



# Suncorp Group Investor Day

29 May 2014

1

Suncorp Group Investor Day  
29 May 2014

One Company  
Many Brands




## Suncorp Group Investor Day 2014

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

2

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# Welcome

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

3

## Introduction

### Recap on Tuesday's update

Suncorp Life reset with forward looking assumptions

Group growth target of 4% to 6%

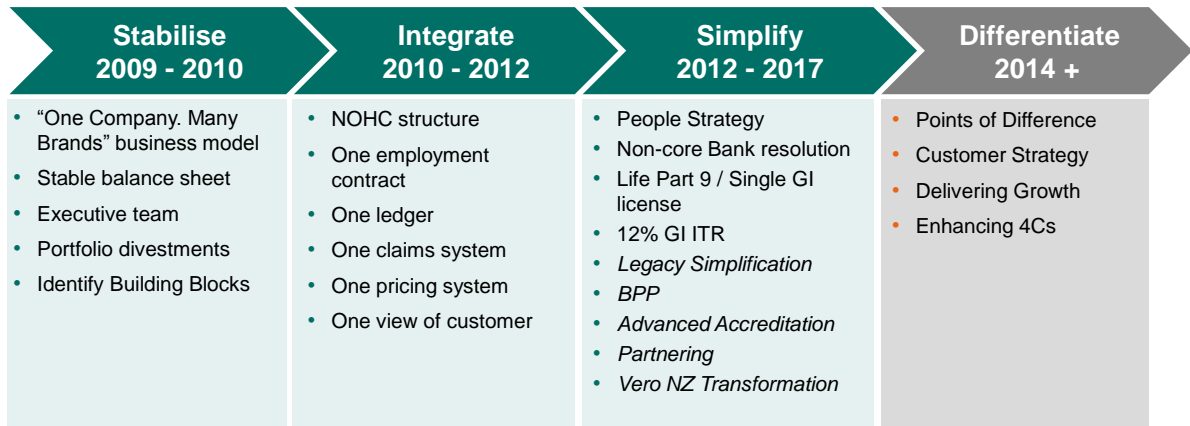
No impact on cash earnings or dividends

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

4

## Suncorp: phases of transformation

### One Company. Many Brands



5

## Suncorp's strategic assets

### Our focus

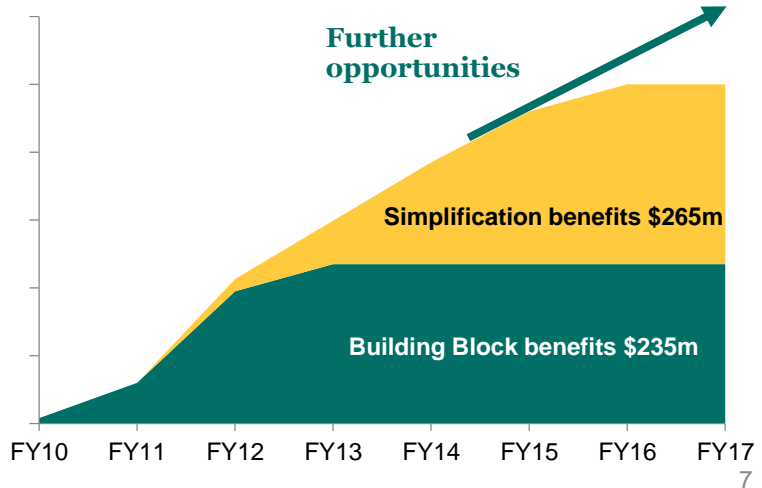
<b>Cost</b>	<ul style="list-style-type: none"> <li>• Deliver cost benefits from third party <b>procured goods / services</b></li> <li>• Share <b>scale on infrastructure</b> (real estate, enterprise technology) and <b>non-unique business services</b></li> </ul>
<b>Customer</b>	<ul style="list-style-type: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

6

## Cost

### Building Blocks and Simplification will continue to deliver

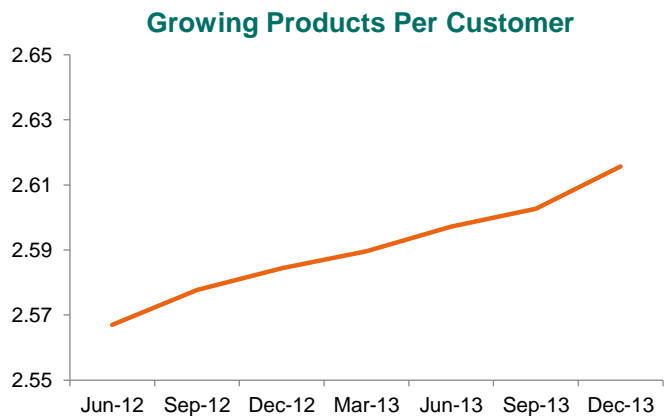
- Building Block program continue to deliver \$235 million in benefits
- Underpins the 'meet or beat' 12% underlying ITR commitment
- Simplification on track to deliver \$265 million in FY16
- Further opportunities in the supply chain and Business Intelligence projects



## Customer

### Increasing the inherent value of 9 million customers

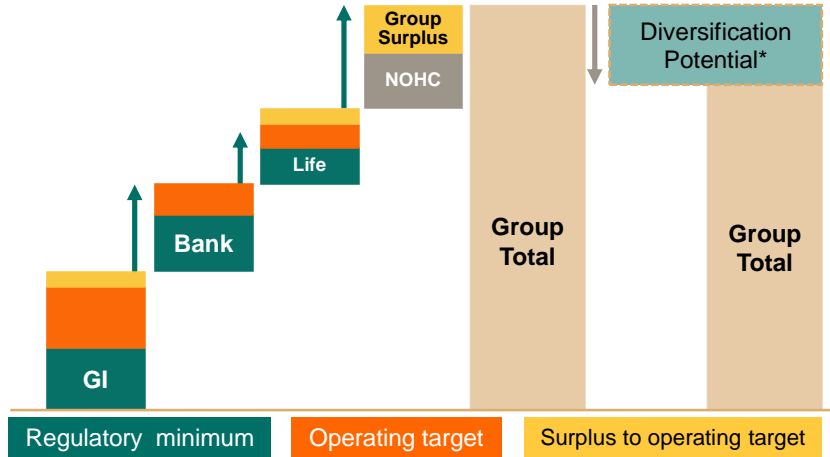
- Direct Life growth (13% HoH new business growth)
- New products (APIA Health, AAMI Life, Suncorp EverydaySuper)
- High customer advocacy
- Strong customer culture (84% of staff recommend the Group's products)



# Capital

## Risk-based capital modelling progressing

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



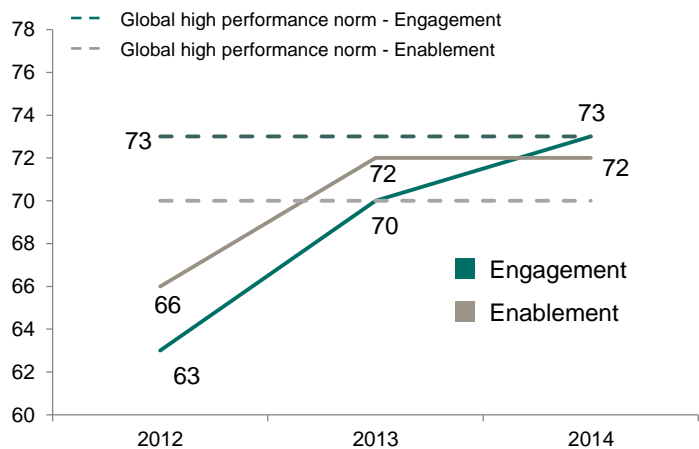
9

# Culture

## Suncorp is now THE place to work

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

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



10

# Shaping Suncorp Business Services

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

11

## Suncorp Business Services Aspiring to be world-class



Aggregate

Simplify

Differentiate

12

**Passion and Purpose**

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

**Charles Kettering**

## SBS passion and purpose

### Enabling our business

#### Technology

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



#### The way we work

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



#### Our people

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



14

## Transforming our organisation

### Building reusable assets to drive costs down

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

Aggregate

Simplify

Differentiate

15

## Creating new opportunities

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

#### Our objectives

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



16

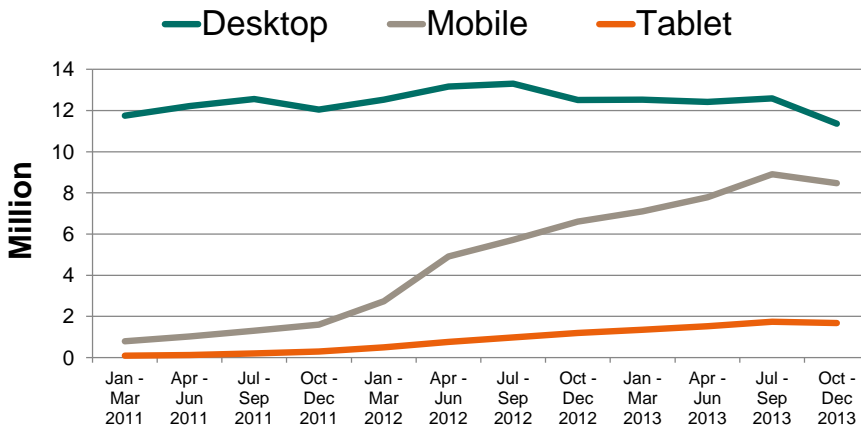


# Digital and Cloud

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

17

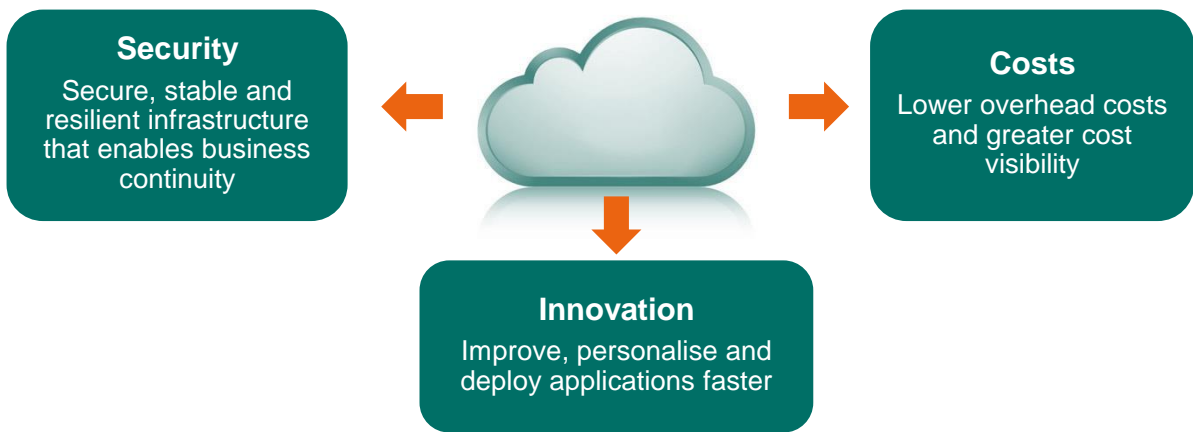
## Customer needs are changing Digital technology



18

## Cloud computing driving innovation

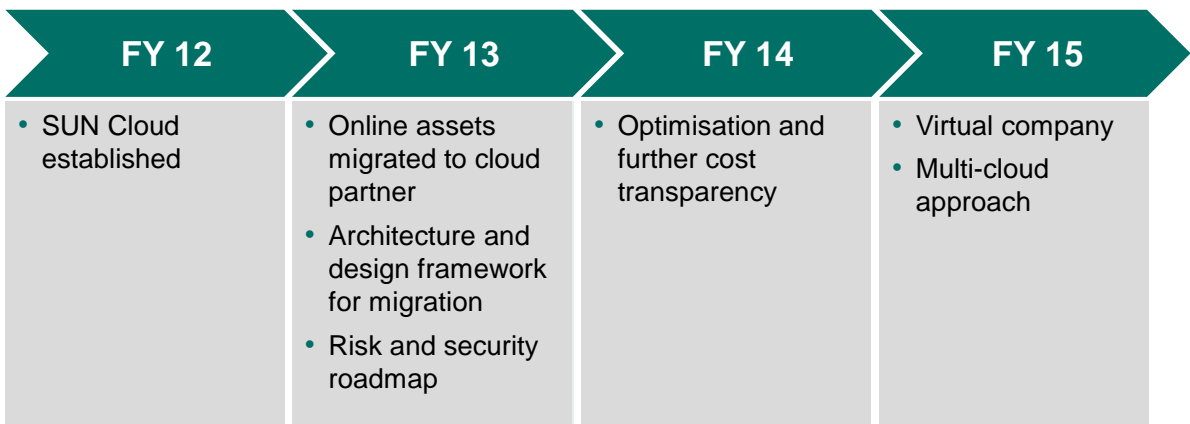
Cloud enables us to focus on core offerings



19

## Transitioning to Cloud

Implementation



20



# Innovation Day 2014

Delivering something special for customers in 24-hours

21

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## Showcases

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

22

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## Insight sessions

Legacy Simplification Program

Business Intelligence

Suncorp Life – Executing the Life strategy

Ignite – Banking Platform Project

23

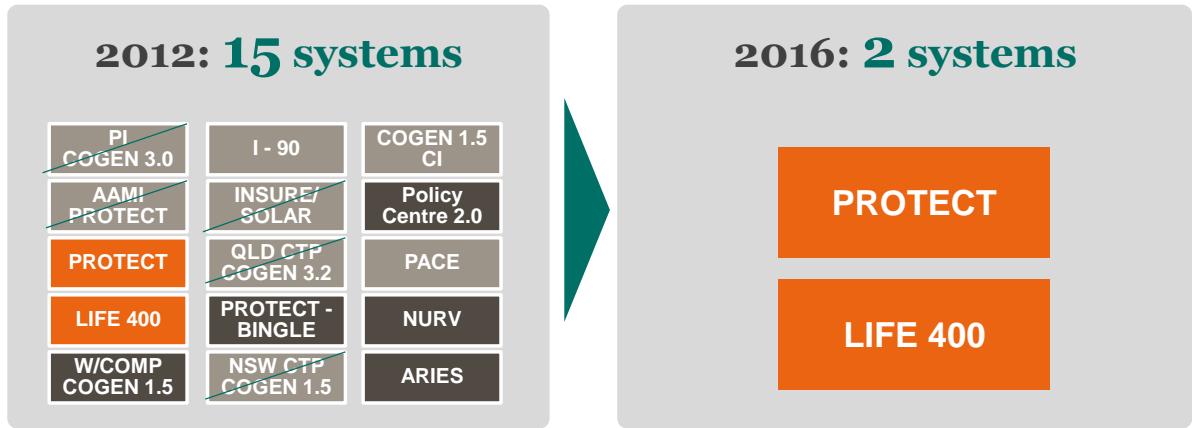


# Legacy Simplification Program

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

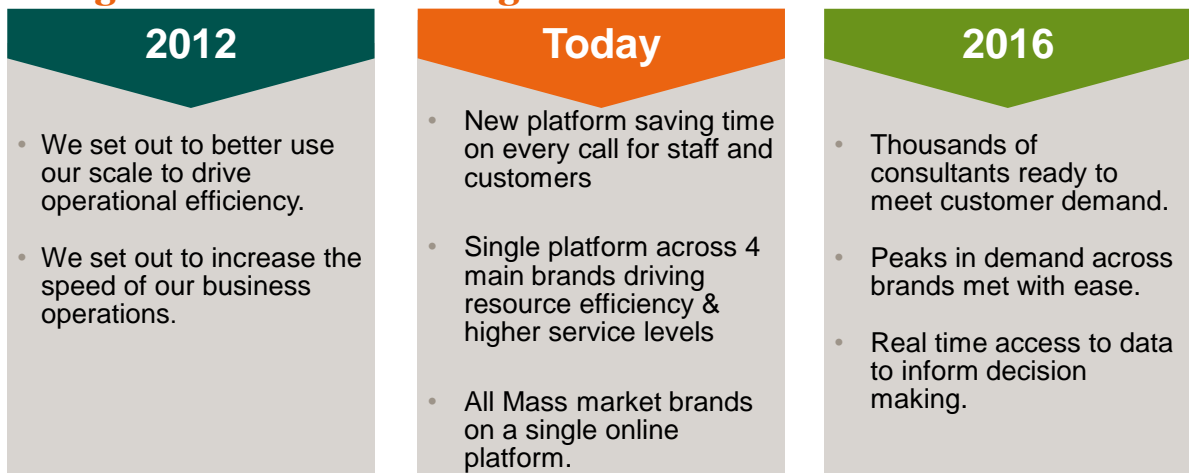
24

## Legacy Simplification Program Project update



25

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



26

## Single view of our customers

### Enabling an increased share of wallet

2012

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

Today

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

2016

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

27

## Harmonised products

### Simplifying our business

2012

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

Today

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

2016

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

28

## Questions?

### Key Takeaways

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

29



## Growing with Business Intelligence

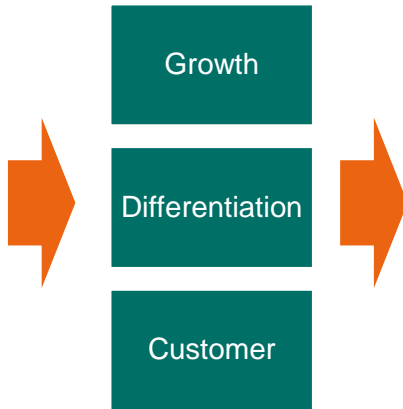
**Adrian McKnight,**  
Chief Data Officer  
**Mark Reinke,**  
Group Executive Marketing

30

## Driving value

### Business Intelligence

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



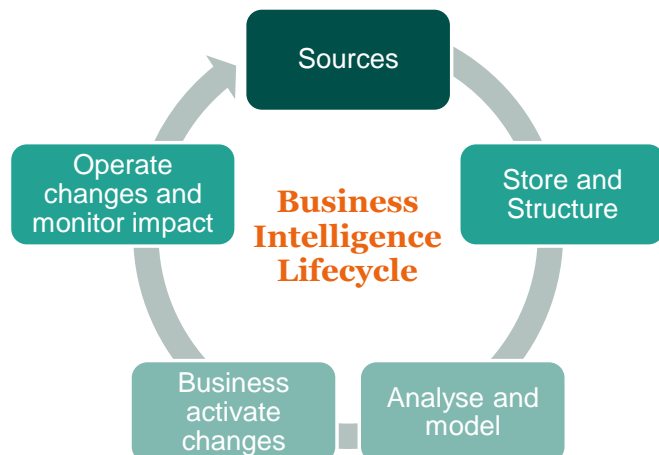
- ✓ Single customer view
- ✓ One data store by FY15
- ✓ Analytics and modelling Centre of Expertise
- ✓ Reuse and reapply across brands
- ✓ Cloud for speed and scale
- ✓ Partnering with experts for skills and know-how

31

## Strategy

### Model and approach

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



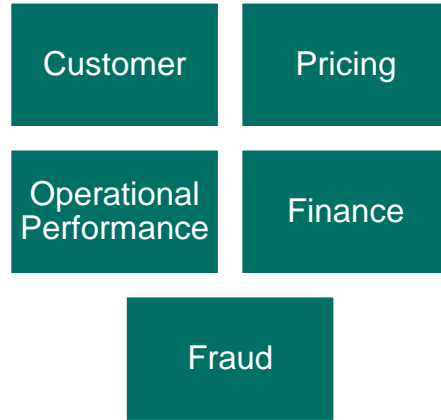
32



## A strategic differentiator

### Key focus areas

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



33

## Creating simple, differentiated customer experiences

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

34

# Suncorp Life

## Executing the Life Strategy

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

35

## Customer focused strategy

Executing in those areas we control



36

## IFA remediation

Focus on economics and lifting value

Customer at the forefront

Address product economics

Ongoing sustainability

- Targeted repricing
- LEAN efficiency
- Retention – customer campaigns

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

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

**DONE**

**DOING**

**NEXT**

37

## Ongoing Direct Growth

Further unlock the value of the Group customer base

Customer at the forefront

Foundations

Ongoing growth

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

- Data and Analytics
- E-Commerce
- New products

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

**DONE**

**DOING**

**NEXT**

38



# Ignite Presentation

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

39

## Ignite – a customer driven strategy



**Big Enough**  
Operational Excellence



**Small Enough**  
Service Excellence

40

# Ignite – a customer driven strategy



41



# Ignite Our journey so far



42



## Questions?

Ignite outcomes



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

43

The background of the Q &amp; A slide features a large, faint, stylized sunburst graphic in the upper left corner, composed of several teardrop-shaped rays.

## Q & A

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

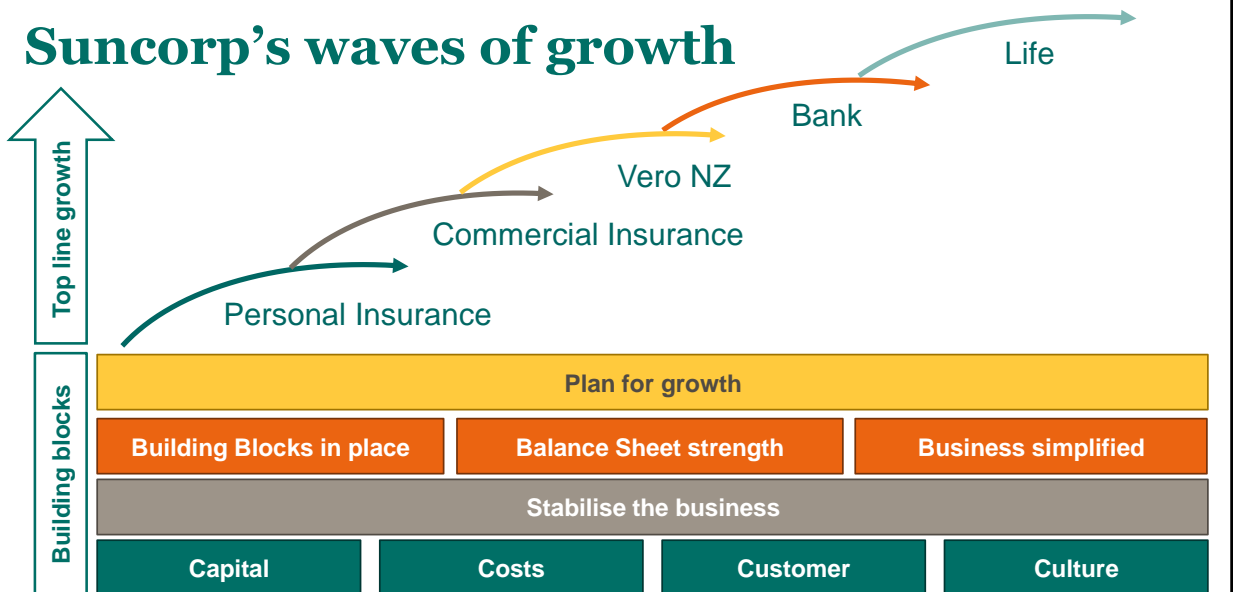
44

# Conclusion

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

45

## Suncorp's waves of growth



## **Important disclaimer**

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47