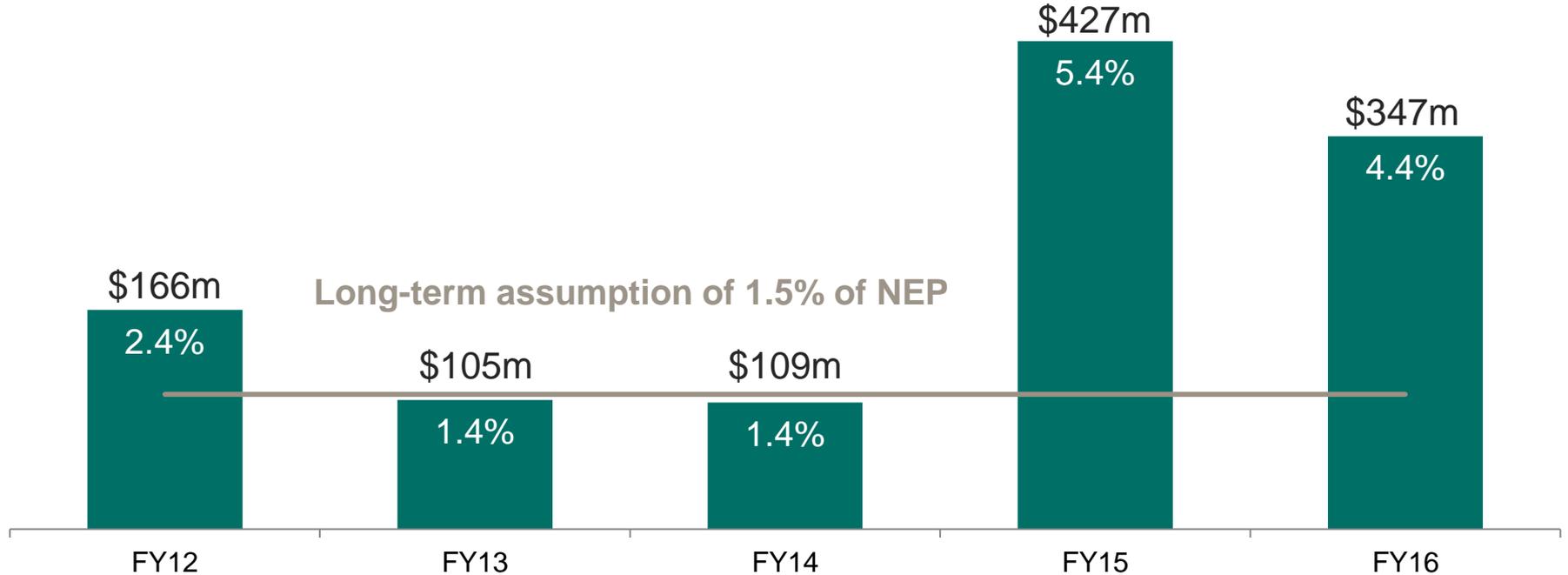
- Queensland
- New South Wales
- Victoria
- Western Australia
- South Australia
- Tasmania
- New Zealand
- ACT & Other



General Insurance reserve releases



Conservative assumptions and proactive long-tail claims management



General Insurance reserve releases

Continued releases

**Building Blocks
delivered one
claims system**

**Simplification
reduced legal
costs**

**Management
have reduced
settlements and
duration**

**Benign wage
and
superimposed
inflation**

**Optimised
claims
processes**

Reserve releases well above 1.5% of NEP

General Insurance

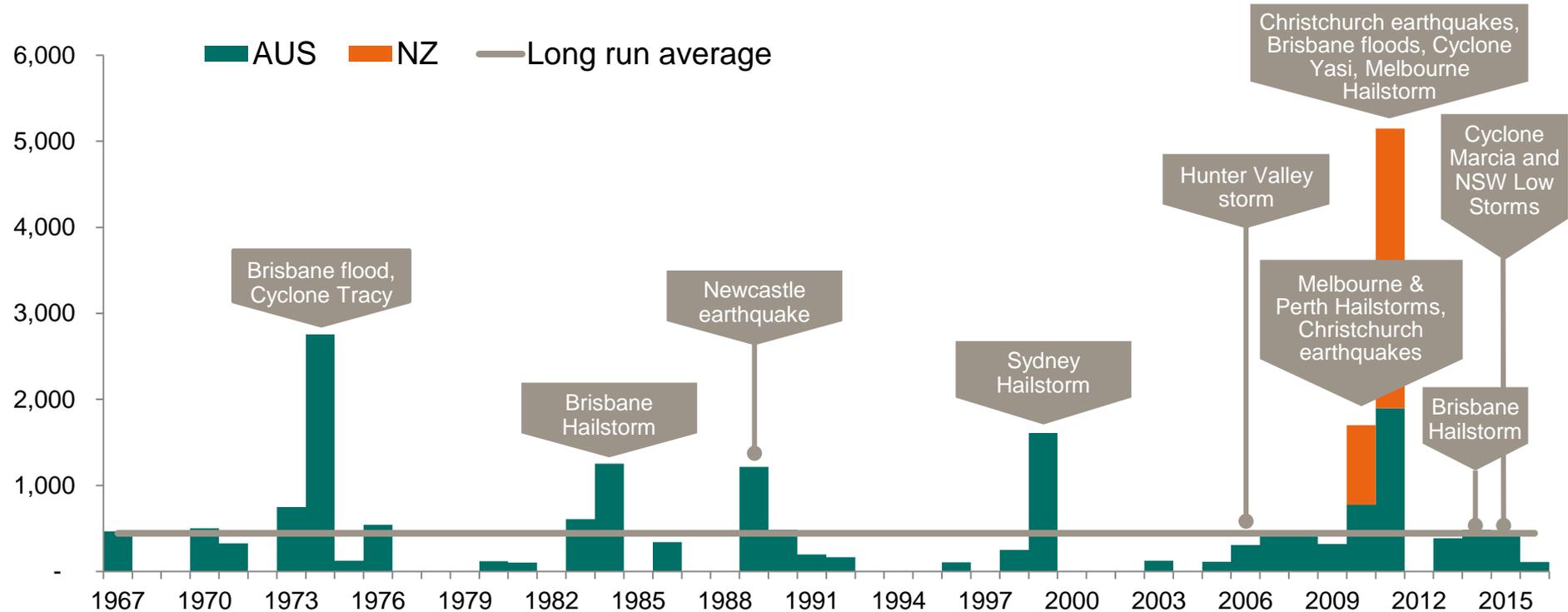


FY16 natural hazards

Date	Event	Net costs (\$m)
Aug 2015	South Coast NSW and Sydney Storms	29
Sep 2015	NSW Central Coast Hail	21
Oct 2015	Fernvale Chinchilla Hail	41
Nov 2015	Sunnybank Hail	15
Nov 2015	Darling Downs Storms	23
Dec 2015	Kurnell Tornado	57
Dec 2015	Great Ocean Road Bushfire	34
Jan 2016	Newcastle and Hunter Heavy Rain	12
Jan 2016	South Sydney Storms	26
Jan 2016	East Australia Storms	74
Jun 2016	East Coast Low #1	109
Jun 2016	East Coast Low #2	9
	Other natural hazards attritional claims (Australia)	270
	Other natural hazards attritional claims (New Zealand)	10
Total		730
	Less: allowance for natural hazards	(670)
	Natural hazards costs above allowance	60

General Insurance

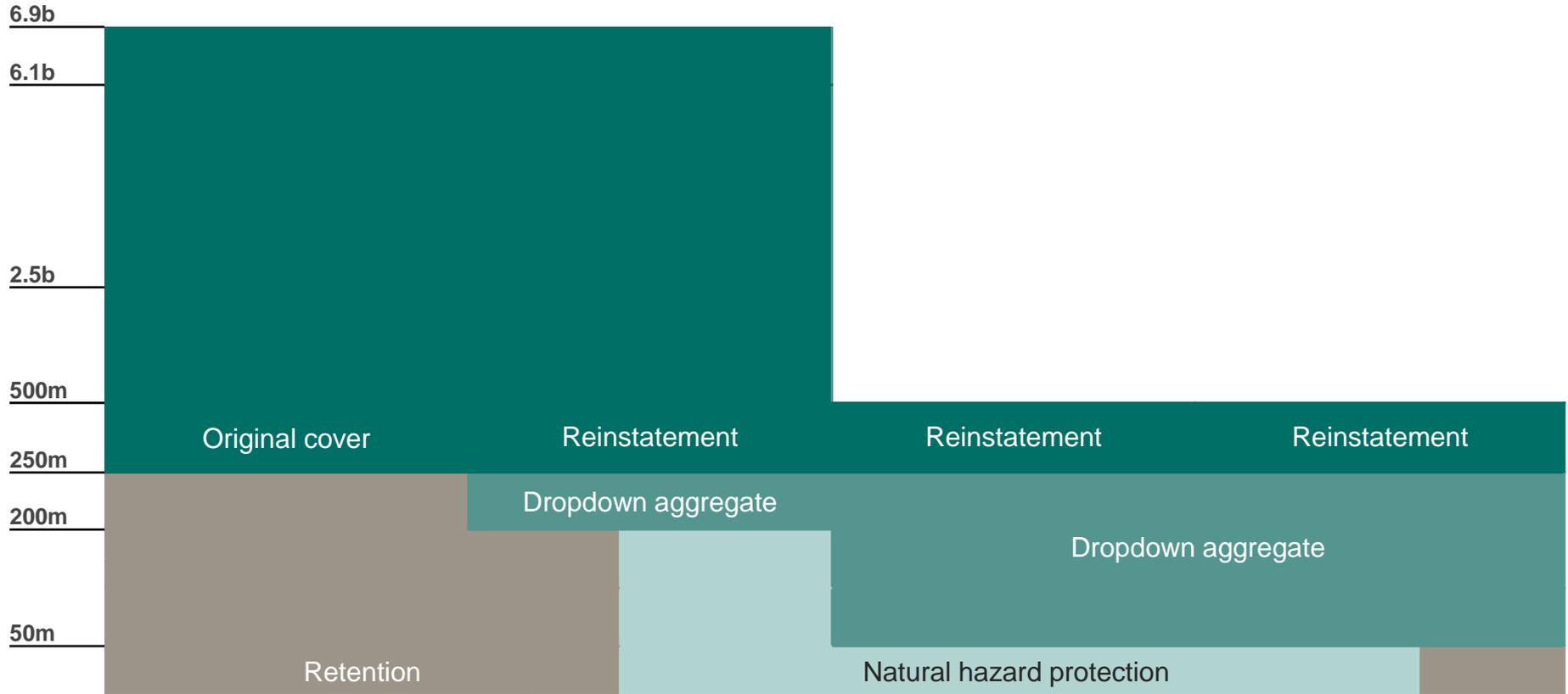
50 year history of major weather events



General Insurance FY17 reinsurance program



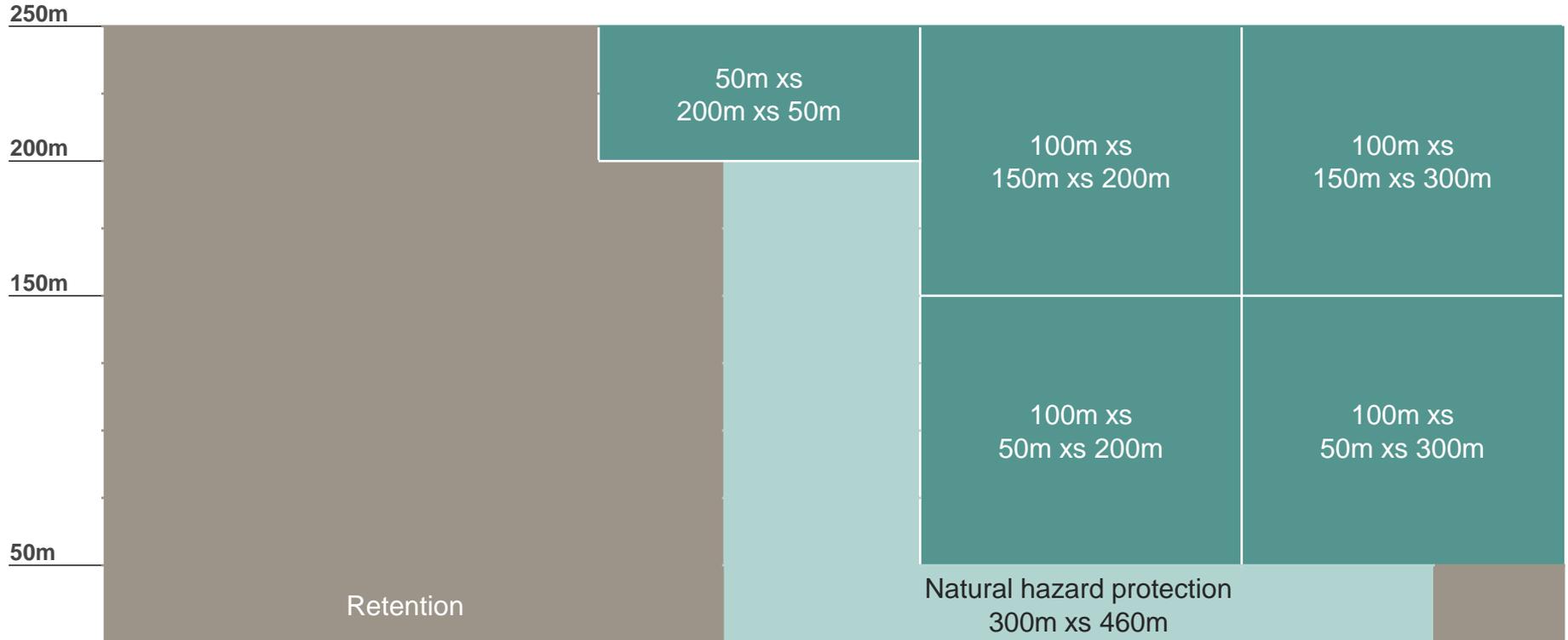
Conservative balance sheet and P&L protection



General Insurance FY17 reinsurance program



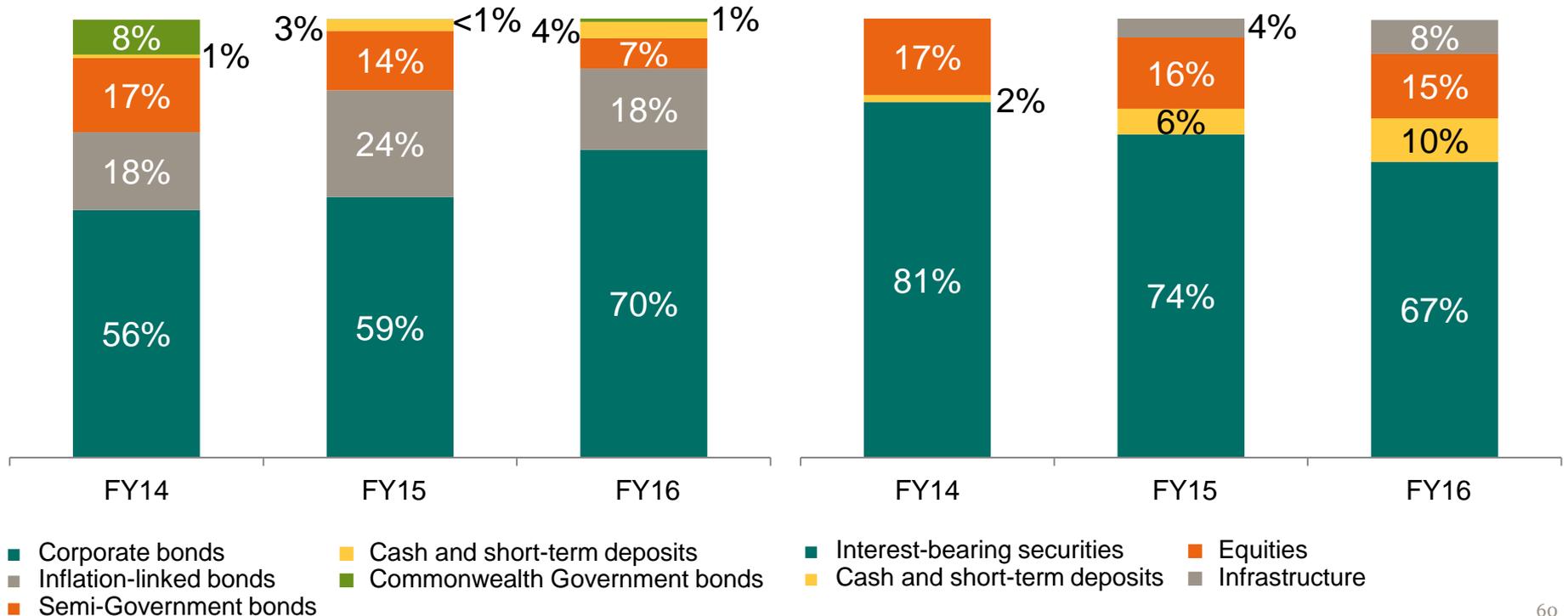
Drop-down aggregate program fully placed and \$300 million of natural hazard protection



General Insurance investment asset allocation

Insurance funds \$9.8 billion

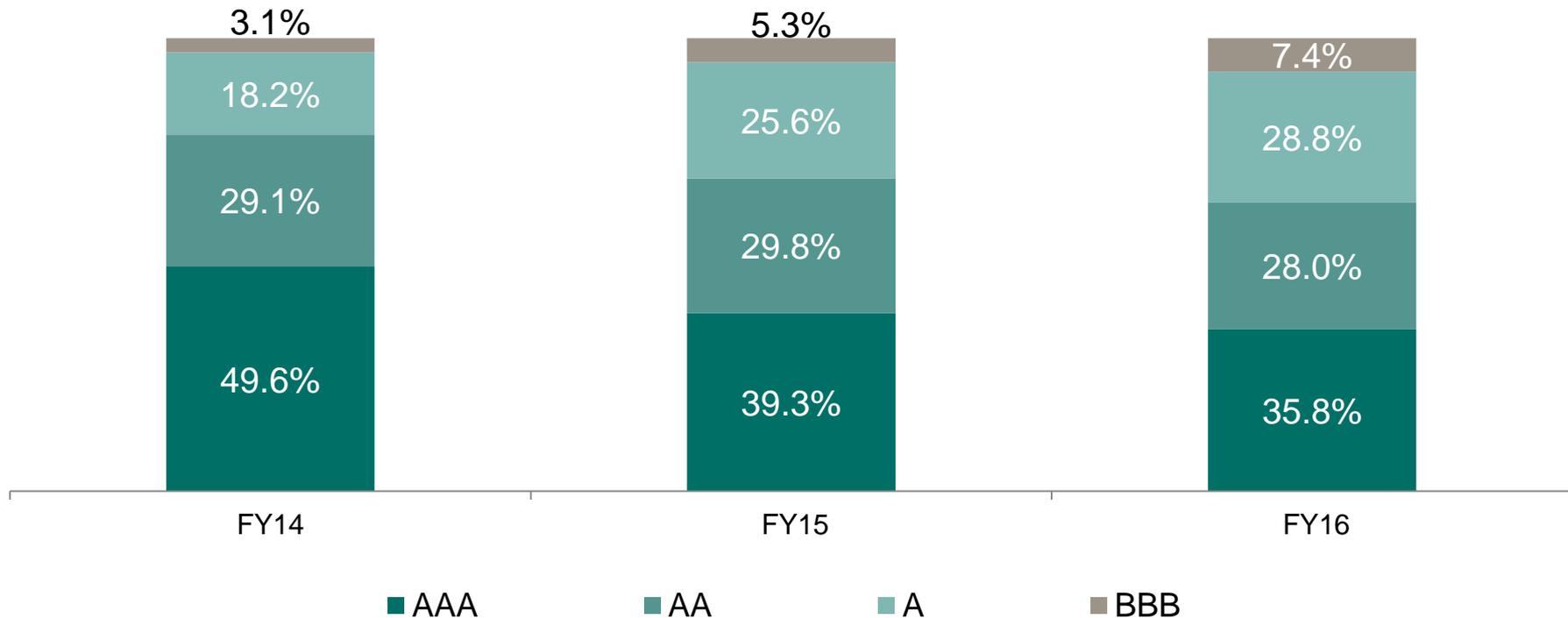
Shareholders' funds \$2.9 billion



General Insurance investment asset credit quality



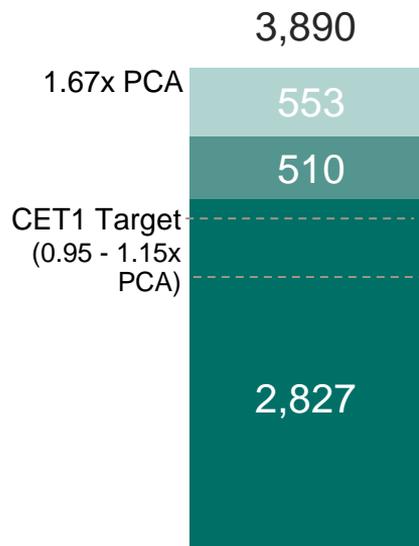
Fixed income holdings in Insurance and Shareholders' funds



General Insurance capital

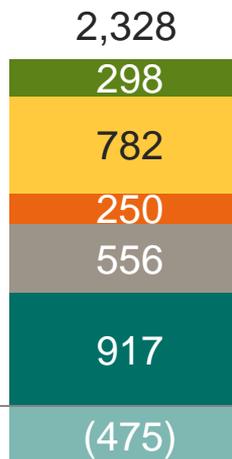


Total capital



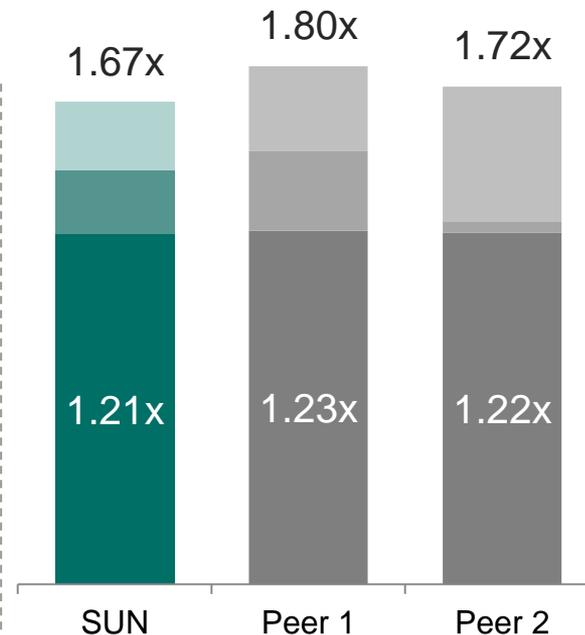
- Common Equity Tier 1
- Additional Tier 1
- Tier 2

Prescribed Capital Amount (PCA)



- Outstanding claims risk
- Premium liabilities risk
- Insurance concentration risk
- Asset risk
- Operational risk
- Aggregation benefit

Capital ratios vs Peers



- Common Equity Tier 1
- Additional Tier 1
- Tier 2



Personal Insurance



Personal Insurance

P&L



	FY16 (\$m)	FY15 (\$m)	Change (%)
GWP	4,787	4,713	1.6
Net earned premium	4,242	4,275	(0.8)
Net incurred claims	(3,219)	(3,253)	(1.0)
Acquisition expenses	(487)	(479)	1.7
Other underwriting expenses	(278)	(327)	(15.0)
Total operating expenses	(765)	(806)	(5.1)
Underwriting result	258	216	19.4
Investment income – insurance funds	(1)	53	n/a
Insurance trading result	257	269	(4.5)

Key highlights

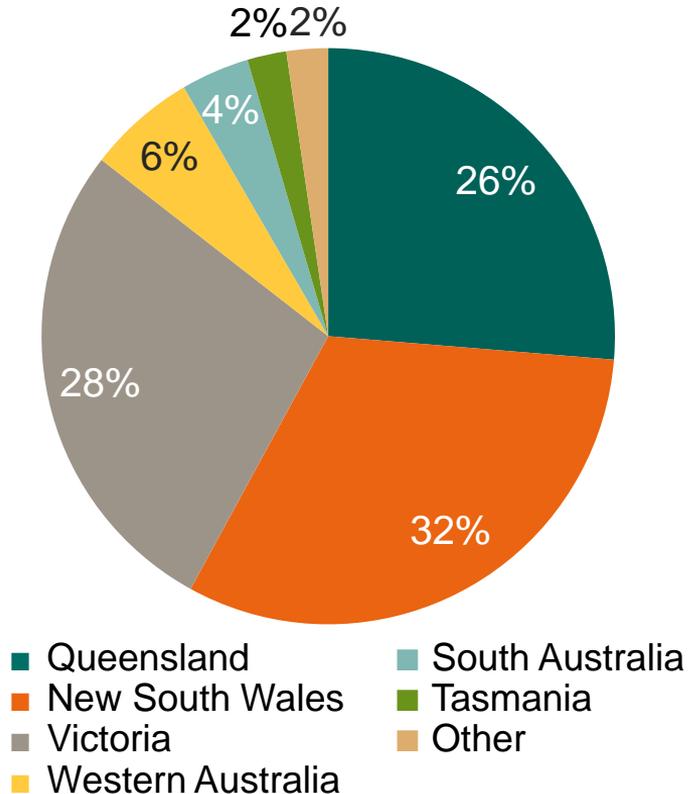
- 1.6% GWP growth in a competitive market
- Direct channels achieved premium increases with flat unit growth
- Additional resource deployed to rectify increase in working claims costs
- Total operating expenses ratio improved to 18.1%

Personal Insurance

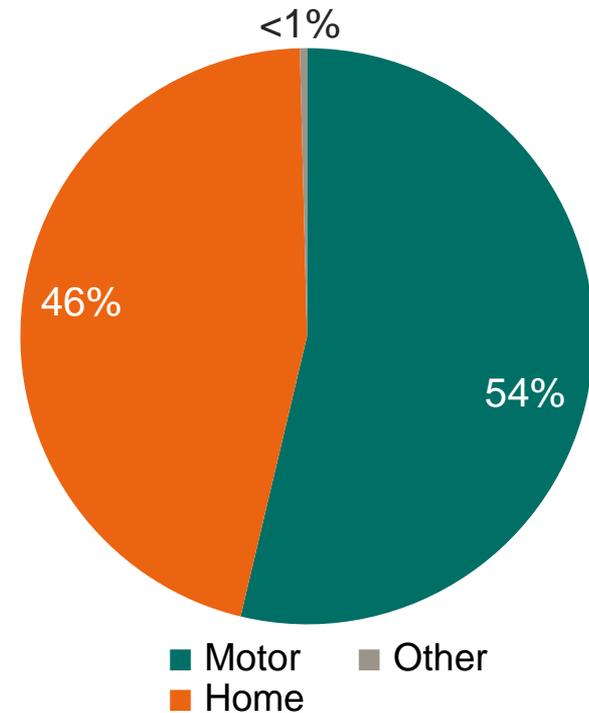
\$4.8 billion total GWP



Portfolio by geography



Portfolio by product

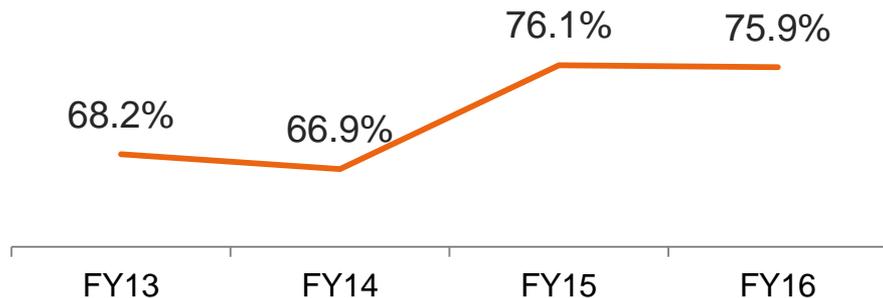


Personal Insurance

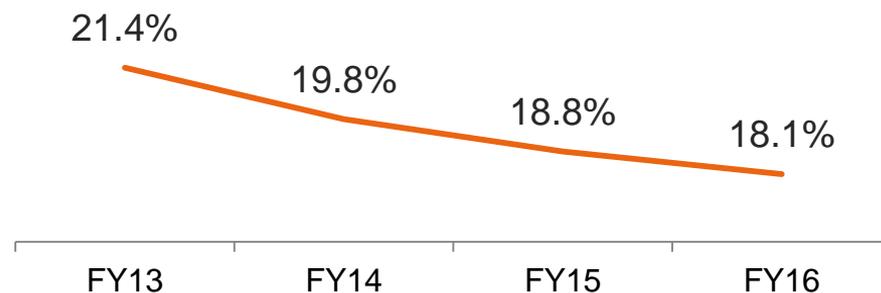


Key ratios

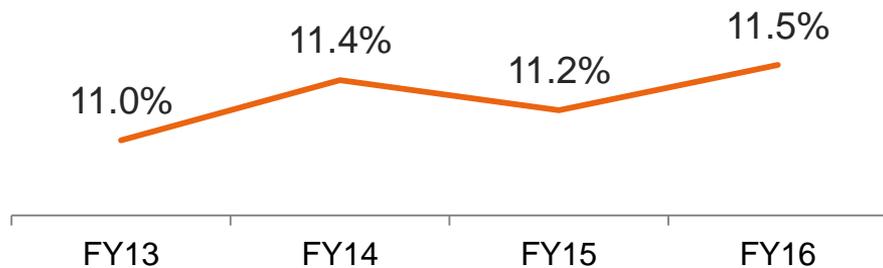
Loss ratio



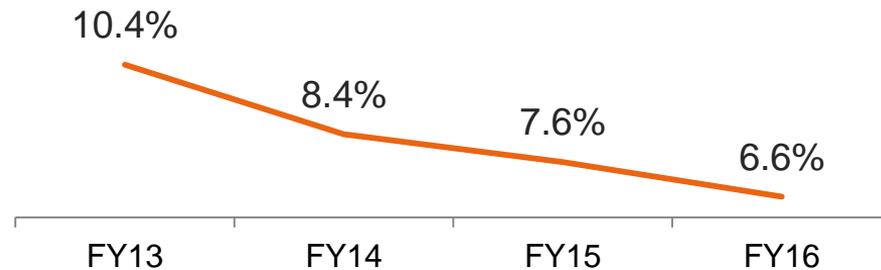
Total operating expenses ratio



Acquisition expenses ratio

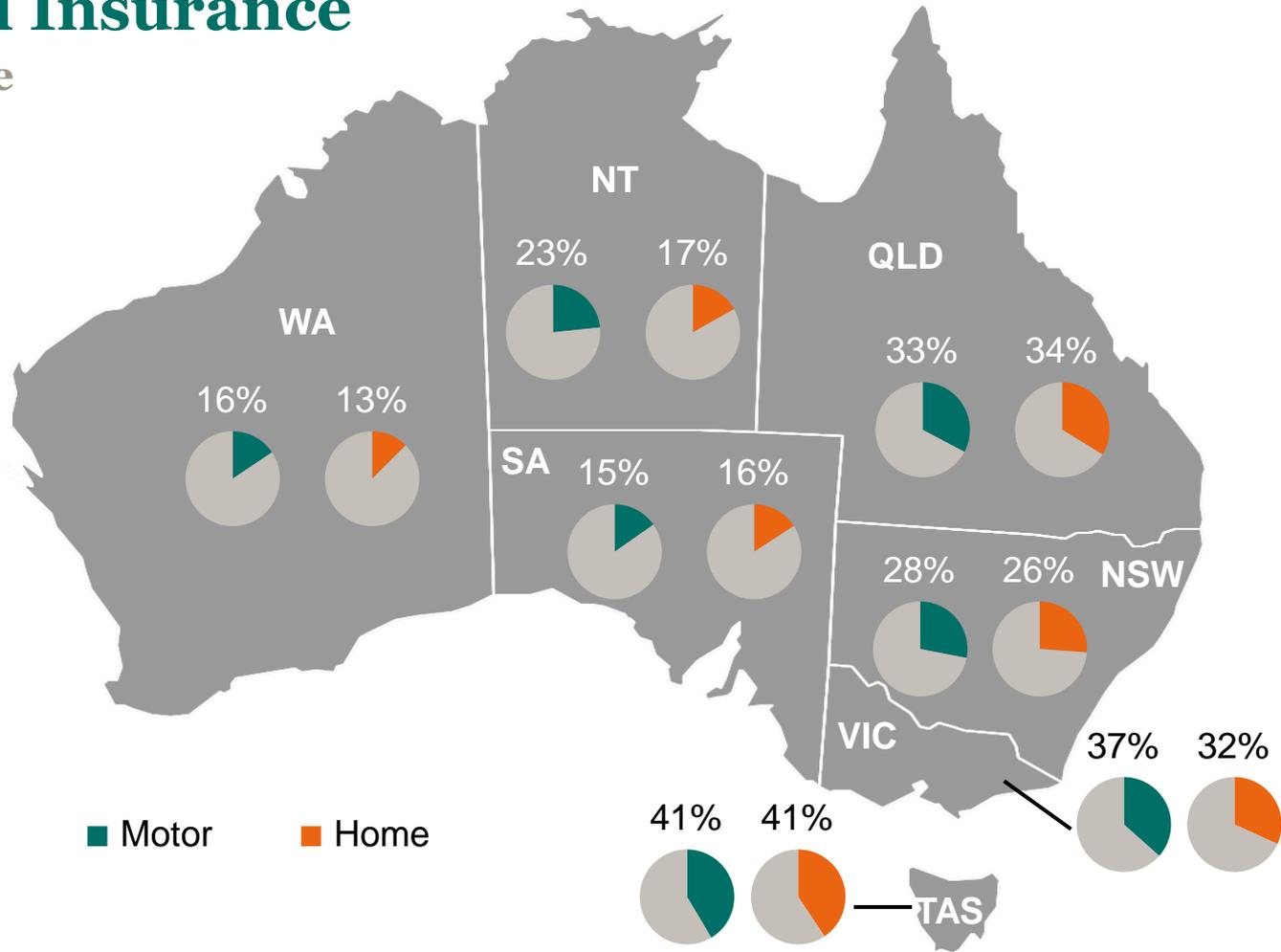


Other underwriting expenses ratio



Personal Insurance

Market share



Source: Roy Morgan data as at May 2016

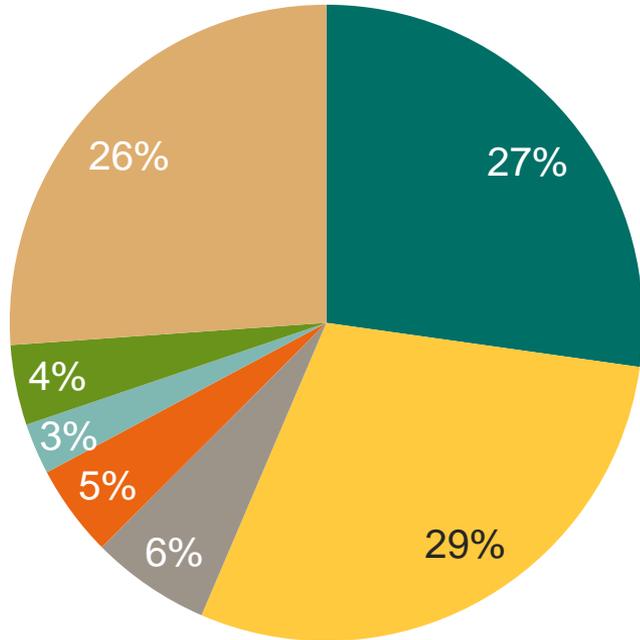
Personal Insurance

Market share



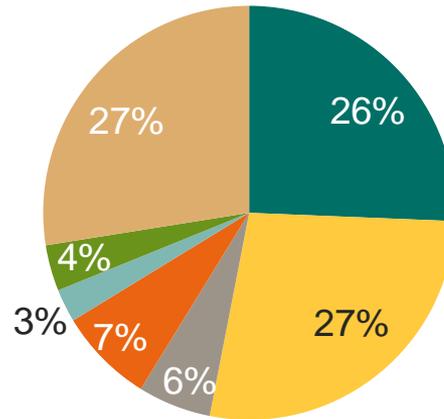
Total portfolio

\$17.0 billion



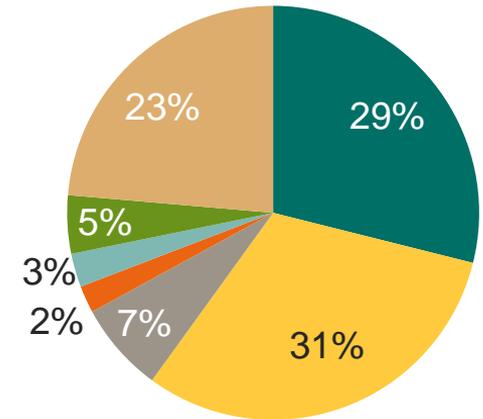
Home

\$8.2 billion



Motor

\$8.9 billion



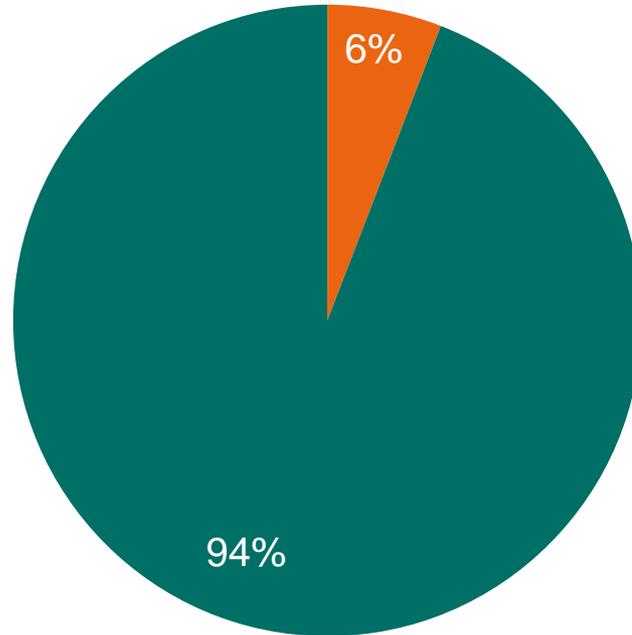
- Suncorp
- Peer 1
- Peer 2
- Peer 3

- Peer 4
- Peer 5
- Others

Source: Roy Morgan data as at May 2016

Personal Insurance

New business by distribution channel



■ Direct ■ Intermediaries



Commercial Insurance



Commercial Insurance

P&L



	FY16 (\$m)	FY15 (\$m)	Change (%)
GWP	3,016	2,954	2.1
Net earned premium	2,651	2,620	1.2
Net incurred claims	(1,880)	(1,810)	3.9
Acquisition expenses	(419)	(415)	1.0
Other underwriting expenses	(227)	(238)	(4.6)
Total operating expenses	(646)	(653)	(1.1)
Underwriting result	125	157	(20.4)
Investment income – insurance funds	237	321	(26.2)
Insurance trading result	362	478	(24.3)

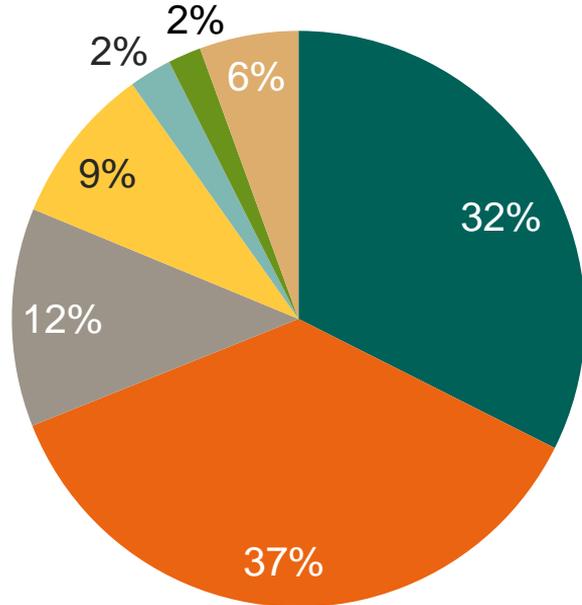
Key highlights

- 2.1% GWP growth due to disciplined growth in selected product lines
- CTP delivered strong growth, most notably in NSW and ACT
- Long-tail reserve releases of \$416m
- Total operating expenses ratio improved to 24.4%

Commercial Insurance

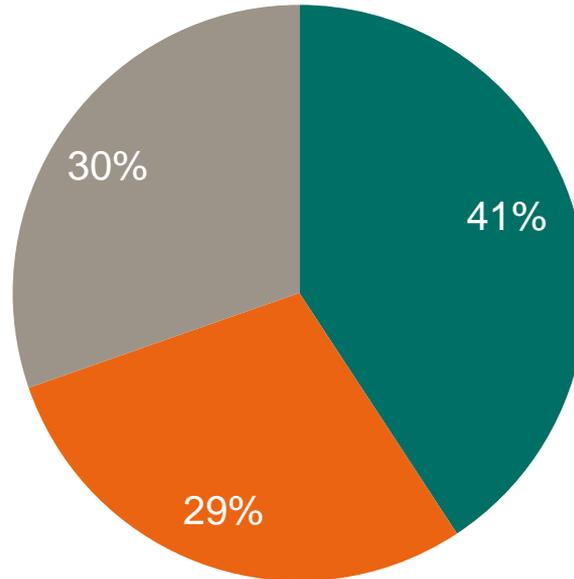
\$3.0 billion total GWP

Portfolio by geography



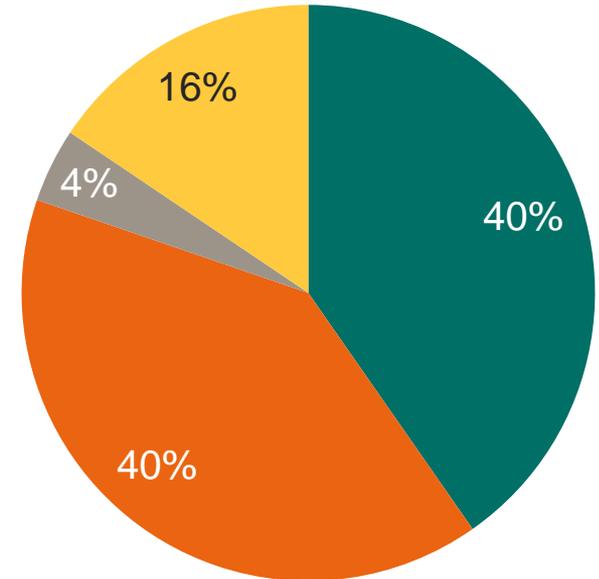
- Queensland
- New South Wales
- Victoria
- Western Australia
- South Australia
- Tasmania
- ACT & Other

Non-statutory portfolio \$1.6 billion



- Commercial (SME & mid-market)
- Corporate (includes global customers)
- Specialty (includes professional services, construction, motor dealers & marine)

Statutory portfolio \$1.4 billion



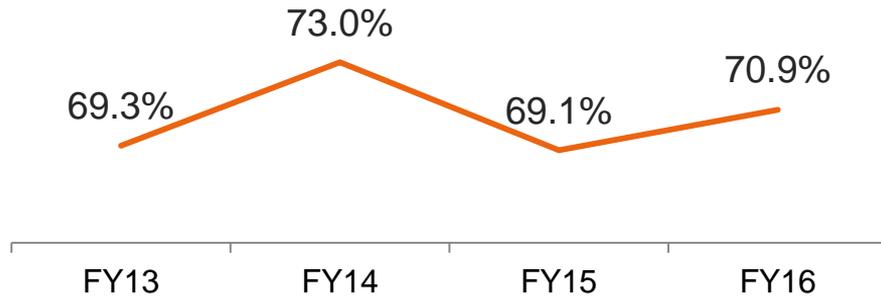
- QLD CTP
- NSW CTP
- ACT CTP
- Workers compensation

Commercial Insurance

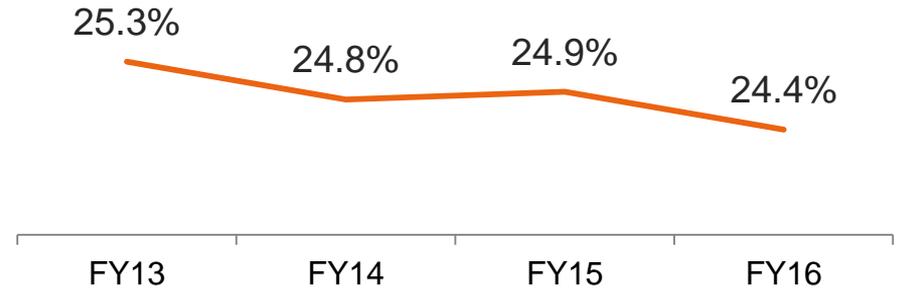


Key ratios

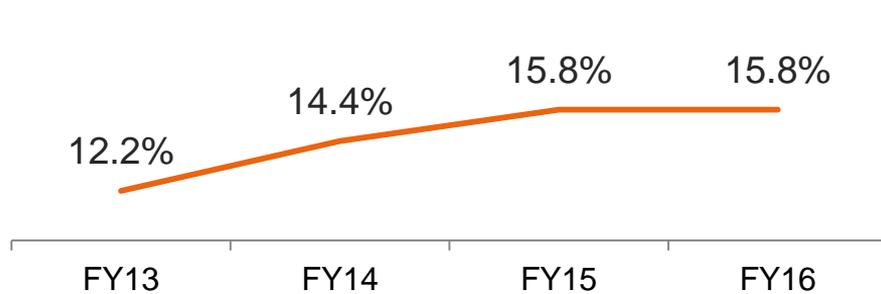
Loss ratio



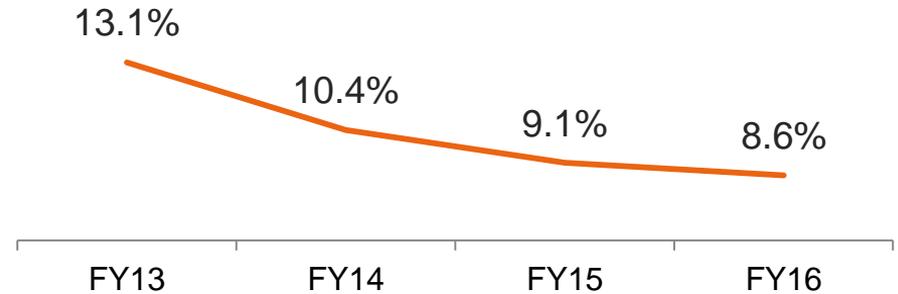
Total operating expenses ratio



Acquisition expenses ratio



Other underwriting expenses ratio

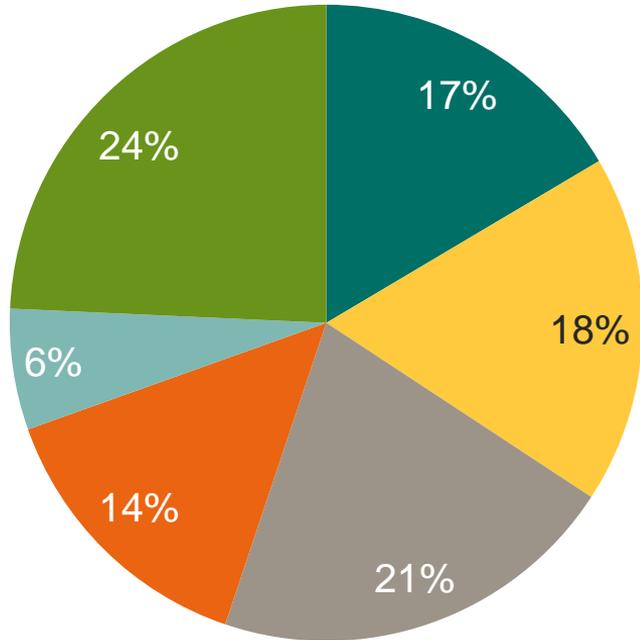


Commercial Insurance

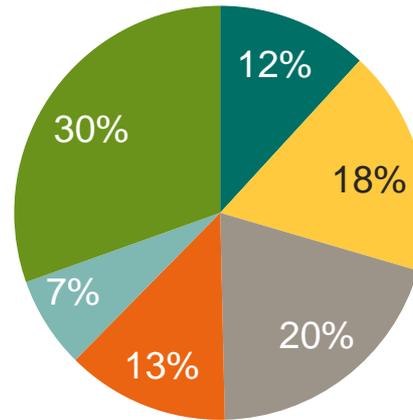
Market share



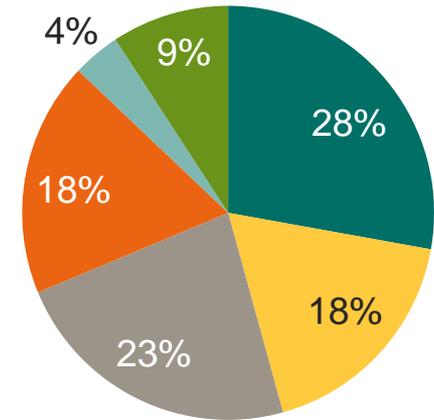
Total portfolio
\$18.2 billion



Non-statutory
\$12.9 billion



Statutory
\$5.3 billion

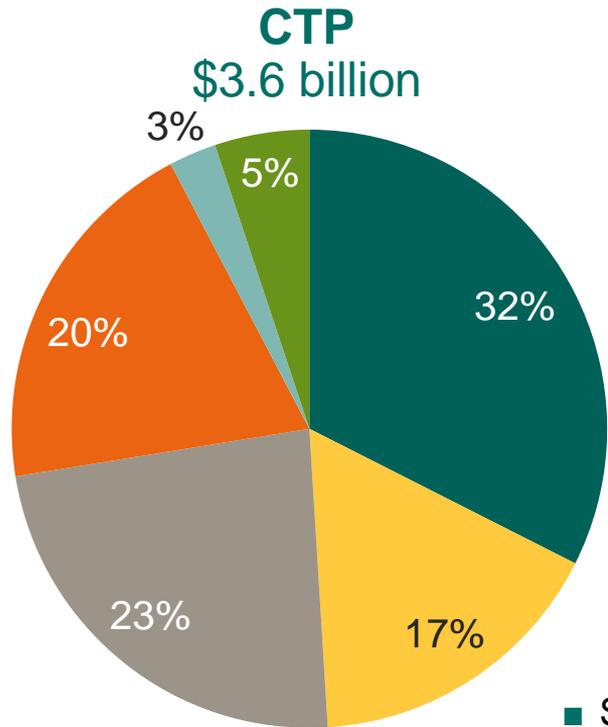


- Suncorp
- Peer 1
- Peer 2

- Peer 3
- Peer 4
- Others

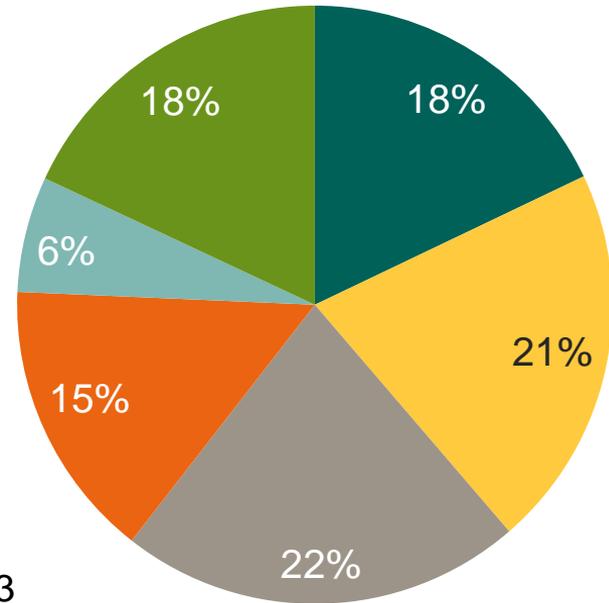
Commercial Insurance

Market share - statutory products



Workers compensation

\$1.7 billion



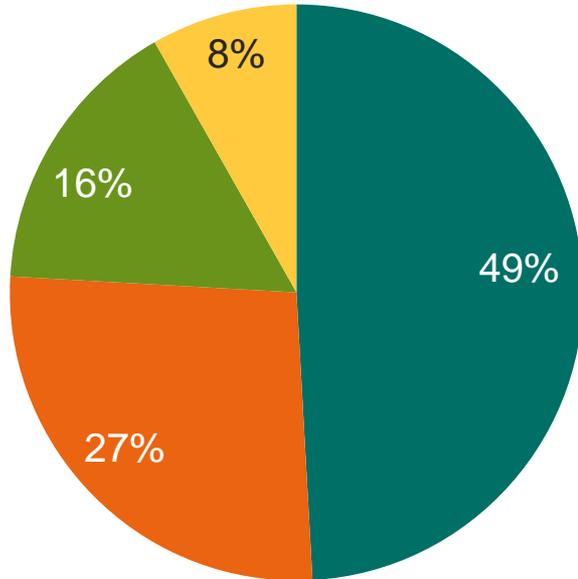
- Suncorp
- Peer 1
- Peer 2
- Peer 3
- Peer 4
- Others

Source: Latest Suncorp estimates

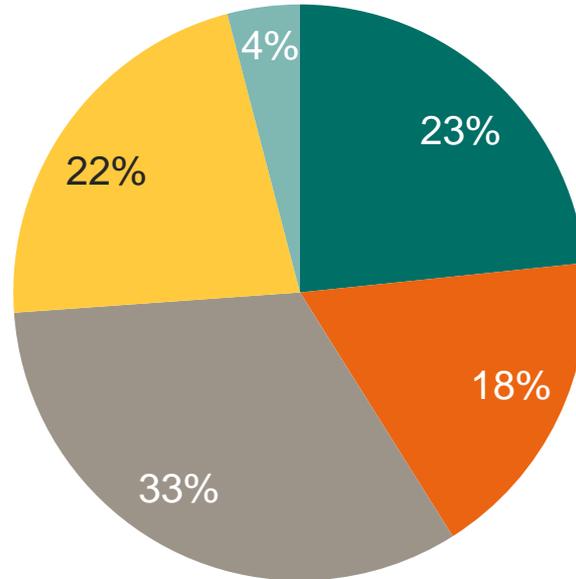
Commercial Insurance

Market share - CTP

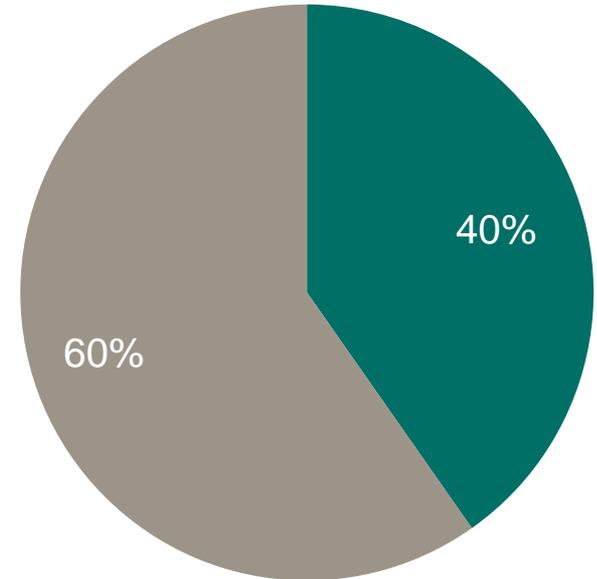
QLD
\$1.2 billion*



NSW
\$2.3 billion*



ACT
\$170 million**



- Suncorp
- Peer 1
- Peer 2
- Peer 3
- Peer 4
- Peer 5

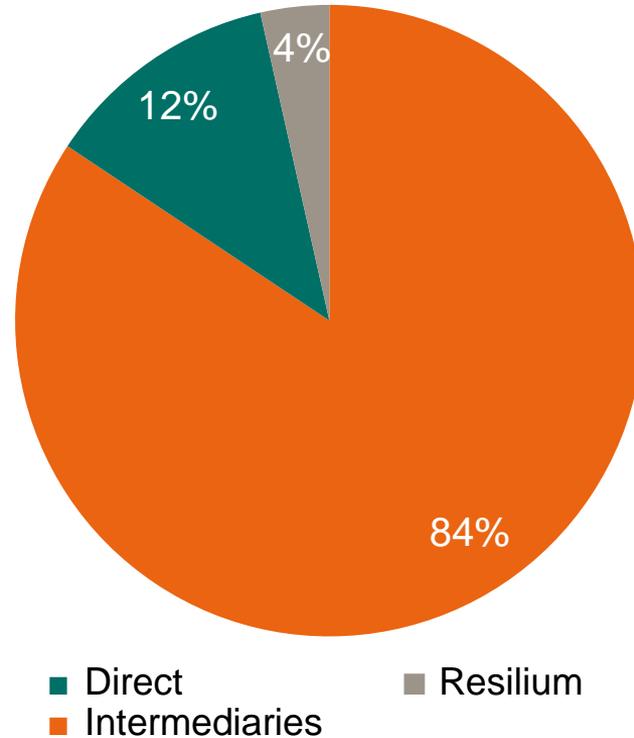
Source: State Scheme Regulators

*data as at March 2016

**data as at June 2016

Commercial Insurance

New business by distribution channel - non-statutory portfolio





New Zealand Insurance



New Zealand Insurance

P&L



	FY16 (\$m)	FY15 (\$m)	Change (%)
GWP	1,228	1,205	1.9
Net earned premium	1,045	970	7.7
Net incurred claims	(562)	(524)	7.3
Acquisition expenses	(240)	(233)	3.0
Other underwriting expenses	(98)	(91)	7.7
Total operating expenses	(338)	(324)	4.3
Underwriting result	145	122	18.9
Investment income – insurance funds	18	25	(28.0)
Insurance trading result	163	147	10.9

Key highlights

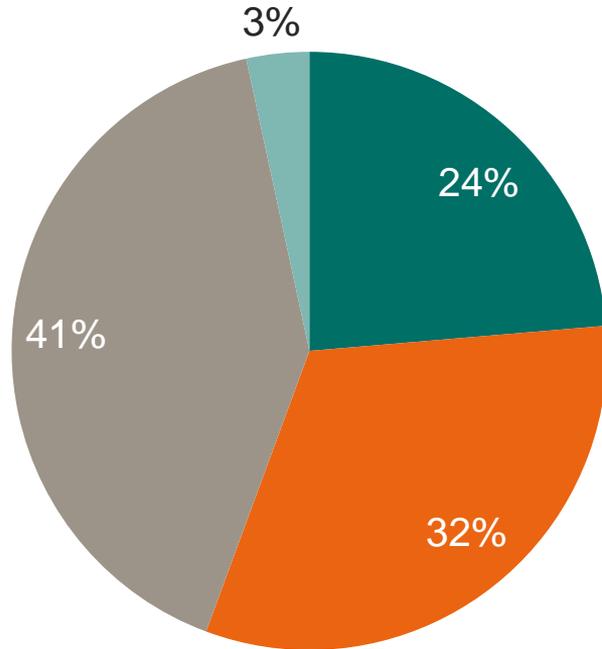
- 1.9% GWP increase as a result of strong growth across both direct and intermediated channels
- Higher NEP growth attributed to a shift in business mix requiring less reinsurance cover
- Total operating expenses ratio improved to 32.4%

New Zealand Insurance

\$1.2 billion total GWP

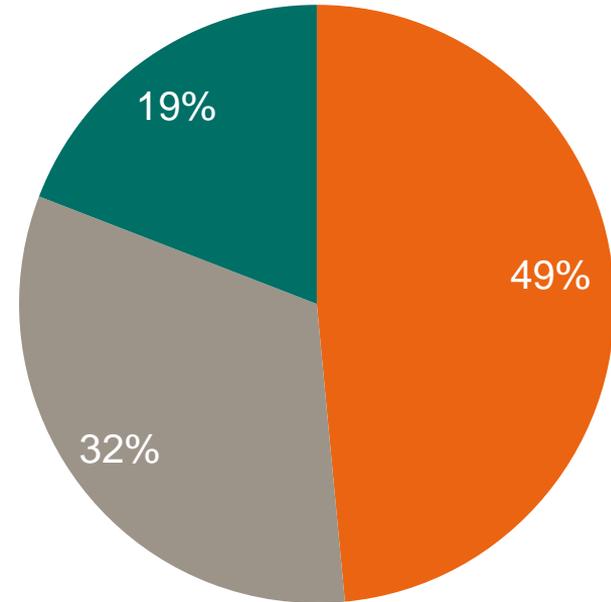


Portfolio by product



- Motor
- Home
- Commercial
- Other

Portfolio by channel



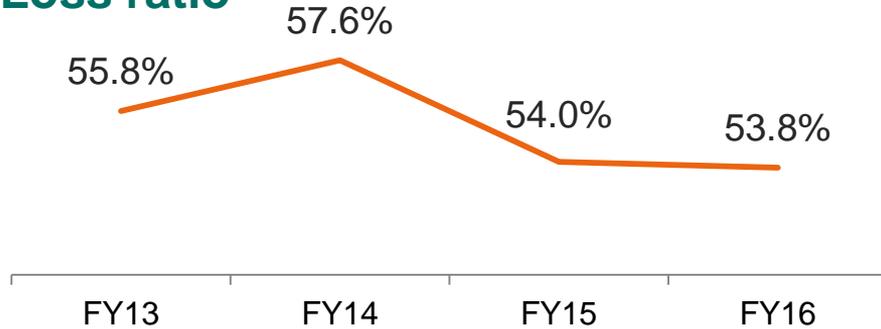
- Direct
- Brokers
- Strategic partners & financial intermediaries

New Zealand Insurance

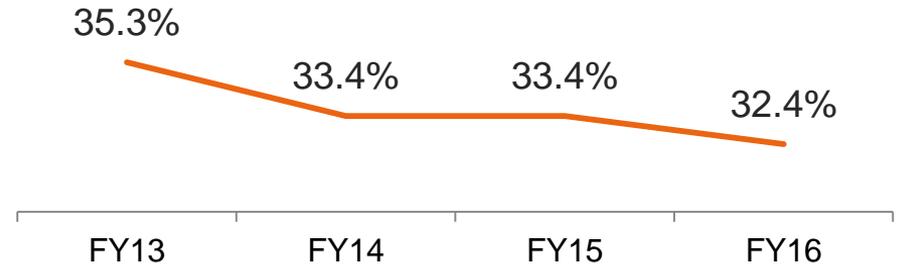


Key ratios

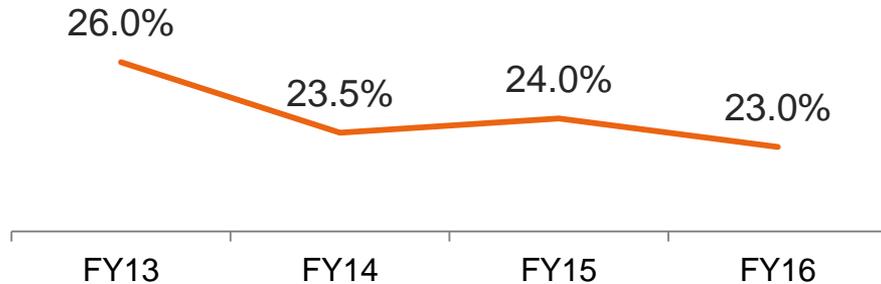
Loss ratio



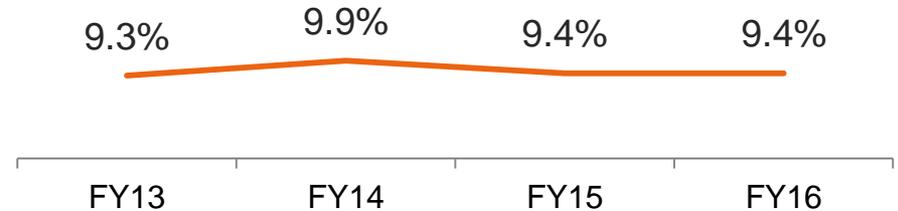
Total operating expenses ratio



Acquisition expenses ratio



Other underwriting expenses ratio

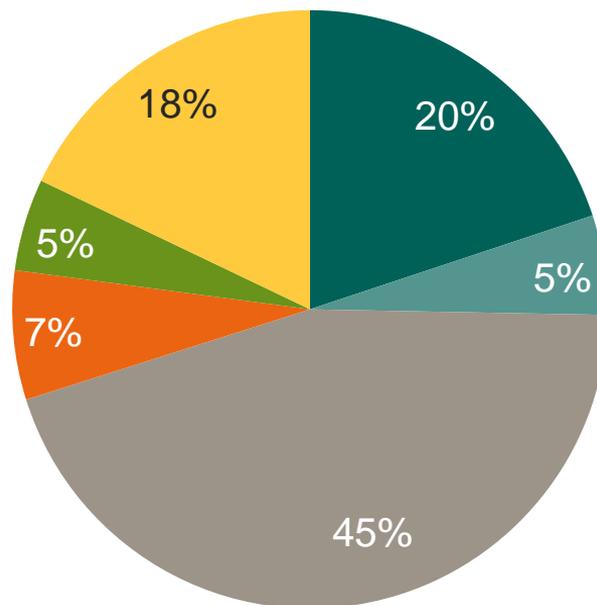


New Zealand Insurance

Market share



Total portfolio
NZ\$5.2 billion



- Vero (SUN)
- AAI (SUN)
- Peer 1
- Peer 2
- Peer 3
- Others

Source: Insurance Council New Zealand
data as at March 2016

SUNCORP GROUP LIMITED
ABN 66 145 290 124
DATA PACK
RELEASE DATE 4 AUGUST 2016



Financial results for the full year ended 30 June 2016

Create a better today



Suncorp Bank

	FY16 (\$m)	FY15 (\$m)	Change (%)
Net interest income	1,129	1,103	2.4
Net non-interest income	88	107	(17.8)
Total income	1,217	1,210	0.6
Total operating expenses	(639)	(646)	(1.1)
Profit before impairment losses on loans and advances	578	564	2.5
Impairment losses on loans and advances	(16)	(58)	(72.4)
Bank profit before tax	562	506	11.1
Income tax	(169)	(152)	11.2
NPAT	393	354	11.0

Key highlights

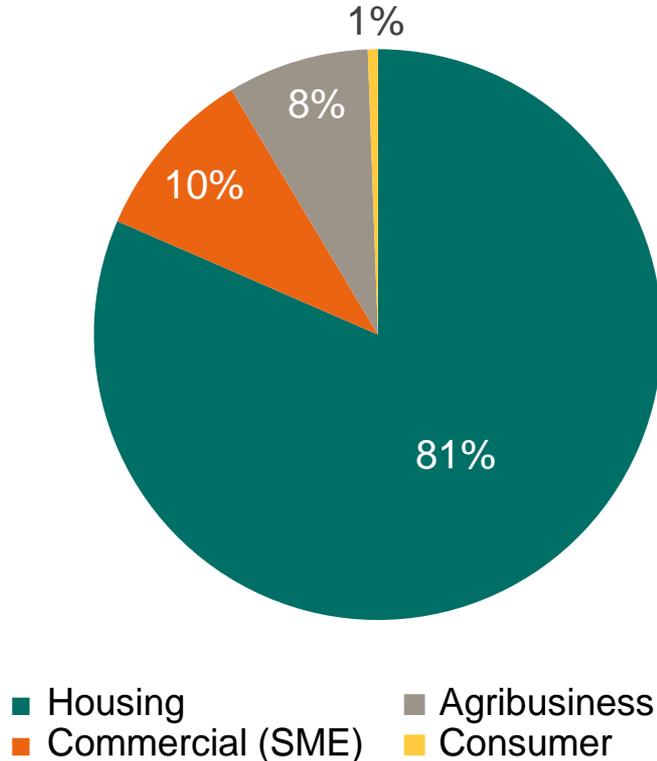
- 4.5% total lending growth
- NIM increased to 1.86%
- Cost to income ratio reduced to 52.5%
- Impairment losses reduced to 3 bps of gross loans and advances
- Ignite platform now in place

Suncorp Bank

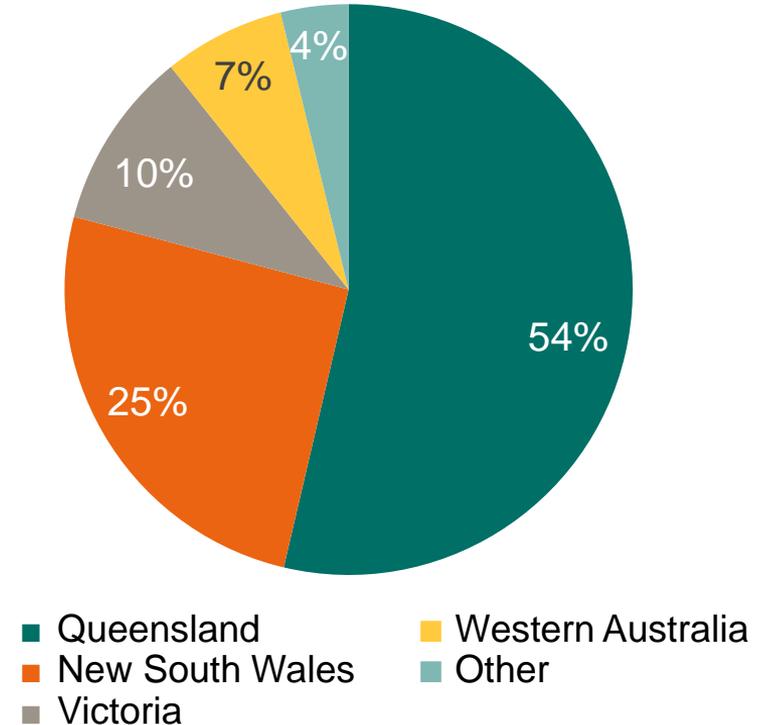
Total lending assets \$54.3 billion



Lending assets by portfolio

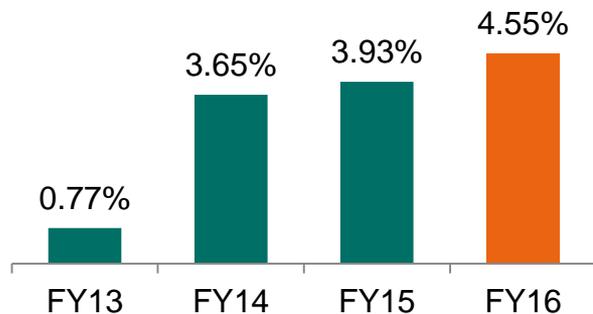


Lending assets by geography

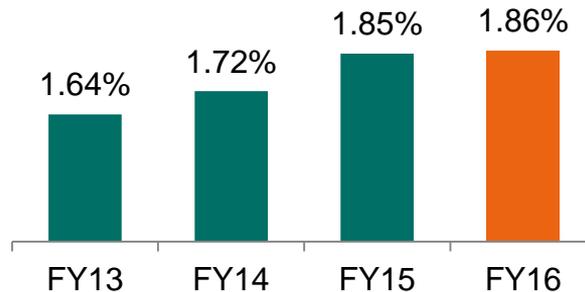


Key ratios

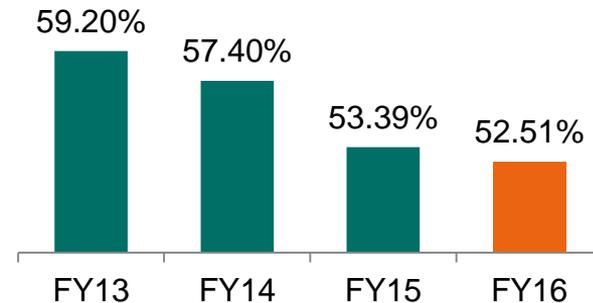
Lending growth (annualised)



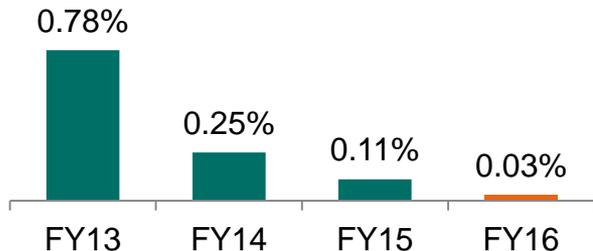
Net interest margin (interest-earning assets)



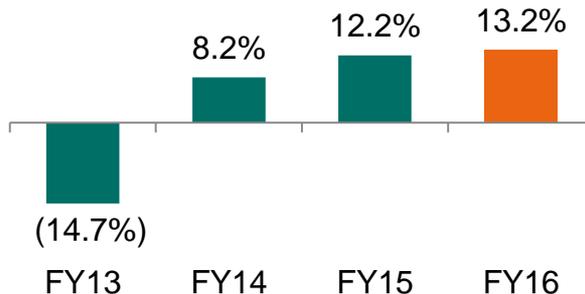
Cost to income ratio



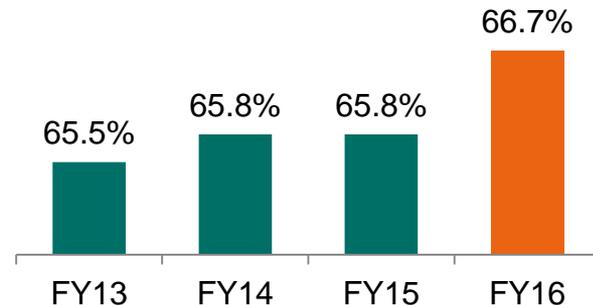
Impairment losses to gross loans and advances (annualised)



Return on Common Equity Tier 1



Deposit to loan ratio

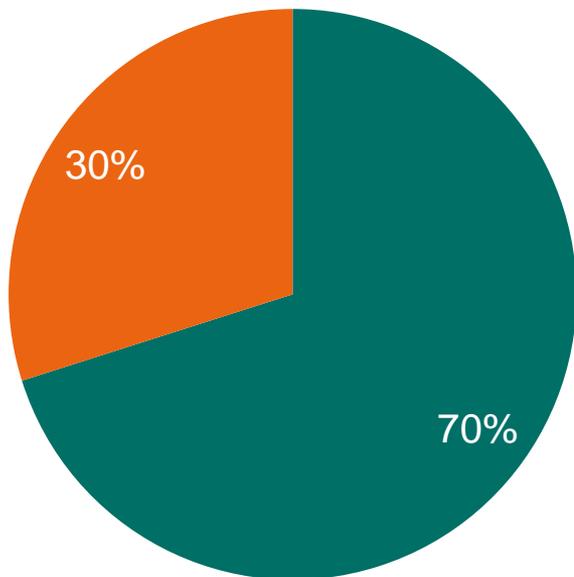


Suncorp Bank

Home lending assets \$44.3 billion

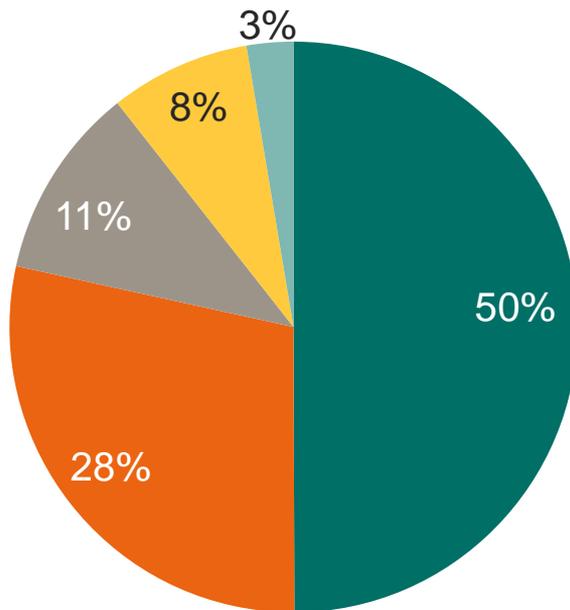


Portfolio by borrower type



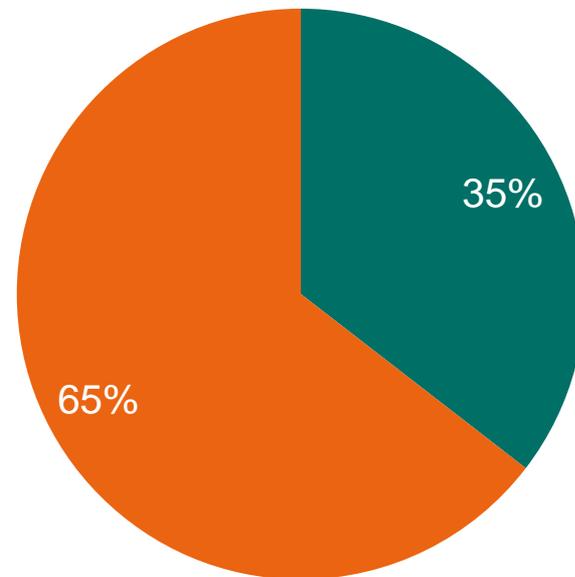
■ Owner occupied ■ Investor

Portfolio by geography



■ Queensland ■ Victoria
■ New South Wales & ACT ■ Western Australia
■ Other

Portfolio by channel



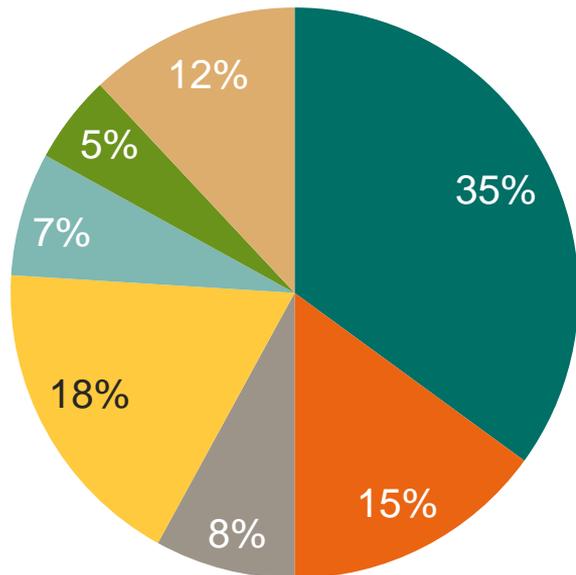
■ Direct ■ Intermediaries

Suncorp Bank

Commercial (SME) assets \$5.4 billion

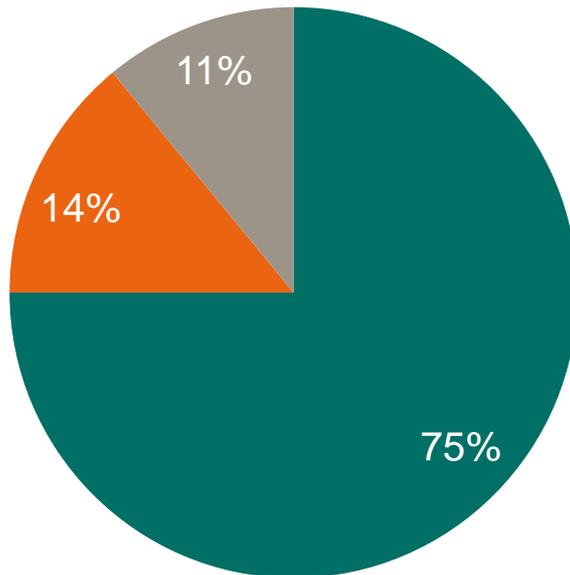


Portfolio by industry



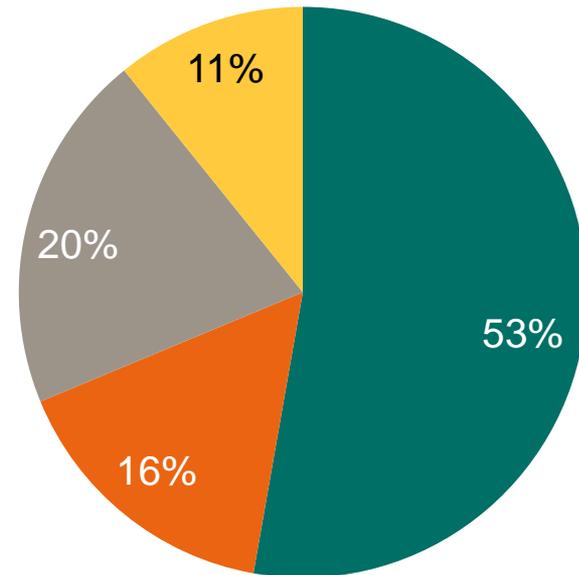
- Property investment
- Hospitality & accommodation
- Construction & development
- Manufacturing & mining
- Services (including professional services)
- Retail
- Other

Portfolio by geography



- Queensland
- New South Wales
- Other

Portfolio by exposure size



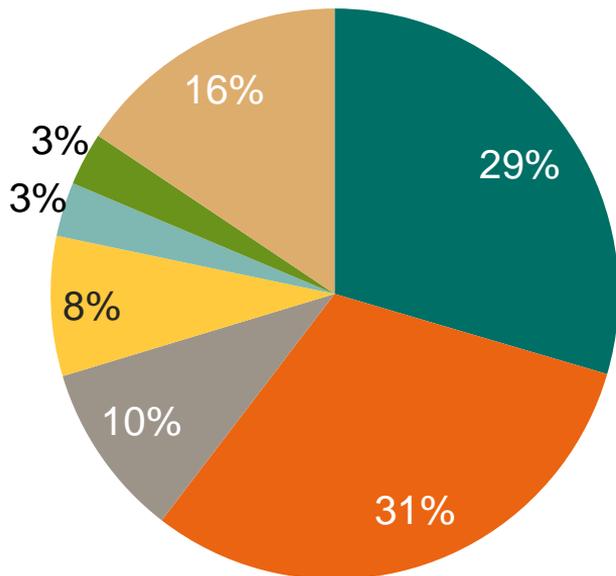
- < \$5 million
- \$5-\$10 million
- \$10-\$25 million
- \$25-\$50 million

Suncorp Bank

Agribusiness assets \$4.4 billion

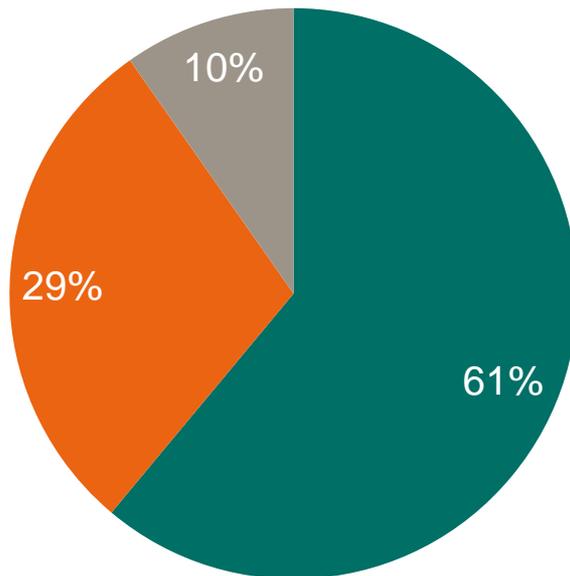


Portfolio by industry



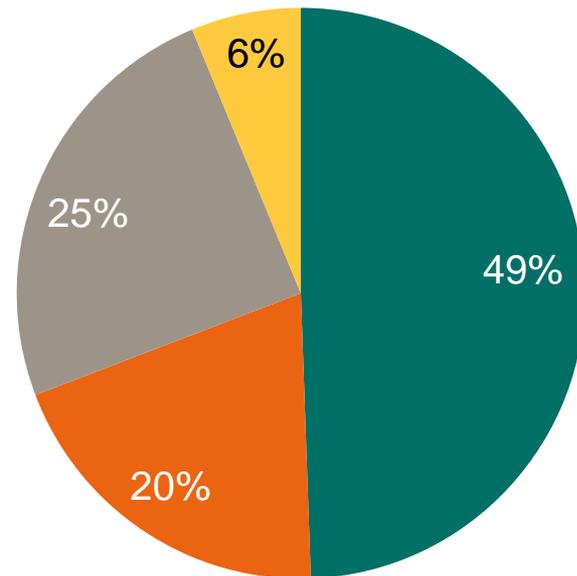
- Beef
- Grain & mixed farming
- Sheep & mixed livestock
- Cotton
- Sugar
- Fruit
- Other

Portfolio by geography



- Queensland
- New South Wales
- Other

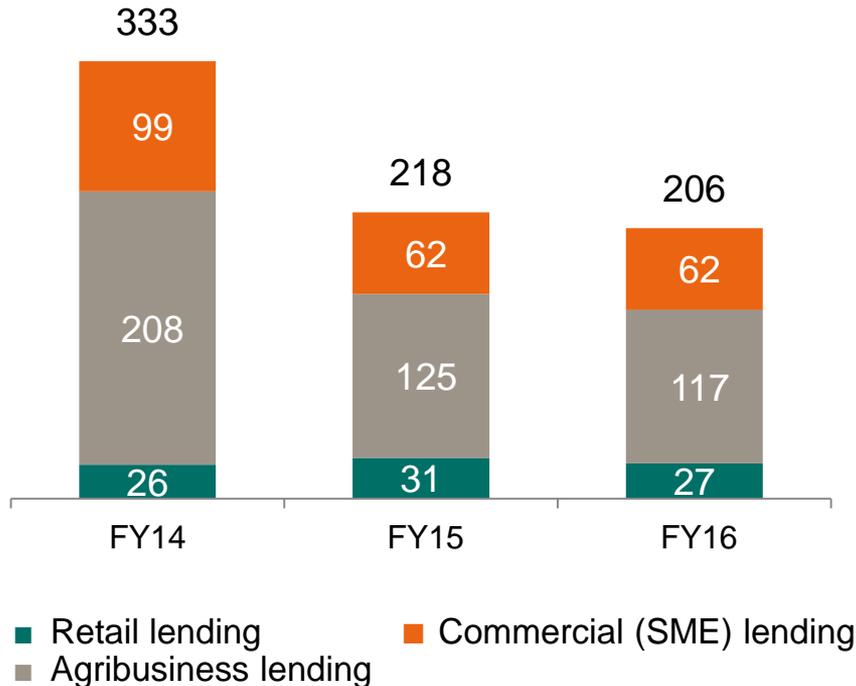
Portfolio by exposure size



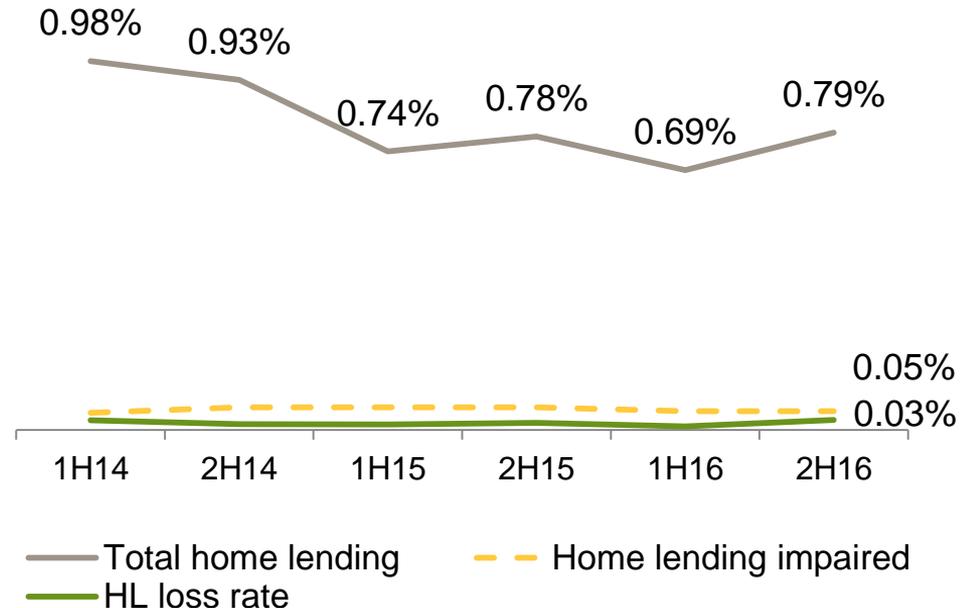
- < \$5 million
- \$5-\$10 million
- \$10-\$25 million
- \$25-\$50 million

Credit quality – gross impaired and past due loans

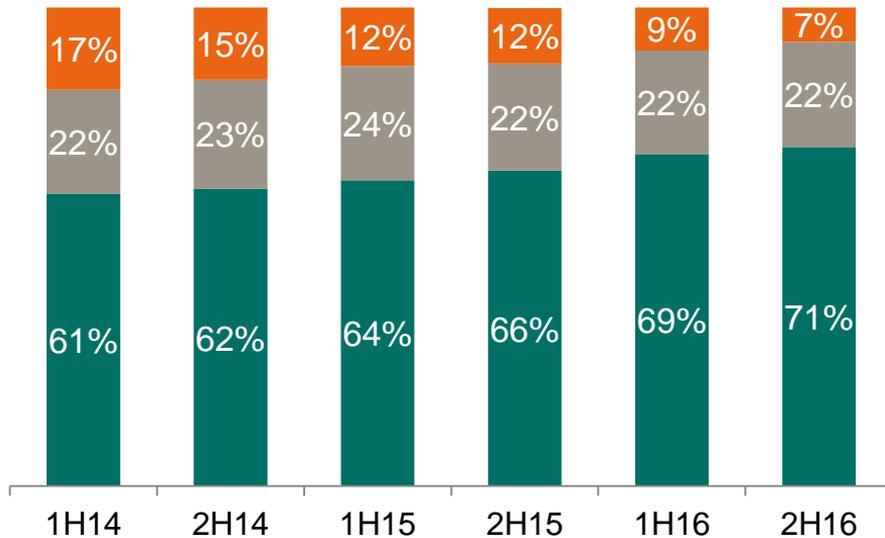
Gross impaired loans by segment (\$m)



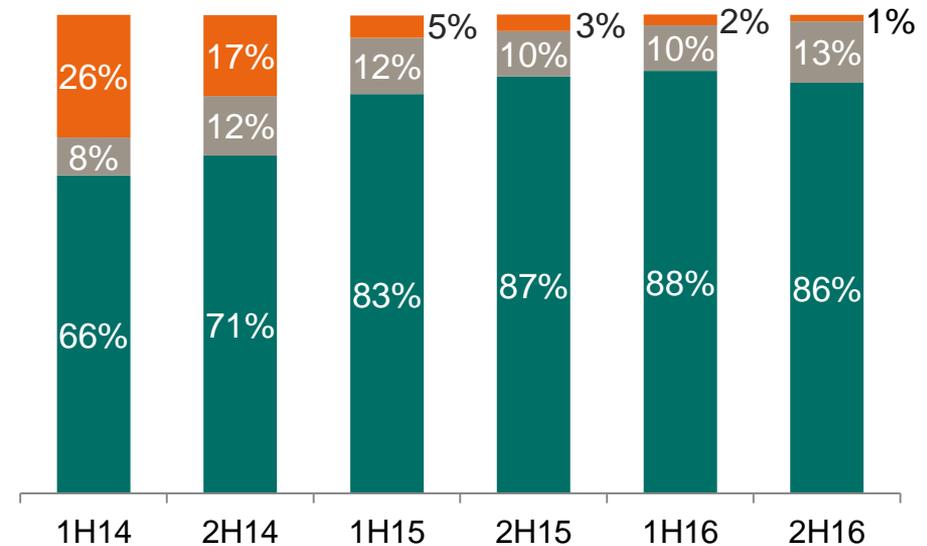
Past due home loans (% gross home loans)



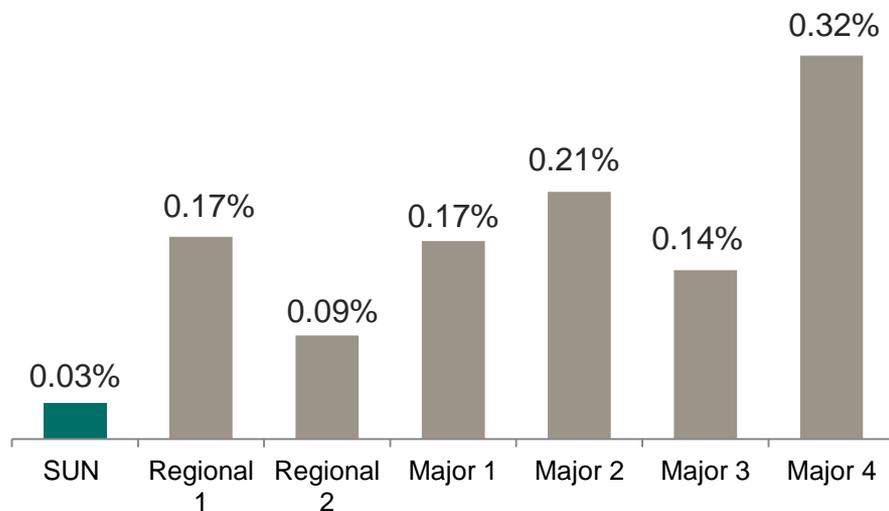
Home lending assets by LVR



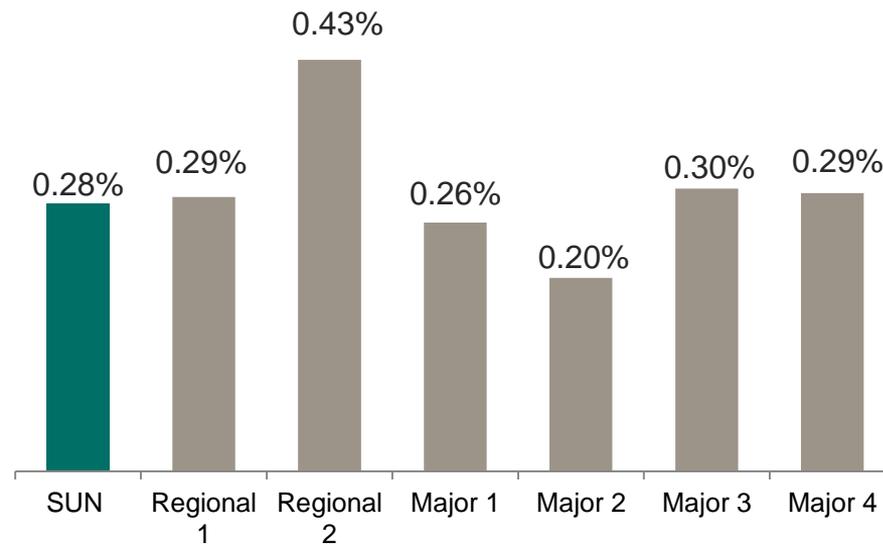
Home lending new business by LVR



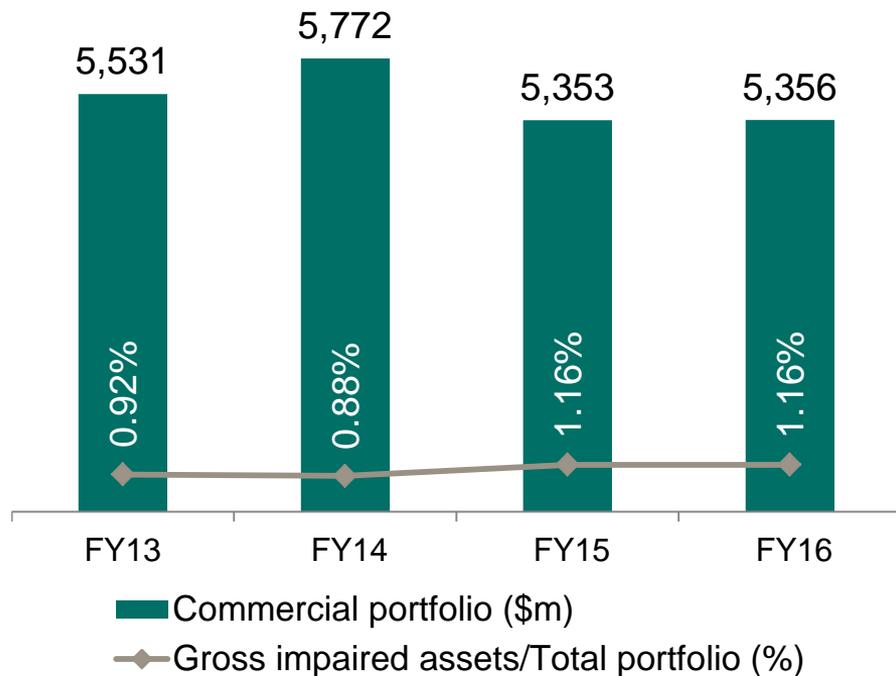
Impairment losses to gross loans



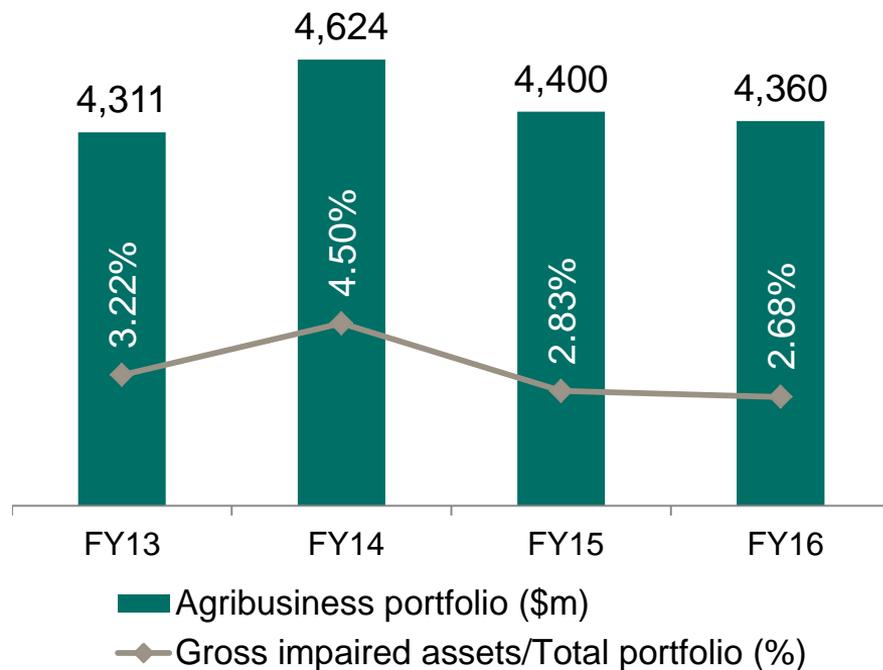
Net impaired loans to gross loans



Commercial (SME) portfolio

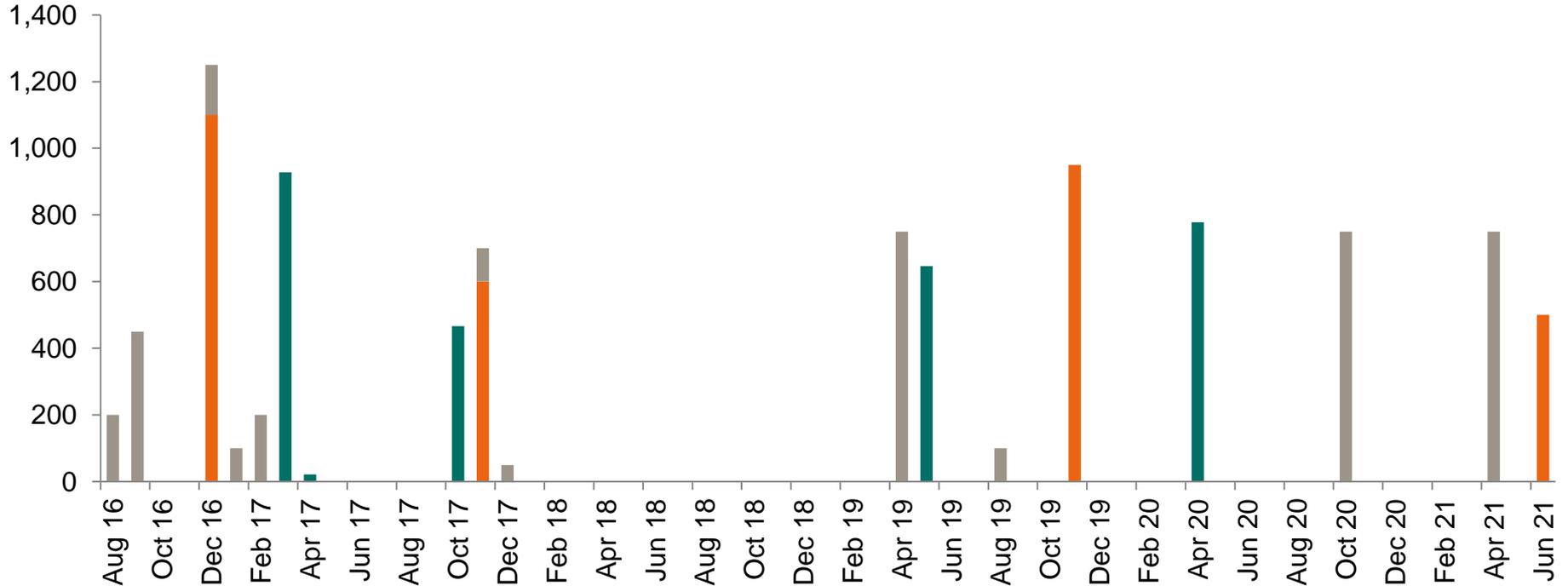


Agribusiness portfolio



Long-term funding profile (\$m)

■ Covered bond
 ■ Domestic senior unsecured
 ■ Offshore senior unsecured



Suncorp Bank

Market share by product



Total deposits



Retail deposits



Business deposits



Business lending



Mortgage lending



Mortgage lending
(Owner occupied)



Mortgage lending
(Investor)

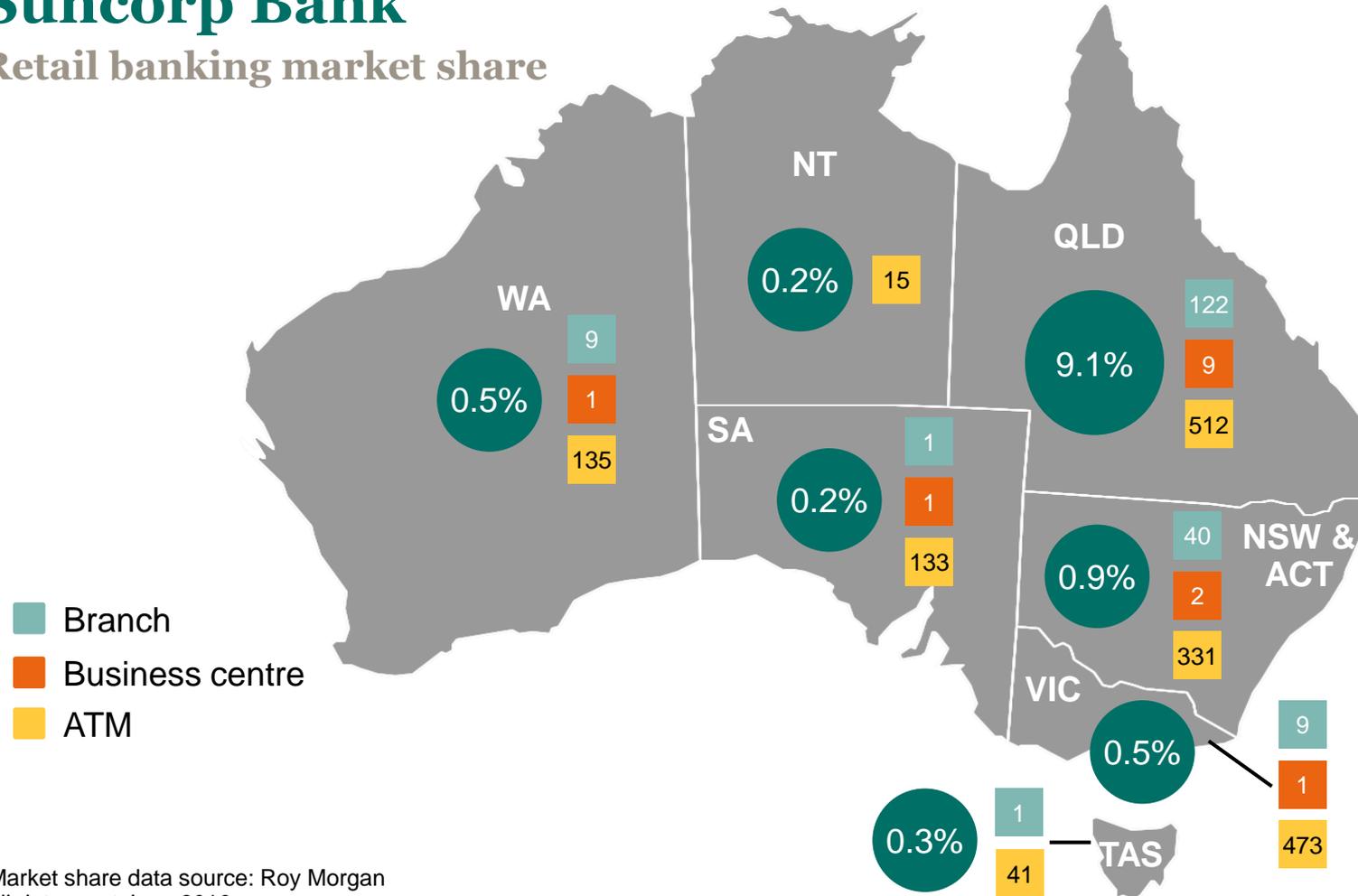


Consumer lending



Suncorp Bank

Retail banking market share

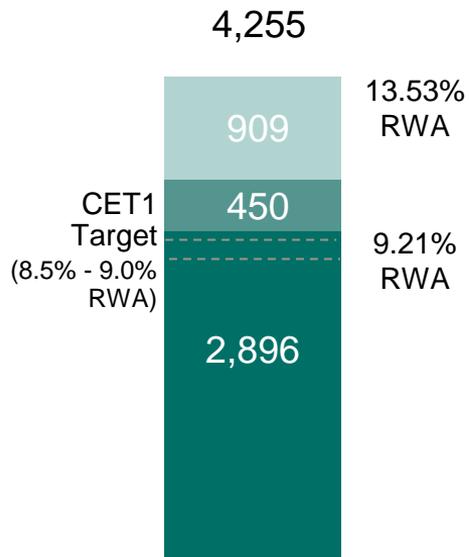


Market share data source: Roy Morgan
all data as at June 2016

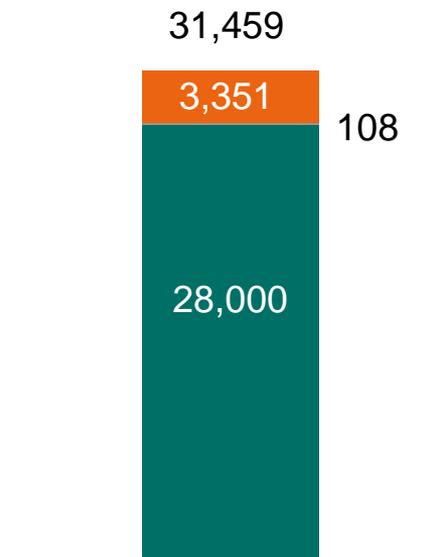
Suncorp Bank capital



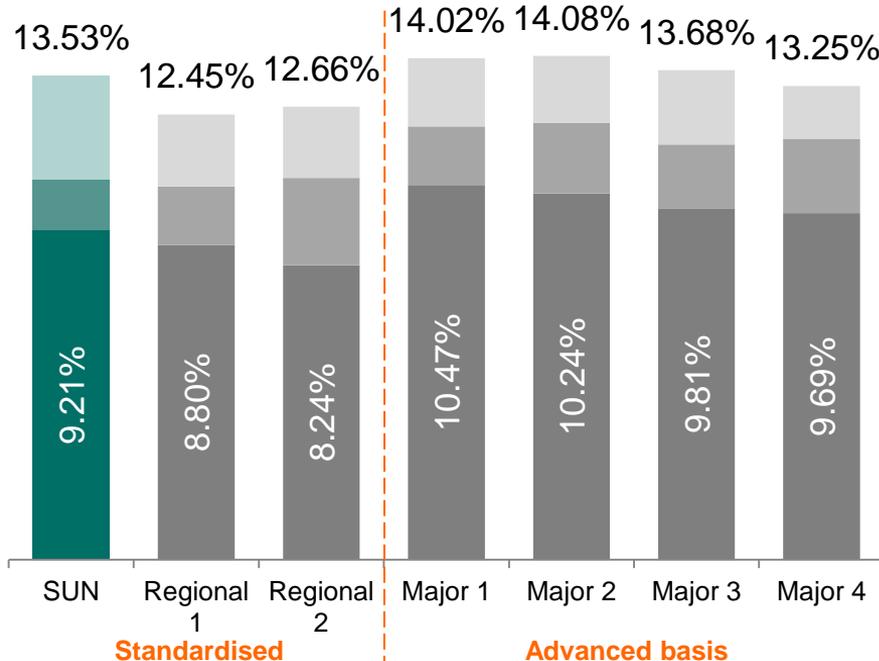
Total capital



Risk weighted assets



Capital ratios vs Peers



- Common Equity Tier 1
- Additional Tier 1
- Tier 2

- Credit risk
- Market risk
- Operational risk

- Common Equity Tier 1
- Additional Tier 1
- Tier 2

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Financial results for the full year ended 30 June 2016

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Suncorp Life

	FY16 (\$m)	FY15 (\$m)	Change (%)
Planned profit margin release	45	38	18.4
Claims experience	6	8	(25.0)
Lapse experience	15	7	114.3
Other experience	(10)	(8)	25.0
Underlying investment income	31	31	-
Superannuation	37	37	-
Total Life underlying profit after tax	124	113	9.7
Market adjustments	18	12	50.0
NPAT	142	125	13.6

Key highlights

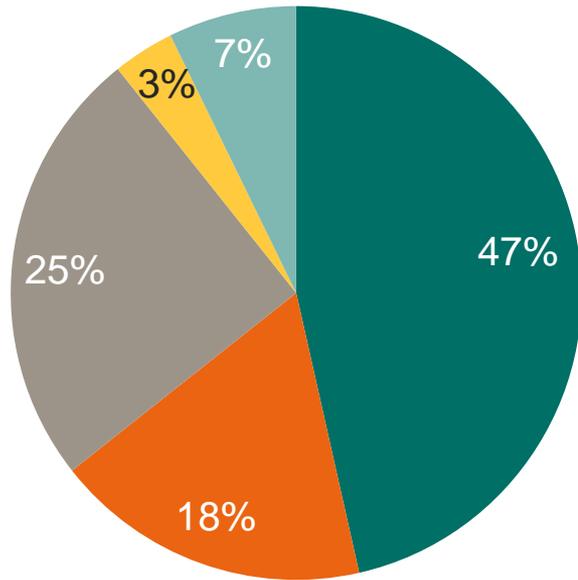
- In-force premium growth and benefits of repricing
- Sustainable growth as in-force premiums increased to \$1.0 billion, with focus on value over volume
- Two successive years of positive claims and lapse experience

Suncorp Life

In-force portfolio - \$1 billion

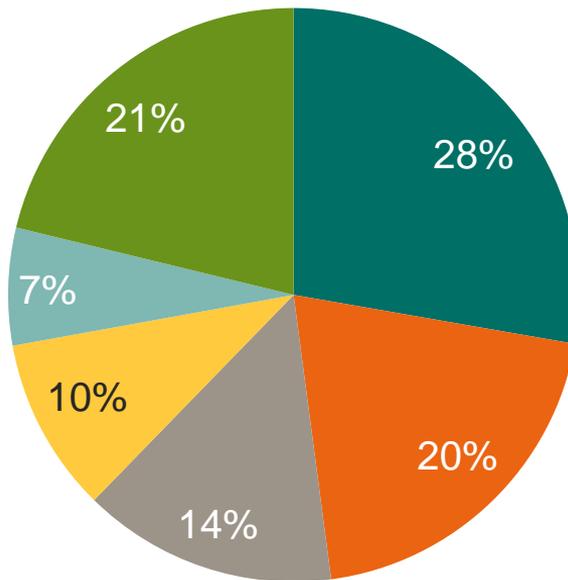


Portfolio by product



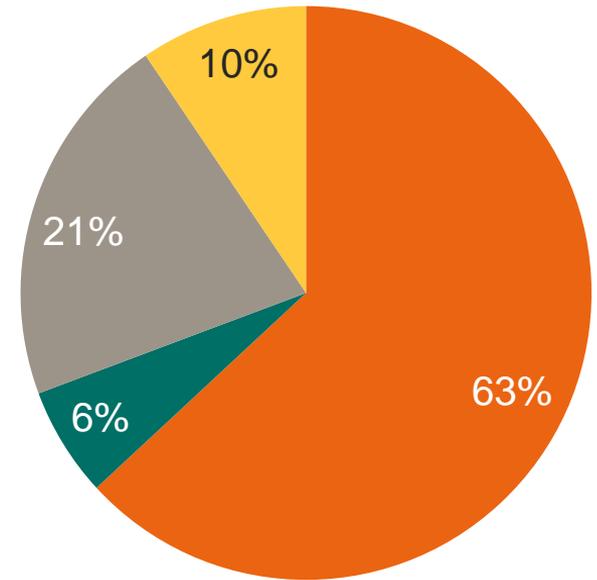
- Term & TPD
- Trauma
- Disability income
- Other
- Group

Portfolio by geography



- Queensland
- New South Wales
- Victoria & Tasmania
- Western Australia
- New Zealand
- Other

Portfolio by channel



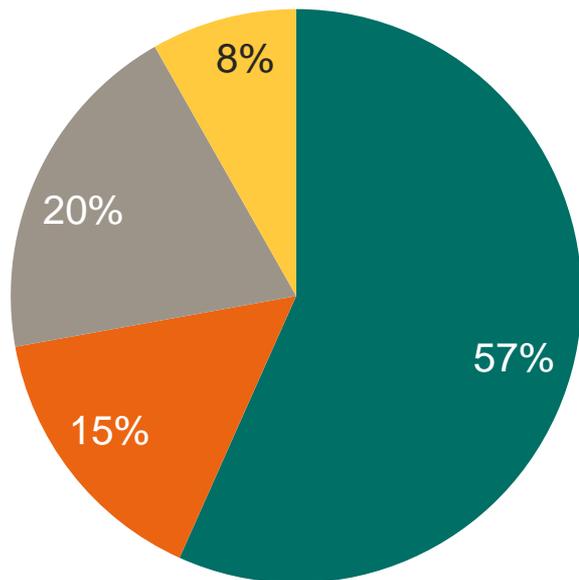
- Direct via GI
- Advised
- New Zealand
- Group & Other

Suncorp Life

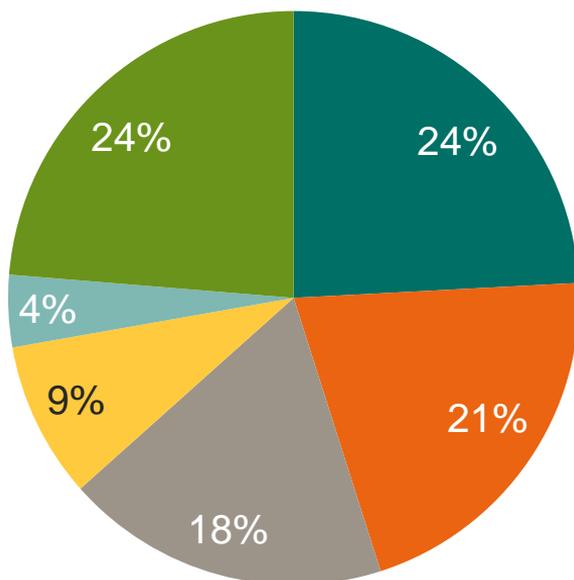
New business - \$97 million



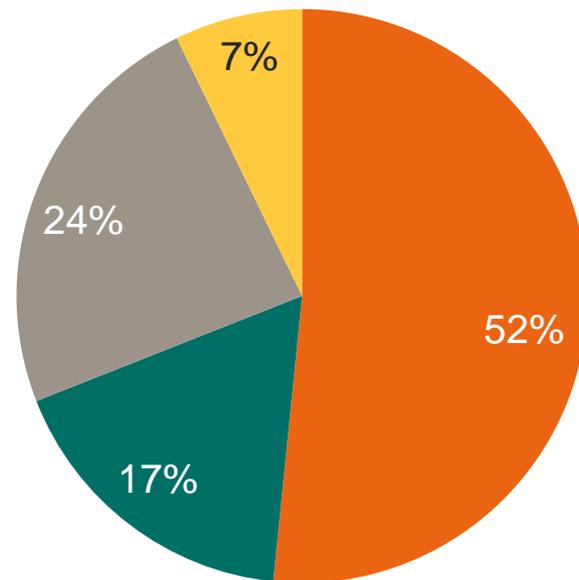
Portfolio by product



Portfolio by geography



Portfolio by channel



- Term & TPD
- Trauma
- Disability income
- Other

- Queensland
- New South Wales
- Victoria & Tasmania
- Western Australia

- Other
- New Zealand

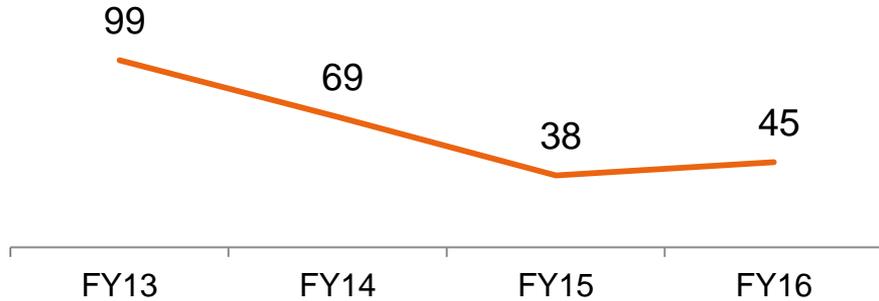
- Direct via GI
- Advised
- New Zealand
- Group & Other

Suncorp Life

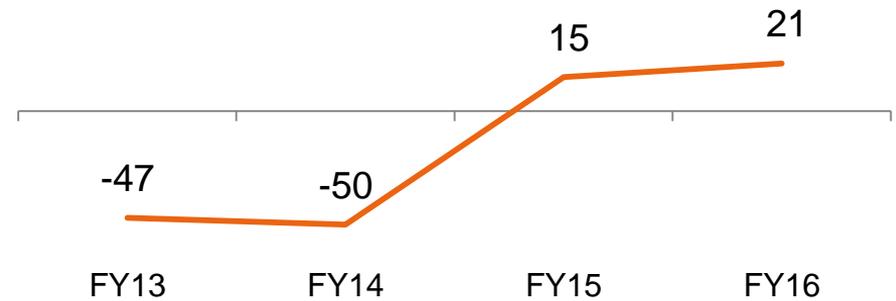
Key metrics (\$m)



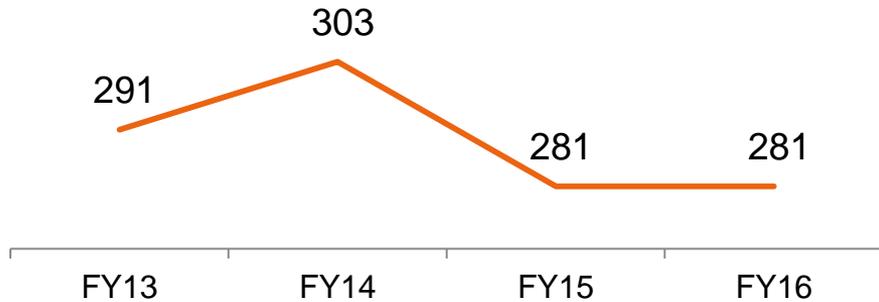
Planned margins



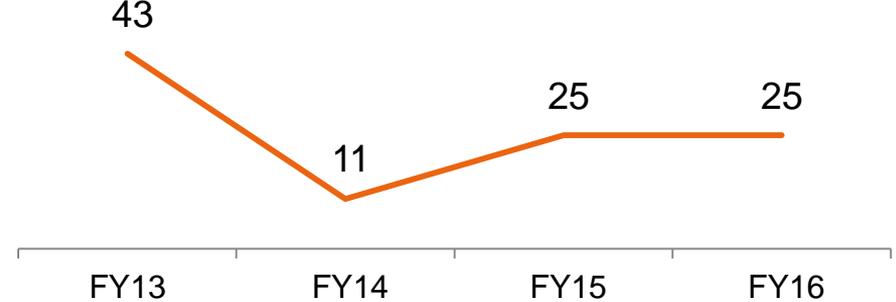
Claims and lapse experience



Total operating expenses

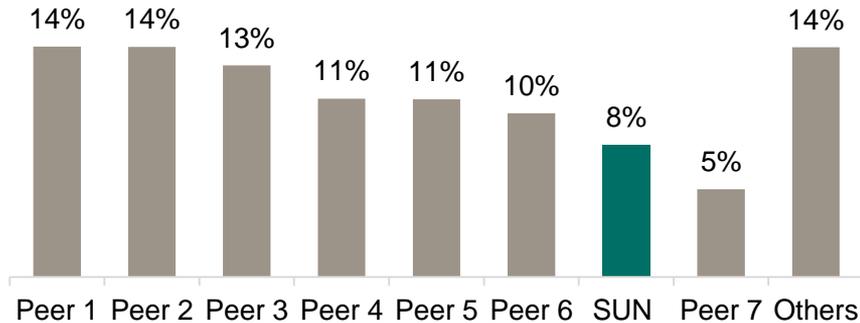


Value of One Year's Sales

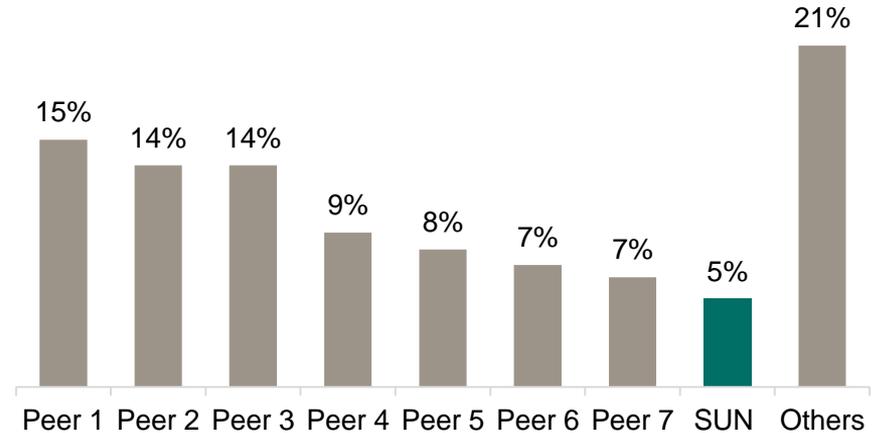


Market share - Individual risk (Australia)

In-force portfolio \$9.3 billion



Annual new business \$1.1 billion



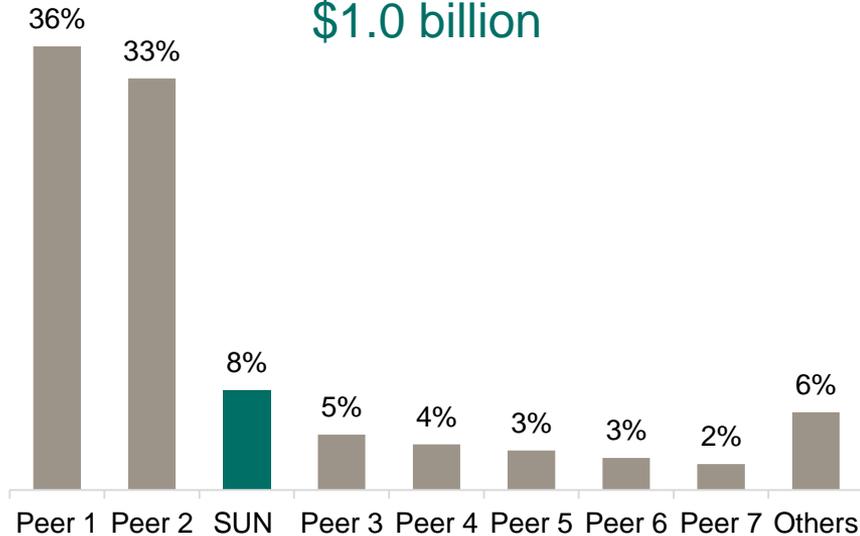
Source: NMG consulting
data as at March 2016
in-force portfolio includes IFA, Bank and Direct business

Suncorp Life

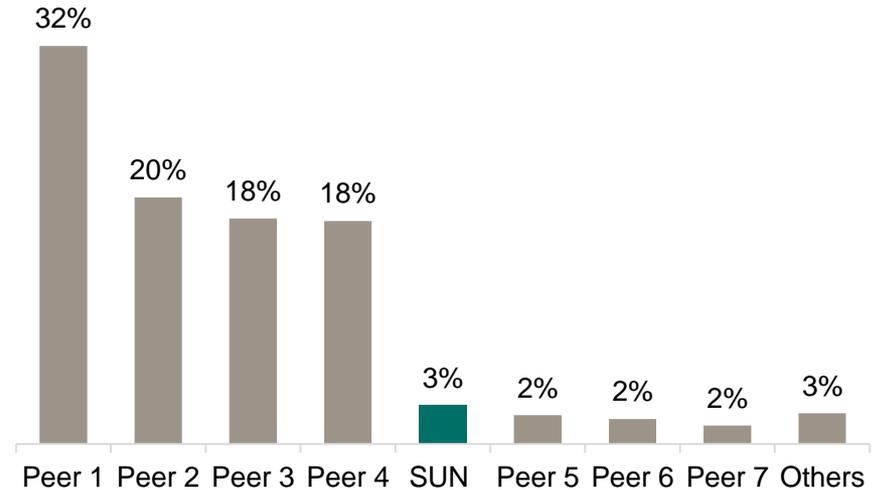


Market share by distribution channel

Direct \$1.0 billion



Bank \$2.4 billion

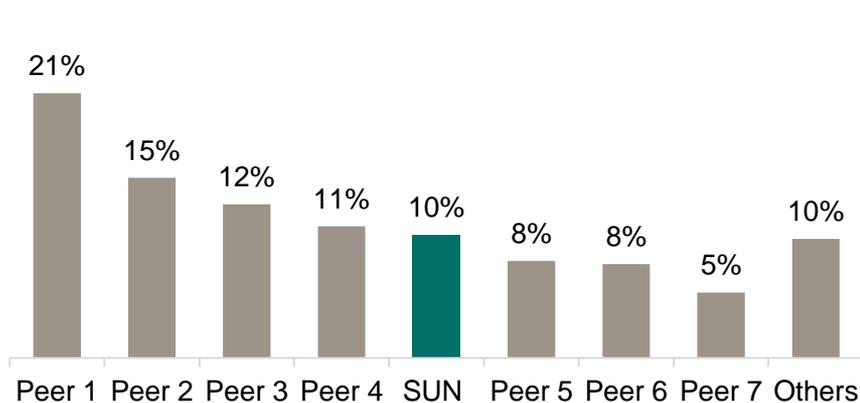


Suncorp Life

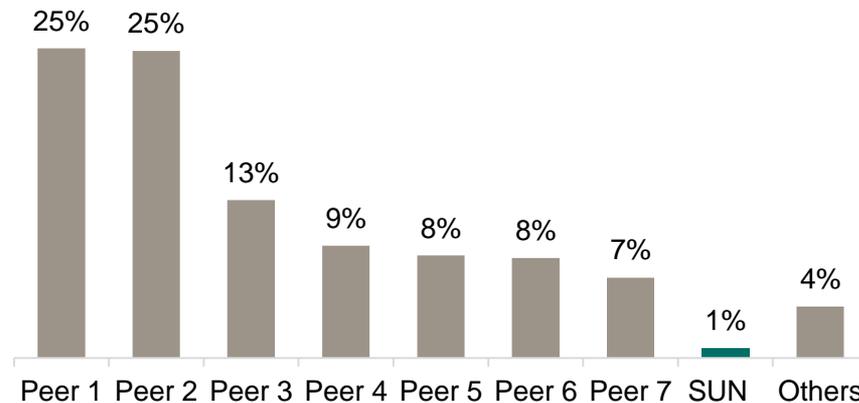


Market share by distribution channel

IFA
\$5.9 billion

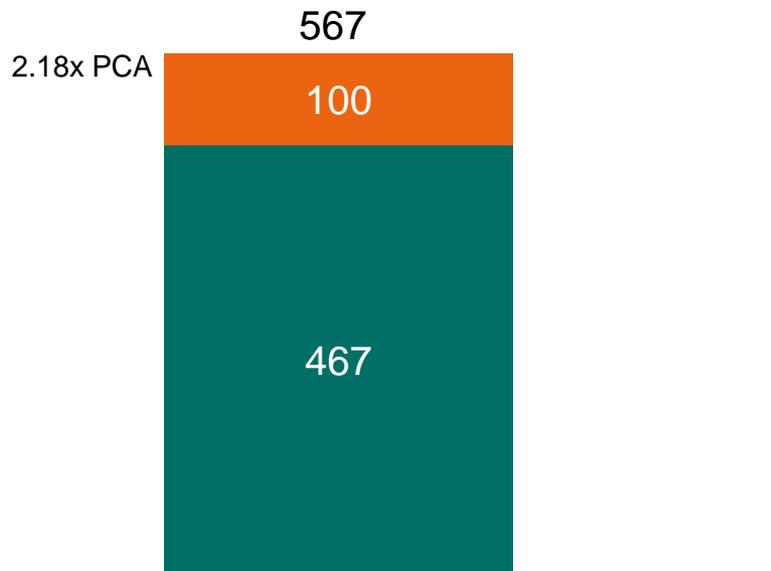


Group
\$6.6 billion



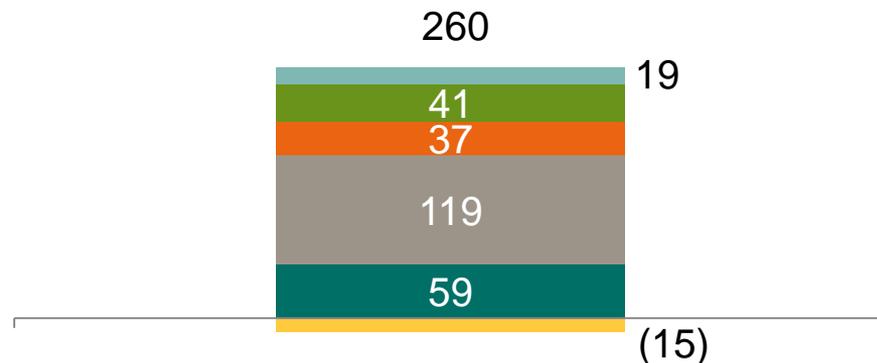
Suncorp Life capital

Total capital



- Common Equity Tier 1
- Tier 2

Prescribed Capital Amount (PCA)



- Insurance risk
- Asset risk
- Operational risk
- Aggregation benefit
- Combined stress scenario adjustment
- Other regulatory requirement

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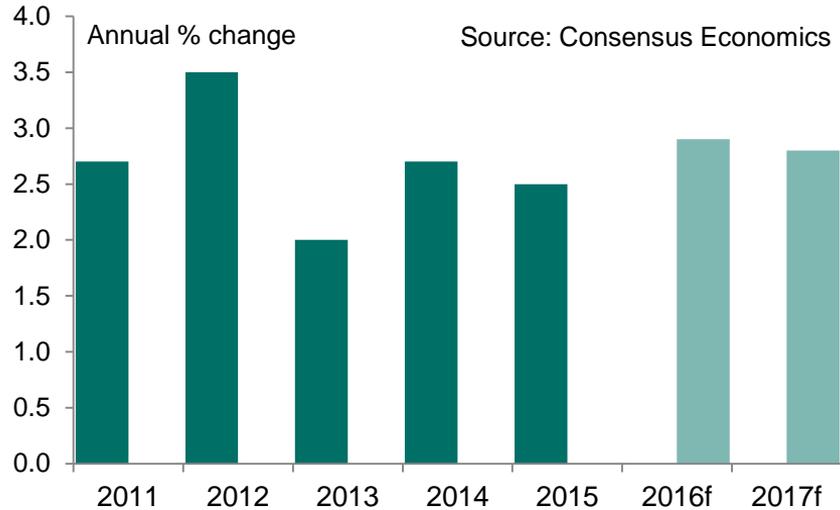
Financial results for the full year ended 30 June 2016

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Favourable economic fundamentals

Australian economic growth



- Australia continues to deliver moderate economic growth, despite the decline in resources investment
- Consensus forecasts point to continued solid growth, slightly below the long run trend

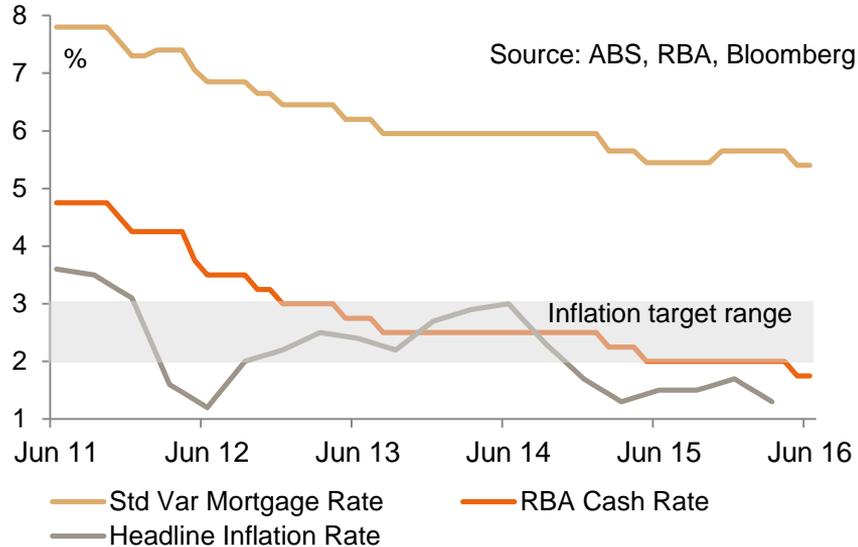
Other supportive key metrics

	Australia	Queensland	Data as at:
Population Growth (pa)	1.4%	1.3%	Dec 15
Unemployment Rate	5.8%	6.5%	Jun 16
Inflation	1.3%	1.7%	Mar 16
Budget Position	\$37bn deficit (2.2% of GDP)	\$1bn surplus (0.3% of GSP)	2016/17 forecast
Credit Rating (S&P/Moody's)	AAA (outlook -) / Aaa	AA+ / Aa1 (outlook -)	Jul 16

- Fundamentals remain broadly supportive for both Australia and Queensland
- Australia retains its AAA credit rating, notwithstanding a negative outlook by S&P
- For QLD, population growth has lifted and the budget is now in surplus. These are counterbalanced by a recent lift in unemployment

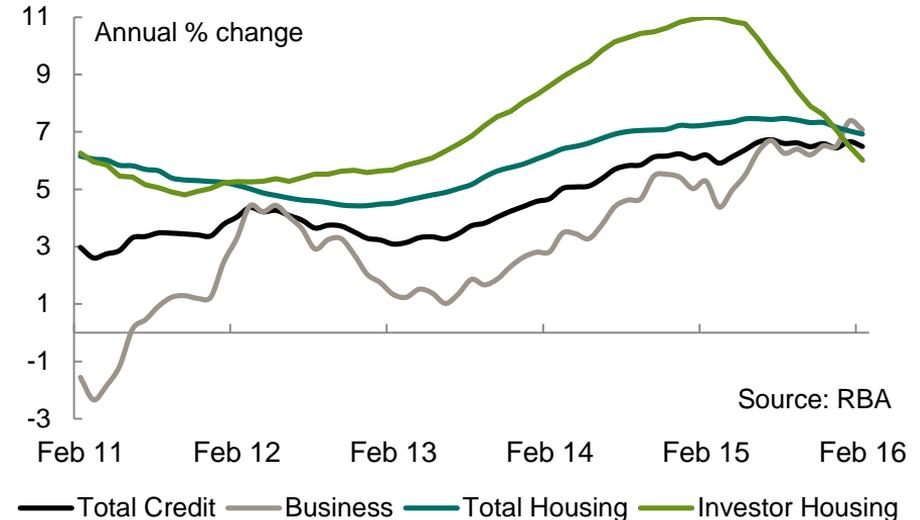
Monetary policy is supporting activity

Inflation & interest rates



- The RBA's most recent reduction in the cash rate was in August 2016 to 1.5%
- RBA commentary notes continued moderate economic growth, with recent data confirming that inflation remains quite low

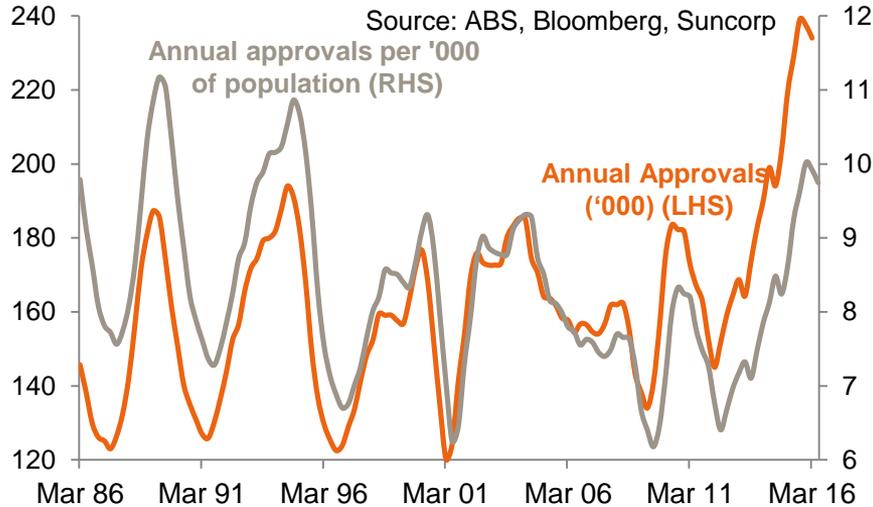
Lending growth



- Total credit growth remains stable, with rebalancing evident amongst the components
- Policy measures and repricing have slowed residential investor lending while business lending has slowly accelerated

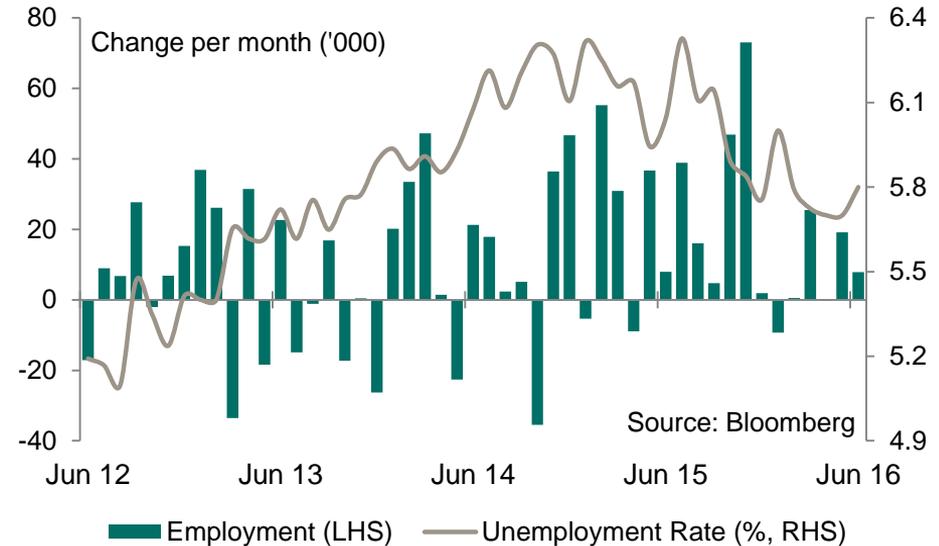
Residential building and the labour market

Building approvals



- Dwelling approvals have begun to retreat from a long term peak
- After adjusting for population growth, approvals are less stretched and after an extended period of underbuilding, do not warrant a sharp pullback

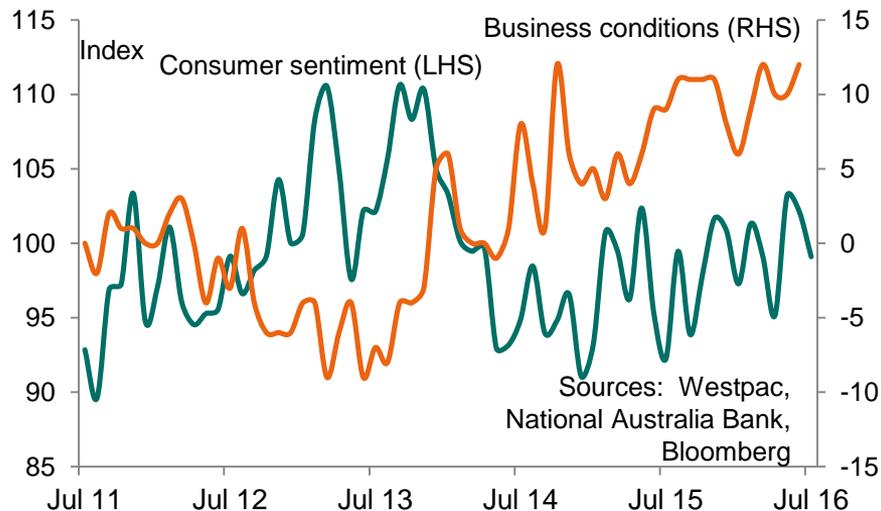
Labour market



- Labour market conditions have generally improved, notwithstanding a recent slowdown in job growth
- Forward looking indicators, including job vacancies and advertisements, continue to improve

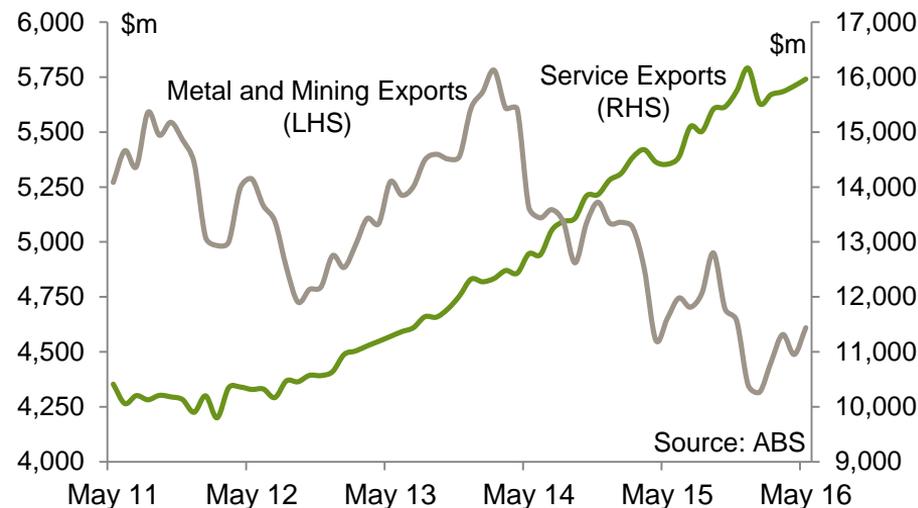
Economic confidence and exports

Confidence indicators



- Business confidence remains at high levels (with the survey conducted during the 'Brexit' vote period)
- Consumer confidence is lagging yet stands at around the long-term average level

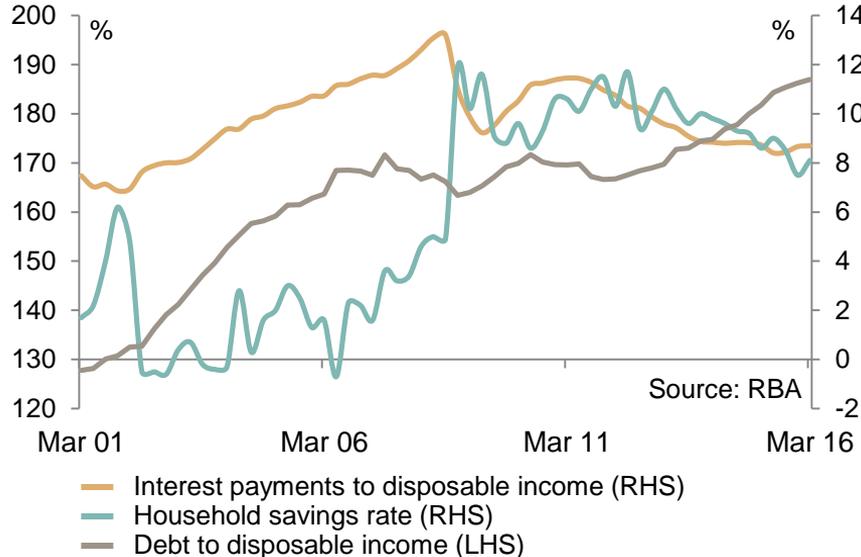
Shifting export trends



- Australia's exports continue to rebalance, assisted by a more competitive AUD
- Service exports such as tourism and education continue to grow strongly, off a low base

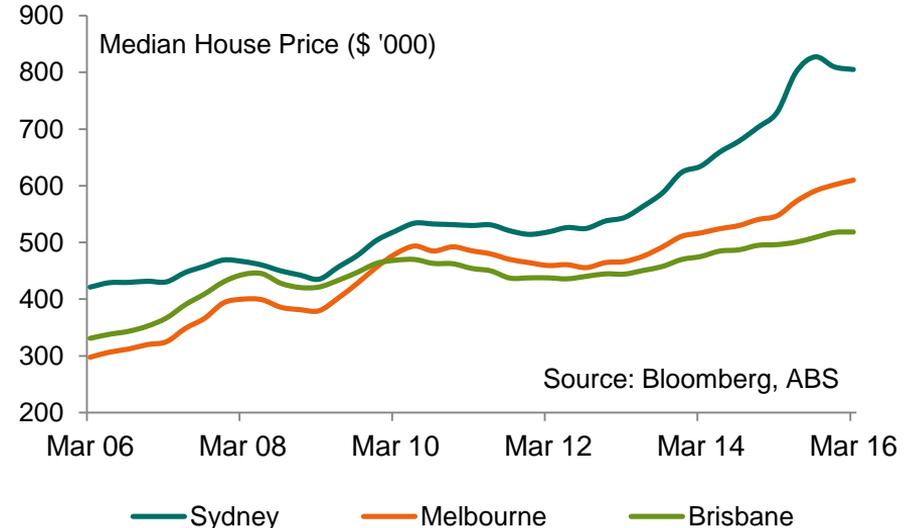
Household financial conditions

Debt and debt servicing



- Notwithstanding the lift in household borrowing, interest payments have eased, savings have been maintained and unemployment has fallen
- Meanwhile, the RBA notes that “indicators of household resilience remain sound” (*Financial Stability Review April 2016*)

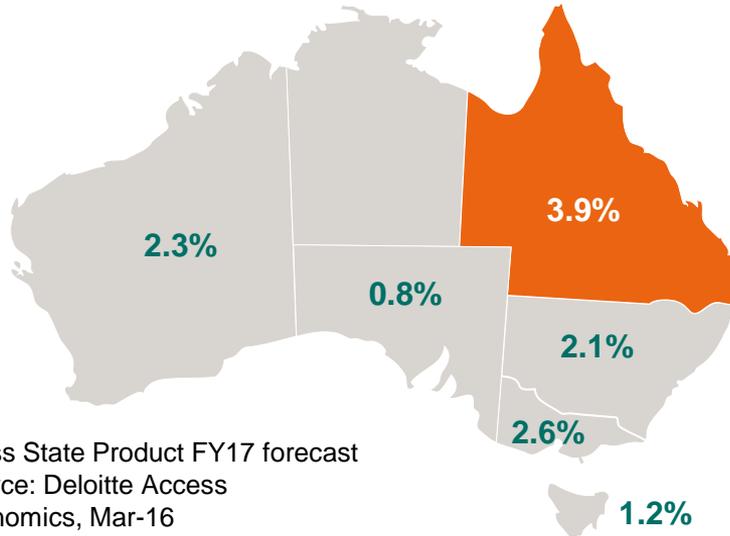
House prices



- Low interest rates continue to support the housing sector and, in turn, household wealth
- Brisbane is now showing a clear affordability advantage, particularly relative to Sydney

Queensland prospects

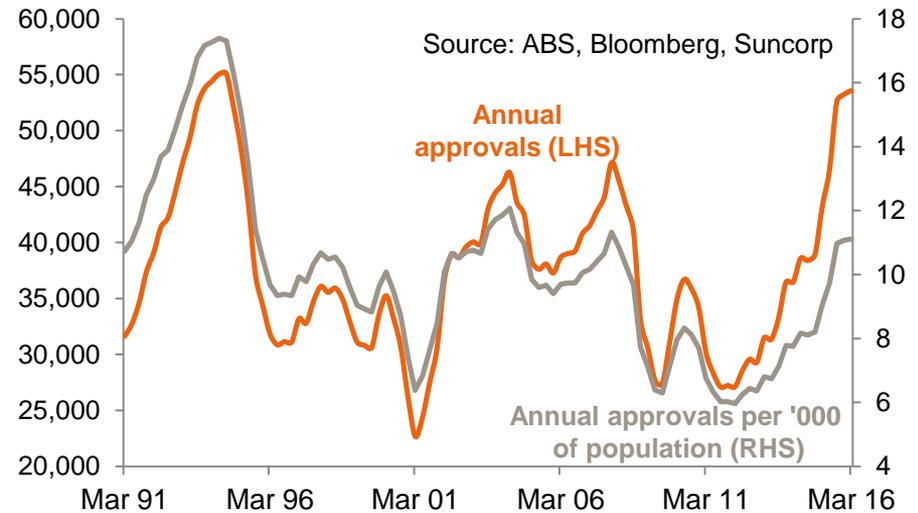
State economic growth



Gross State Product FY17 forecast
Source: Deloitte Access
Economics, Mar-16

- Queensland is forecast to lead state growth in FY17, assisted by a diversified economic base
- The pullback in resources investment and community prices continues to be felt in state demand

Queensland building approvals



- Queensland residential building remains buoyant, supported by low interest rates and relative affordability
- Strong population growth and underbuilding over the past decade do not, at this stage, signal oversupply on a state-wide basis

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Acquisition expense ratio	Acquisition expenses expressed as a percentage of net earned premium
APRA	Australian Prudential Regulation Authority
Cash earnings	Net profit after tax adjusted for the amortisation of acquisition intangible assets, the profit or loss on divestments and their tax effect
Cash earnings per share	Basic: cash earnings divided by the weighted average number of ordinary shares (net of treasury shares) outstanding during the period Diluted: cash earnings adjusted for consequential changes in income or expenses associated with the dilutive potential ordinary shares divided by the weighted average number of diluted shares (net of treasury shares) outstanding during the period
Cash return on average shareholders' equity	Cash earnings divided by average equity attributable to owners of the Company. Averages are based on monthly balances over the period. The ratio is annualised for half years
Combined operating ratio	The percentage of net earned premium that is used to meet the costs of all claims incurred plus pay the costs of acquiring (including commission), writing and servicing the General Insurance business
Common Equity Tier 1 (CET1)	Common Equity Tier 1 Capital comprises accounting equity plus adjustments for intangible assets and regulatory reserves
Common Equity Tier 1 Ratio	Common Equity Tier 1 divided by the Prescribed Capital Amount for Life and General Insurance, or total risk-weighted assets for the Bank
Connected Customer	Connected customers represent customers with two or more needs met across the following need categories: Home / Property; Self; Mobility and Money
Cost to income ratio	Operating expenses of the Banking business divided by total income from Banking activities
Credit risk-weighted assets	Total of the carrying value of each asset class multiplied by their assigned risk weighting, as defined by APRA
Deferred acquisition costs (DAC)	The portion of acquisition costs not yet expensed on the basis that it can be reliably measured and it is probable that it will give rise to premium revenue that will be brought to account in subsequent financial periods

Deposit to loan ratio	Total retail deposits divided by total loans and advances, excluding other receivables
Diluted shares	Diluted shares is based on the weighted average number of ordinary shares outstanding during the period adjusted for potential ordinary shares that are dilutive in accordance with AASB 133 Earnings per Share
General Insurance – Commercial	Commercial products consist of commercial motor insurance, commercial property insurance, marine insurance, industrial special risk insurance, public liability and professional indemnity insurance, workers’ compensation insurance and compulsory third party insurance
General Insurance – Personal	Personal products consist of home and contents insurance, motor insurance, boat insurance, and travel insurance
Gross non-performing loans	Gross impaired assets plus past due loans
Insurance Trading Result	Underwriting result plus investment income on assets backing technical reserves
Insurance Trading Ratio (ITR)	The insurance trading result expressed as a percentage of net earned premium
Life insurance policyholders' interests	Amounts due to an entity or person who owns a life insurance policy. This need not be the insured. This is distinct from shareholders' interests
Life risk in-force annual premiums	Total annualised statistical premium for all business in-force at the date (including new business written during the reporting period)
Life risk new business annual premiums	Total annualised statistical premium for policies issued during the reporting period
Life underlying profit after tax	Net profit after tax less market adjustments. Market adjustments represents the impact of movements in discount rates on the value of policy liabilities, investment income experience on invested shareholder assets and annuities mismatches
Loss ratio	Net claims incurred expressed as a percentage of net earned premium. Net claims incurred consist of claims paid during the period increased (or decreased) by the increase (decrease) in outstanding claims liabilities

Net profit after tax	Net profit after tax attributable to owners of the Company derived in accordance with Australian Accounting Standards
Other underwriting expenses ratio	Other underwriting expenses expressed as a percentage of net earned premium
Past due loans	Loans outstanding for more than 90 days
Payout ratio – cash earnings	Ordinary shares (net of treasury shares) at the end of the period multiplied by the ordinary dividend per share for the period divided by cash earnings
Payout ratio – net profit after tax	Ordinary shares (net of treasury shares) at the end of the period multiplied by the ordinary dividend per share for the period divided by profit after tax
Profit after tax from business lines	The net profit after tax for the General Insurance, Bank and Life business lines
Return on average shareholders' equity	Net profit after tax divided by average equity attributable to owners of the Company. Averages are based on monthly balances over the period. The ratio is annualised for half years
Total operating expense ratio	Total operating expenses (acquisition and other underwriting expenses) expressed as a percentage of net earned premium
Total risk-weighted assets	Bank credit risk-weighted assets, off-balance sheet positions and market risk capital charge and operational risk charge, as defined by APRA
Treasury shares	Ordinary shares of Suncorp Group Limited that are acquired by subsidiaries
Value of one year's sales (VOYS)	An estimate of the present value of all distributable profits expected from the new policies sold in a given year

Important disclaimer



This report contains general information which is current as at 4 August 2016. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to the Group or any product or service offered by Suncorp or any of its subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

This report should be read in conjunction with all other information concerning Suncorp filed with the Australian Securities Exchange (ASX).

The information in this report is for general information only. To the extent that the information may constitute forward-looking statements, the information reflects Suncorp's intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices at the date of this report. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, many of which are beyond Suncorp's control, which may cause actual results to differ materially from those expressed or implied.

Suncorp undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report (subject to ASX disclosure requirements).

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