



Financial Results for the full year
ended 30 June 2017

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Create a better today

SUNCORP 

DATA PACK
RELEASE DATE 3 AUGUST 2017

SUNCORP GROUP LIMITED
ABN 66 145 290 124



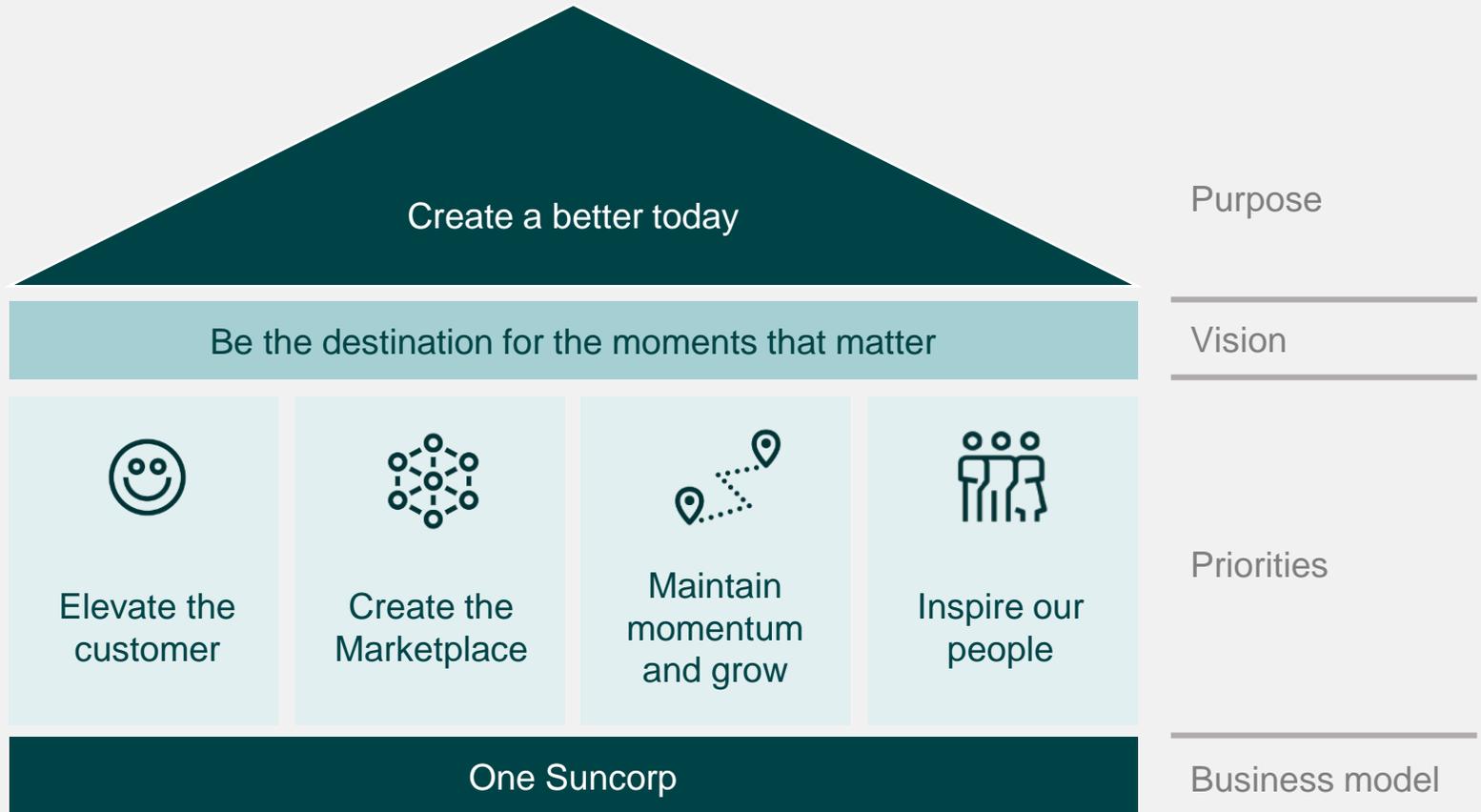
Results

-
- Group Net Profit After Tax of \$1,075m (up 3.6%)
- Group top line growth 3.6%
- UITR 12% for 2H17 (2016: 10.6%)
- Dividend of 73c (up 7.4%)
- Cash ROE of 8.4% (2016: 8.2%)

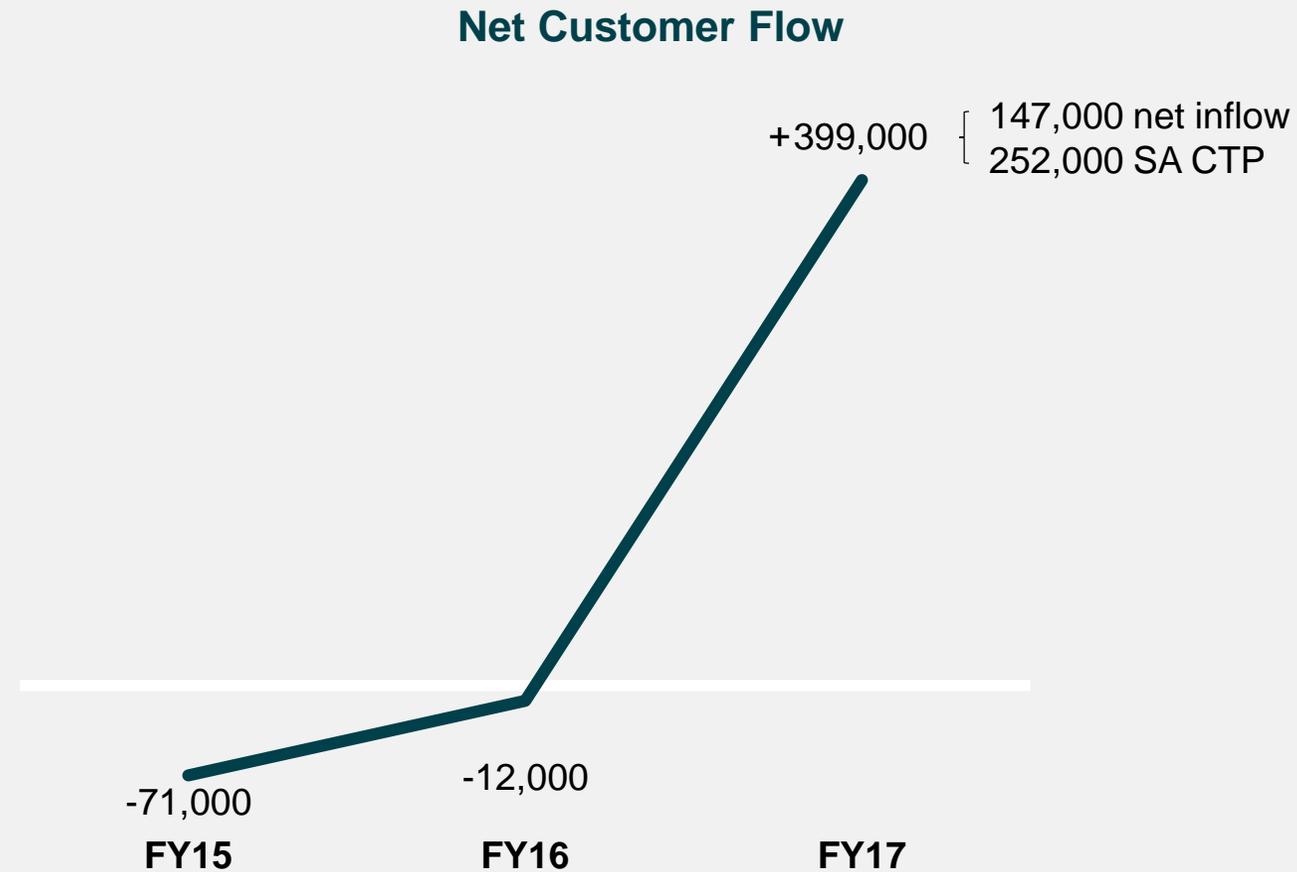
Highlights

- **Refreshed strategy** and ‘One Suncorp’ model in place
- Delivering **customer growth** and a focus on digital
- Customers are experiencing the **Marketplace deliverables**
- Creating Shareholder value with **Aggregate Reinsurance Program**
- More **resilient** Suncorp for a sustainable future

1. Refreshed strategy and 'One Suncorp' model in place



2. Delivering customer growth through refreshed strategy



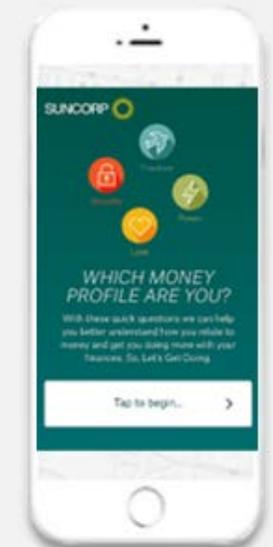
Increased Digital Usage

AAMI SmartPlates app



18,000 users

Money Profiles app

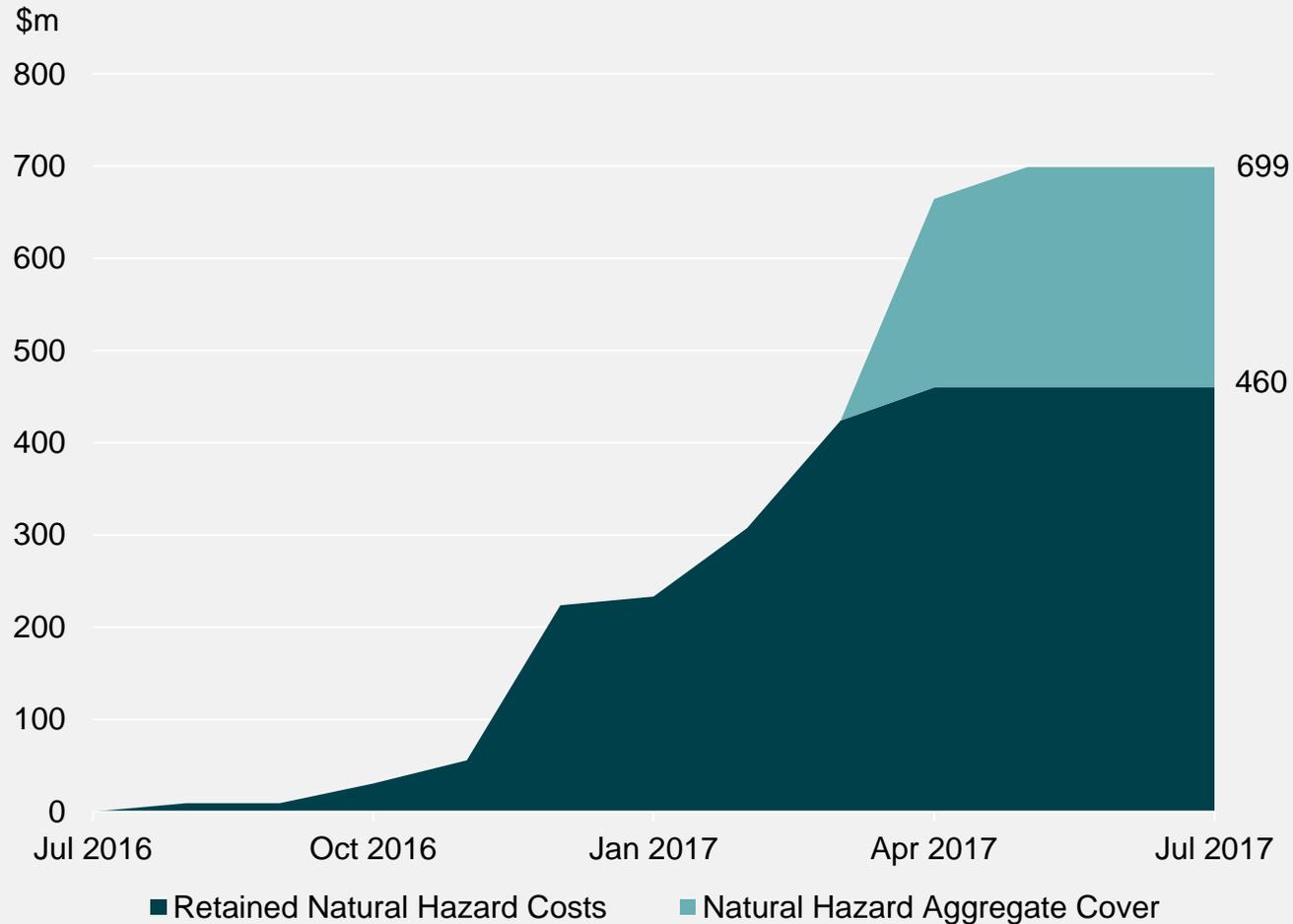


34,000 users

3. Customers are experiencing the Marketplace Deliverables

- Concept Stores
- New branding and logo
- New AAMI and Suncorp Apps
- Launched annuities and health solutions
- Capturing the opportunity

4. Creating Shareholder Value with Aggregate Reinsurance Program



- Significant NPAT benefit
- Capital benefit
- Cover extended into FY18

5. More Resilient Suncorp for a Sustainable Future

- Top line growth and investment for the future
- Dividend and capital
- Re-alignment of investment portfolio
- Re-insurance
- Additional expertise

Create a Better Today

Business Improvement Program

“Owner’s Mindset”

- Digitisation of customer experience
- Sales and Service channel optimisation
- End-to-end process improvement
- Claims supply chain re-design
- Smarter procurement

Material benefits in FY19 and FY20
with minor net benefits in FY18

Marketplace Acceleration

“Faster and Sooner”

- Single digital customer experience (app)
- Roll-out of brand refresh
- Journeys and Integrated Offers
- Third Party partnerships
- Reward and recognition program

Bring forward additional investment
with no impact on dividends

Result overview

- Group top line growth of 3.6%
- Function NPAT up 4.0%
- Cash earnings up 5.1%
- Dividend up 7.4%
- Amortisation increase due to Autosure divestment

	FY17 (\$m)	FY16 (\$m)	Change (%)
Insurance (Australia)	723	558	29.6
Banking & Wealth	400	418	(4.3)
New Zealand	82	183	(55.2)
NPAT from functions	1,205	1,159	4.0
Other	(60)	(70)	(14.3)
Cash earnings	1,145	1,089	5.1
Acquisition Amortisation	(70)	(51)	37.3
Reported NPAT	1,075	1,038	3.6
Full year dividend	73 cps	68 cps	7.4

Insurance (Australia)

NPAT

—

- NPAT up 29.6% to \$723 million
- GWP growth of 3.9%
- Reported ITR of 12.9%
- Natural hazards \$655 million (FY16: \$720 million)
- Reserve releases of \$301 million (FY16: \$348 million)
- Underlying investment yield of 2.5%

	FY17 (\$m)	FY16 (\$m)	Change (%)
Gross written premium	8,111	7,803	3.9
Net earned premium	7,072	6,893	2.6
Net incurred claims	(4,923)	(5,099)	(3.5)
Operating expenses	(1,442)	(1,411)	2.2
Investment income - insurance funds	205	236	(13.1)
Insurance trading result	912	619	47.3
General Insurance profit after tax	689	490	40.6
Life Insurance profit after tax	34	68	(50.0)
Insurance (Australia) NPAT	723	558	29.6

Gross Written Premiums

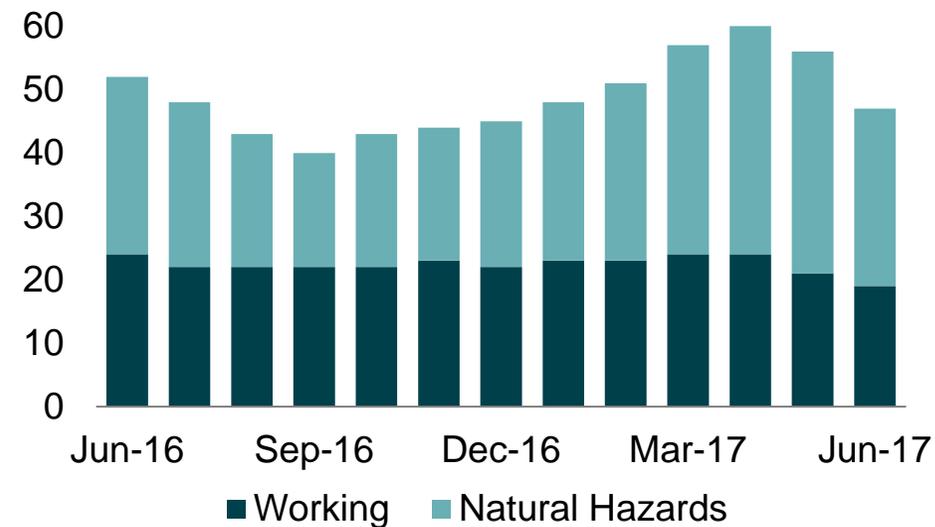
- Home & Motor return to positive unit growth with 3% to 5% price increases
- Commercial underwriting discipline with some positive pricing momentum
- CTP growth from SA entry and NSW price increases

	FY17 (\$m)	FY16 (\$m)	Change (%)
Motor	2,634	2,568	2.6
Home	2,233	2,193	1.8
Commercial	1,543	1,577	(2.2)
Compulsory third party	1,404	1,215	15.6
Workers compensation and other	297	250	18.8
Total Gross Written Premium	8,111	7,803	3.9

Claims

- Net incurred claims down 3.5%
- Lower natural hazard claims
- Operational metrics for Home and Motor working claims have returned to sustainable levels
- Strong claims performance across NSW CTP
- \$423 million of events >\$5 million
- NHAP renewed

Home active claims volumes ('000)



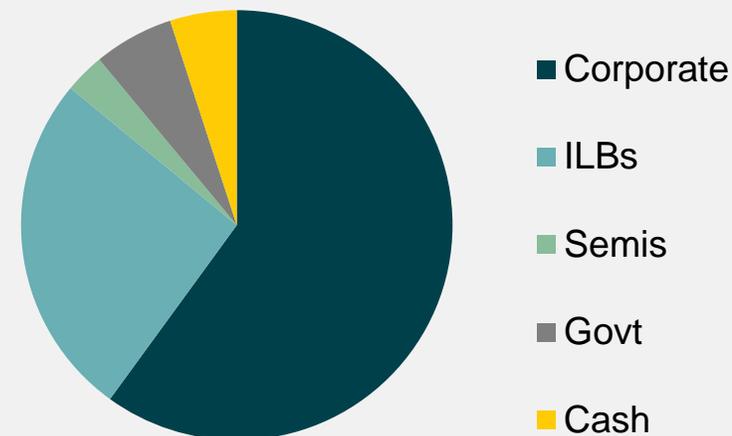
Motor active claims volumes ('000)



Investments

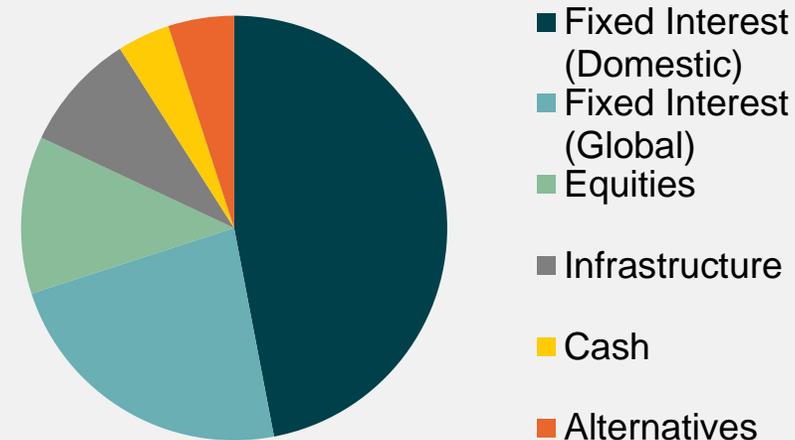
Insurance funds \$9.2 billion

- Investment income of \$205 million (FY16: \$236 million)
- \$120 million MTM loss from an increase in risk-free rates
- \$43 million MTM gain from narrowing credit spreads
- \$52 million MTM gain from outperformance of ILBs
- 2.5% annualised underlying return



Shareholders' funds \$2.7 billion

- Investment income of \$98 million (FY16: \$80 million)
- 3.7% annualised return
- Returns driven by improving equity markets and narrowing credit spreads, offset by MTM from rising bond yields



Life Insurance NPAT

—

- Stable underlying profits
- Subdued new business volumes reflecting challenging market conditions
- Optimisation program to deliver improved profitability
- Strategic review continuing

	FY17 (\$m)	FY16 (\$m)	Change (%)
Planned profit margin release	19	15	26.7
Experience	(6)	19	n/a
Other and investments ⁽¹⁾	40	19	110.5
Underlying profit after tax	53	53	-
Market adjustments	(19)	15	n/a
Life Insurance NPAT	34	68	(50.0)
In-force annual premium	806	813	(0.9)
Total new business	62	74	(16.2)

⁽¹⁾ Other includes benefits from a group profit share arrangement in prior years and positive experience from previous repricing

Banking & Wealth NPAT

-
- Total lending up 1.9%
- Annualised second half lending growth of 4.2%
- Improved credit quality
- Stable funding profile
- Strong capital & balance sheet
- Completion of Super Simplification Program

	FY17 (\$m)	FY16 (\$m)	Change (%)
Net interest income	1,131	1,129	0.2
Net non-interest income	76	88	(13.6)
Operating expenses	(636)	(639)	(0.5)
Profit before impairment losses	571	578	(1.2)
Impairment losses	(7)	(16)	(56.3)
Income tax	(168)	(169)	(0.6)
Banking profit after tax	396	393	0.8
Wealth profit after tax	4	25	(84.0)
Banking & Wealth NPAT	400	418	(4.3)

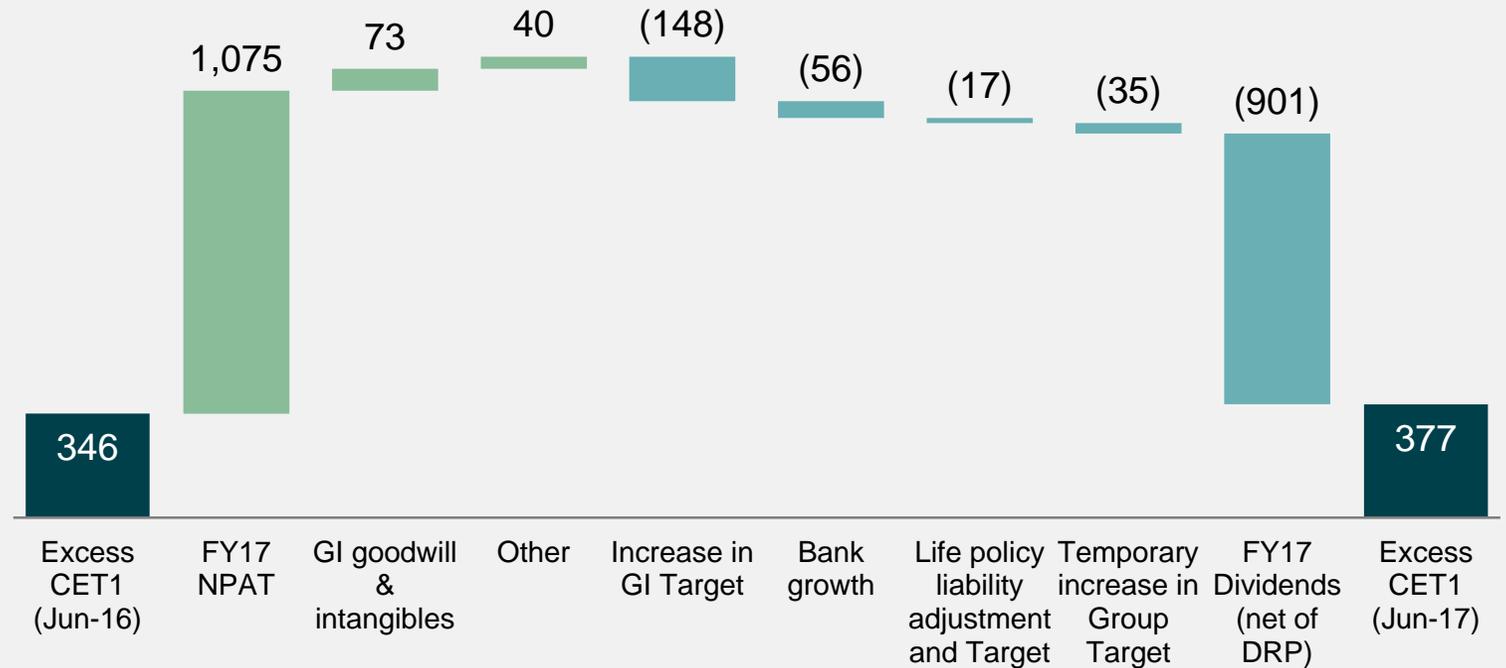
New Zealand NPAT

- GWP grew 6.3%, driven by Home and Motor
- Kaikoura earthquake and reinsurance reinstatement net NPAT impact of NZ\$36 million
- Motor claims cost inflation across the industry

	FY17 (NZ\$m)	FY16 (NZ\$m)	Change (%)
Gross written premium	1,424	1,339	6.3
Net earned premium	1,163	1,139	2.1
Net incurred claims	(735)	(612)	20.1
Operating expenses	(387)	(369)	4.9
Investment income – insurance funds	14	20	(30.0)
Insurance trading result	55	178	(69.1)
General Insurance profit after tax	47	147	(68.0)
Life Insurance profit after tax	40	53	(24.5)
New Zealand NPAT	87	200	(56.5)

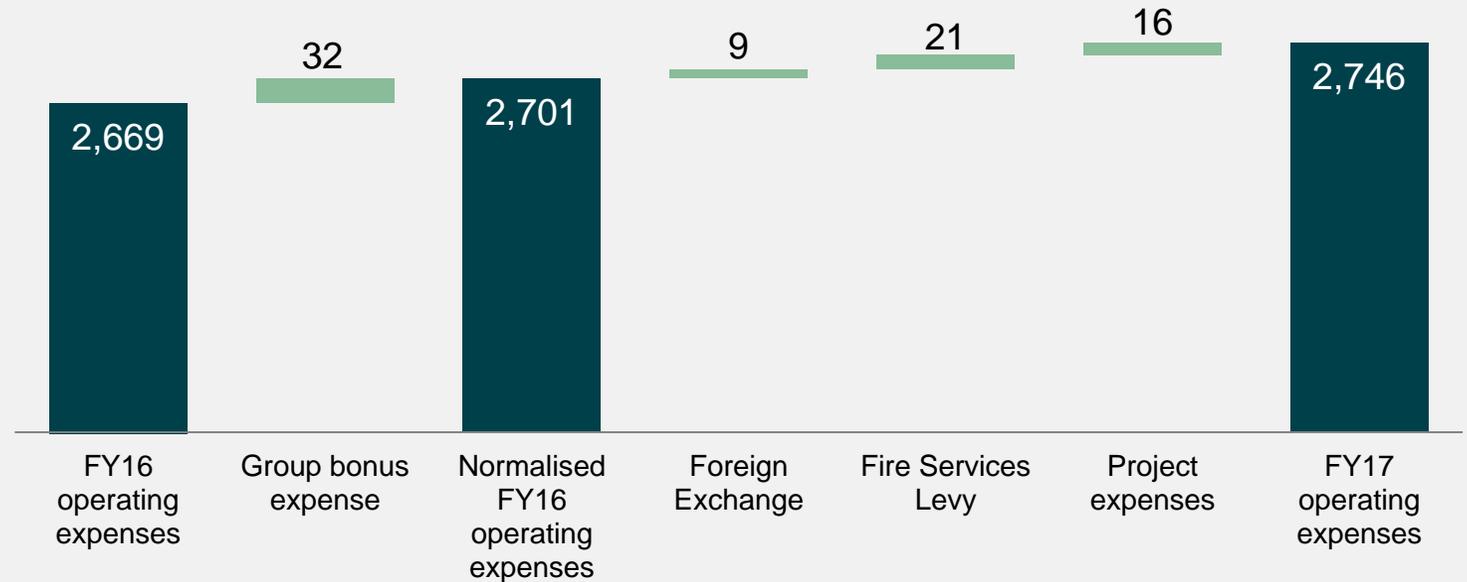
Capital position

- CET1 excess of \$377 million
- GI changes in targets and increased Asset Risk Charges
- Bank growth in risk weighted assets offset by RMBS issuance
- Capital release from Autosure disposal



Operating expenses

- Operating expenses up 2.9%
- Direct expense base maintained at around \$2.7 billion for the past 4 years
- Business Improvement Program to reduce operating and claims expenses from FY19





Medium term targets

-
- Broadening of customer relationships
- 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 and returning surplus capital to shareholders



Priorities

-
- Elevate the Customer
- Create the Marketplace
- Maintain momentum and grow
- Inspire our people

Highlights

- **Refreshed strategy** and ‘One Suncorp’ model in place
- Delivering **customer growth** and a focus on digital
- Customers benefiting from roll out of **Marketplace deliverables**
- Creating Shareholder value with **Aggregate Reinsurance Program**
- More **resilient** Suncorp for a sustainable future



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SUNCORP GROUP LIMITED
ABN 66 145 290 124



Suncorp Group

Leading financial services brands
in Australia and New Zealand



Top 20 ASX listed company

\$19 billion market capitalisation
at 30 June 2017

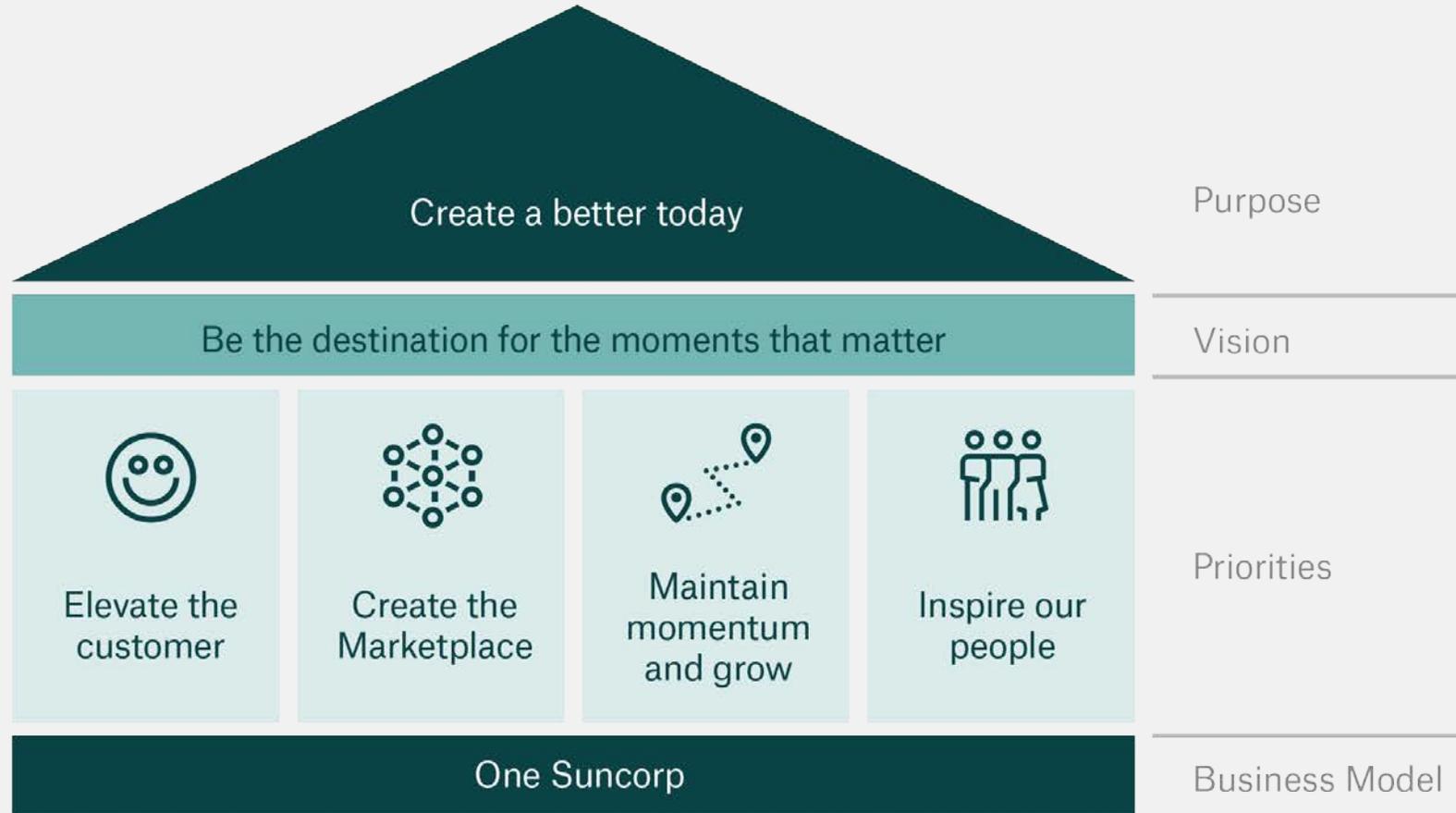
\$97 billion in group assets

13,400 employees in Australia
and New Zealand

Approximately
9 million customers

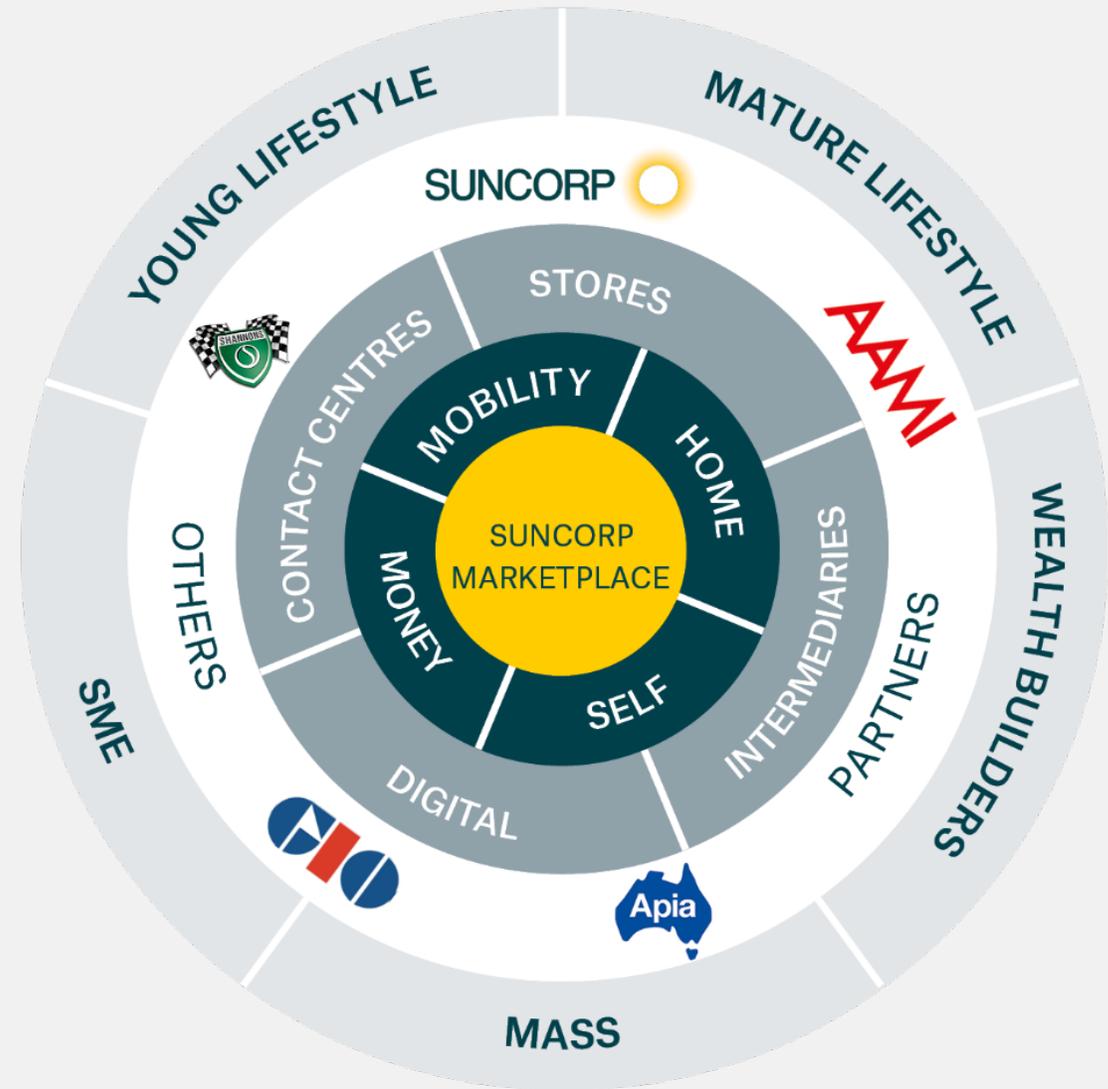
End-to-end ownership of brands

Strategy



Elevating the Customer

-
- Making the experience easy for customers
- Connecting customers to the Suncorp Marketplace
- Developing integrated solutions and customer journeys



Elevating the Customer and Creating the Marketplace



Build the Marketplace



**Design connected
solutions and services**

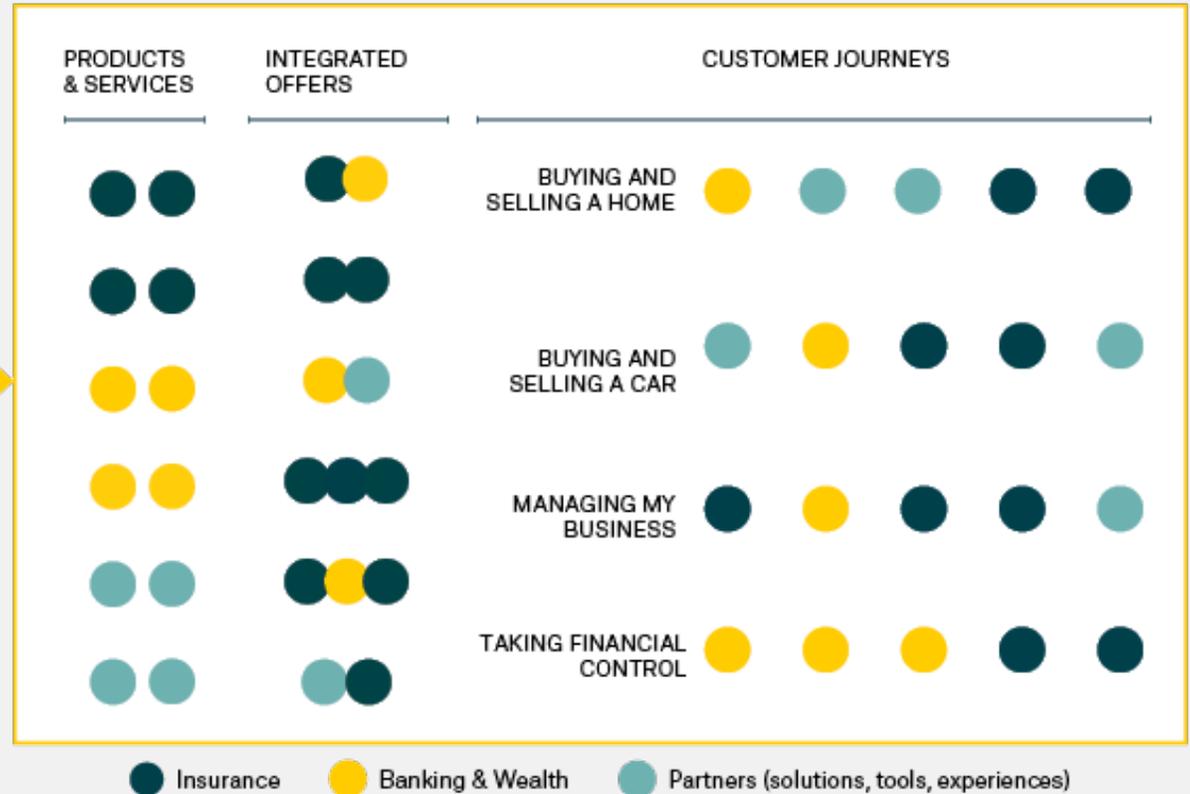
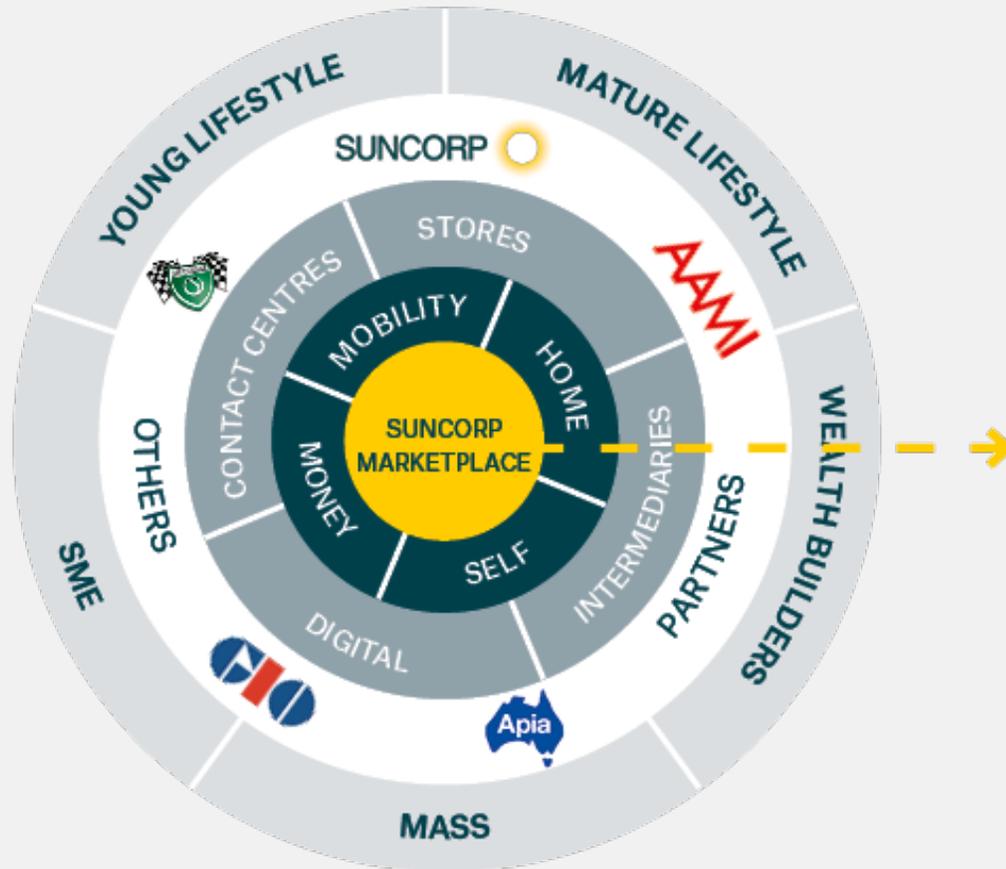


**Develop the partner
ecosystem**



**Differentiate our brands
(individually strong and
deliver value when
connected)**

Building the Suncorp Marketplace



Designing end-to-end customer journeys

Opportunity

- 3.3 million home owners
- 5.6 million vehicle owners
- 700,000 small business customers



From

- Unconnected range of products and brands
- Winning customers at the end of a purchase
- Competing only where we manufacture

To

- Seamless connection of solutions and brands
- Winning customers early within a purchase
- Engaging partners to compete in new areas

Marketplace priorities

- Build intuitive digital experience for our customers and partners
- Execute loyalty and differentiated service levels
- Enhance sales and service productivity
- Connect Intermediaries to the Marketplace to deepen relationships
- Continue to deliver integrated customer journeys



Key metrics



OUR BUSINESS PERFORMANCE

Net profit after tax
\$1,075m

Cash return on average shareholders' equity
8.4%

Customer satisfaction across our consumer brands
82%



OUR PEOPLE AND SOCIETY

Women in leadership
49%

Investment in local communities
\$9.8m

Engagement of our people
62%



OUR ENVIRONMENT

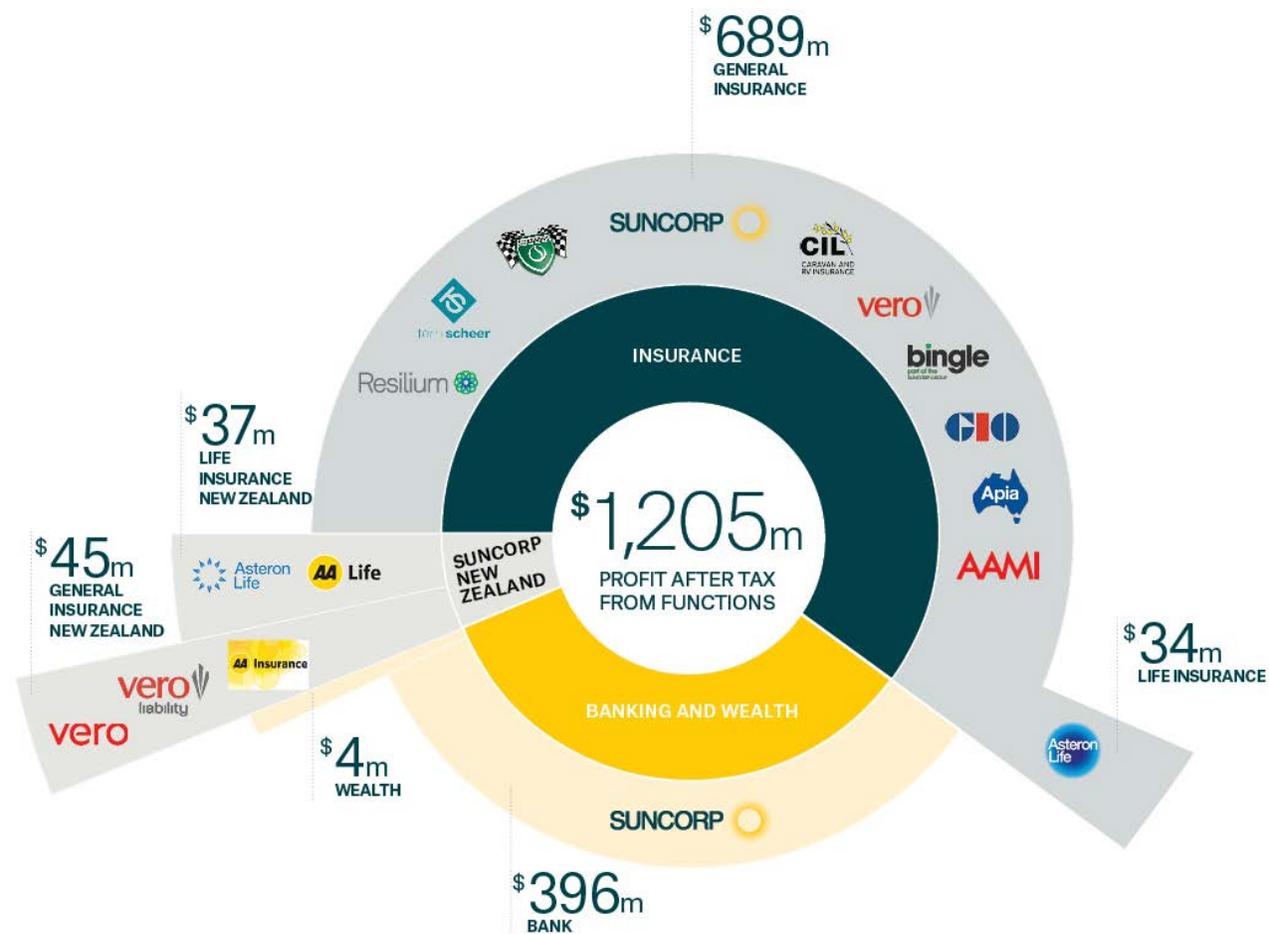
Reduction in greenhouse gas emissions
11%↓

Reduction in fuel used in company vehicles
15%↓

Reduction in air travel
22%↓

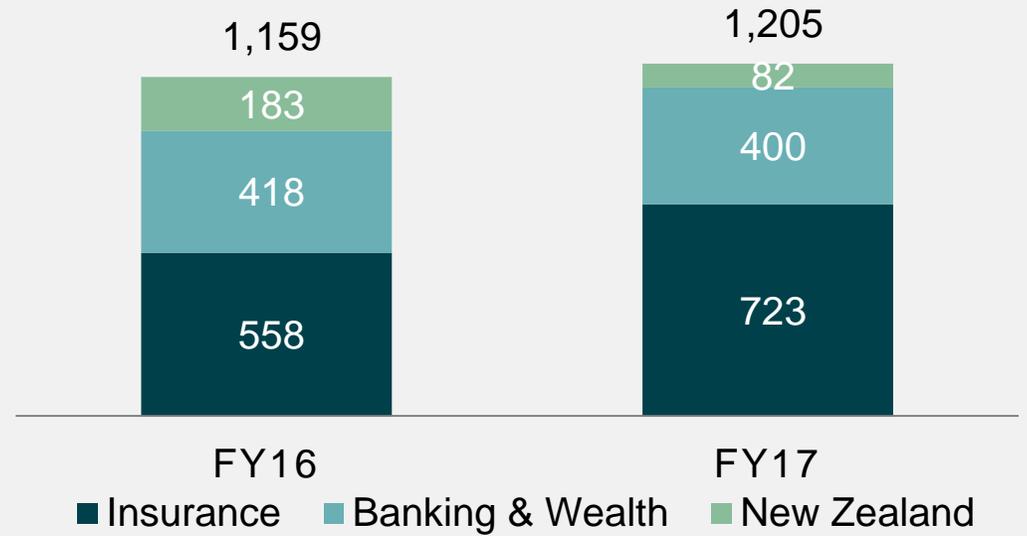
Profit after tax from functions (\$m)

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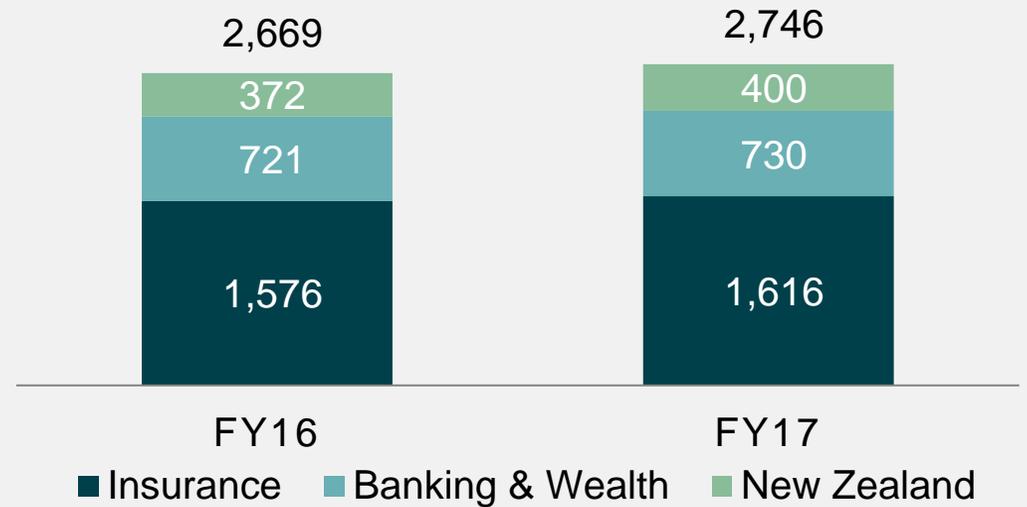


Profit and operating expenses

Profit after tax from functions

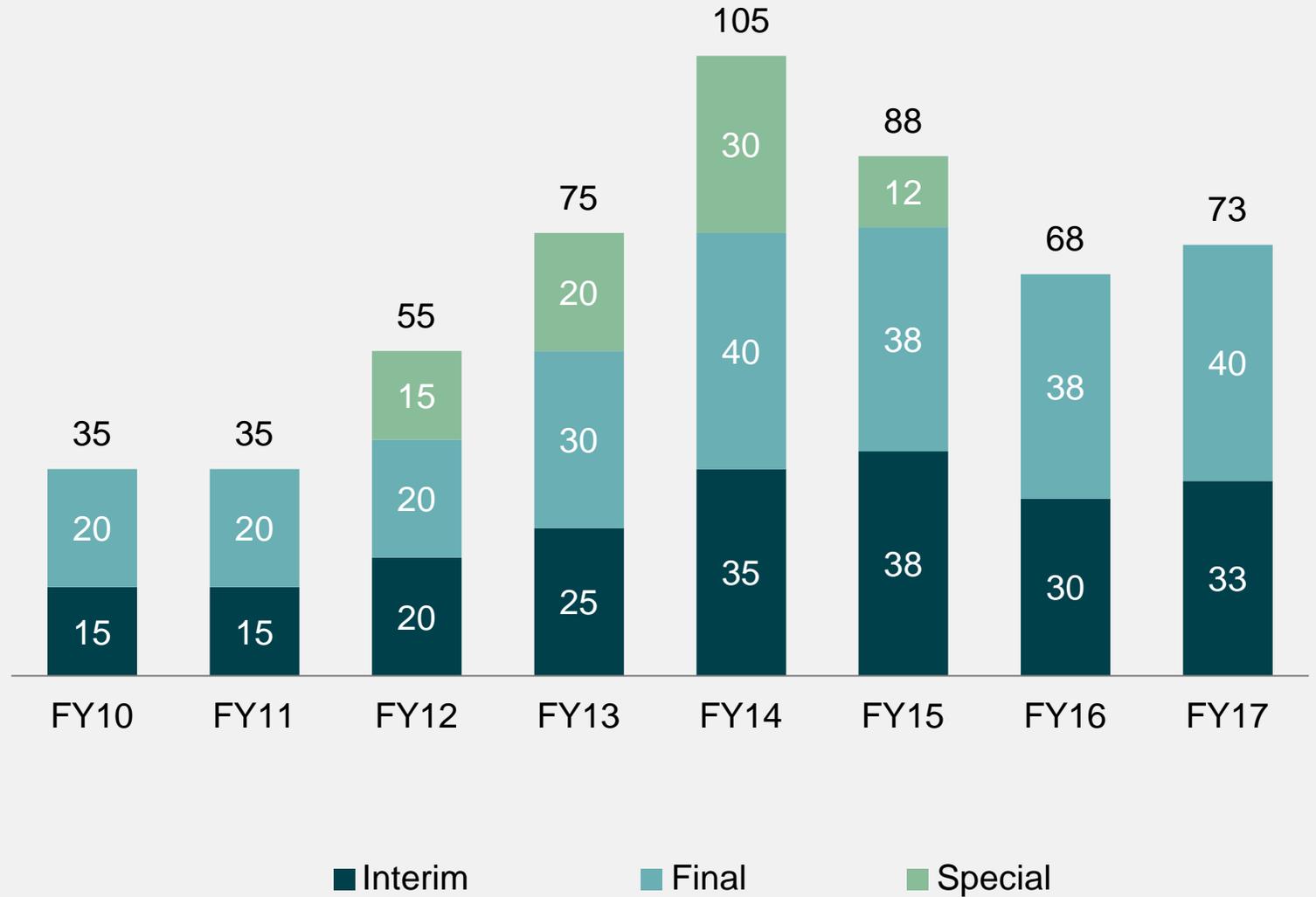


Operating expenses



Dividends (cps)

- 73 cent total ordinary dividend, up 7.4%
- Cash earnings payout ratio of 81.9%

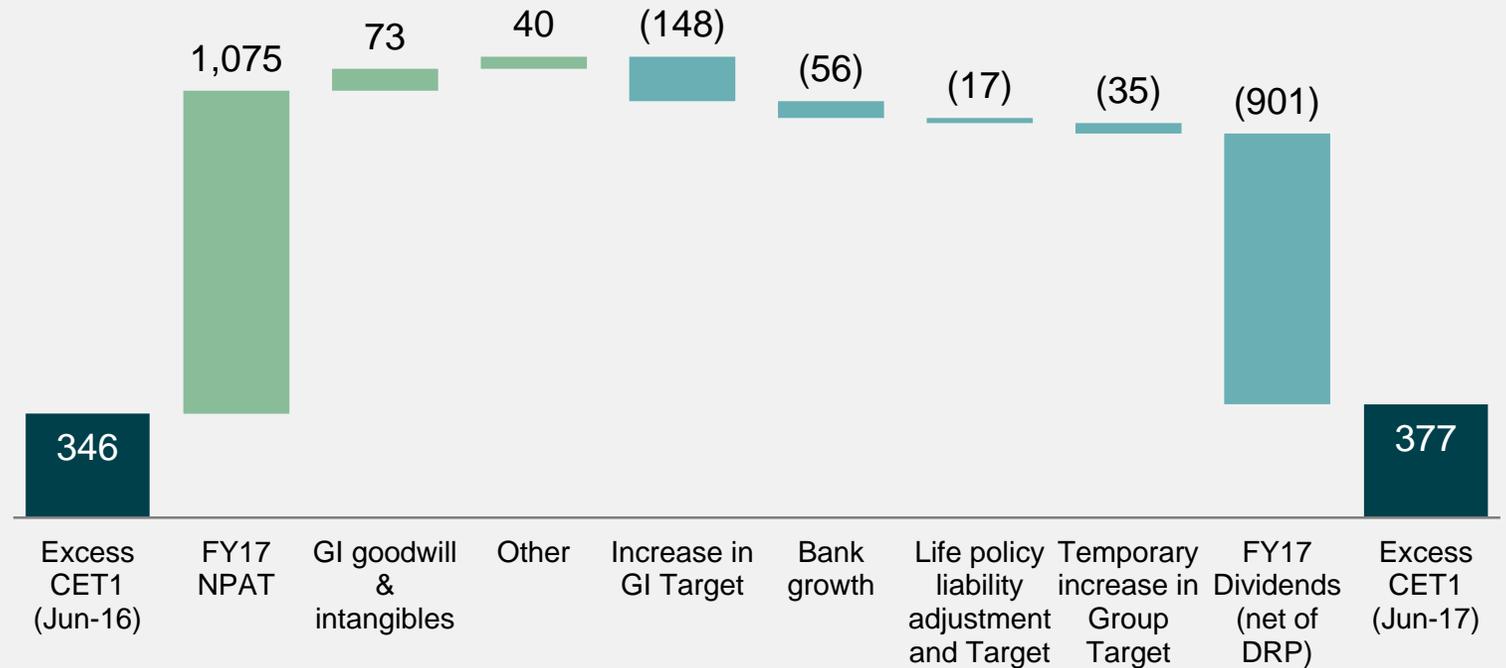


Capital position (\$m)

	As at 30 June 2017				Total	Total as at 30 Jun 2016
	GI	Bank	Life	SGL, Corp Services & Consol		
CET1	3,115	2,963	461	86	6,625	6,338
CET1 Target	2,593	2,809	335	35	5,772	5,552
Excess to CET1 Target (pre div)	522	154	126	51	853	786
Group Dividend					(476)	(440)
Group Excess to CET1 Target (ex div)					377	346
Common Equity Tier 1 Ratio	1.32x	9.23%	2.00x			
Total Capital	4,180	4,685	561	86	9,512	8,860
Total Capital Target	3,535	3,933	397	15	7,880	7,743
Excess to Target (pre div)	645	752	164	71	1,632	1,117
Group Dividend					(476)	(440)
Group Excess to Target (ex div)					1,156	677
Total Capital Ratio	1.77x	14.59%	2.44x			

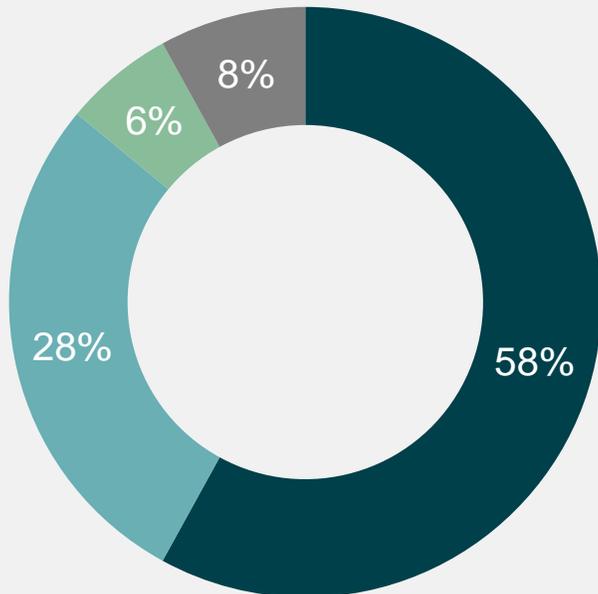
CET1 capital base (\$m)

- CET1 excess of \$377 million
- GI changes in targets and increased Asset Risk Charges
- Bank growth in risk weighted assets offset by RMBS issuance
- Capital release from Autosure disposal

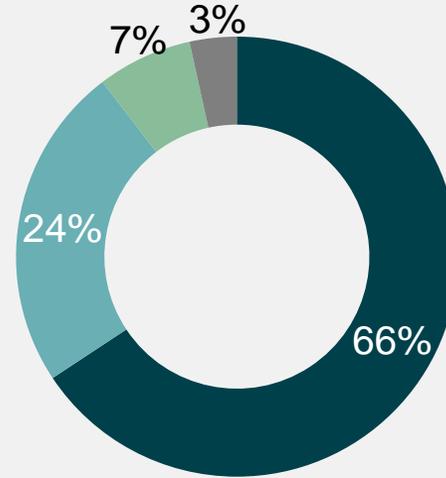


Group Risk Based Capital (RBC)

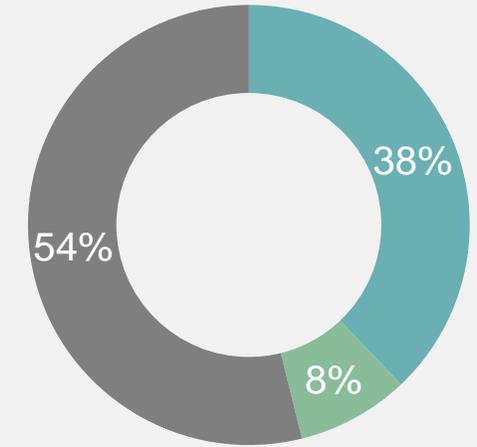
Group



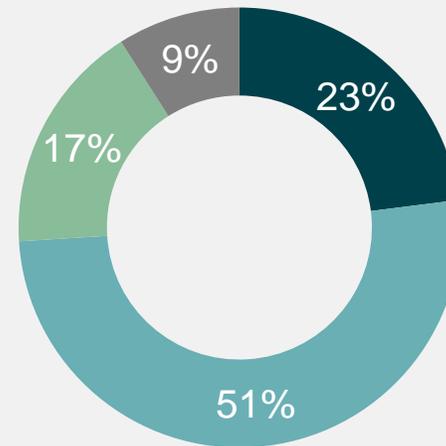
General Insurance



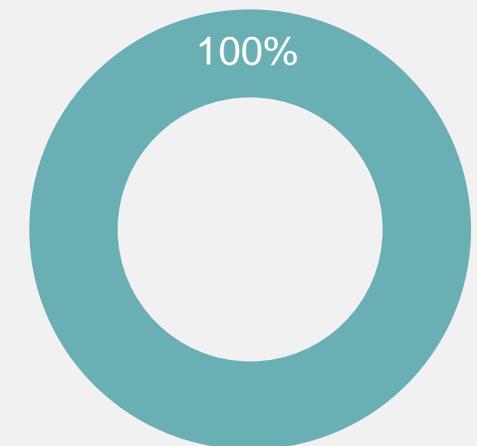
Bank



Life Insurance



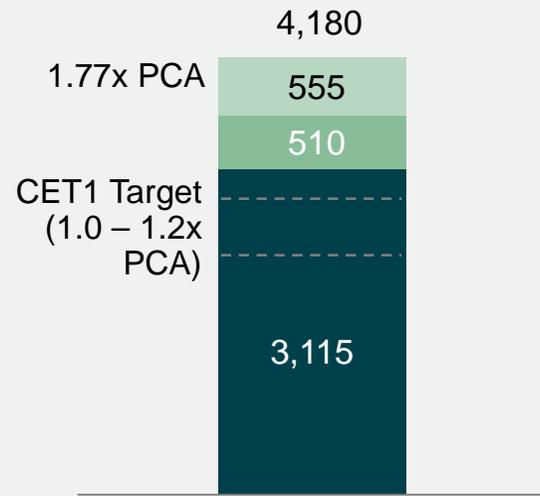
Corporate



Insurance risk
 Market risk
 Operational risk
 Counterparty credit risk

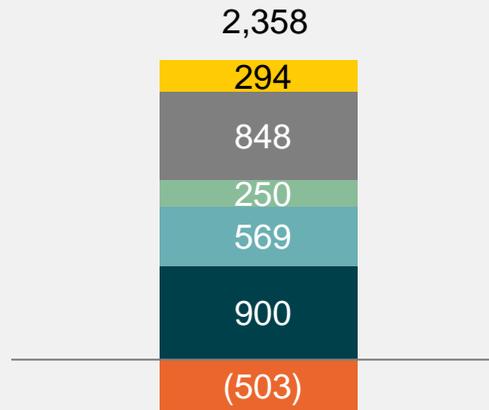
General Insurance capital

Total capital (\$m)



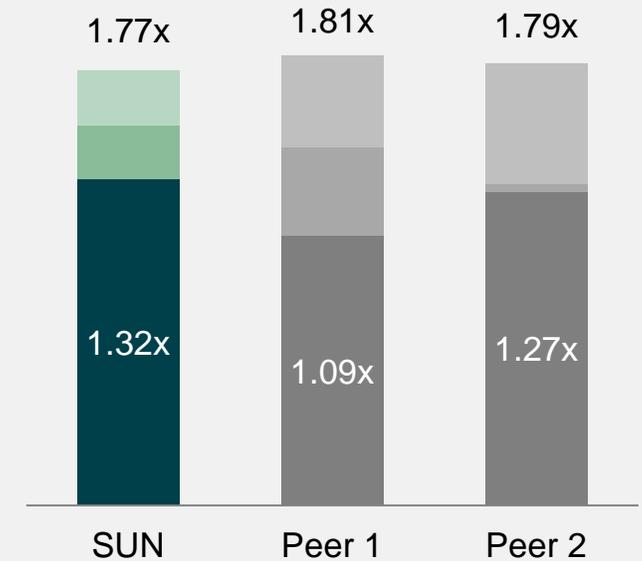
- Common Equity Tier 1
- Additional Tier 1
- Tier 2

Prescribed Capital Amount (PCA) (\$m)



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

Capital ratios vs peers

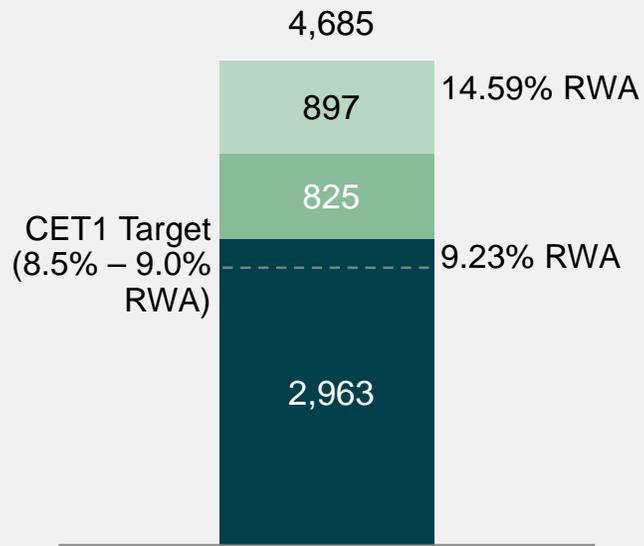


- Common Equity Tier 1
- Additional Tier 1
- Tier 2

Source: Latest published company reports

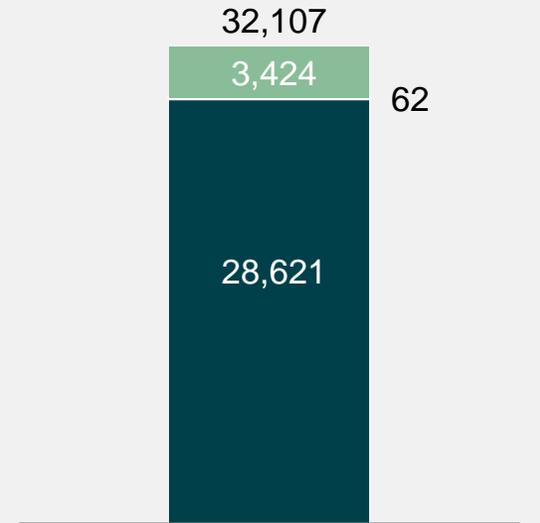
Bank capital

Total capital (\$m)



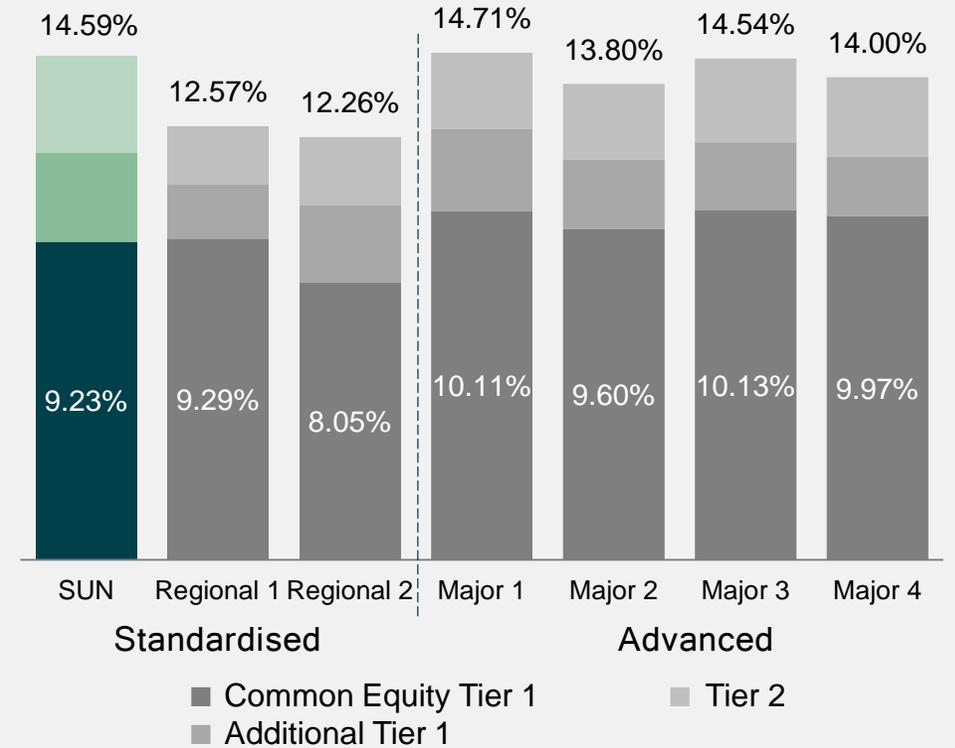
■ Common Equity Tier 1
■ Additional Tier 1
■ Tier 2

Risk weighted assets (\$m)



■ Credit risk
■ Market risk
■ Operational risk

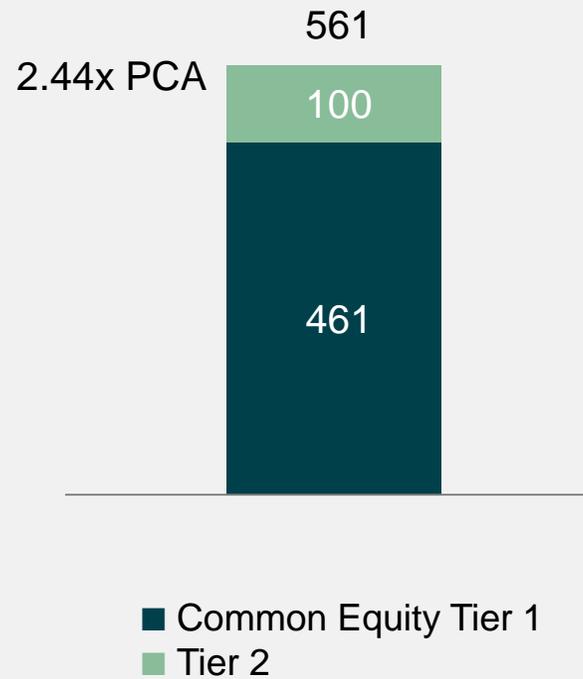
Capital ratios vs peers



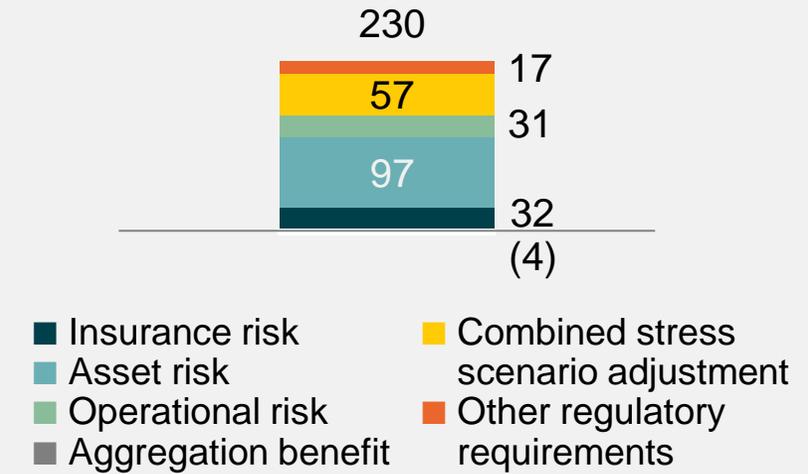
Source: Latest published company reports

Life Insurance capital

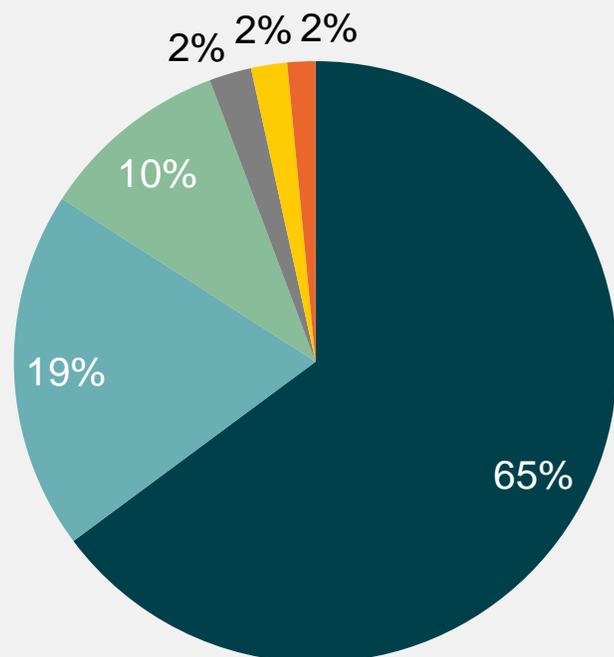
Total capital (\$m)



Prescribed Capital Amount (PCA) (\$m)



Investment assets



Insurance (Australia)

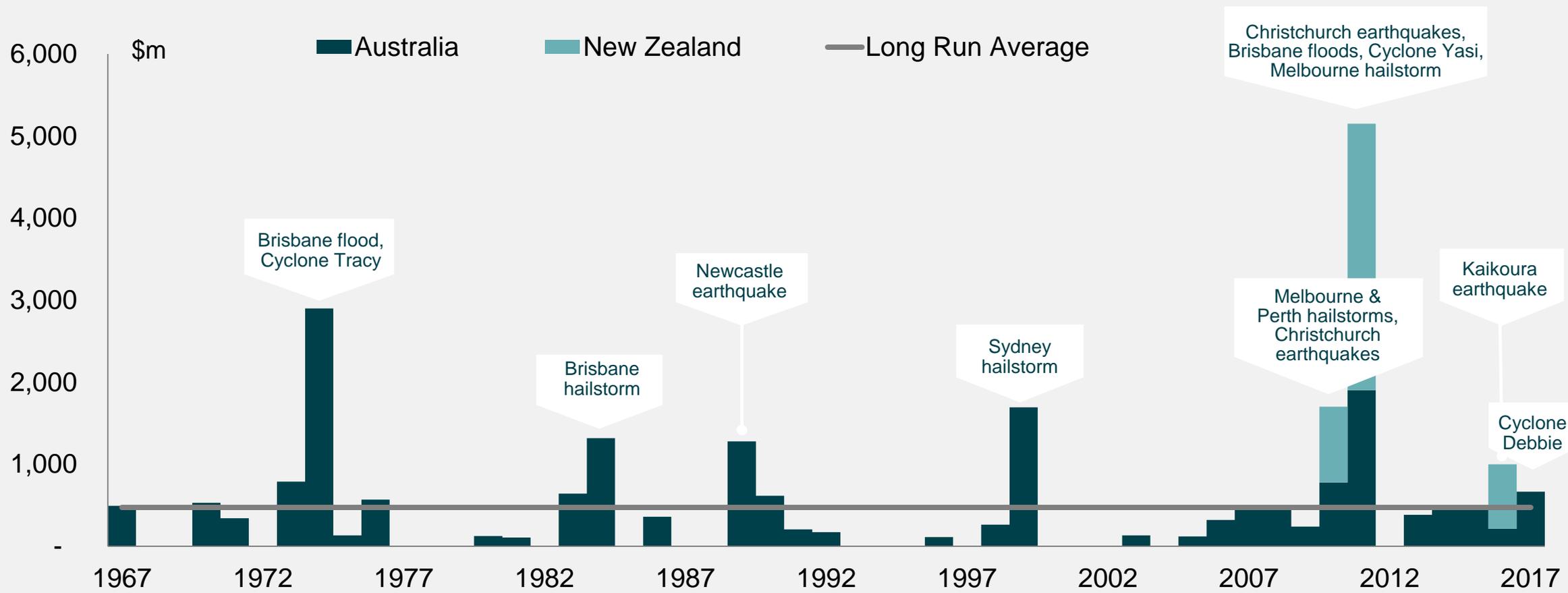
- GI - insurance funds
- GI - shareholders' funds
- Life shareholder assets

New Zealand

- GI - insurance funds
- GI - shareholders' funds
- Life shareholder assets

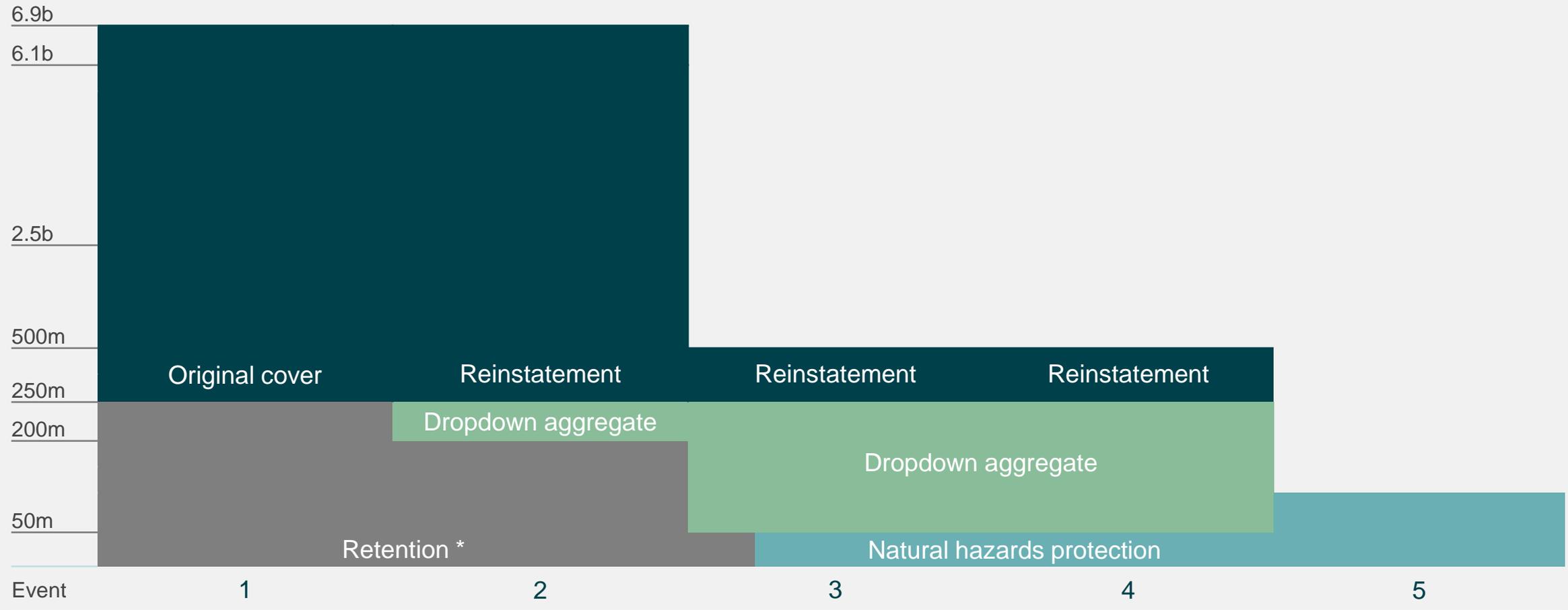
	FY17 (\$m)
Insurance (Australia) investments	
General Insurance - insurance funds	9,198
General Insurance - shareholders' funds	2,737
Life shareholder assets	1,445
Insurance (Australia) total	13,380
New Zealand investments	
General Insurance - insurance funds	321
General Insurance - shareholders' funds	275
Life shareholder assets	209
New Zealand total	805
Total investments	14,185

50 year history of major weather events



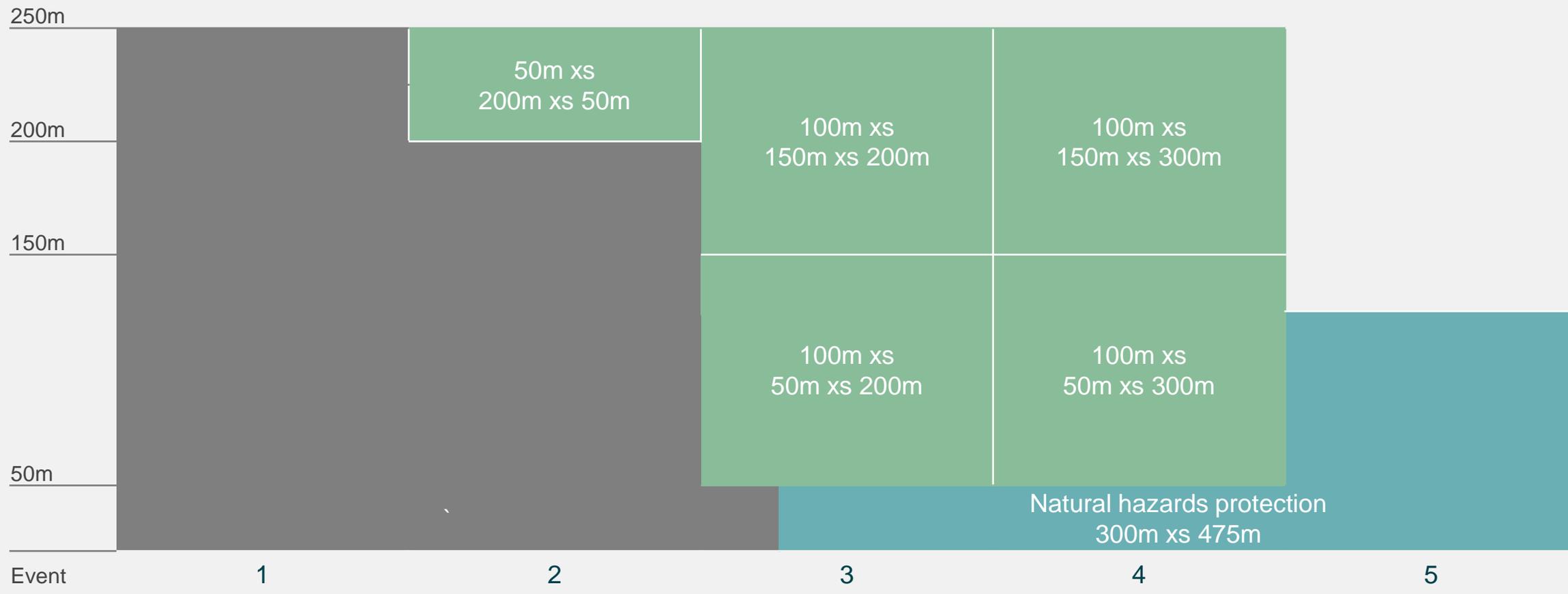
Adjusted for inflation, population growth and market share

Reinsurance program – natural hazards



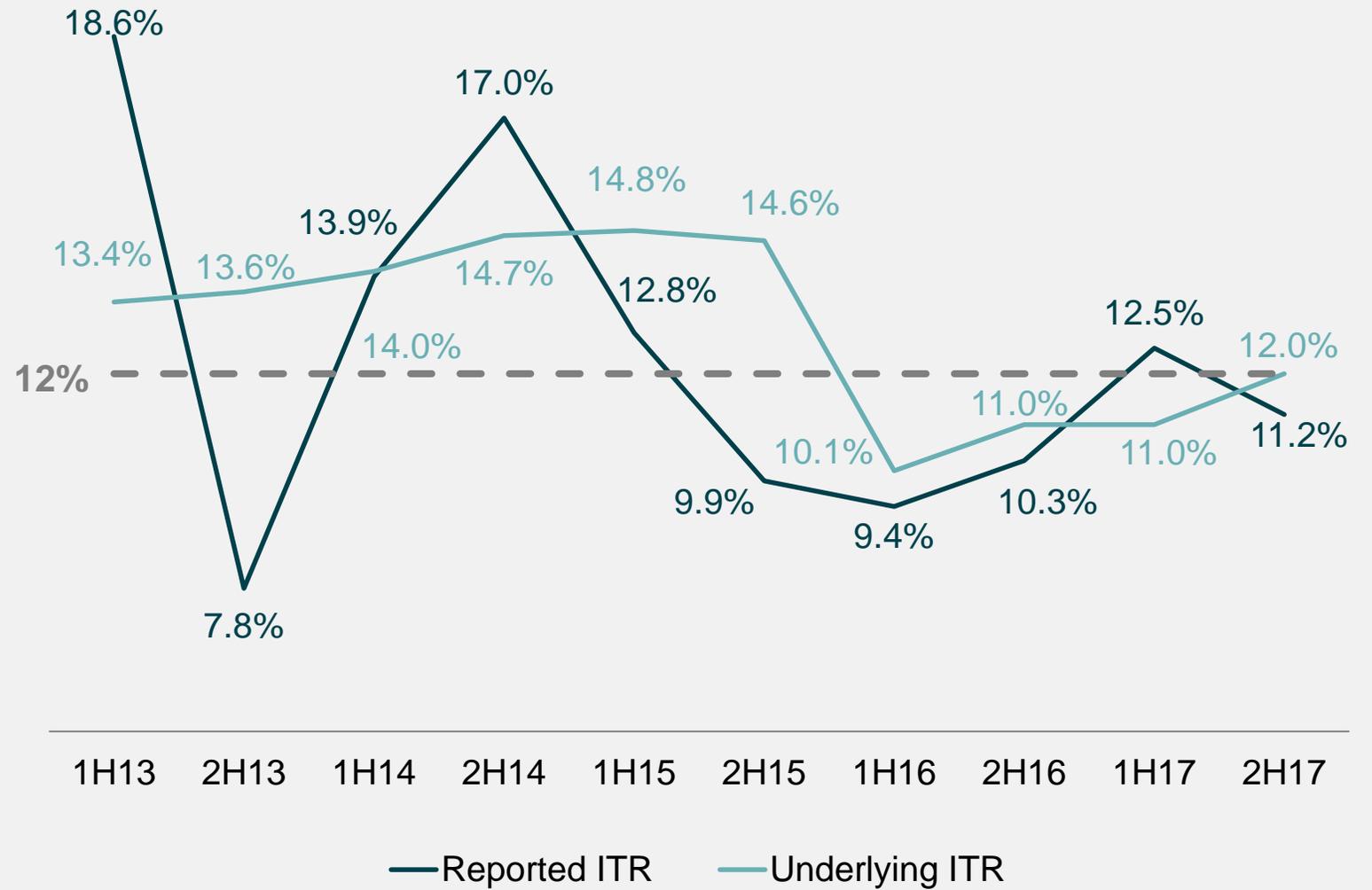
* Relates to Australian events.

Reinsurance program – dropdown aggregate



* Relates to Australian events.

Underlying and reported ITR



Shareholder metrics

EPS (basic)



EPS (diluted)

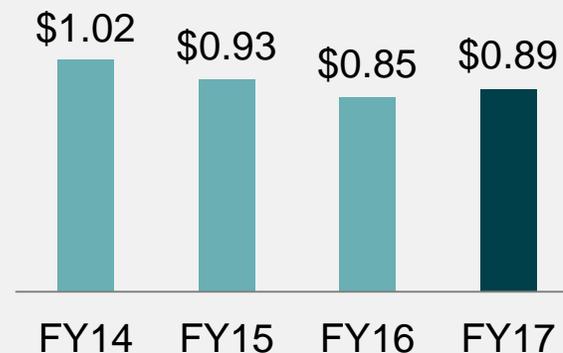


	FY14	FY15	FY16	FY17
Numerator (\$m)				
Earnings (EPS basic)	730	1,133	1,038	1,075
Interest expense on convertible securities (net of tax)	-	45	43	42
Earnings (EPS diluted)	730	1,178	1,081	1,117
Denominator (m)				
Weighted average ordinary shares (EPS basic)	1,278	1,279	1,279	1,282
Effect of conversion of convertible securities	-	72	80	71
Weighted average ordinary shares (EPS diluted)	1,278	1,351	1,358	1,353

* Convertible securities include SUNPC, SUNPE, SUNPF

Shareholder metrics

Cash EPS (basic)



Cash EPS (diluted)

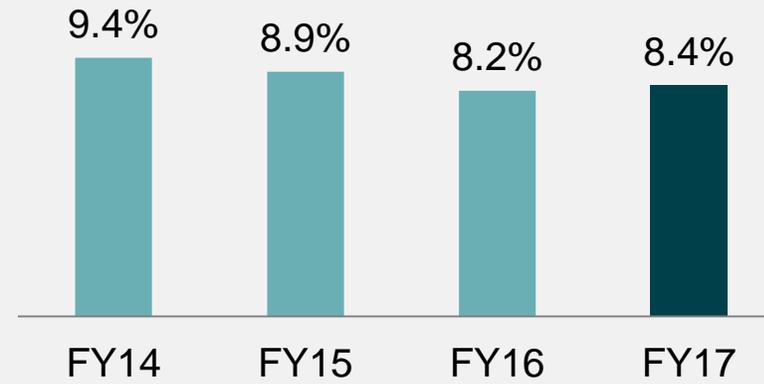


	FY14	FY15	FY16	FY17
Numerator (\$m)				
Earnings (EPS basic)	1,304	1,191	1,089	1,145
Interest expense on convertible securities (net of tax)	31	45	43	42
Earnings (EPS diluted)	1,335	1,236	1,132	1,187
Denominator (m)				
Weighted average ordinary shares (EPS basic)	1,278	1,279	1,279	1,282
Effect of conversion of convertible securities	47	72	80	71
Weighted average ordinary shares (EPS diluted)	1,325	1,351	1,358	1,353

* Convertible securities include SUNPC, SUNPE, SUNPF

Shareholder metrics

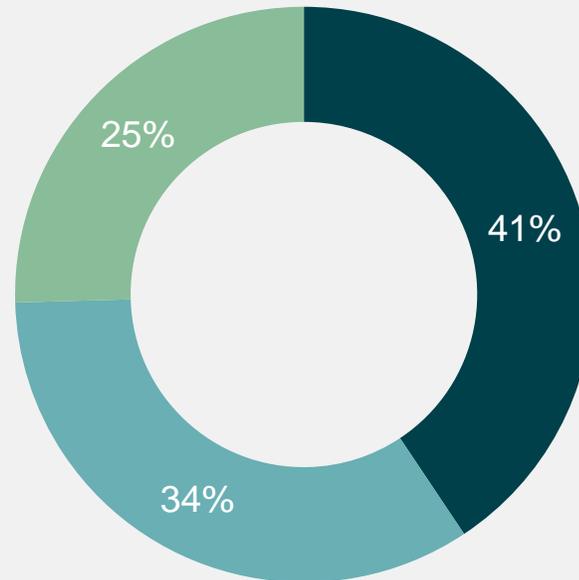
Cash ROE



	FY14	FY15	FY16	FY17
Cash ROE				
Earnings (\$m)	1,304	1,191	1,089	1,145
Average shareholders' equity (\$m)	13,868	13,345	13,282	13,631

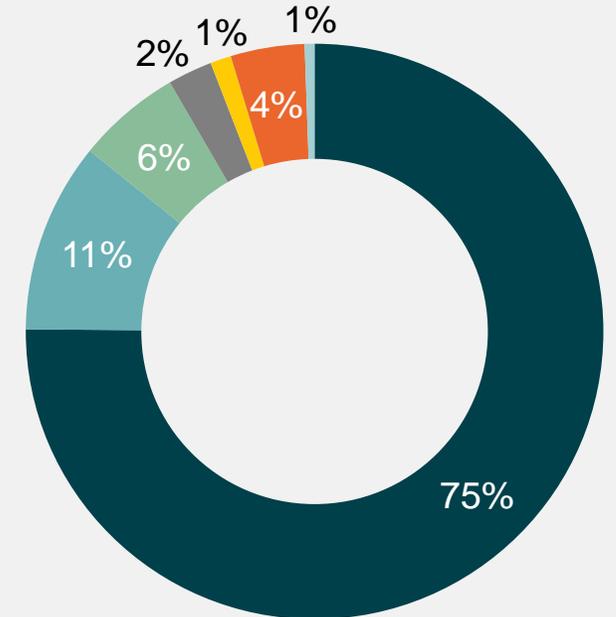
Shareholder overview

SUN shareholders by type



- Domestic Institutions
- Retail Investors
- International Institutions

SUN shareholders by geography



- Australia (Institutions & Retail)
- United States
- United Kingdom
- Hong Kong
- Japan
- Rest of Europe
- Rest of World

Source: Orient Capital, 23 June 2017



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Insurance (Australia)

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Insurance (Australia)

Insurance (Australia)

NPAT

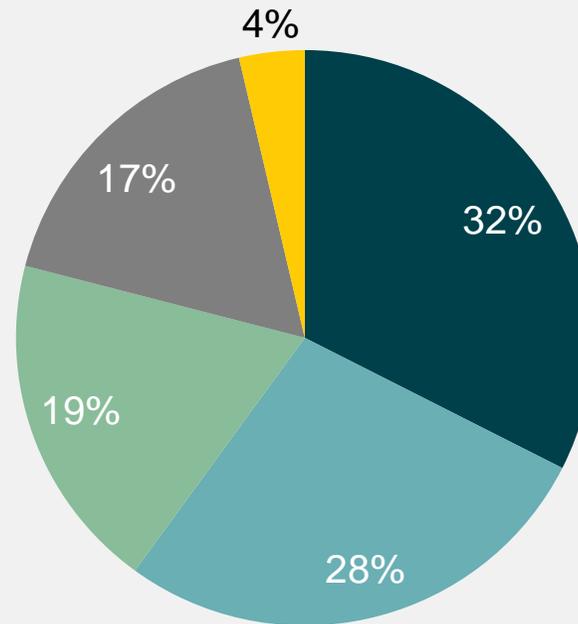
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Insurance trading result	912	619	47.3
Other income	65	71	(8.5)
Income tax	(288)	(200)	44.0
General Insurance profit after tax	689	490	40.6
Life Insurance profit after tax	34	68	(50.0)
Insurance NPAT	723	558	29.6

General Insurance Gross Written Premium

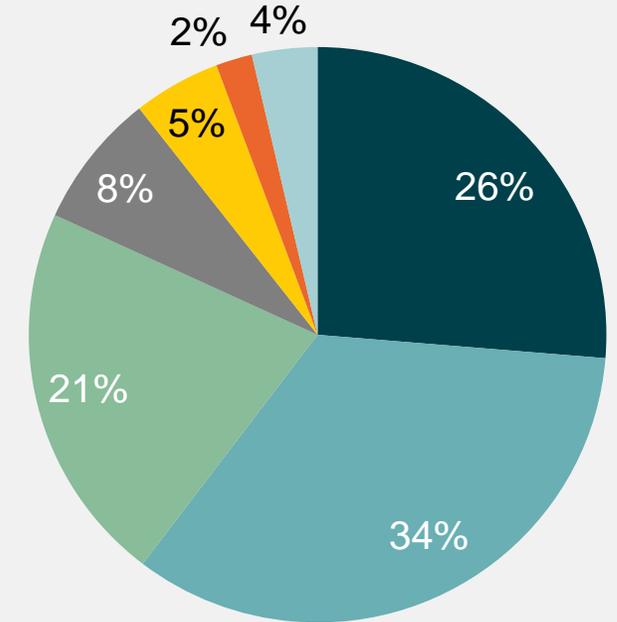
—
Total GWP of \$8.1 billion

Portfolio by product



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

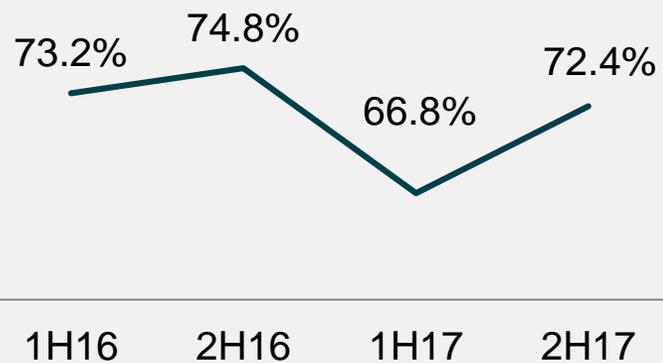
Portfolio by geography



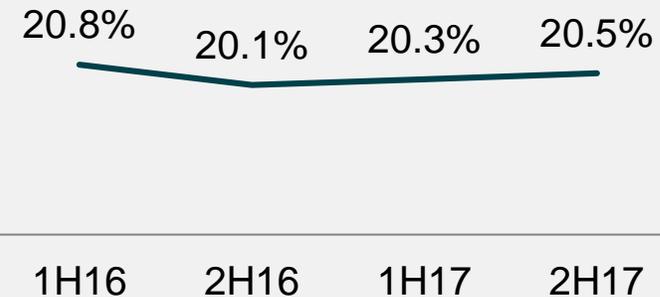
- Queensland
- New South Wales
- Victoria
- Western Australia
- South Australia
- Tasmania
- Other

General Insurance key ratios

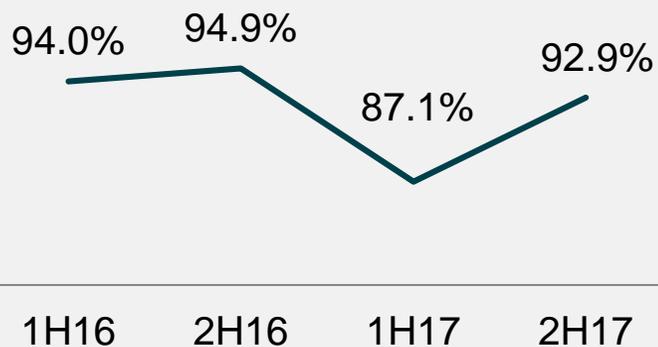
Loss ratio



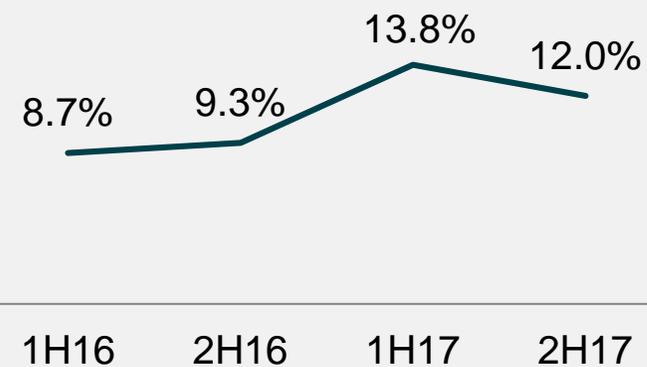
Total operating expenses ratio



Combined operating ratio



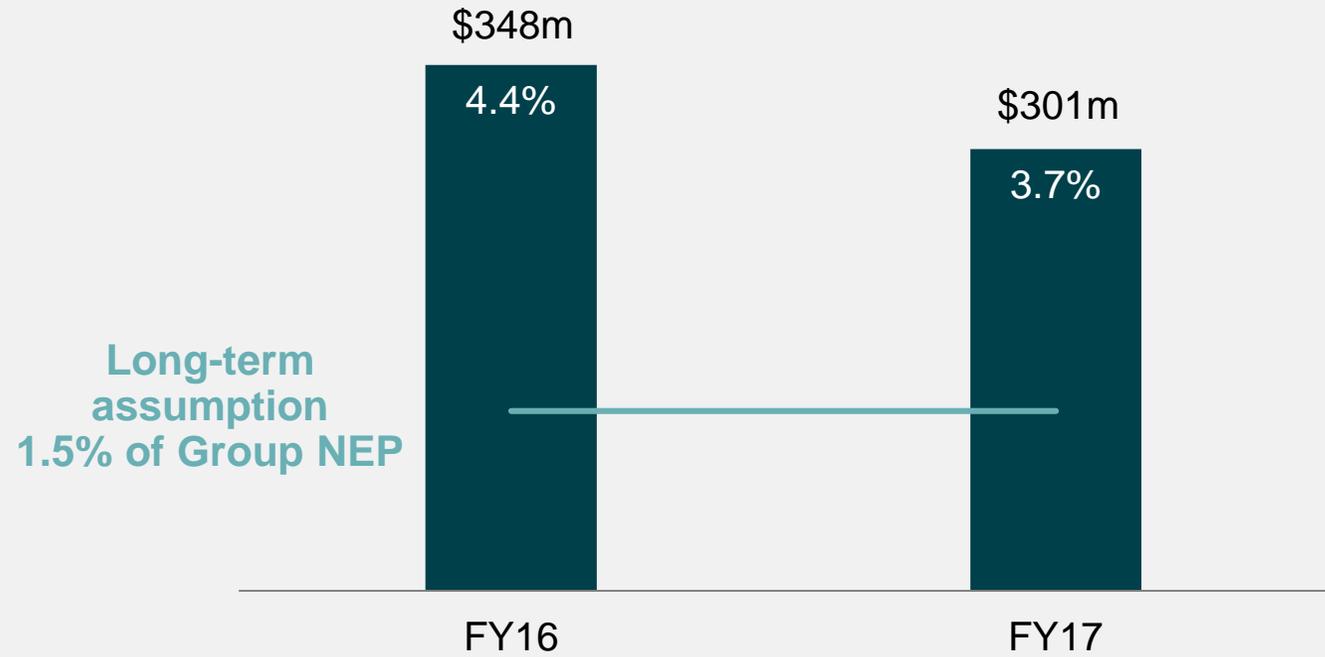
Reported ITR



General Insurance reserve releases

—

- Conservative assumptions and proactive long-tail claims management



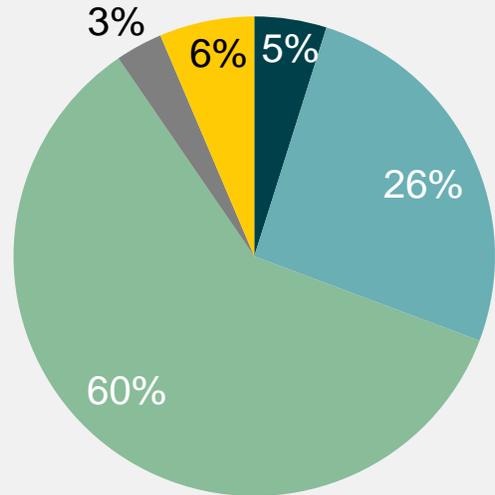
Natural hazard events

Date	Event	Net costs (\$m)
Jul 2016	Southern winds	9
Sep 2016	South Australian and Victorian flooding	8
Sep 2016	Southern wind and rain	14
Oct 2016	Victorian wind storm	18
Oct 2016	Young and Parkes hail	7
Nov 2016	South Australian and Victorian storms	104
Nov 2016	Maryborough storms	6
Nov 2016	Kaikoura earthquake (NZ)	28
Nov 2016	Gympie hail	10
Dec 2016	Ipswich hail	9
Dec 2016	South Australian and Victorian storms	74
Feb 2017	Western Australian rain	6
Feb 2017	Northern Sydney hail	110
Mar 2017	New South Wales, Queensland and Victorian rain	20
Mar 2017	Tropical Cyclone Debbie	-
Apr 2017	Ocean Grove rain	-
Apr 2017	Geelong rain	-
	Total events over \$5 million ⁽¹⁾	423
	Other natural hazards attritional claims	232
	Total natural hazards	655
	Less: allowance for natural hazards	(600)
	Natural hazards costs above allowance	55

⁽¹⁾ Events with a gross cost over \$5 million, shown net of recoveries from reinsurance.

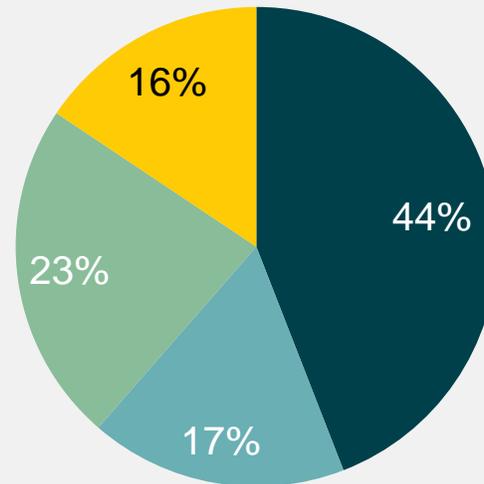
General Insurance investment asset allocation

Insurance funds
\$9.2 billion



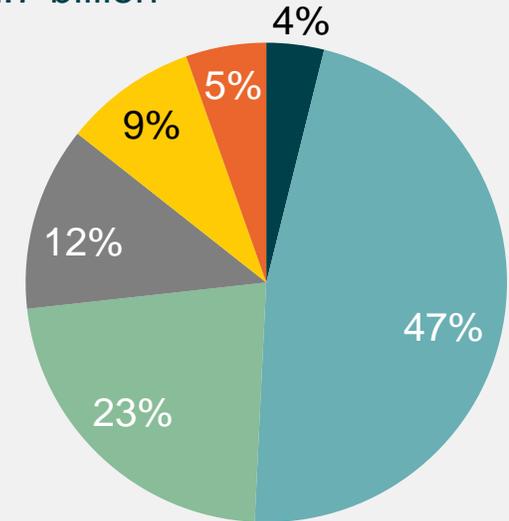
- Cash and short-term deposits
- Semi-Government bonds
- Inflation-linked bonds*
- Commonwealth Government bonds
- Corporate bonds

Fixed income credit quality



- AAA
- A
- AA
- BBB

Shareholders' funds
\$2.7 billion

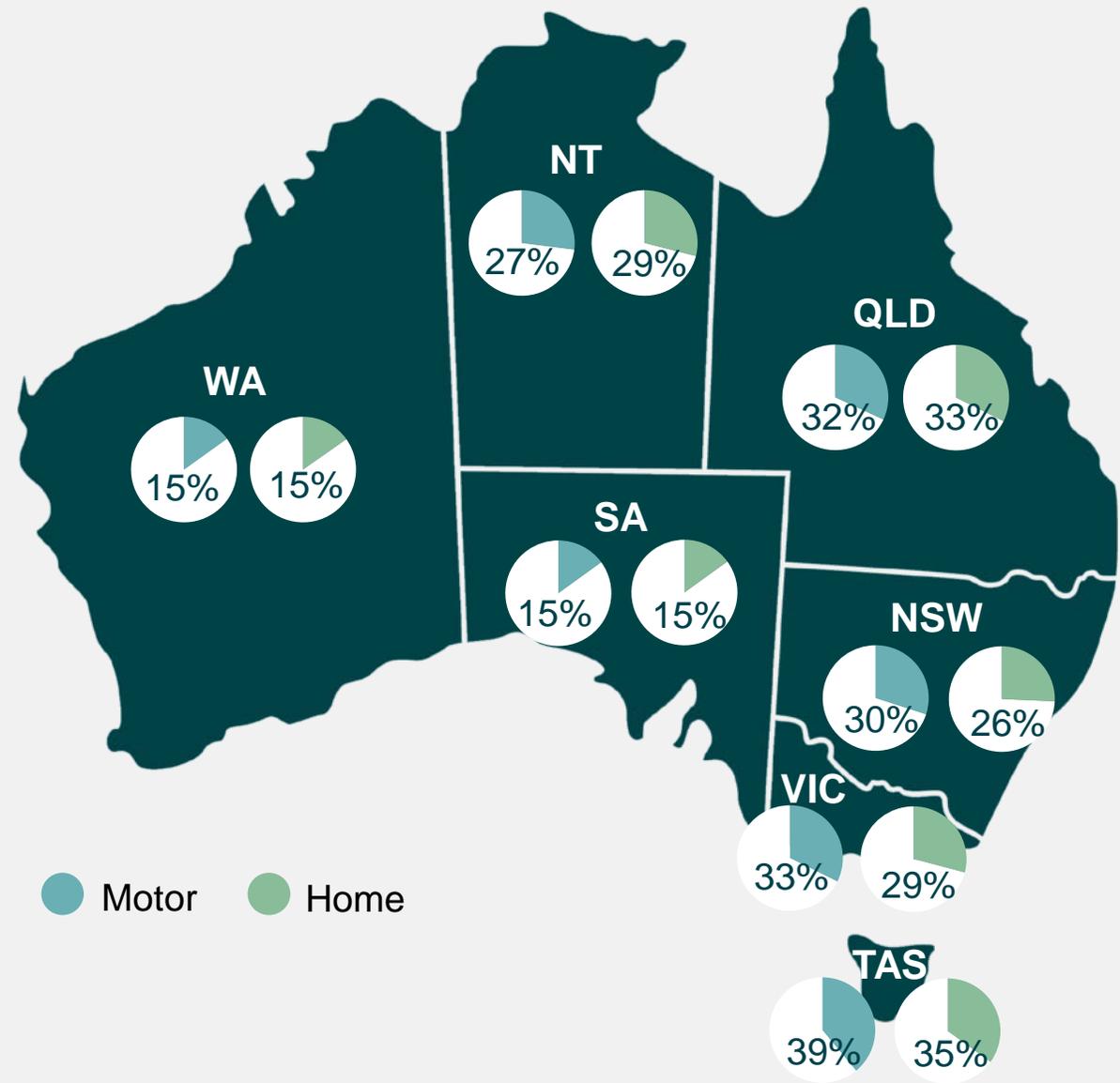


- Cash and short-term deposits
- Australia interest-bearing securities
- Global interest-bearing securities
- Equities
- Infrastructure and property
- Alternative investments

* The total notional exposure to inflation-linked securities, after accounting for both physical bonds and derivatives, in the insurance funds is \$2.4 billion.

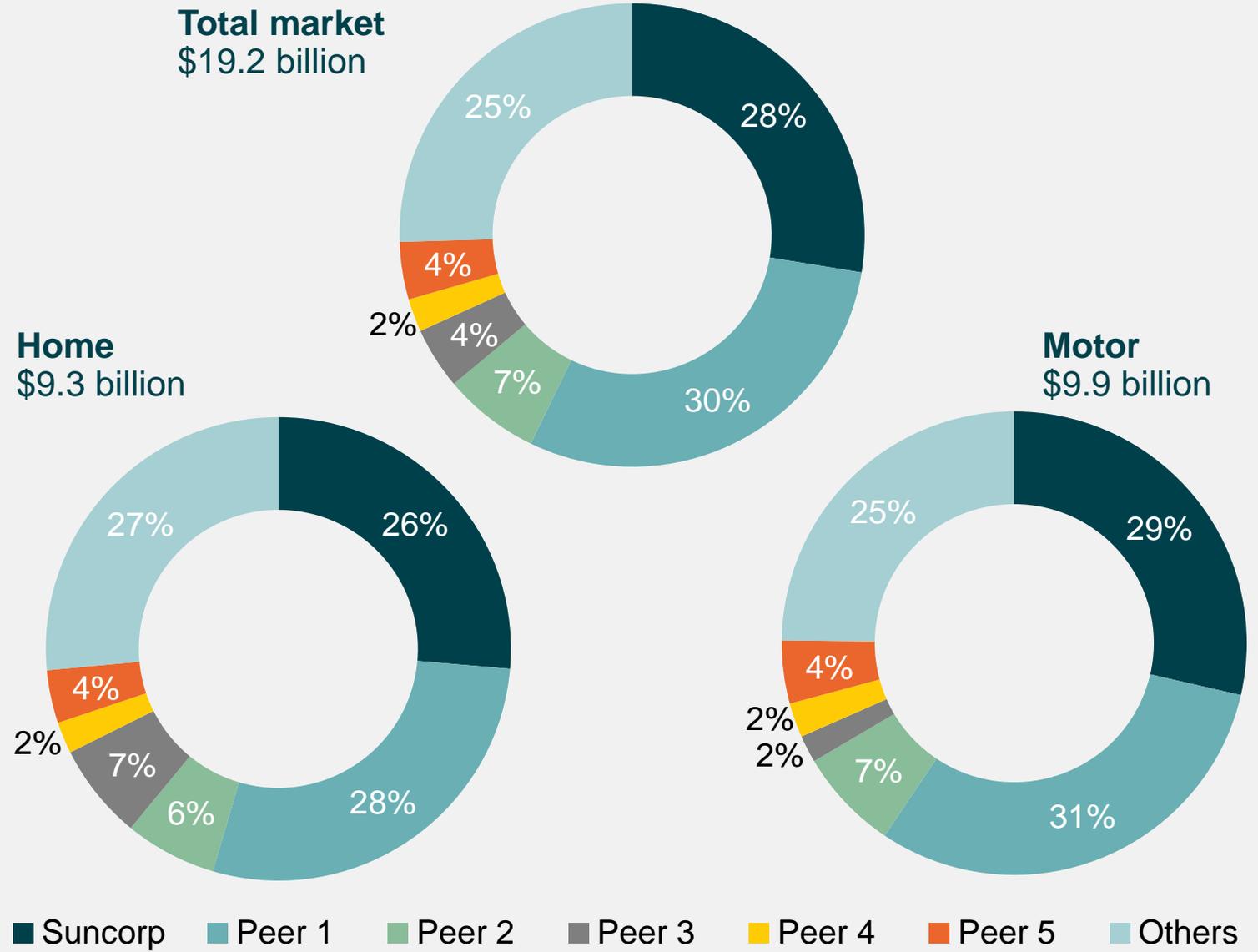
Personal lines market share

—



Source: Roy Morgan, June 2017

Personal lines market share

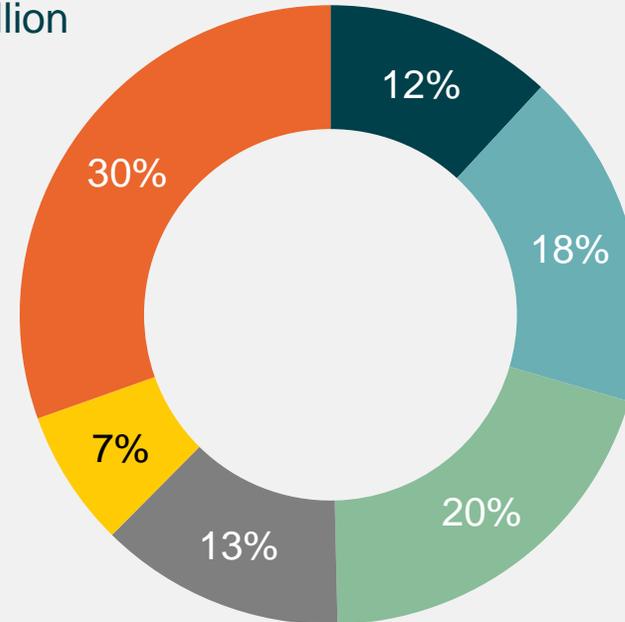


Source: Roy Morgan, June 2017

Commercial lines market share



Total market
\$12.9 billion

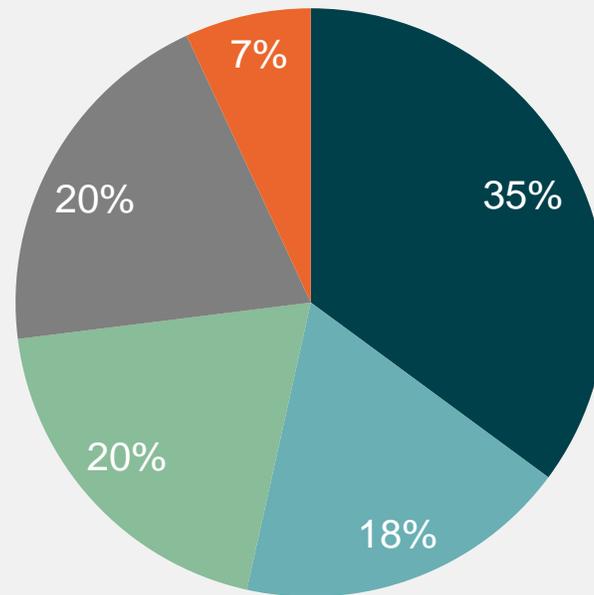


■ Suncorp ■ Peer 1 ■ Peer 2 ■ Peer 3 ■ Peer 4 ■ Others

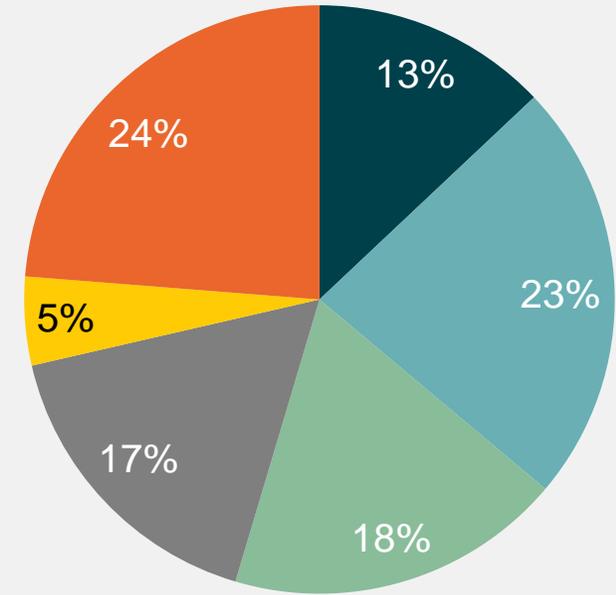
Source: Latest Suncorp estimates

Personal Injury market share

CTP *
\$4.3 billion



Workers compensation **
\$1.0 billion



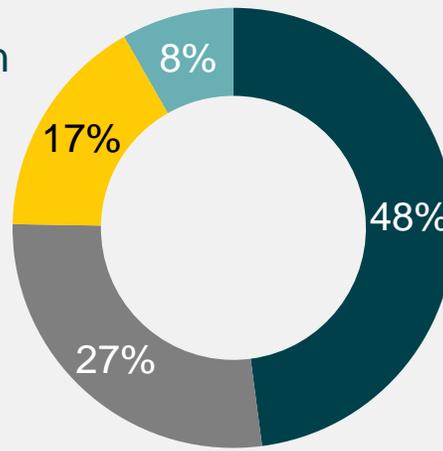
Suncorp
 Peer 1
 Peer 2
 Peer 3
 Peer 4
 Others

* CTP source: Latest Suncorp estimates
Includes QLD, NSW, ACT & SA schemes

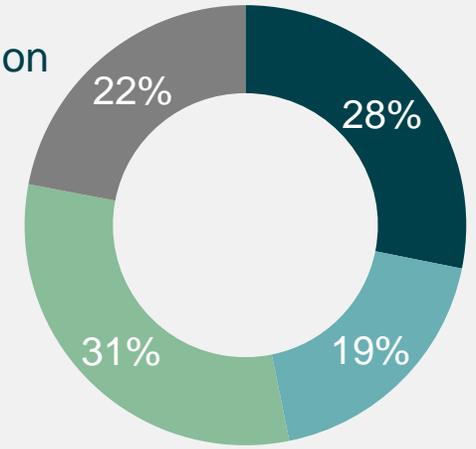
** Workers compensation source: Workcover WA,
November 2016
Includes WA only

CTP market share

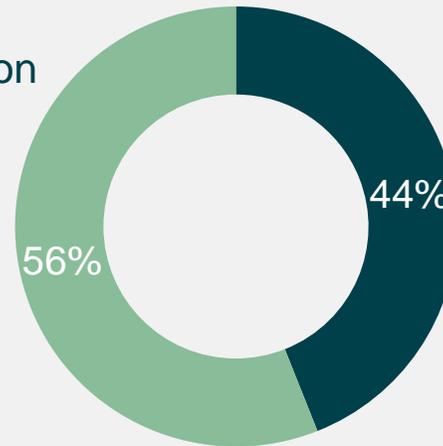
QLD*
\$1.0 billion



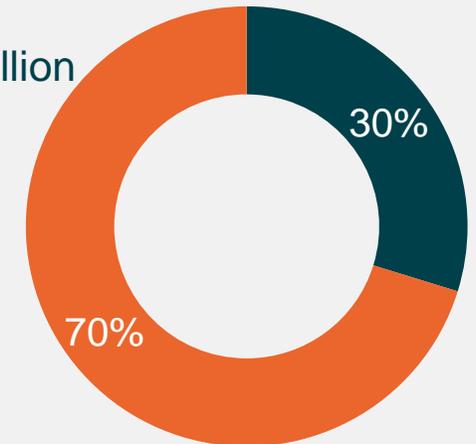
NSW**
\$2.6 billion



ACT***
\$171 million



SA*
\$364 million



Suncorp
 Peer 1
 Peer 2
 Peer 3
 Peer 4
 Rest of market

Source: State scheme regulators
 * as at May 2017
 ** as at March 2017
 *** as at June 2017

Life Insurance NPAT

—

- Stable underlying profits
- Subdued new business volumes reflecting challenging market conditions
- Optimisation program to deliver improved profitability
- Strategic review continuing

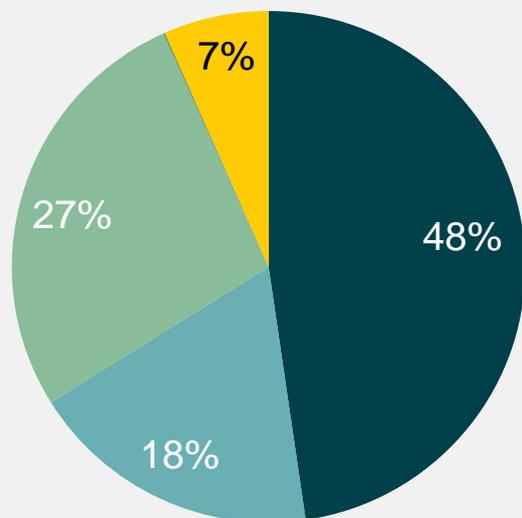
	FY17 (\$m)	FY16 (\$m)	Change (%)
Planned profit margin release	19	15	26.7
Experience	(6)	19	n/a
Other and investments ⁽¹⁾	40	19	110.5
Underlying profit after tax	53	53	-
Market adjustments	(19)	15	n/a
Life Insurance NPAT	34	68	(50.0)
In-force annual premium	806	813	(0.9)
Total new business	62	74	(16.2)

⁽¹⁾ Other includes benefits from a group profit share arrangement in prior years and positive experience from previous repricing

Life Insurance in-force premium

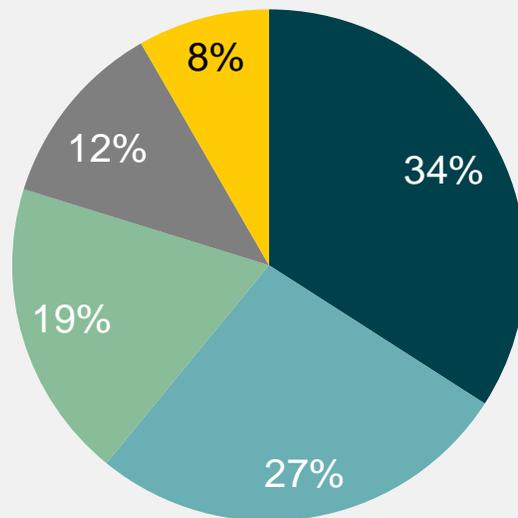
Total in-force premium of \$806 million

Premium by product



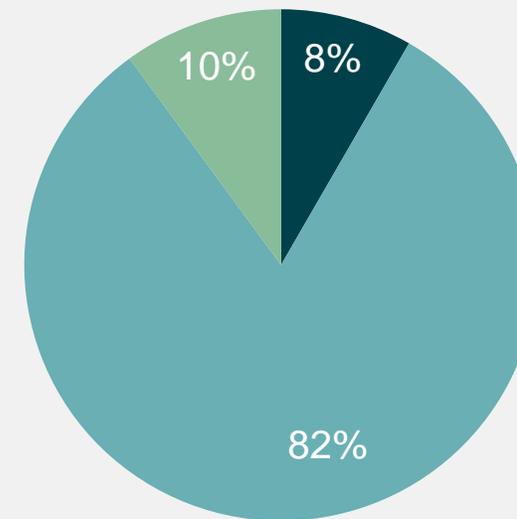
- Term & TPD
- Income protection
- Trauma
- Group

Premium by geography



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

Premium by channel

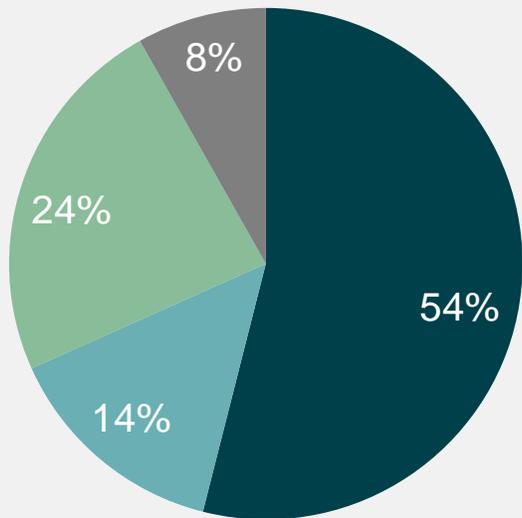


- Direct via General Insurance brands
- Advised
- Group & other

Life Insurance new business

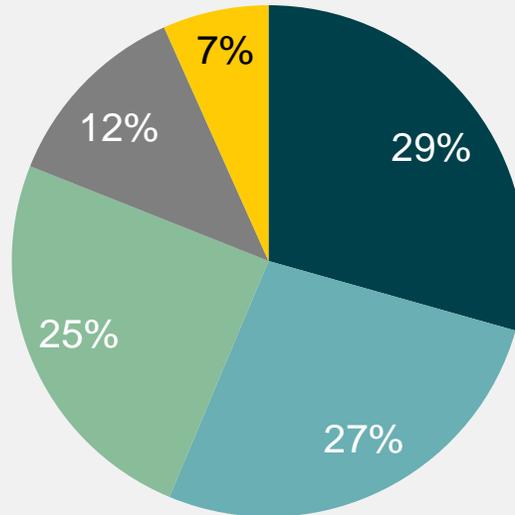
Total new business of \$62 million

New business by product



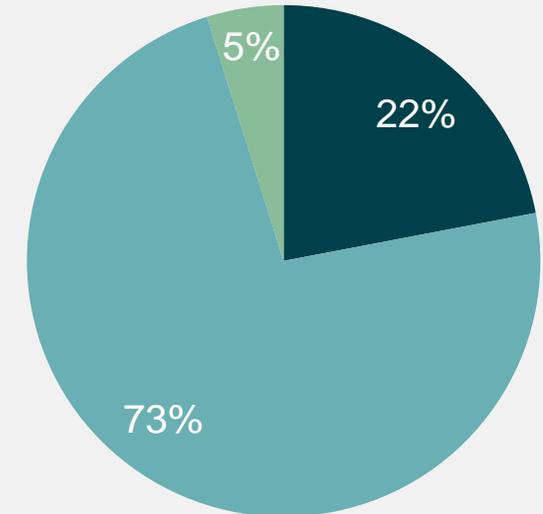
- Term & TPD
- Income protection
- Trauma
- Other

New business by geography



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

New business by channel

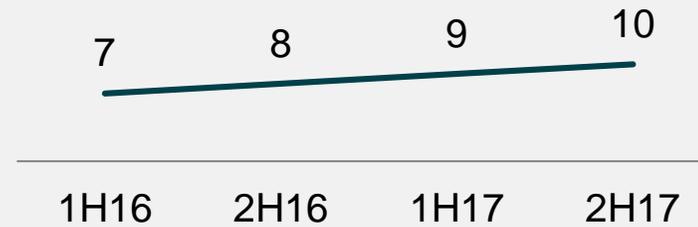


- Direct via General Insurance brands
- Advised
- Group & other

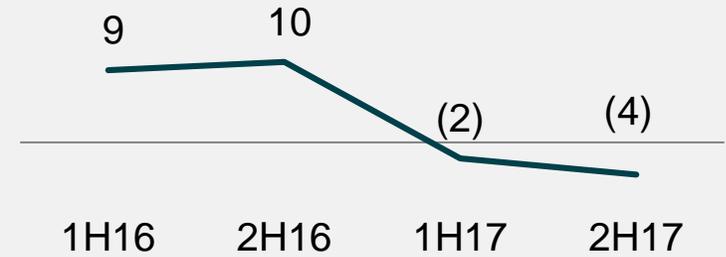
Life Insurance key metrics (\$m)

- Higher planned profit margins and reduced experience profits reflect assumption changes in June 2016

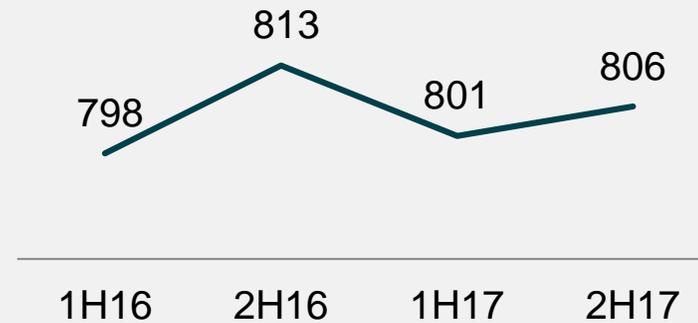
Planned margins



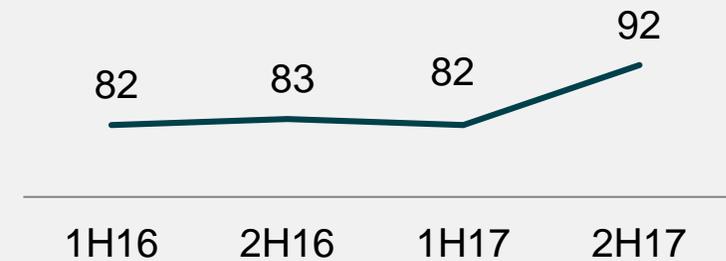
Experience



In-force premium



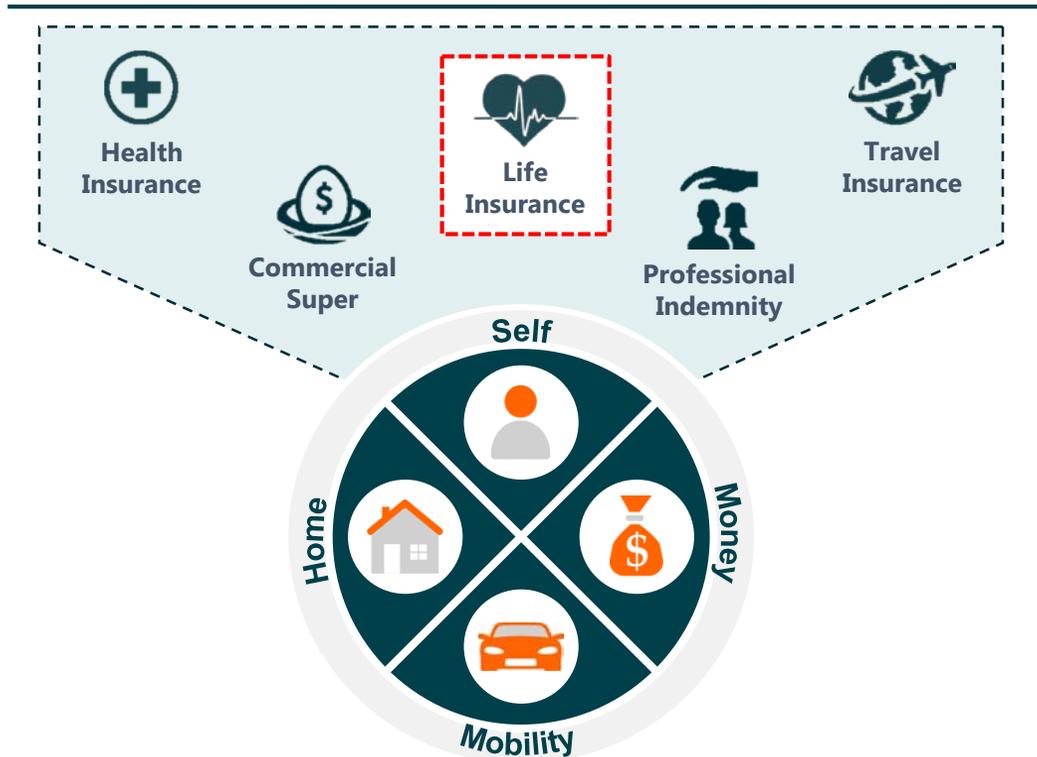
Operating expenses *



* 2H17 uplift due to allocated costs associated with the optimisation program.

Life Insurance

Life Insurance meets a core customer need



Life Insurance is a core component of the Suncorp financial services Marketplace, however, currently delivers sub-optimal ROE.

Key Initiatives

Optimise efficiencies in claims and expense management

Streamline processes under new operating model

Improve customer connectivity

Product and claims innovation

Outcomes

Improved customer experience

Enhanced competitiveness

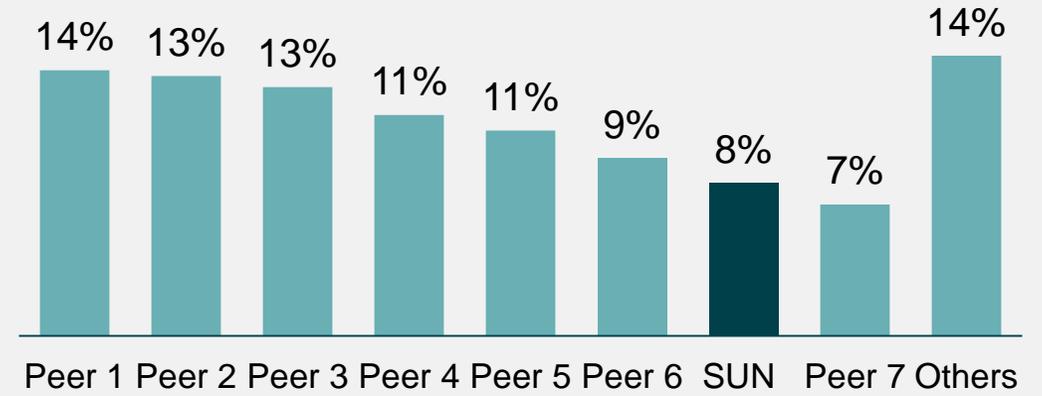
Improved shareholder returns

Reduced earnings volatility

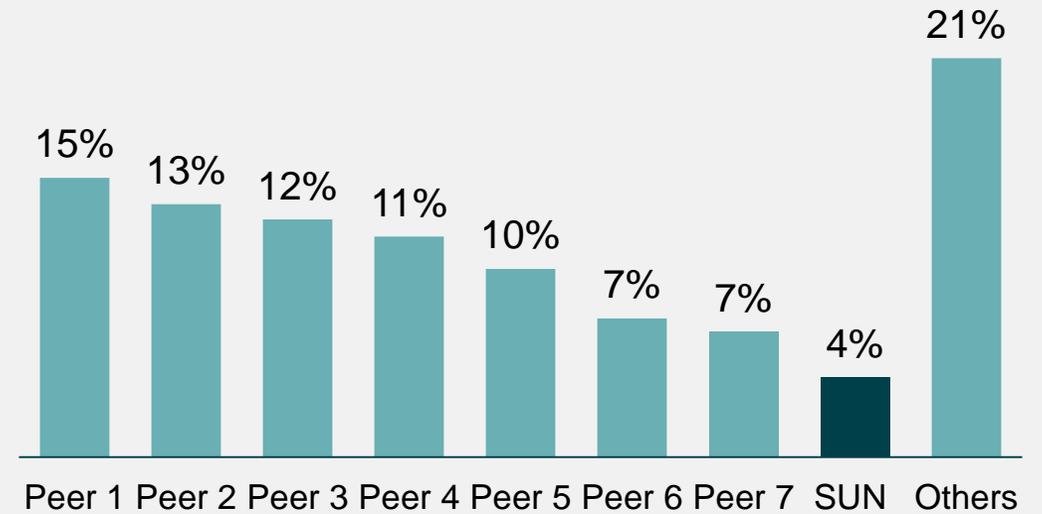
Life Insurance market share

Individual risk

In-force
\$9.7 billion



New business
\$1.0 billion



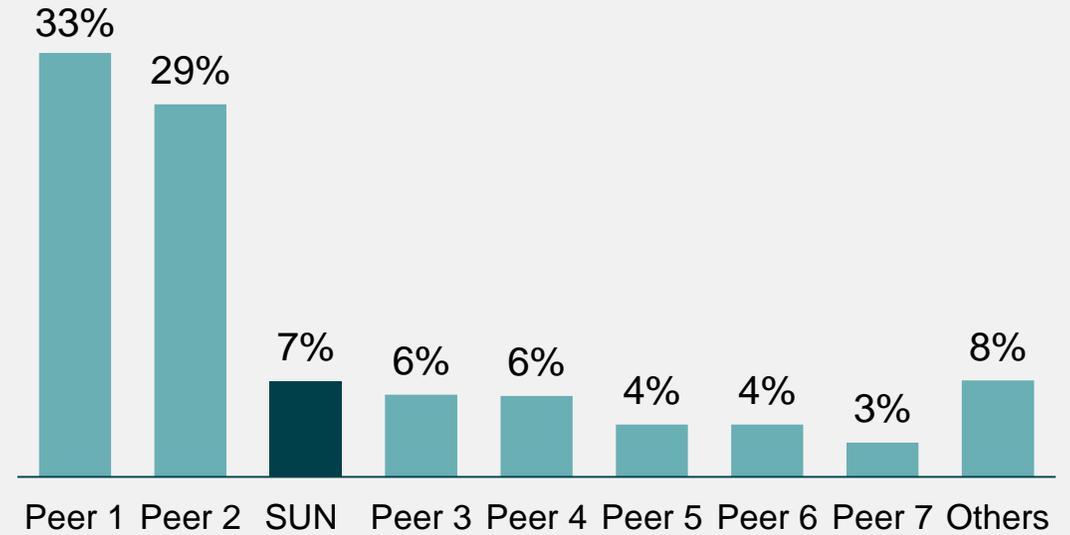
Source: NMG Consulting, March 2017

In-force portfolio includes IFA, Bank and Direct business

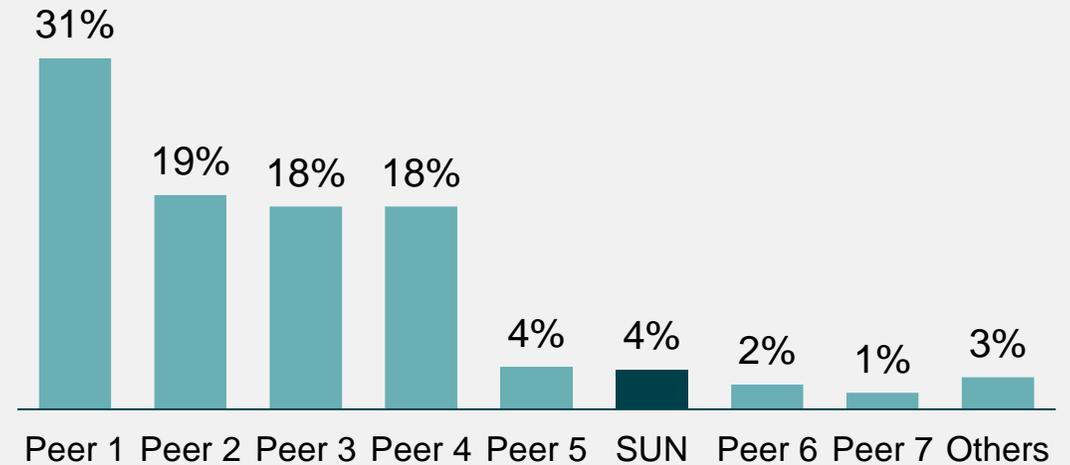
Life Insurance market share

Share by distribution channel

Direct
\$1.1 billion



Bank
\$2.3 billion

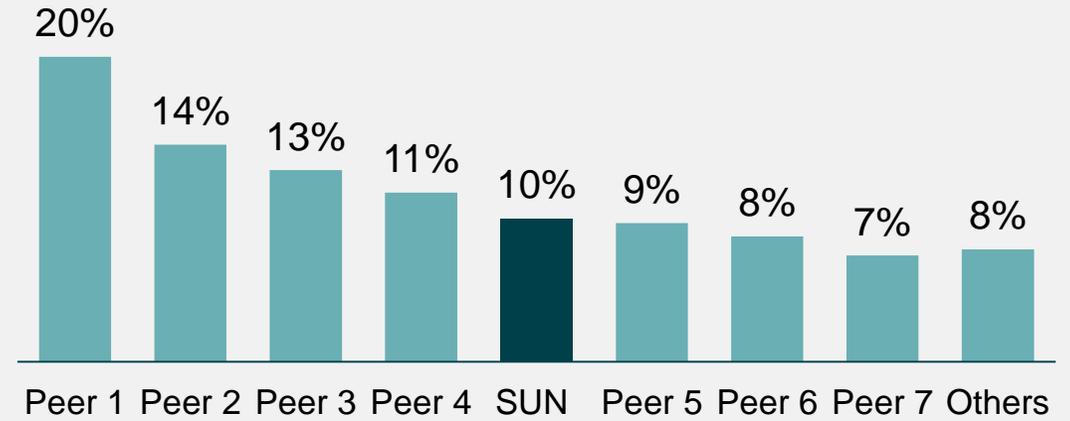


Source: NMG Consulting, March 2017

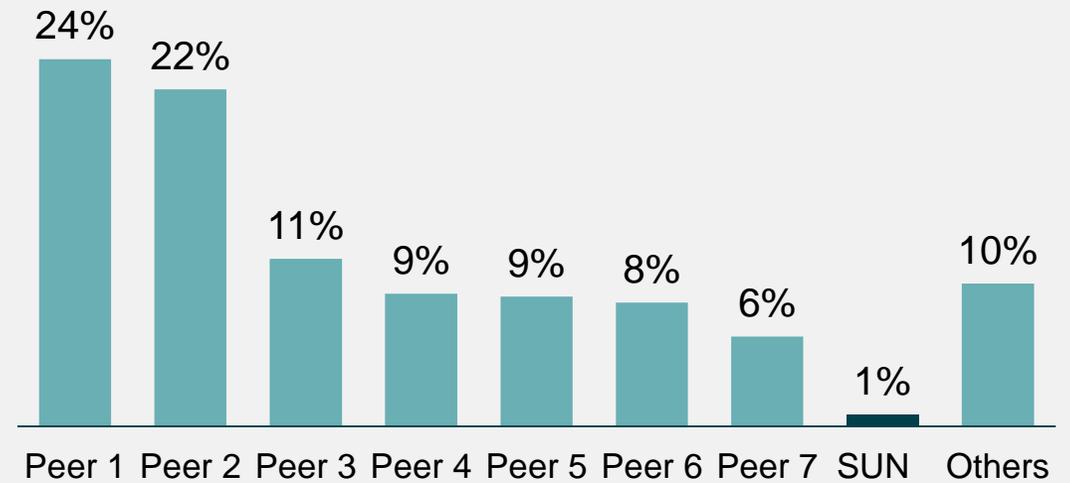
Life Insurance market share

Share by distribution channel

IFA
\$6.3 billion



Group
\$7.0 billion



Source: NMG Consulting, March 2017



Financial Results for the full year
ended 30 June 2017

—
Banking & Wealth

DATA PACK
RELEASE DATE 3 AUGUST 2017

SUNCORP GROUP LIMITED
ABN 66 145 290 124



Banking & Wealth

Banking & Wealth NPAT

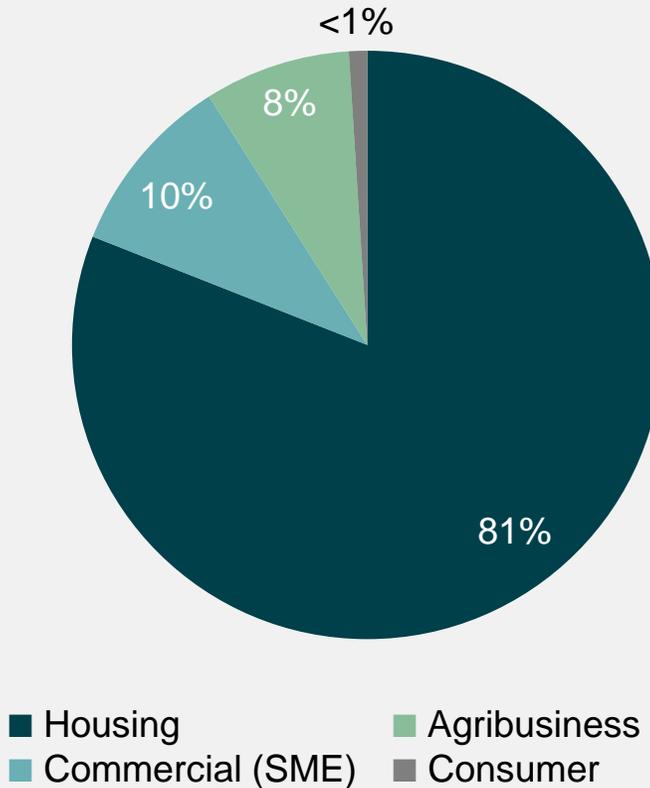
-
- Total lending up 1.9%
- Annualised second half lending growth of 4.2%
- Improved credit quality
- Stable funding profile
- Strong capital & balance sheet
- Completion of Super Simplification Program

	FY17 (\$m)	FY16 (\$m)	Change (%)
Banking			
Net interest income	1,131	1,129	0.2
Net non-interest income	76	88	(13.6)
Operating expenses	(636)	(639)	(0.5)
Profit before impairment losses on loans and advances	571	578	(1.2)
Impairment losses on loans and advances	(7)	(16)	(56.3)
Income tax	(168)	(169)	(0.6)
Banking profit after tax	396	393	0.8
Wealth profit after tax	4	25	(84.0)
Banking & Wealth NPAT	400	418	(4.3)

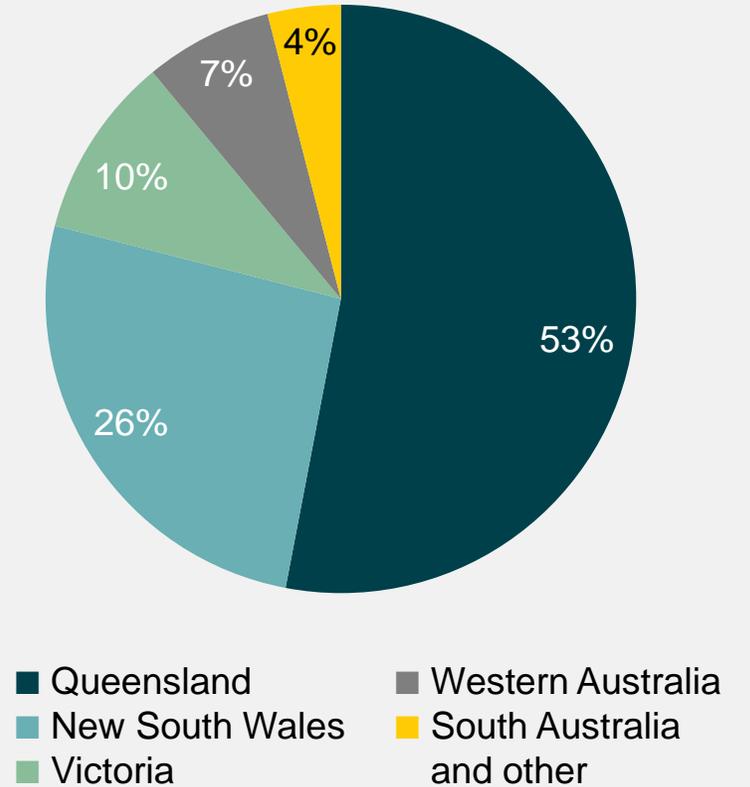
Total lending portfolio

Total assets of \$55.3 billion

Lending assets by portfolio

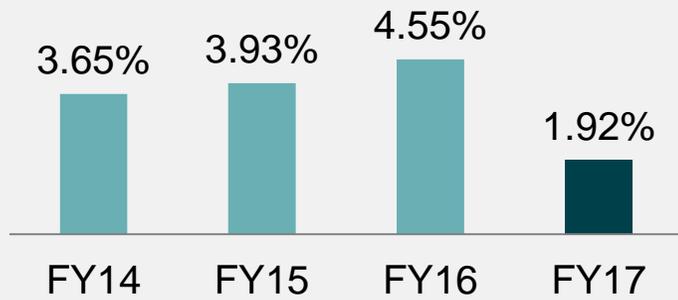


Lending assets by geography

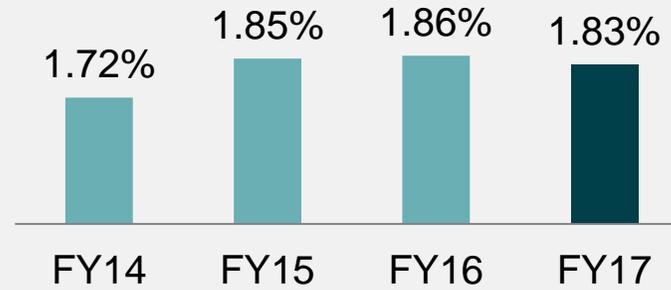


Banking key ratios

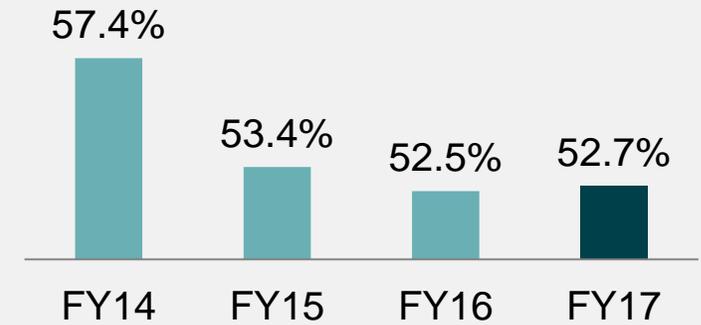
Lending growth (annualised)



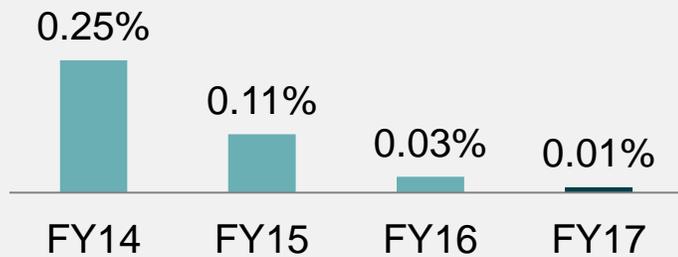
Net interest margin (interest-earning assets)



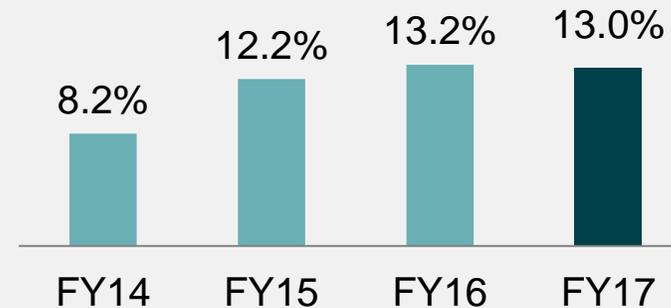
Cost to income ratio



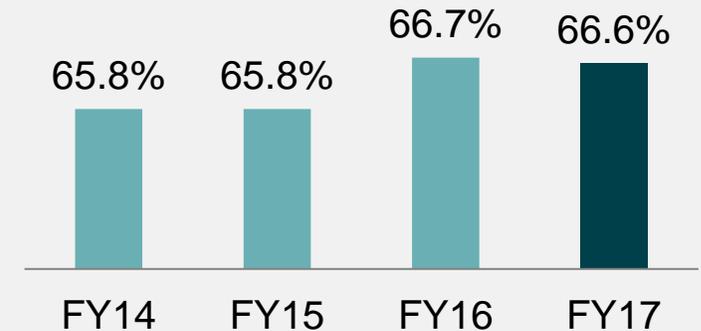
Impairment losses to gross loans and advances (annualised)



Return on Common Equity Tier 1



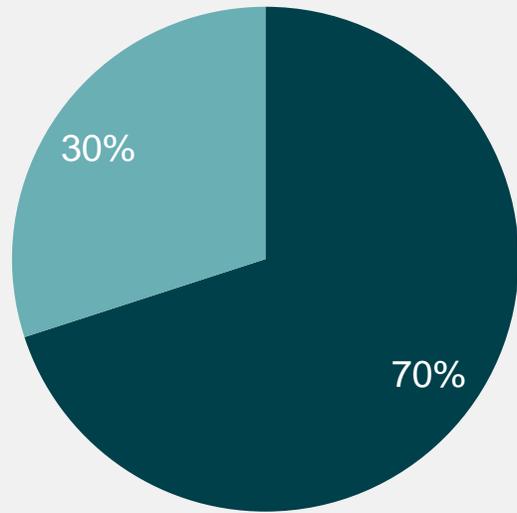
Deposit to loan ratio



Home lending portfolio

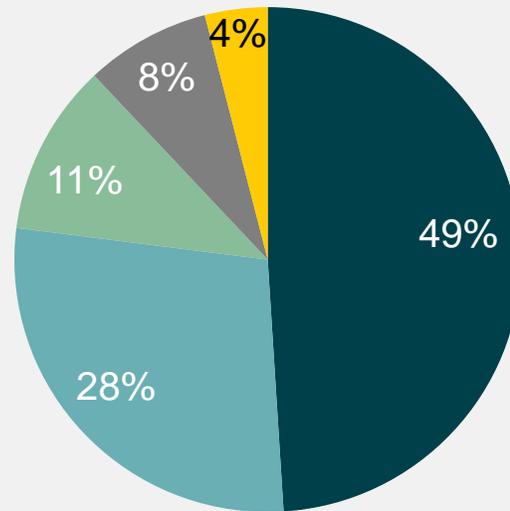
Total assets of \$44.8 billion

Portfolio by borrower type



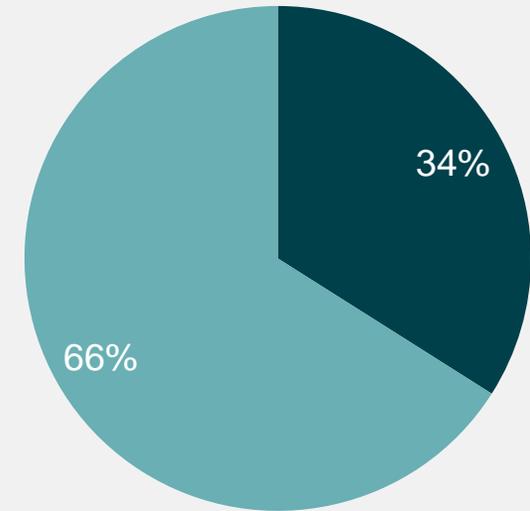
■ Owner occupied ■ Investor

Portfolio by geography



■ Queensland ■ Western Australia
■ New South Wales ■ South Australia and other
■ Victoria

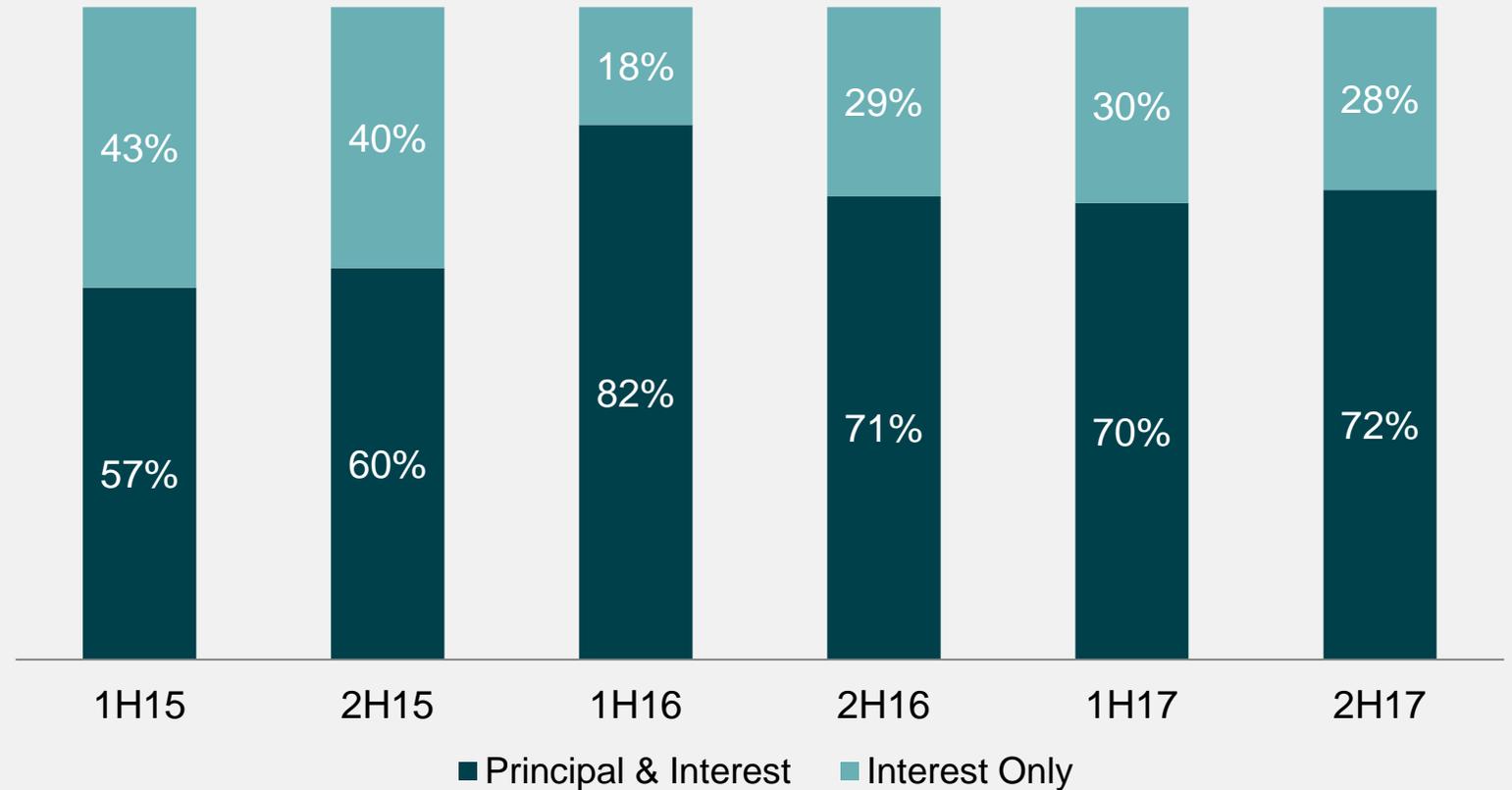
Portfolio by channel



■ Direct ■ Intermediaries

Home lending origination by repayment type

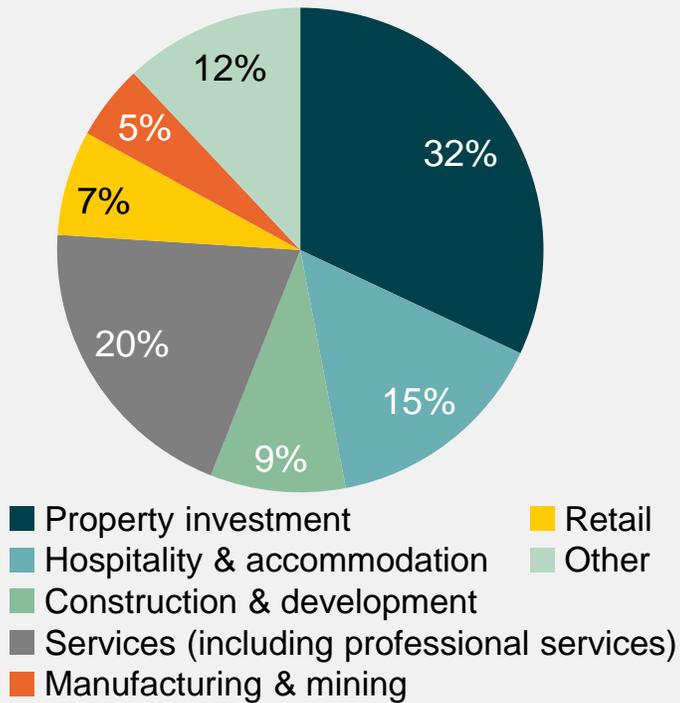
- Continued focus on a high quality lending portfolio including serviceability, credit quality and loan to value ratios
- Investor year-on-year lending growth of 4% well within the supervisory measure of 10%
- New business interest-only loan repayment type of 28% within supervisory measure of 30%



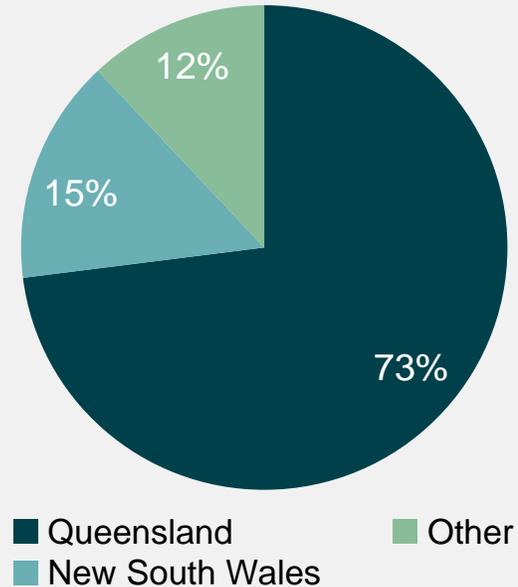
Commercial (SME) portfolio

Total assets of \$5.7 billion

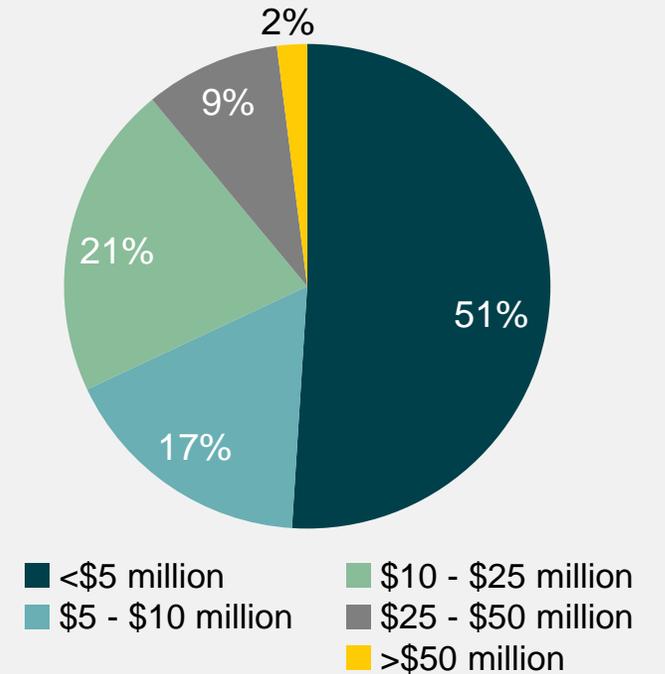
Portfolio by industry



Portfolio by geography



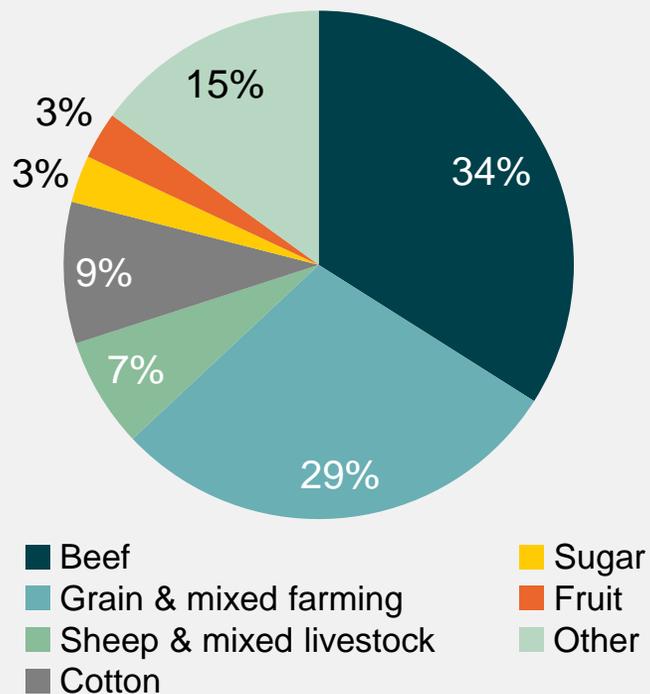
Portfolio by exposure size



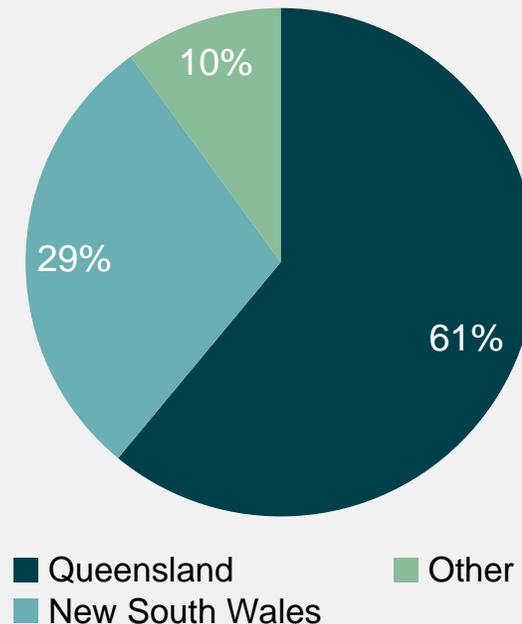
Agribusiness portfolio

Total assets of \$4.5 billion

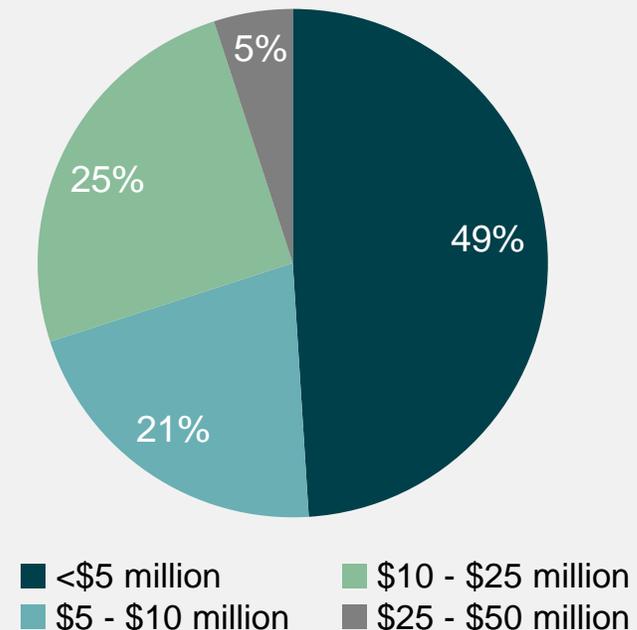
Portfolio by industry



Portfolio by geography



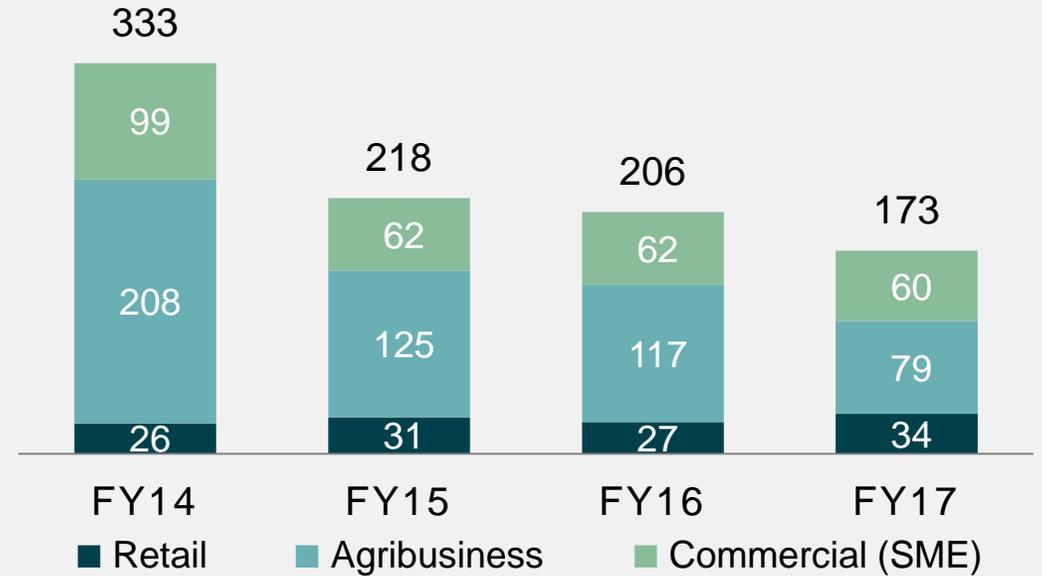
Portfolio by exposure size



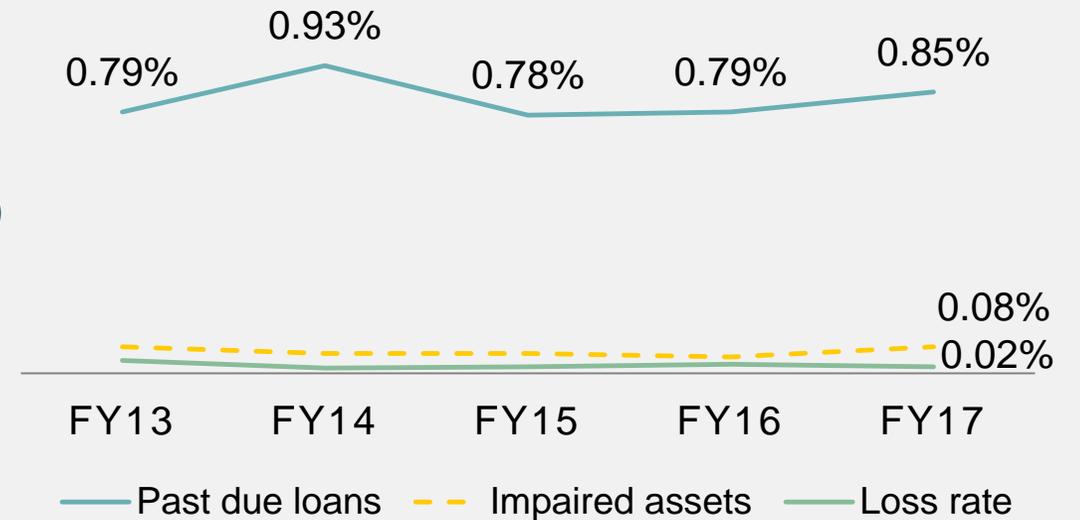
Credit quality

- Continued focus on credit quality and risk management
- Impairment losses 0.01% of gross loans and advances
- Low loan balances in resources and inner-city apartment development sectors
- Favourable agricultural conditions and improved commodity prices over the period

Gross impaired loans by segment (\$m)



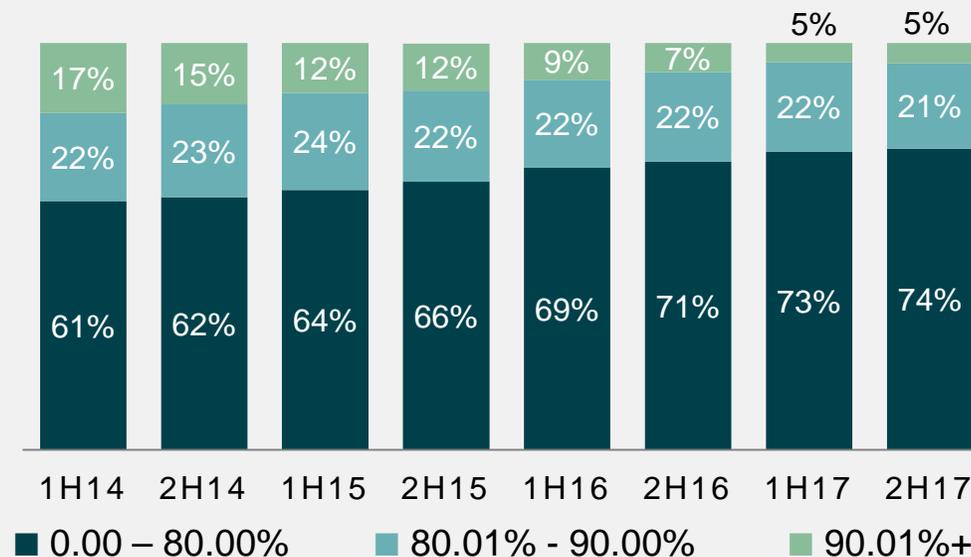
Home lending credit quality (% gross home loans)



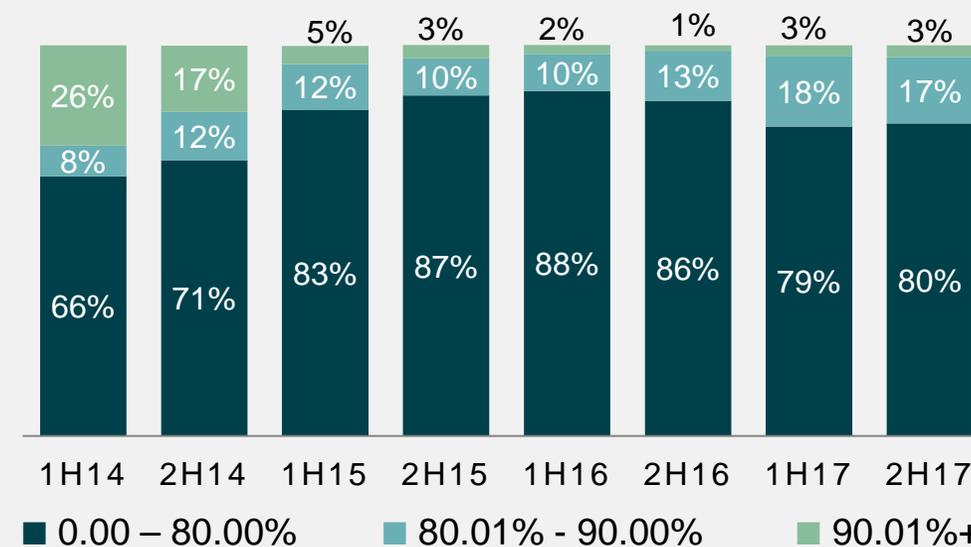
Loan to value ratio (LVR)

Total home lending assets of \$44.8 billion

Home lending assets by LVR



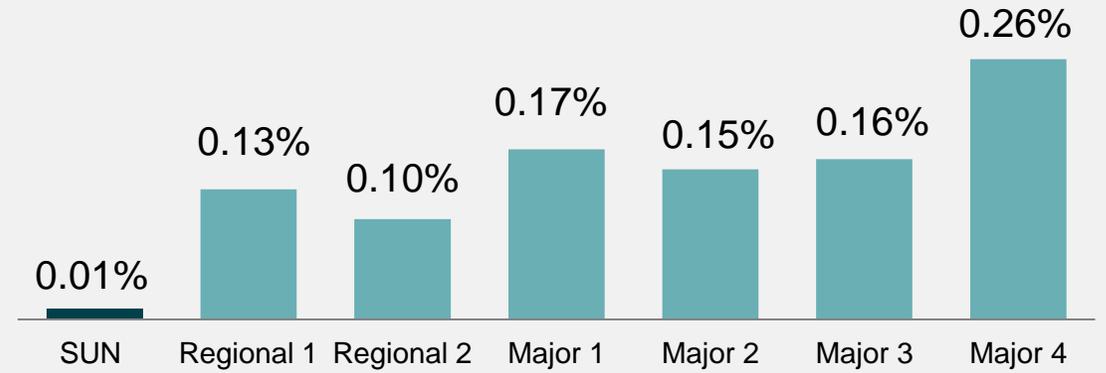
Home lending new business by LVR



Credit quality

—
Relativity to peers

Impairment losses to gross loans



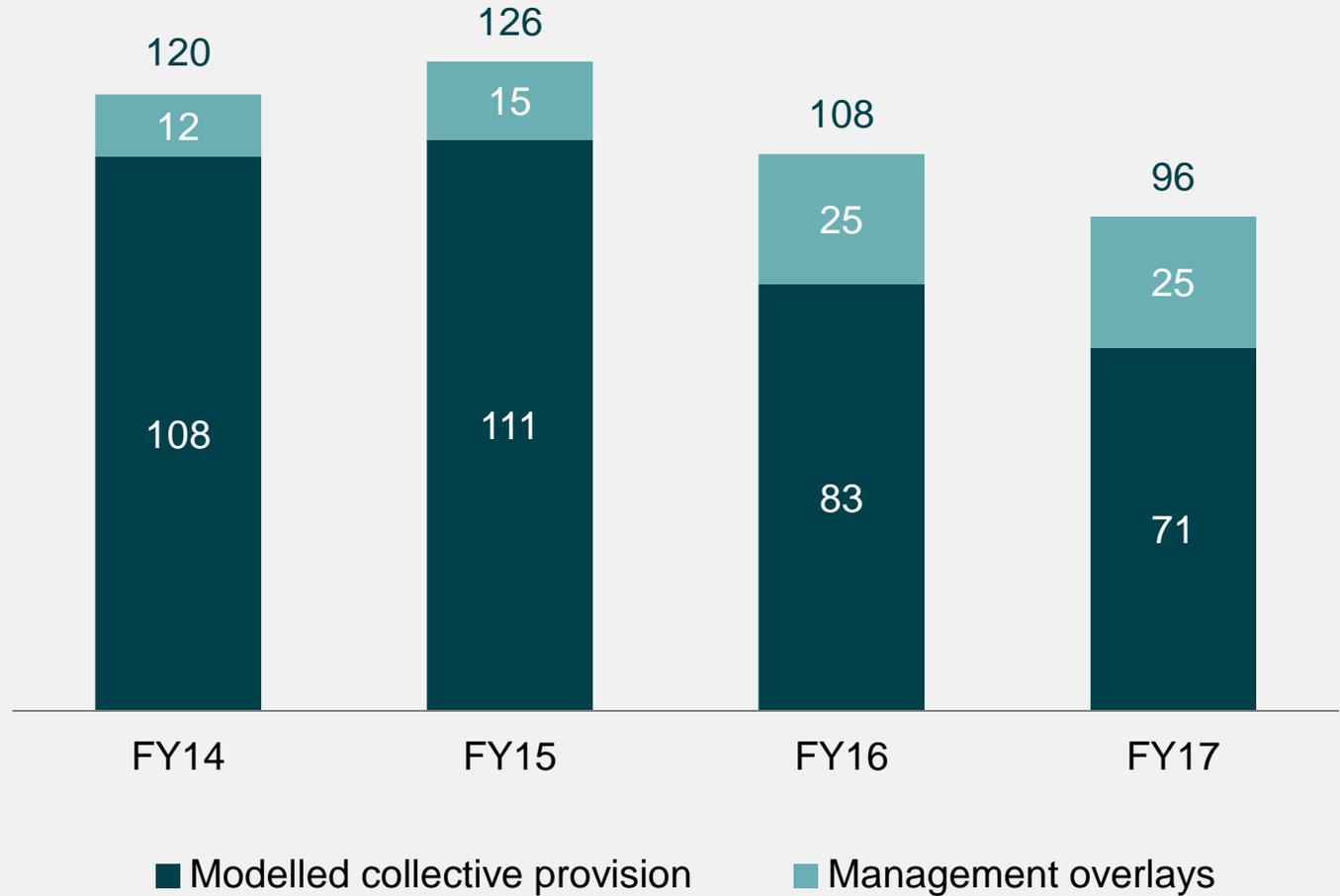
Net impaired loans to gross loans



Source: Latest peer financial reports

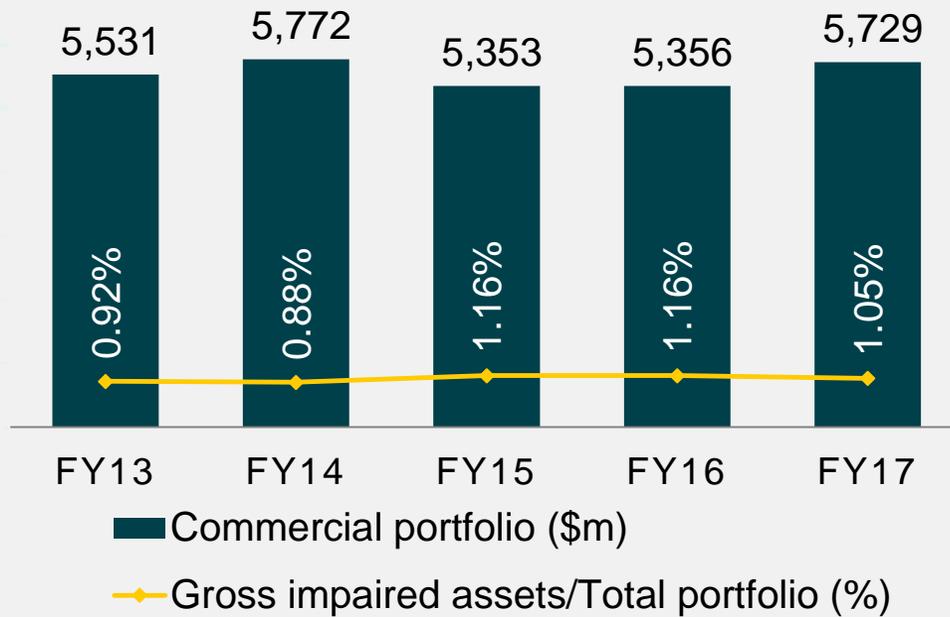
Collective provision (\$m)

—

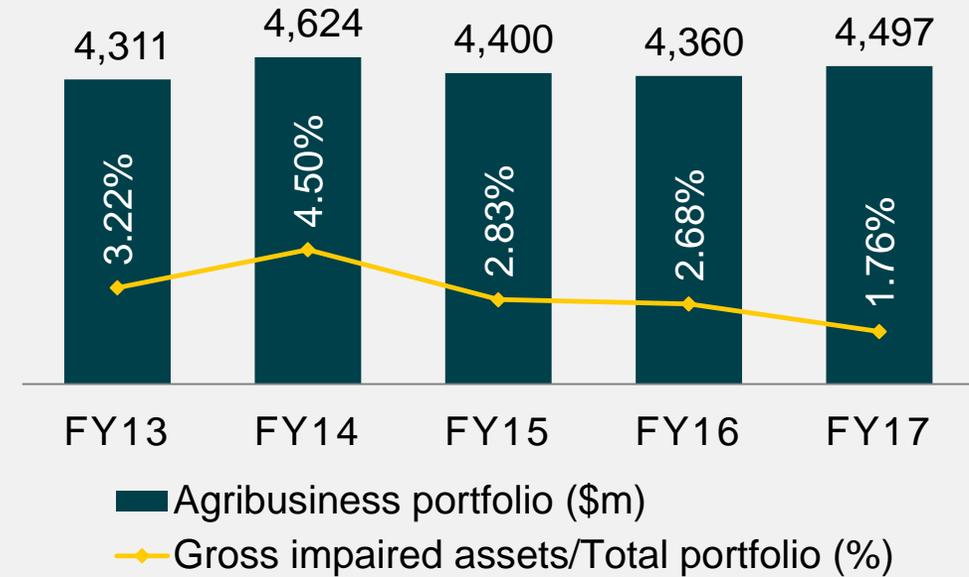


Portfolio credit quality

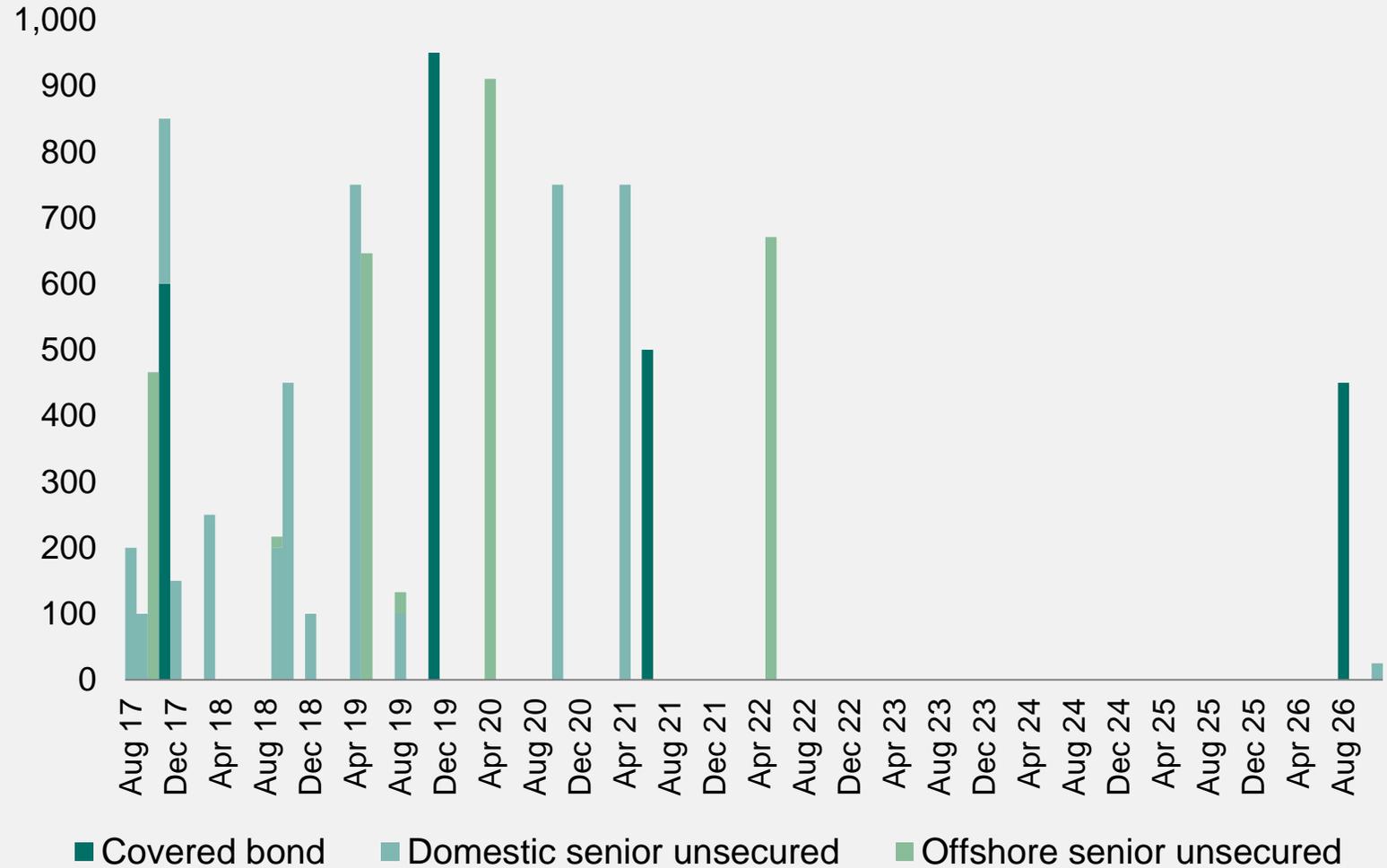
Commercial (SME) portfolio



Agribusiness portfolio

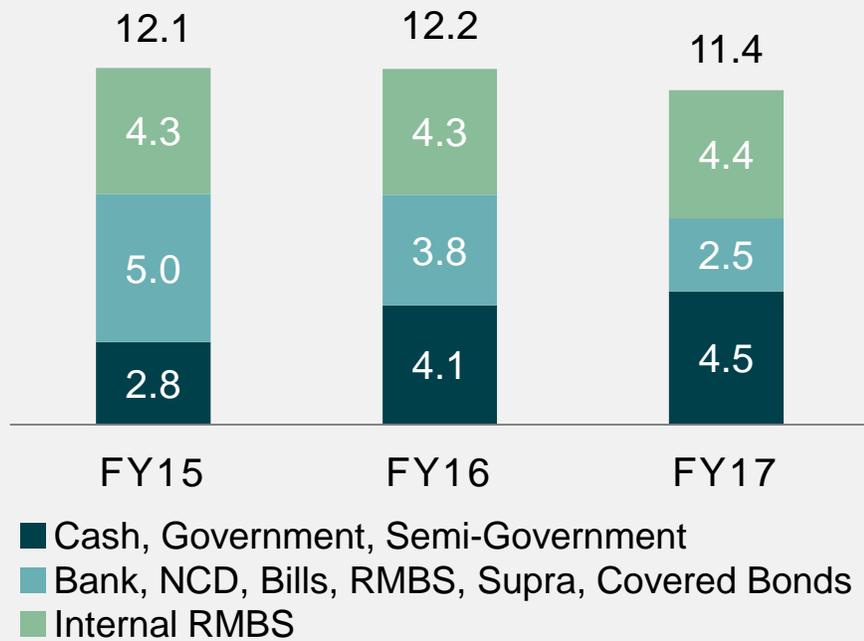


Long-term funding profile (\$m)

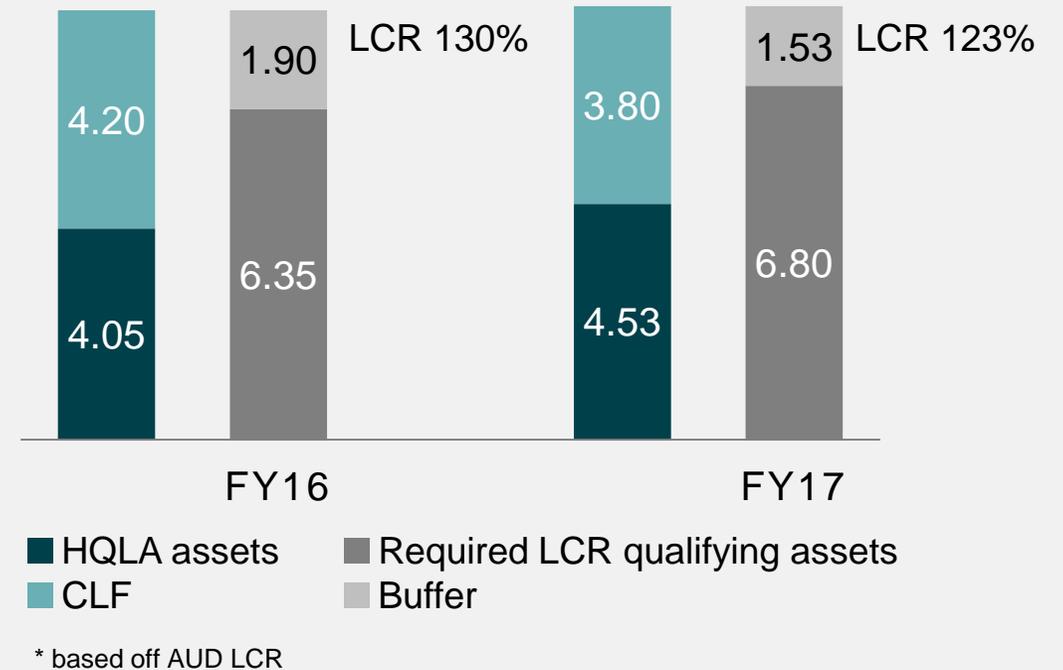


Liquid assets and Liquidity Coverage Ratio

Components of liquid assets (\$b)

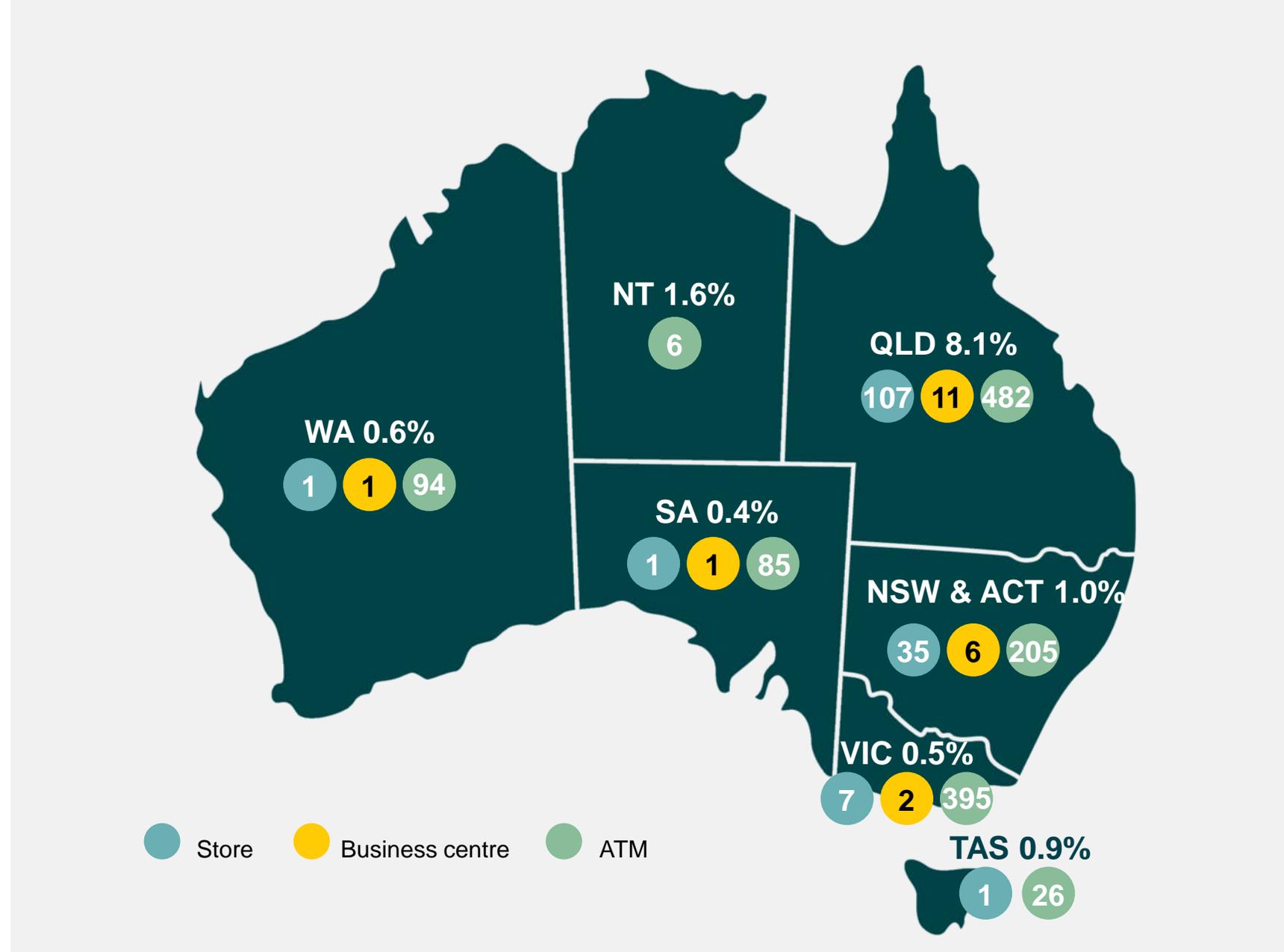


Components of LCR* (\$b)



Banking market share

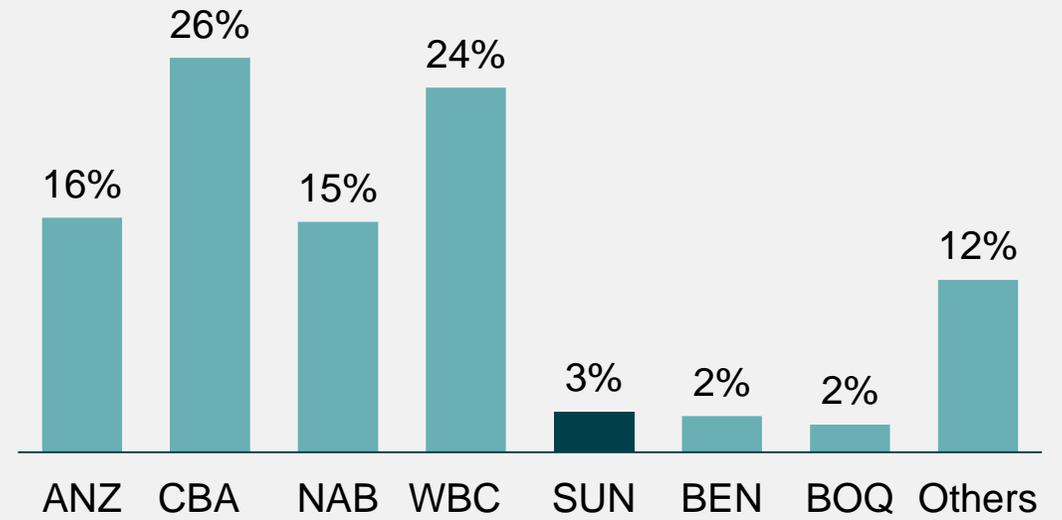
Retail banking market share and Suncorp footprint



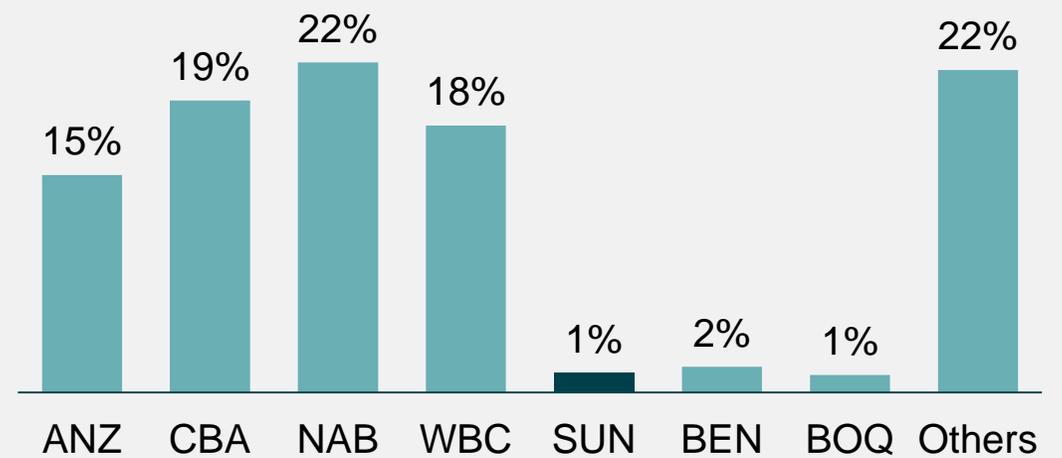
Market share source: Roy Morgan, June 2017
Footprint as at June 2017

Banking market share

Mortgage lending



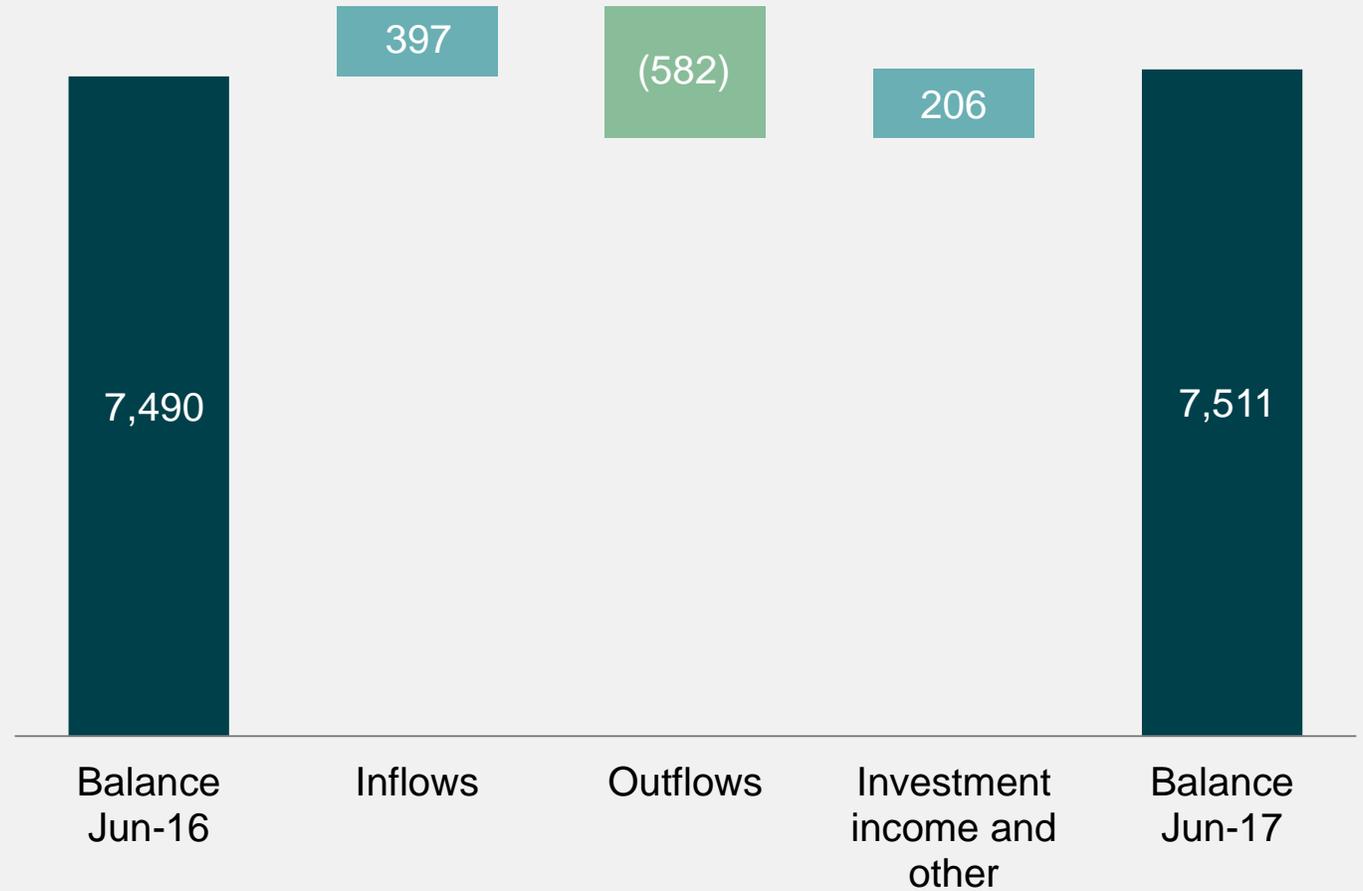
Business lending



Source: APRA, May 2017

Funds under management and administration (\$m)

—





Financial Results for the full year
ended 30 June 2017

—
New Zealand

DATA PACK
RELEASE DATE 3 AUGUST 2017

SUNCORP GROUP LIMITED
ABN 66 145 290 124



New Zealand

New Zealand NPAT

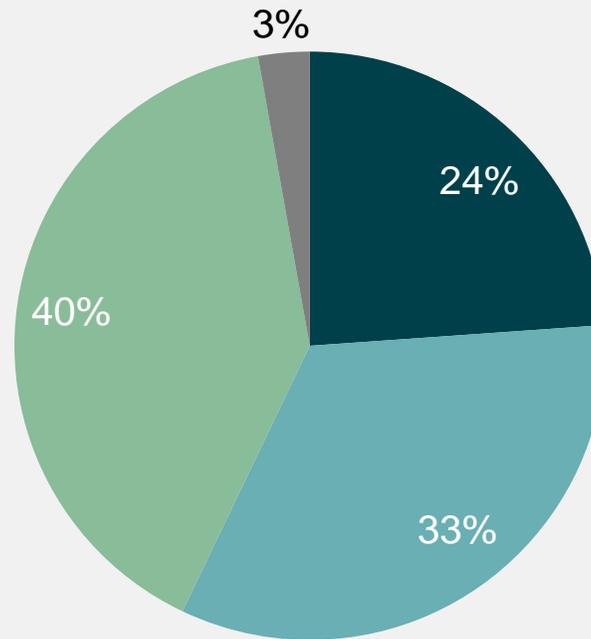
- GWP grew 6.3%, driven by Home and Motor
- Kaikoura earthquake and reinsurance reinstatement net NPAT impact of NZ\$36 million
- Motor claims cost inflation across the industry

	FY17 (NZ\$m)	FY16 (NZ\$m)	Change (%)
General Insurance			
Gross written premium	1,424	1,339	6.3
Net earned premium	1,163	1,139	2.1
Net incurred claims	(735)	(612)	20.1
Operating expenses	(387)	(369)	4.9
Investment income - insurance funds	14	20	(30.0)
Insurance trading result	55	178	(69.1)
Other income	10	24	(58.3)
Income tax	(18)	(55)	(67.3)
General Insurance profit after tax	47	147	(68.0)
Life Insurance profit after tax	40	53	(24.5)
New Zealand NPAT	87	200	(56.5)

General Insurance Gross Written Premium

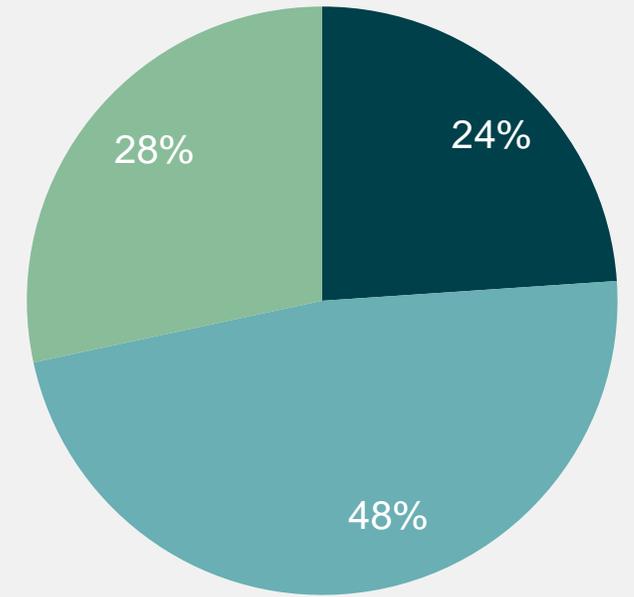
Total GWP of NZ\$1.4 billion

Portfolio by product



- Motor
- Commercial
- Home
- Other

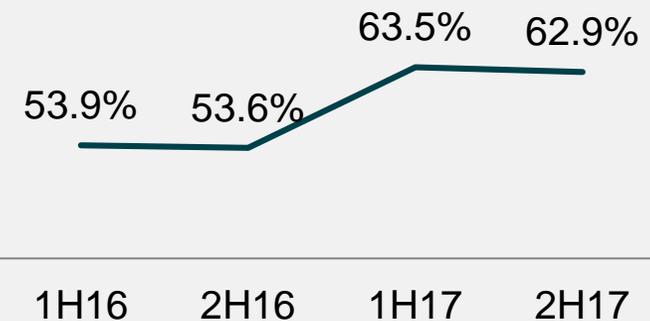
Portfolio by channel



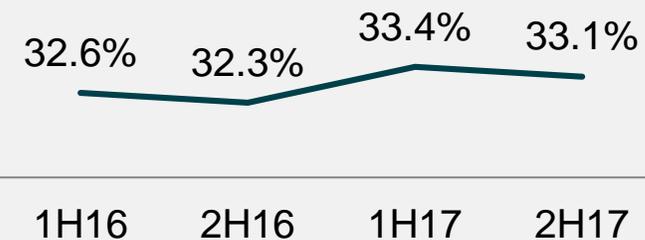
- Direct
- Brokers
- Strategic partners & financial intermediaries

General Insurance key ratios

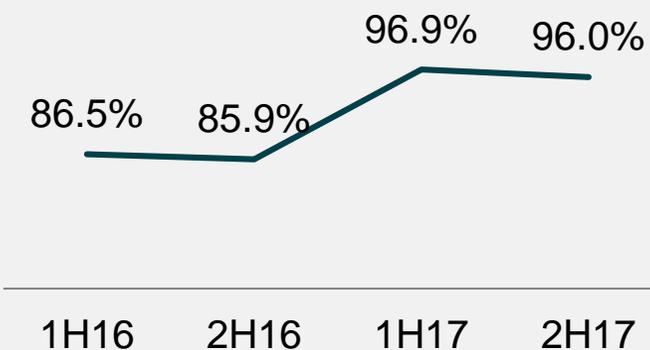
Loss ratio



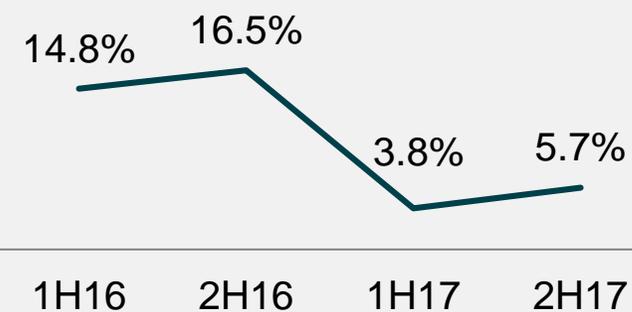
Total operating expenses ratio



Combined operating ratio



Reported ITR



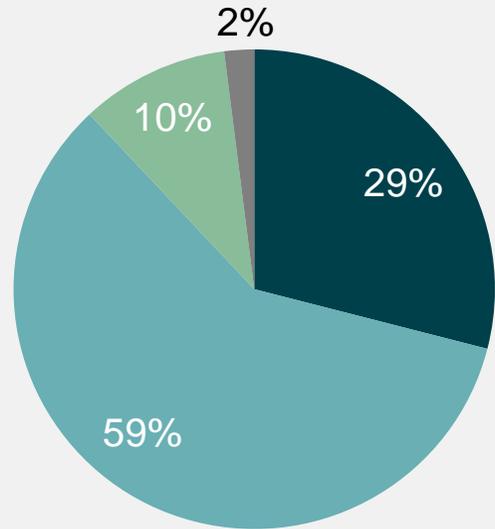
Natural hazard events

Date	Event	Net costs (NZ\$m)
Nov 16	Kaikoura earthquake	20
Mar 17	Widespread North Island flooding	17
Apr 17	NZ Cyclone Debbie	8
	Total events over \$5 million ⁽¹⁾	45
	Other natural hazards attritional claims	27
	Suncorp Group Natural Hazard Aggregate Protection	(16)
	Total natural hazards	56
	Less: allowance for natural hazards	(21)
	Natural hazards costs above allowance	35

⁽¹⁾ Events with a gross cost over \$5 million, shown net of recoveries from reinsurance excluding the natural hazards aggregate cover.

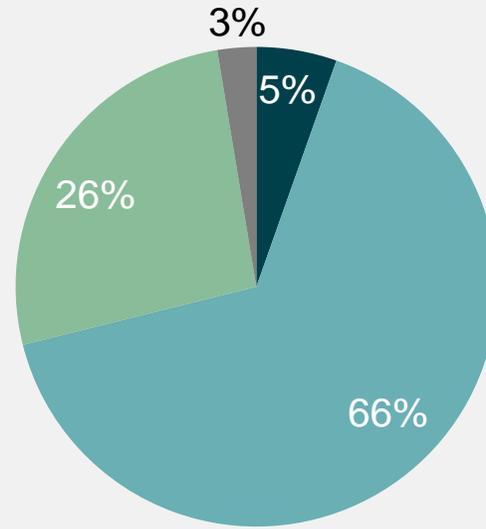
General Insurance investment asset allocation

Insurance funds
NZ\$436 million



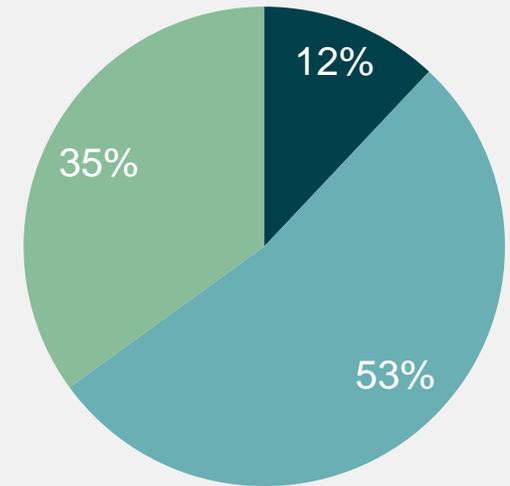
- Cash and short-term deposits
- Local government bonds
- Corporate bonds
- Government bonds

Fixed income credit quality



- AAA
- A
- AA
- BBB

Shareholders' funds
NZ\$374 million

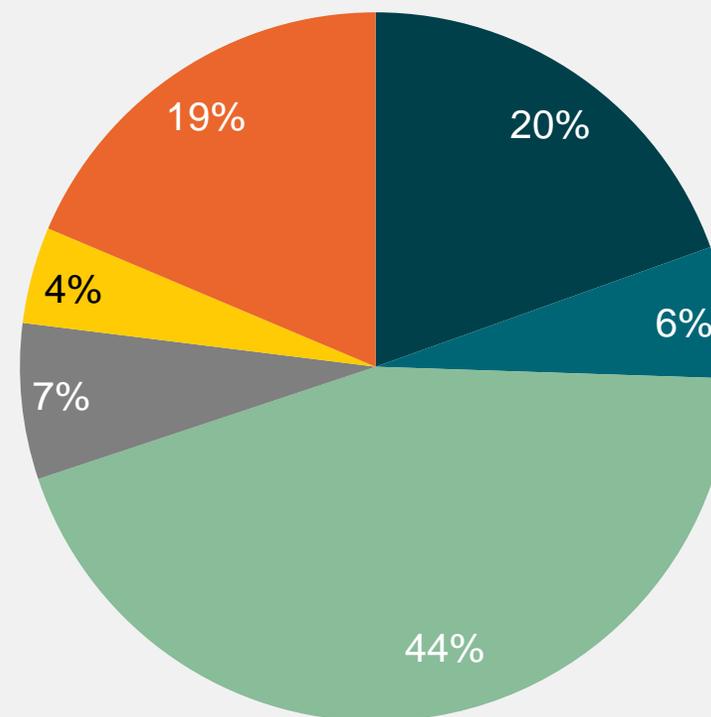


- Cash and short-term deposits
- Interest-bearing securities
- Equities

General Insurance market share

—
Total market NZ\$5.5 billion

Source: Insurance Council New Zealand, March 2017



■ Vero
(Suncorp NZ)

■ AAI
(Suncorp NZ)

■ Peer 1

■ Peer 2

■ Peer 3

■ Others

Life Insurance NPAT

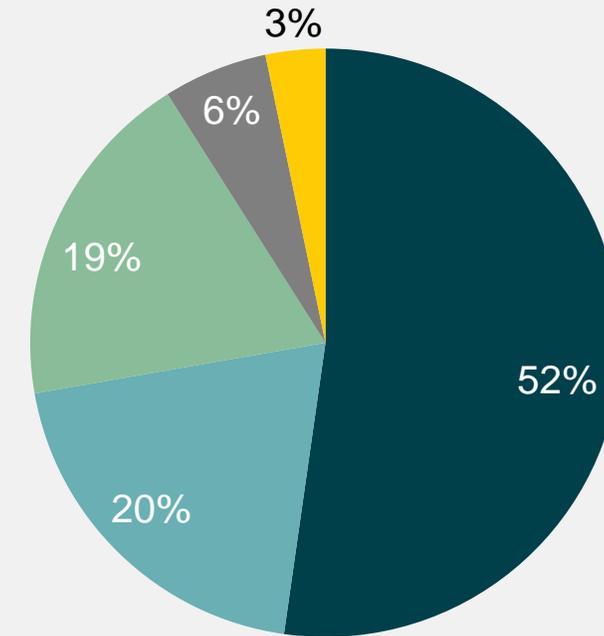
-
- Strong in-force premium growth of 7.0%
- Positive experience driven by strong policy retention
- Underlying profit flat, with growth in margins offset by claims assumption strengthening
- Market adjustments in FY16 reflected downward yield curve movements

	FY17 (NZ\$m)	FY16 (NZ\$m)	Change (%)
Planned profit margin	31	32	(3.1)
Experience	6	(1)	n/a
Other	5	11	(54.5)
Underlying profit after tax	42	42	-
Market adjustments	(2)	11	n/a
Life Insurance NPAT	40	53	(24.5)
In-force annual premium	245	229	7.0

Life Insurance in-force premium

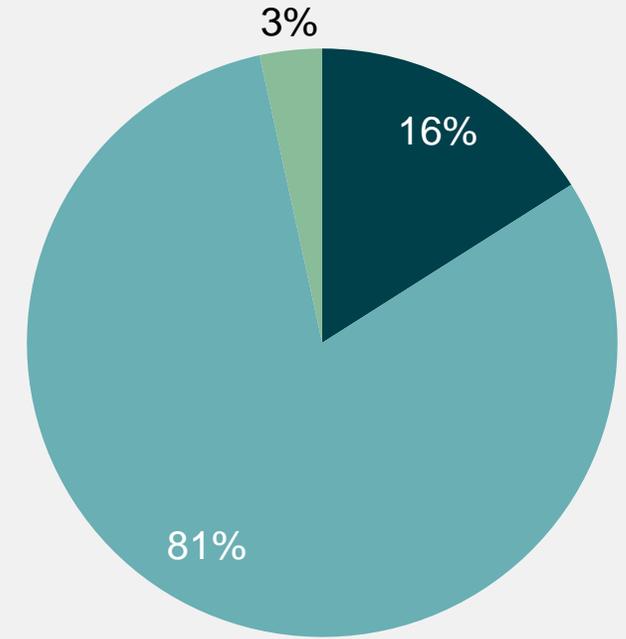
Total in-force premium of
NZ\$245 million

Premium by product



- Term & TPD
- Trauma
- Income protection
- Other
- Group

Premium by channel

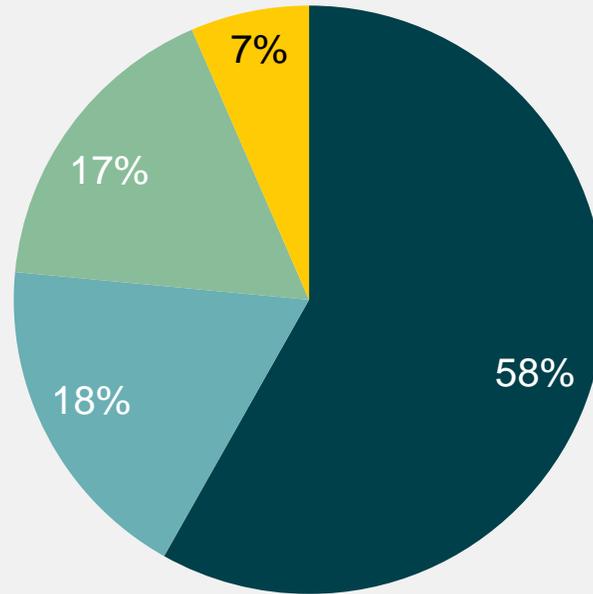


- Direct
- Advised
- Group & other

Life Insurance new business

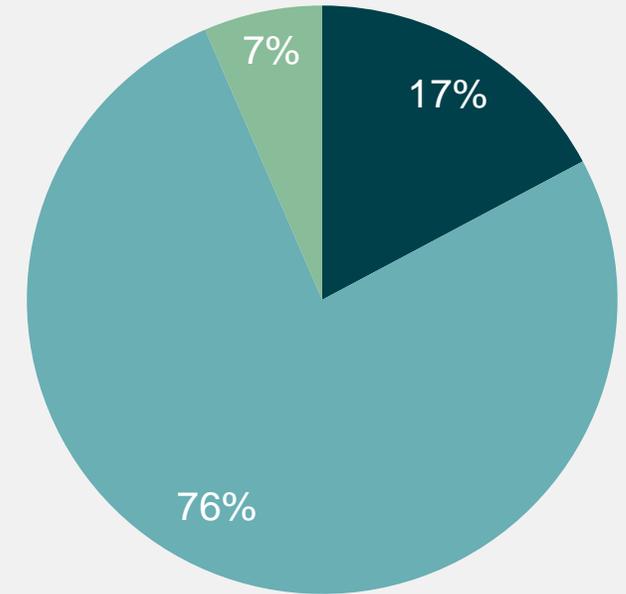
—
Total new business of
NZ\$26 million

New business by product



■ Term & TPD ■ Income protection
■ Trauma ■ Group

New business by channel



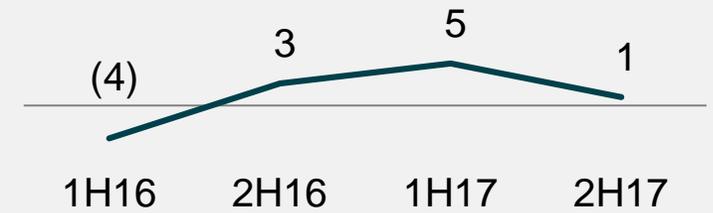
■ Direct ■ Group & other
■ Advised

Life Insurance key metrics (NZ\$m)

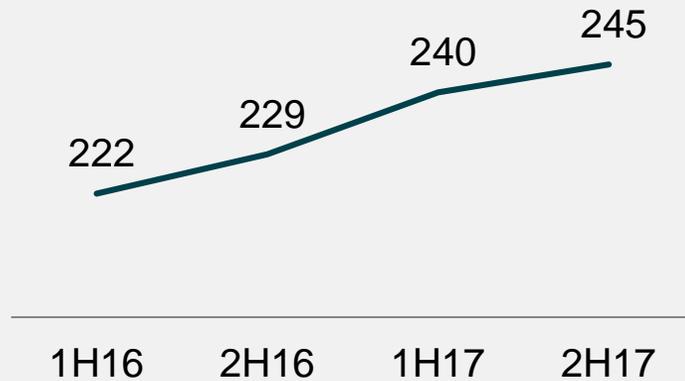
Planned margins



Experience



In-force premium



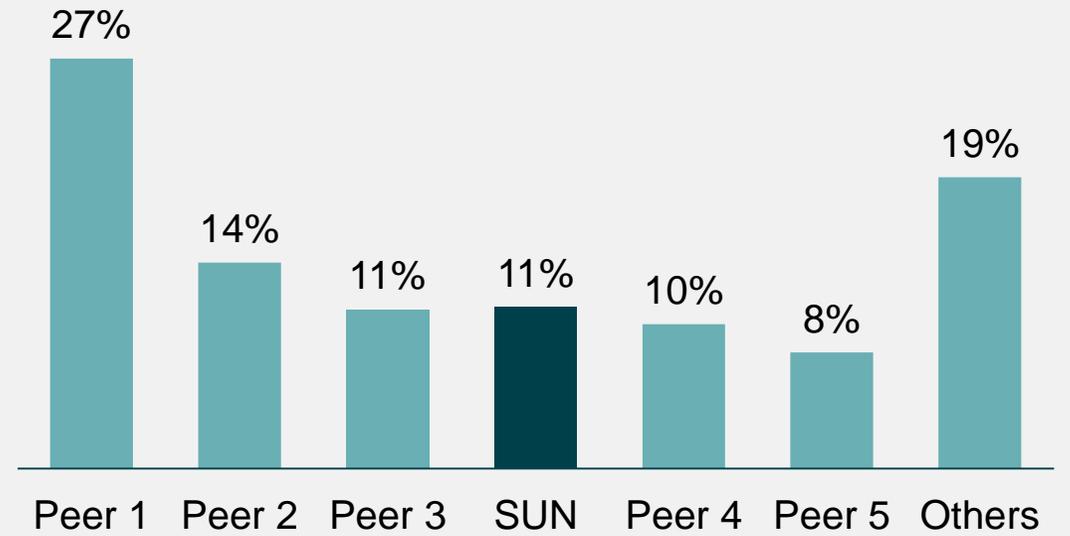
Operating expenses



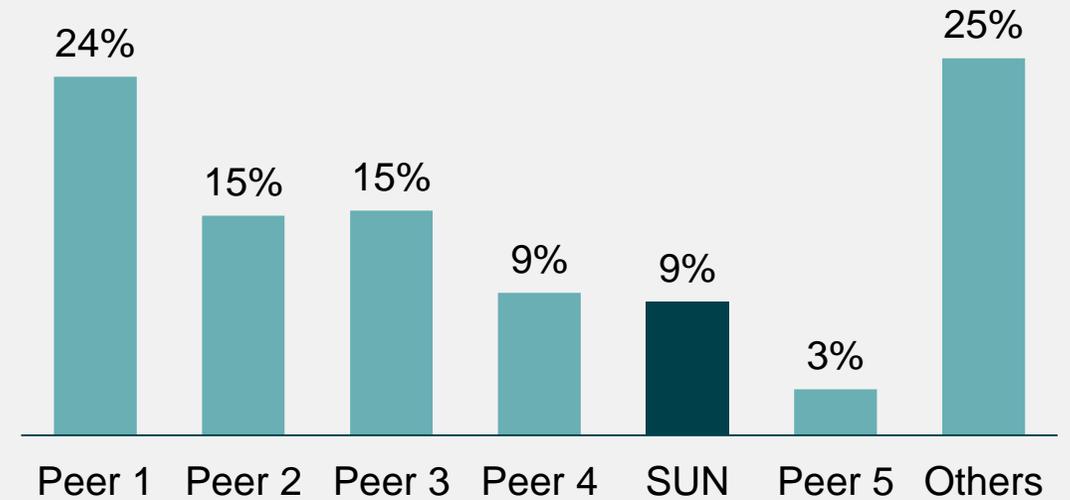
Life Insurance market share

Individual risk

In-force
NZ\$2.2 billion



New business
NZ\$49 million



Source: Melville Jessup Weaver, March 2017
Excludes Group policies



Financial Results for the full year
ended 30 June 2017

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Economy

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SUNCORP GROUP LIMITED
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Economy

Economic Fundamentals

-
- Supportive fundamentals for both Australia and Queensland
- Australian economy registering broad based, moderate growth
- Queensland benefiting from a lift in population growth while Moody's has lifted the state's rating outlook

	Australia	Queensland	Data
Population growth	1.5%	1.5%	Dec-16, annual
Economic growth	1.7%	2.0%	AUS: Mar-17 annual QLD: 2015-16 annual
Unemployment rate	5.6%	6.3%	Jun-17, trend
Inflation	2.1%	1.8%	Mar-17, annual
Budget position	\$29bn deficit (1.6% of GDP)	\$0.1bn surplus (budget balance)	2017-18 estimate
Credit rating (S&P / Moody's)	(AAA neg outlook / Aaa stable)	(AA+ stable / Aa1 stable)	Jul-17

“The past year has been characterised by impressive profit growth for companies in Australia, particularly miners. This has added to a number of existing positives including supportive interest rates, near decade high capacity utilisation, and improving business confidence”

Deloitte Access Economics, Business Outlook, June 2017

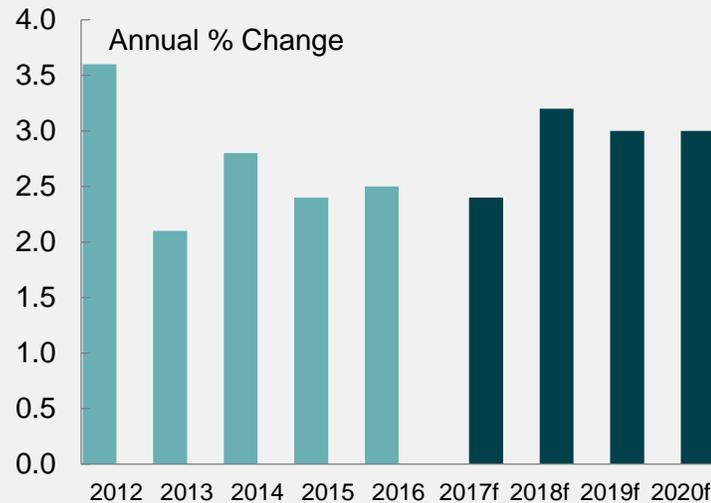
Growth Outlook

- Recent quarters have seen domestic demand and income accelerate
- Economic growth is forecast to return to the long run trend of 3%
- Queensland is projected to lead growth among the states

“Queensland has a lovely portfolio of sectors – and as some lose steam, others are taking up the slack”

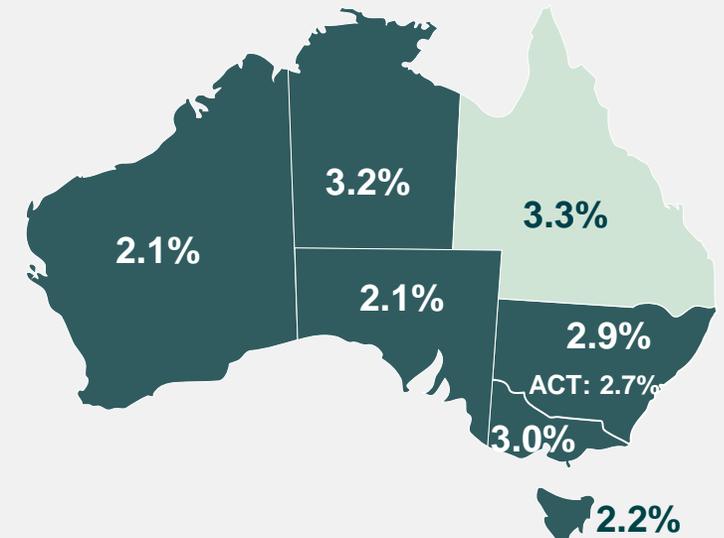
Deloitte Access Economics, September 2016

GDP outlook



Source: ABS, Suncorp, Deloitte Access Economics

State prospects

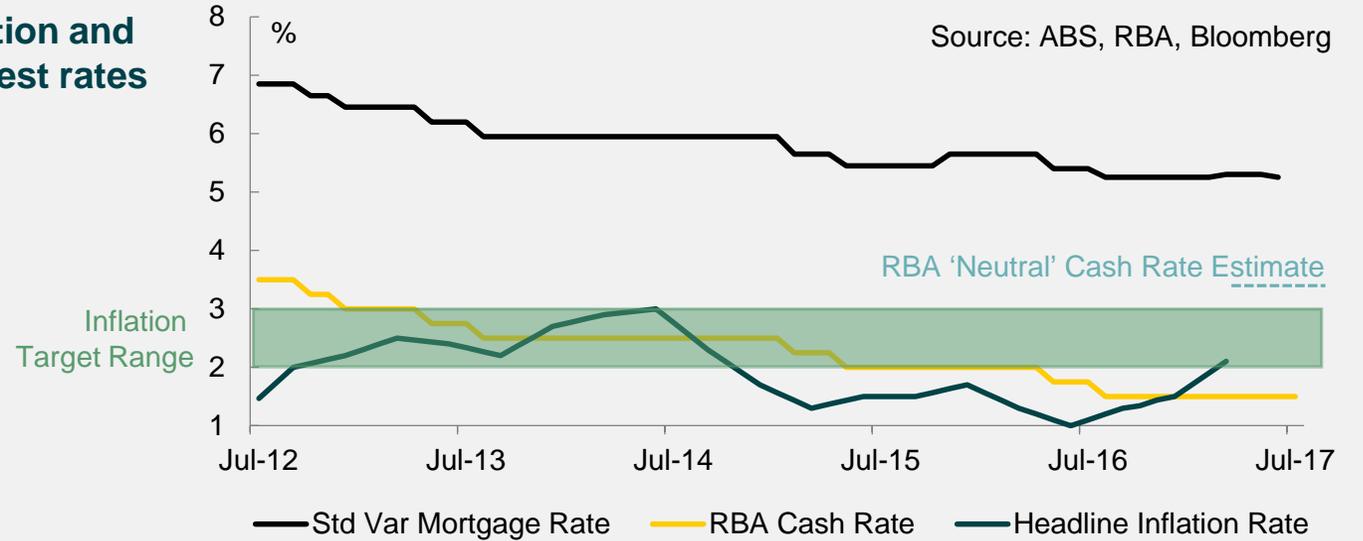


Gross State Product annual average forecast FY18-FY20
Source: Deloitte Access Economics, June 2017

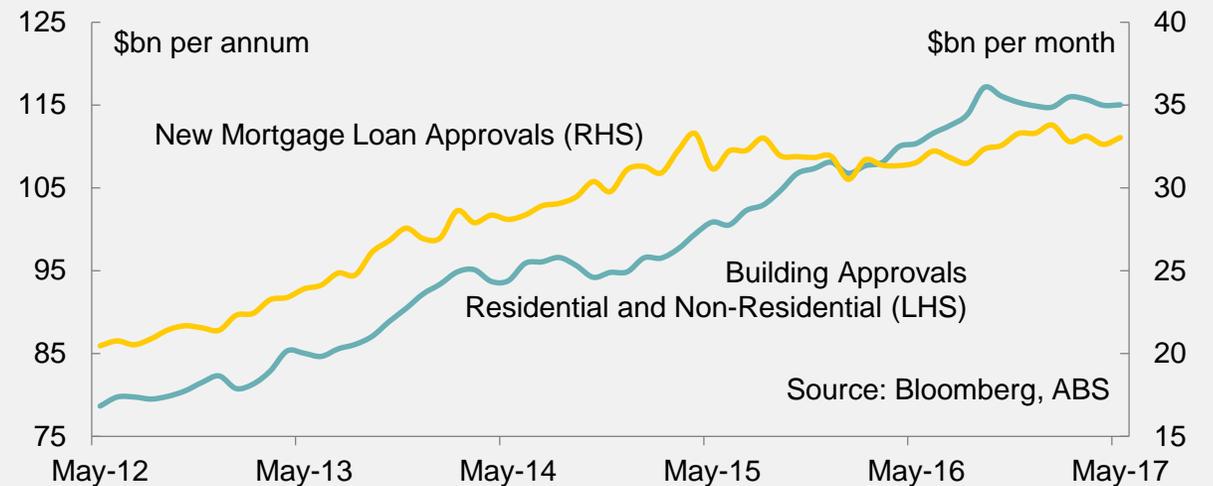
Monetary policy remains highly supportive

-
- With the cash rate well below 'neutral', the RBA is expected to begin gradually lifting rates in 2018
- Meanwhile, low rates continue to support lending and building activity
- A 'soft landing' for homebuilding is anticipated

Inflation and interest rates



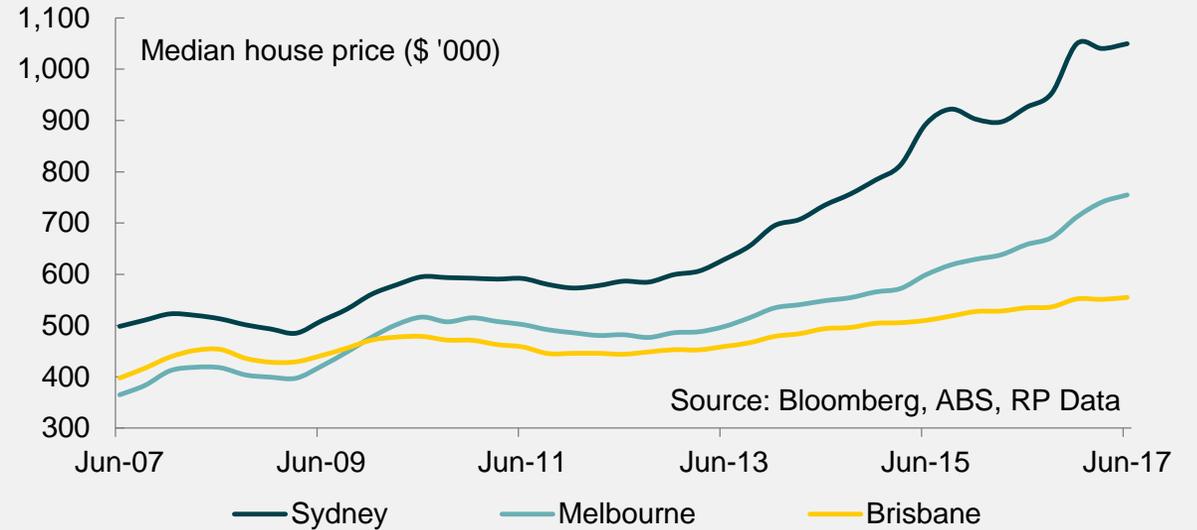
Mortgage and building approvals



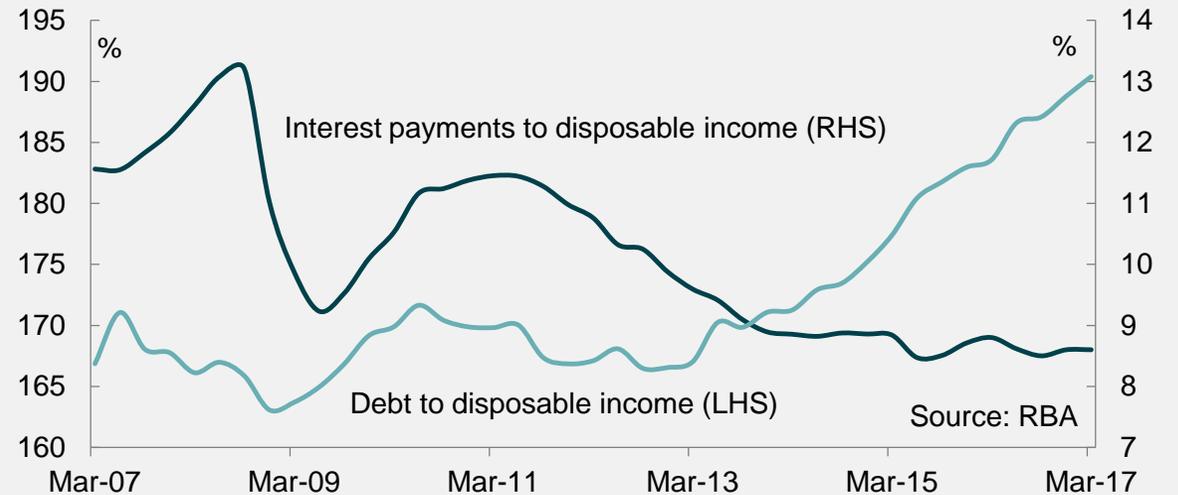
Housing and household risks contained

-
- Elevated debt, areas of strong price growth and pockets of oversupply represent risks
- Macro-prudential measures are addressing these risks while the RBA observes that household financial stress remains contained and low rates are assisting debt servicing
- We anticipate a cooling of house price growth nationally while Queensland will continue to benefit from an affordability advantage

House prices



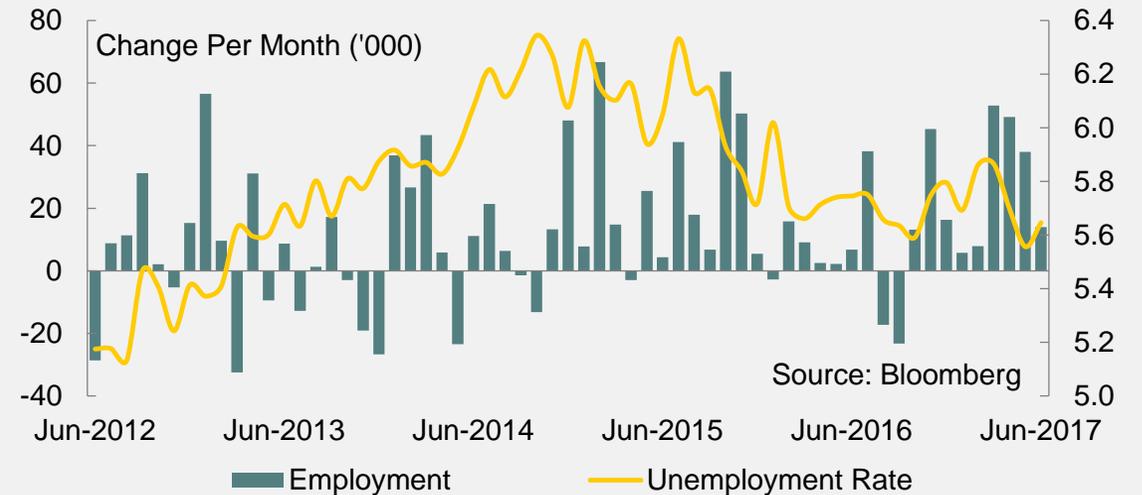
Household debt and debt servicing



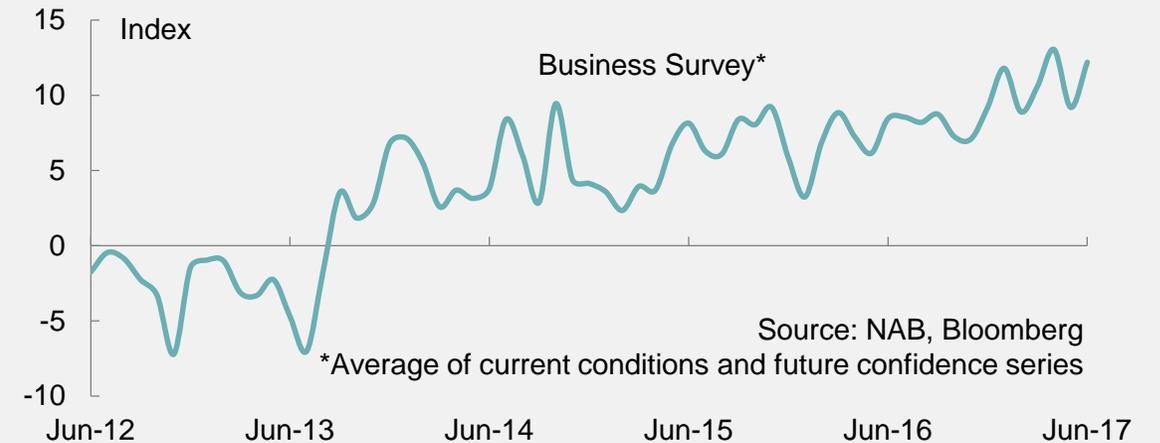
Labour market has clearly strengthened

-
- Recent months have seen a clear improvement in job creation, accompanied by lower unemployment
- Business sentiment is also relatively upbeat

Labour market



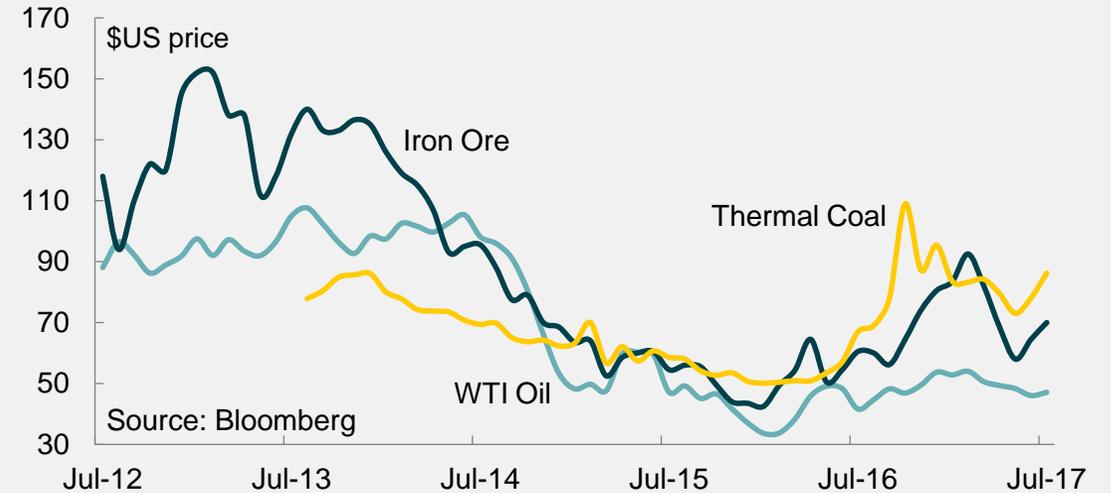
Business sentiment



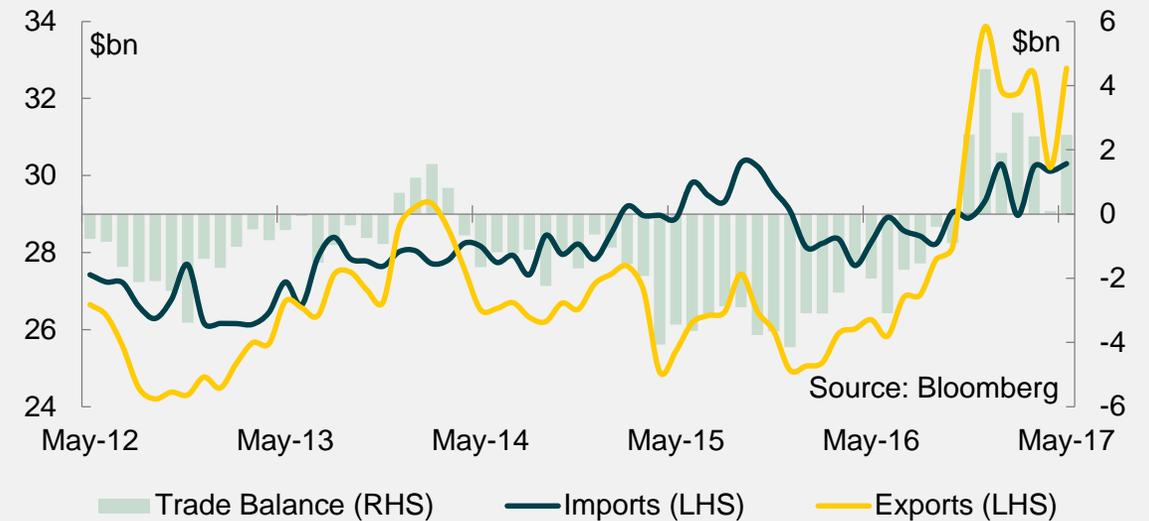
Favourable external sector

-
- Commodity prices have lifted, assisted by improved Chinese industrial activity
- Australia now consistently posting a trade surplus
- Strong export growth evident in tourism and education services

Commodity prices



International trade





Financial Results for the full year
ended 30 June 2017

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Glossary

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Glossary



Acquisition expense ratio	Acquisition expenses expressed as a percentage of net earned premium
ADI	Authorised Deposit-taking Institution
Annuities market adjustments	The value of annuity obligations are determined by discounting future obligations into today's dollars using risk-free rates. The value of such obligations fluctuates as market referenced discount rates change. The value of assets backing annuity obligations also fluctuates with investment markets. The net impact of both of these market-driven valuation changes are removed from the Life Insurance underlying profit and recorded as annuity market adjustments
APRA	Australian Prudential Regulation Authority
Basis points (bps)	A 'basis point' is 1/100th of a percentage point
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

Glossary

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
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	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
Effective tax rate	Income tax expense divided by profit before tax
Embedded Value	Embedded Value is equivalent to the sum of the adjusted net worth and the net present value of all future cashflows distributable to the shareholder that are expected to arise from in-force business, together with the value of franking credits
Equity reserve for credit losses	The equity reserve for credit losses represents the difference between the collective provision for impairment and the estimate of credit losses across the credit cycle based on guidance provided by APRA

Glossary

Fire service levies (FSL)	The expense levied on premiums for insurance policies with a fire risk component, which is recoverable from insurance companies by the applicable State Government. Fire service levies were established to cover corresponding fire brigade charges
Funds under management and administration	Funds where the Wealth Australia business receives a fee for the administration and management of an asset portfolio
General Insurance – Commercial	Commercial products consist of commercial motor insurance, commercial property insurance, marine insurance, industrial special risk insurance, and public liability and professional indemnity insurance
General Insurance – Consumer	Consumer insurance 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
Impairment losses to gross loans and advances	Impairment losses on loans and advances divided by gross loans and advances. The ratio is annualised for half years
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)

Glossary

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 interest spread	The difference between the average interest rate on average interest earning assets and the average interest rate on average interest bearing liabilities
Net profit after tax	Net profit after tax attributable to owners of the Company derived in accordance with Australian Accounting Standards
Net tangible asset backing per share	Total equity less intangible assets divided by ordinary shares at the end of the period adjusted for treasury shares
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

Glossary

Profit after tax from functions	The net profit after tax for the Insurance, Banking & Wealth and New Zealand 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
Return on average total assets	Net profit after tax divided by average total assets. Averages are based on beginning and end of period balances. The ratio is annualised for half years
Return on Common Equity Tier 1	Net profit after tax adjusted for dividends paid on capital notes divided by average Common Equity Tier 1 Capital. Average Common Equity Tier 1 Capital is based on the monthly balance of Common Equity Tier 1 Capital over the period. The ratio is annualised for half years
Total capital ratio	Total capital divided by the Prescribed Capital Amount for Life and General Insurance, or total risk-weighted assets for the Bank, as defined by APRA
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

Disclaimer

This report contains general information which is current as at 3 August 2017. 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 the 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).

To see more, go online
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