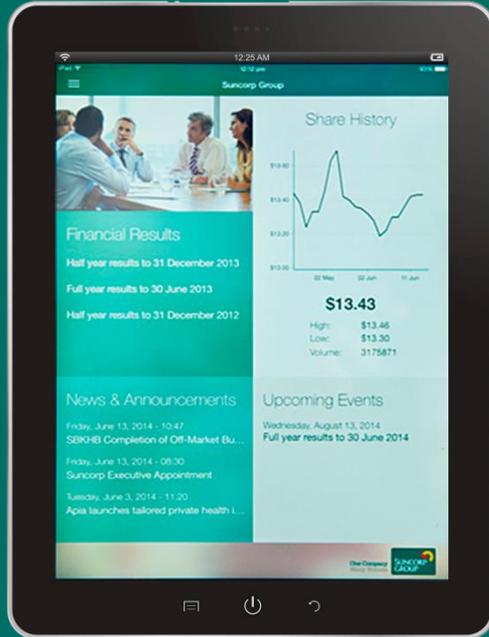


Suncorp Group Limited

Financial results for the
year ended 30 June 2014



Suncorp FY14 results presentation

Agenda

1

Results and operational highlights

Patrick Snowball

3

Outlook

Patrick Snowball

2

CFO report

Business lines | Group capital

Steve Johnston

4

Q&A

Suncorp Leadership Team

2



Introduction

Patrick Snowball
Suncorp Group CEO

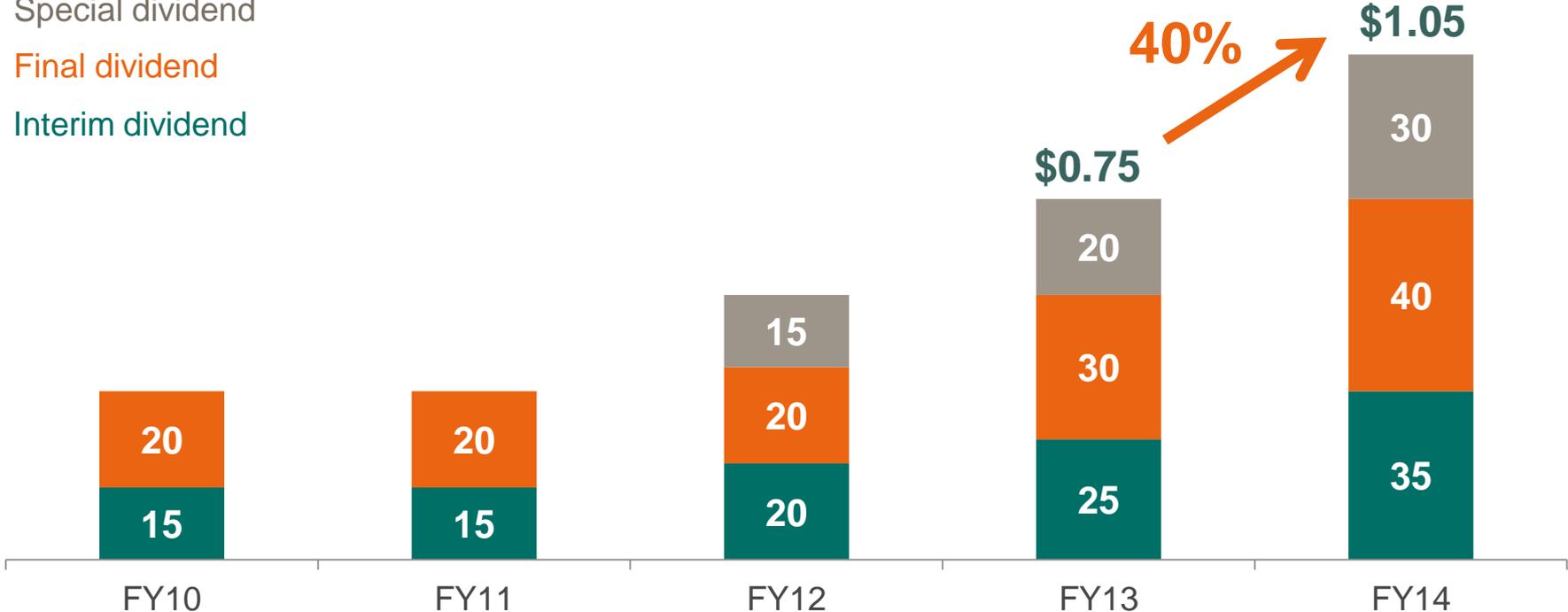
FY14 result overview (\$m)

	FY14	FY13	%Δ
General Insurance NPAT	1,010	883	14.4
Bank NPAT	228	(343)	n/a
Suncorp Life NPAT	92	60	53.3
Business lines NPAT	1,330	600	121.7
Other	(26)	(24)	8.3
Cash earnings	1,304	576	126.4
Life intangible asset write-down	(496)	n/a	n/a
Other profit and acquisition amortisation	(78)	(85)	(8.2)
NPAT	730	491	48.7

Dividends

7.5% yield based on \$14.00 share price

- Special dividend
- Final dividend
- Interim dividend

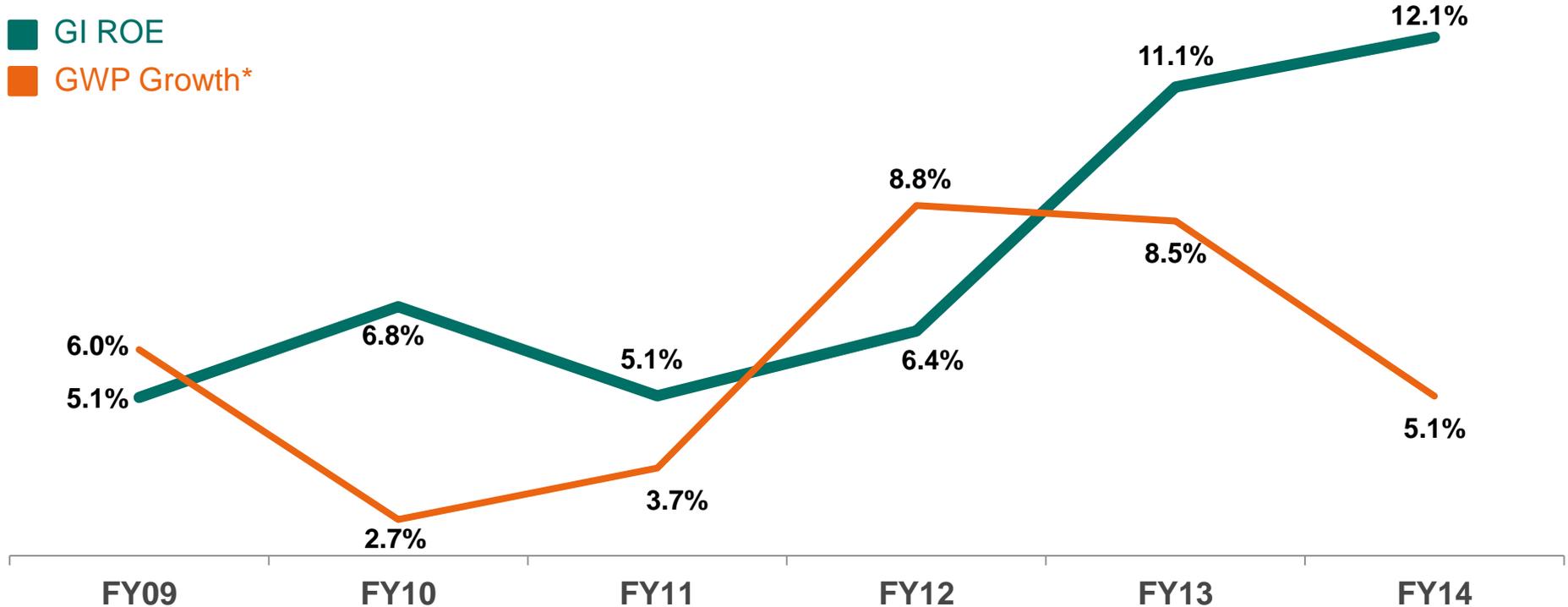


Continued underwriting discipline

Average GI ROE of 7.8%

■ GI ROE

■ GWP Growth*



*excluding FSL

6

Suncorp Group Limited

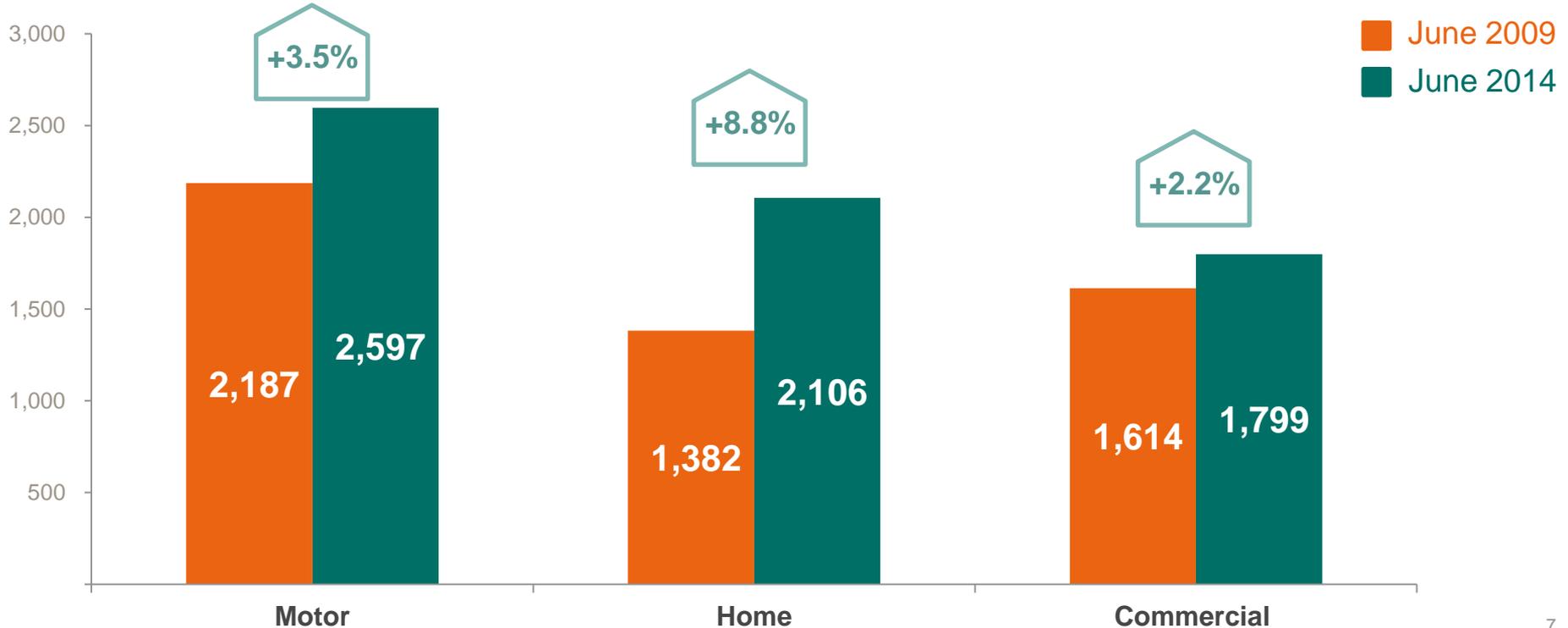
13 August 2014

One Company
Many Brands



Suncorp 5yr Australian CAGR (\$m)

A 'home insurance' cycle





CFO Report

Steve Johnston
Suncorp Group CFO

Suncorp's shareholder focus

Simplified, de-risked financial services group

Yield

Dividend payout ratio of **60%** to **80%** and return of surplus capital

Organic strategy, focused exclusively in Australia and New Zealand

De-risked and simplified business model



Growth

FY15 growth target of between **4%** to **6%**

Multi-brand, multi-channel approach leveraging the Group's 9 million customers

Efficiency-led growth

General Insurance

\$m	FY14	%Δ
General Insurance profit after tax	1,010	14.4

GWP up 5.1% (ex FSL)

Reserve releases of \$109 million
Natural hazard claims
\$27 million below allowance

Underlying ITR of 14.3% exceeding
commitment to 'meet or beat' 12%
Reported ITR of 15.5%

GI CET1 1.66x PCA

Gross Written Premium

Up 5.1% excluding Fire Service Levies

Product	FY14 (\$m)	%Δ	Factors
Motor	2,829	2.6	Strong retention despite increase in competitive activity
Home	2,439	6.3	Increase in average written premiums offset by unit loss
Commercial	2,329	6.8	Maintaining underwriting discipline
CTP	1,050	7.4	Strong retention in NSW and Qld, entry into ACT
Other	78	(16.1)	Withdrawal from NZ travel insurance market
Total	8,725	5.1	
Australia	7,585	3.1	
New Zealand	1,140	20.8	6.9% in NZD terms

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Investment assets

Low yields with credit spread gains

Insurance funds (\$9+bn)

Investment income **\$485 million**

MTM gains of **\$117 million** from decreases in risk-free rates

MTM gains of **\$74 million** from narrowing credit spreads

Returns of **\$31 million** on inflation linked bonds

Underlying yield **2.9%** impacted by ILBs

Shareholder funds (\$3+bn)

Investment income **\$246 million**

Interest income of **\$130 million** from \$2.6 billion portfolio

International and domestic equities income of **\$116 million** from \$600 million portfolio

MTM gains of **\$40 million** from narrowing credit spreads

78% of fixed interest investments rated 'AA' or above

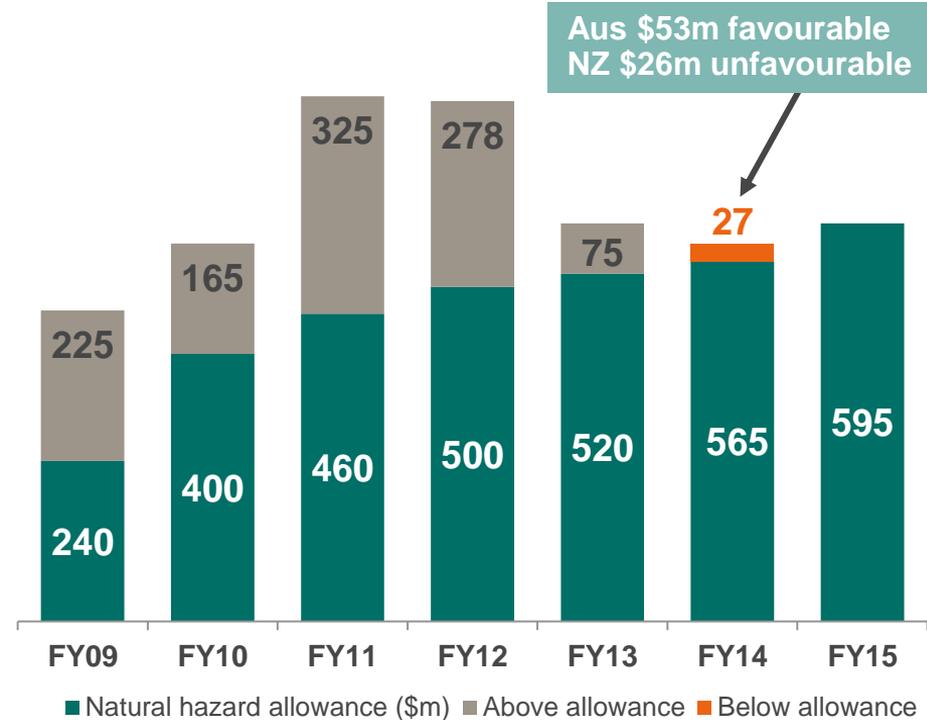
Claims

Natural hazards \$27 million below allowance; Reserve releases in line

Reserve releases

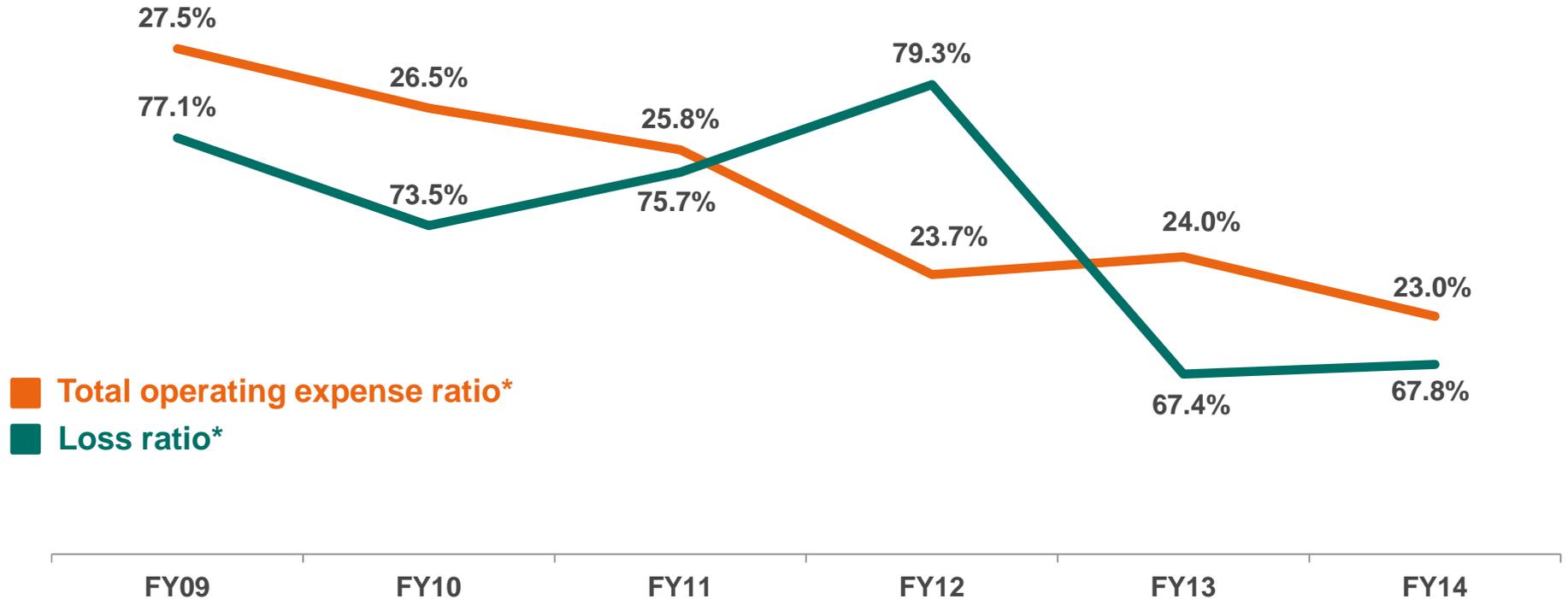
Total releases of **\$109 million** broadly in line with expectation of 1.5% of NEP, major components:

- Australian long-tail release \$162 million
- Strengthening on Christchurch earthquake of \$35 million



Operating expense and loss ratios

Underwriting and expense discipline



■ Total operating expense ratio*

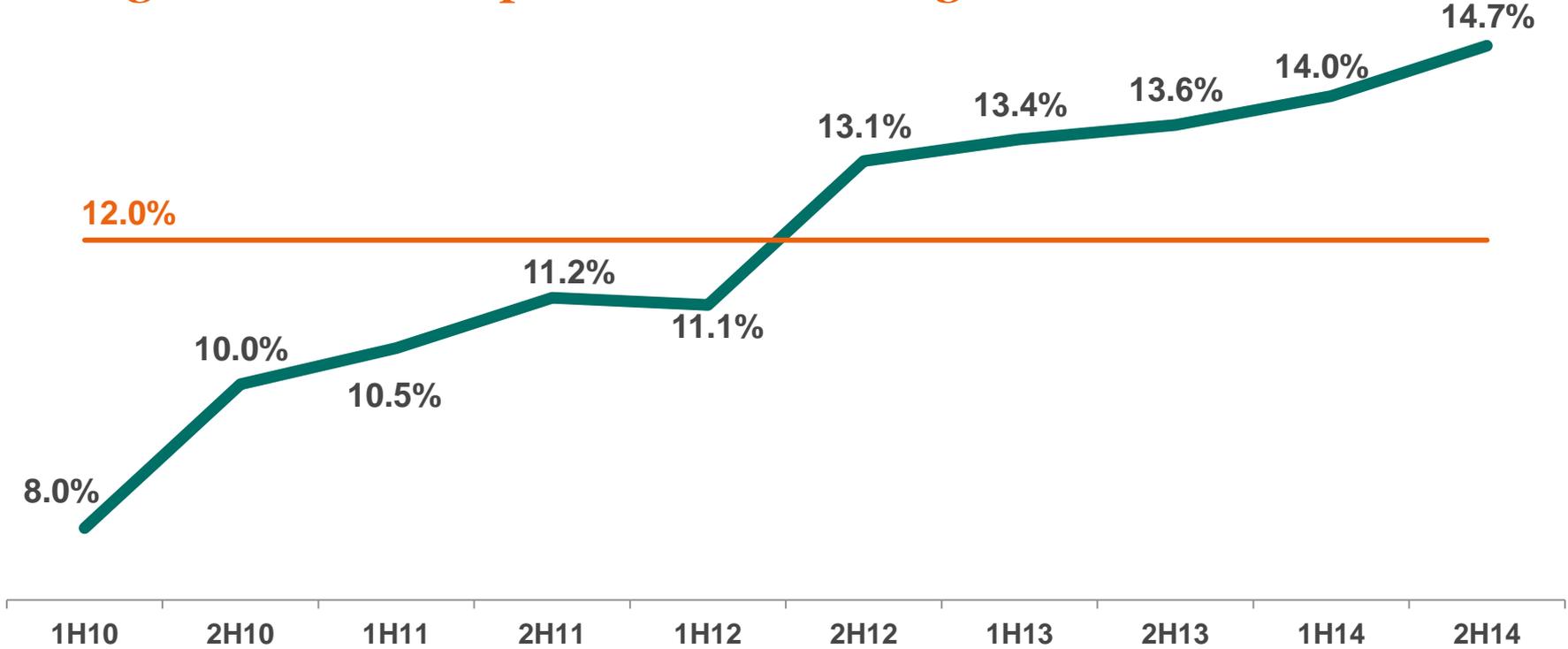
■ Loss ratio*

*including FSL

14

Underlying ITR

Building Blocks and Simplification delivering



Suncorp Bank

\$m	FY14	%Δ
Bank profit after tax	228	n/a

Bank CET1 **8.54%**
NIM of **1.78%** (2H14)

Cost to income ratio HoH down
4.1% to 55.5%
Retail deposit core lending ratio **65.8%**

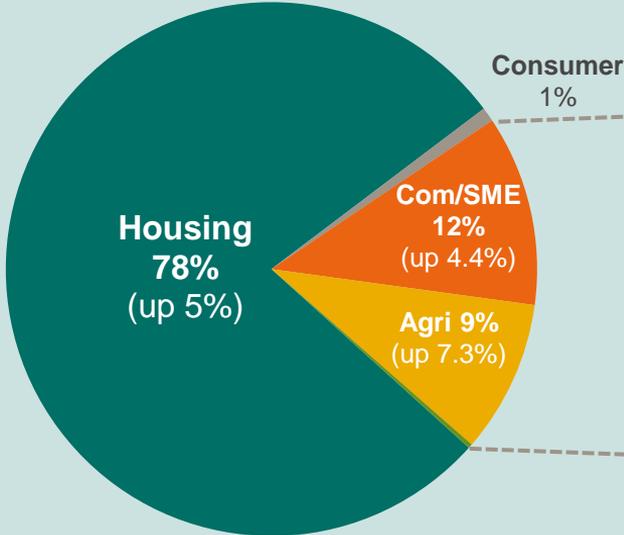
Home lending **up 5.0%**
Agribusiness portfolio **up 7.3%**

Non-performing loans **down 18%**
Gross impaired assets **down 34%**
Retail impaired assets **down 21%**

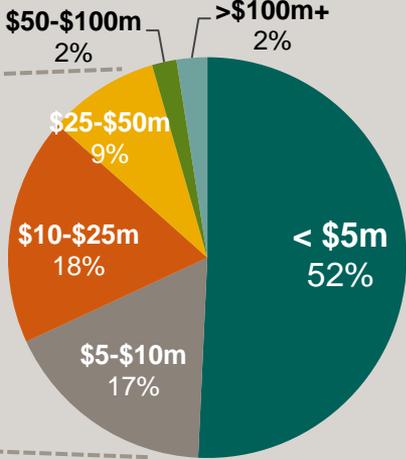
Suncorp Bank lending portfolio

78% mortgage lending

Lending assets \$49.9 billion



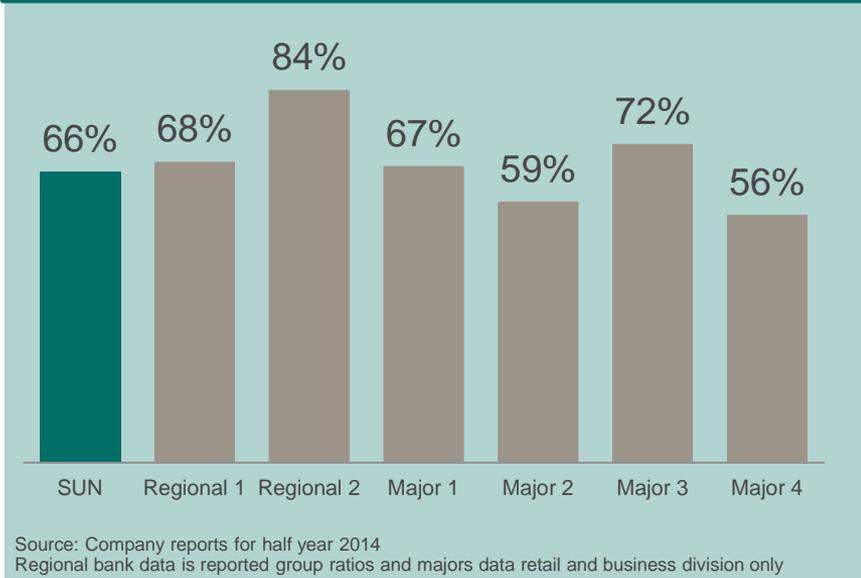
69% Com/SME & Agri <\$10m



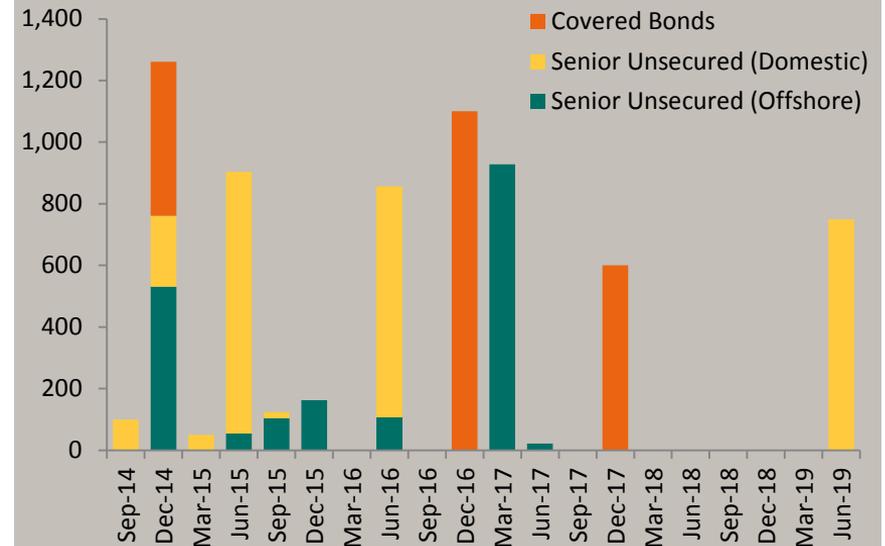
Funding and Liquidity

Conservative balance sheet

Deposit to loan ratio



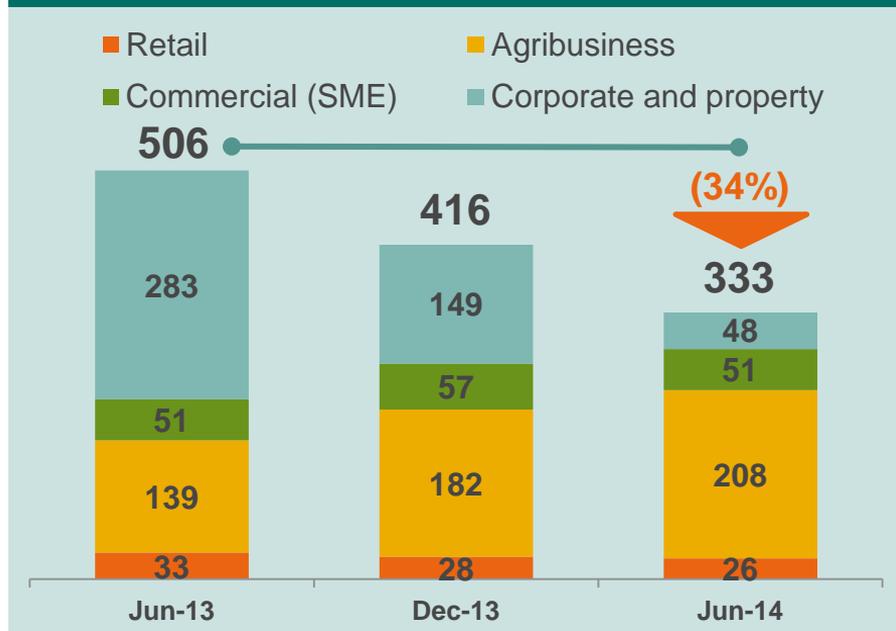
LT funding profile (\$m)



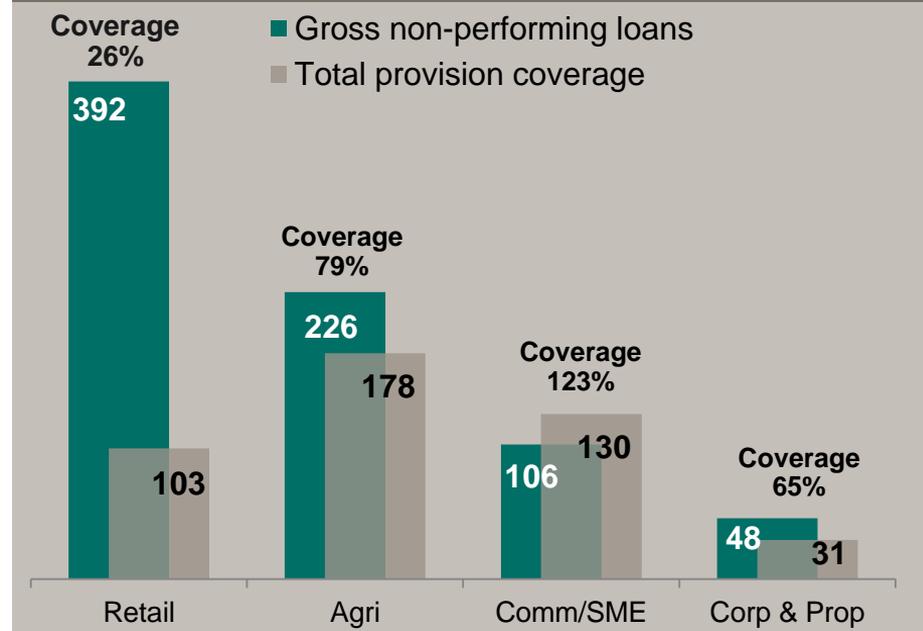
Credit quality

Gross impaired and non-performing loans reduced

Gross impaired loans



Gross non-performing loans



Suncorp Bank

Key targets

NIM **1.75%** to **1.85%**

Retail deposit to lending ratio **60%** to **70%**

Disciplined cost management driving down **cost to income ratio**

Sustainable lending growth of **1** to **1.3** times system

Australia's leading regional bank

Basel II **advanced accreditation**

New banking platform – Project **Ignite**

A+/A1 credit rating

Excellent customer **satisfaction**

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Suncorp Life

Improved capital efficiency

\$m	FY14	%Δ
Underlying profit after tax	84	(30.0)
Market adjustment after tax	8	n/a
Life profit after tax	92	53.3

\$535 million capital return to Group
Risk in-force annual premiums **up 8.5%**

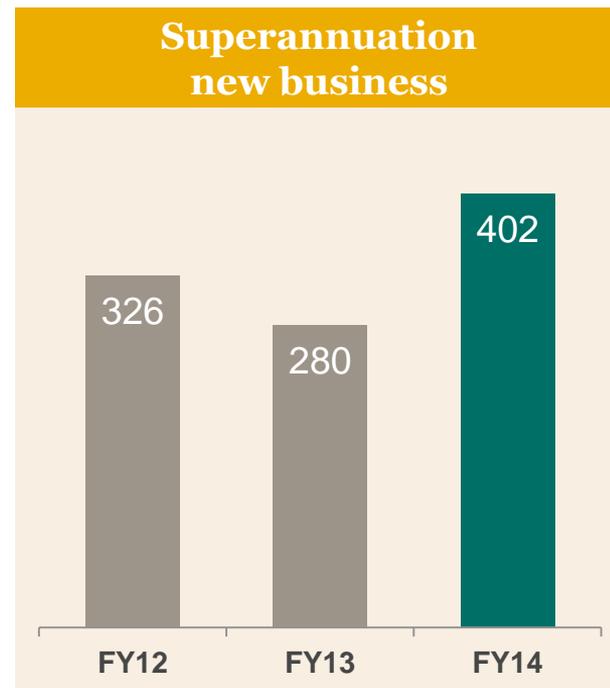
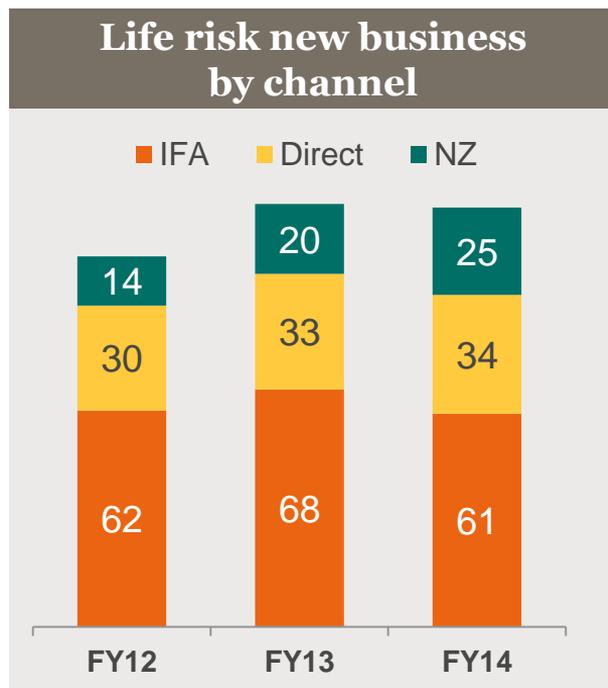
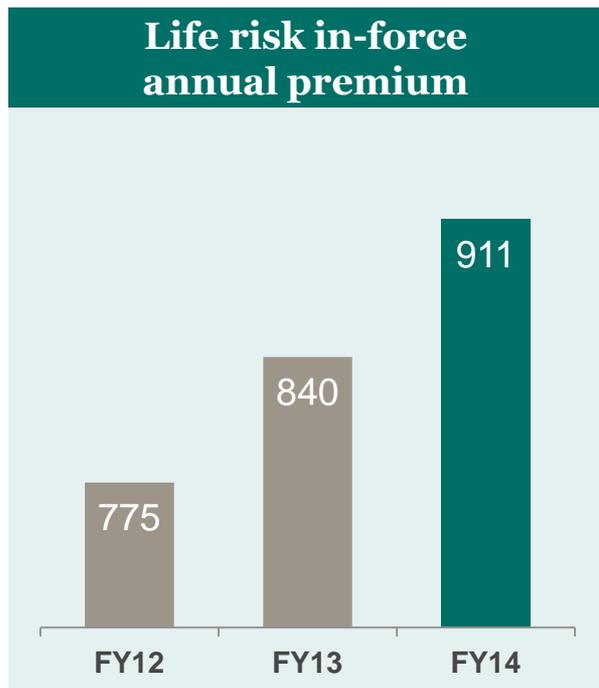
Direct sales through GI brands **up 11% HoH**
Super **up 43.6%** driven by Everyday Super

Claims experience negative **\$24 million**
Lapse experience negative **\$26 million**
New Zealand business performed strongly

\$496 million write-down of non-cash
intangible assets based on revised forward-
looking assumptions

Suncorp Life

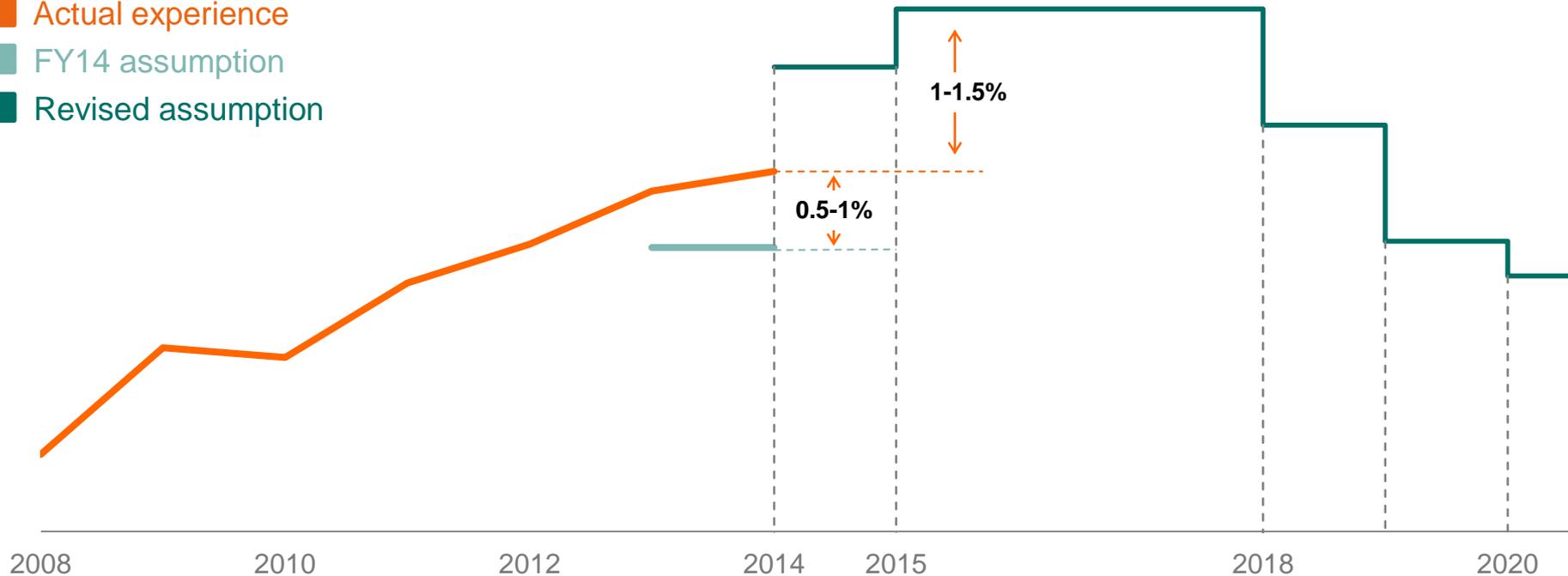
Growth in Life risk and superannuation (\$m)



Life rebased assumptions

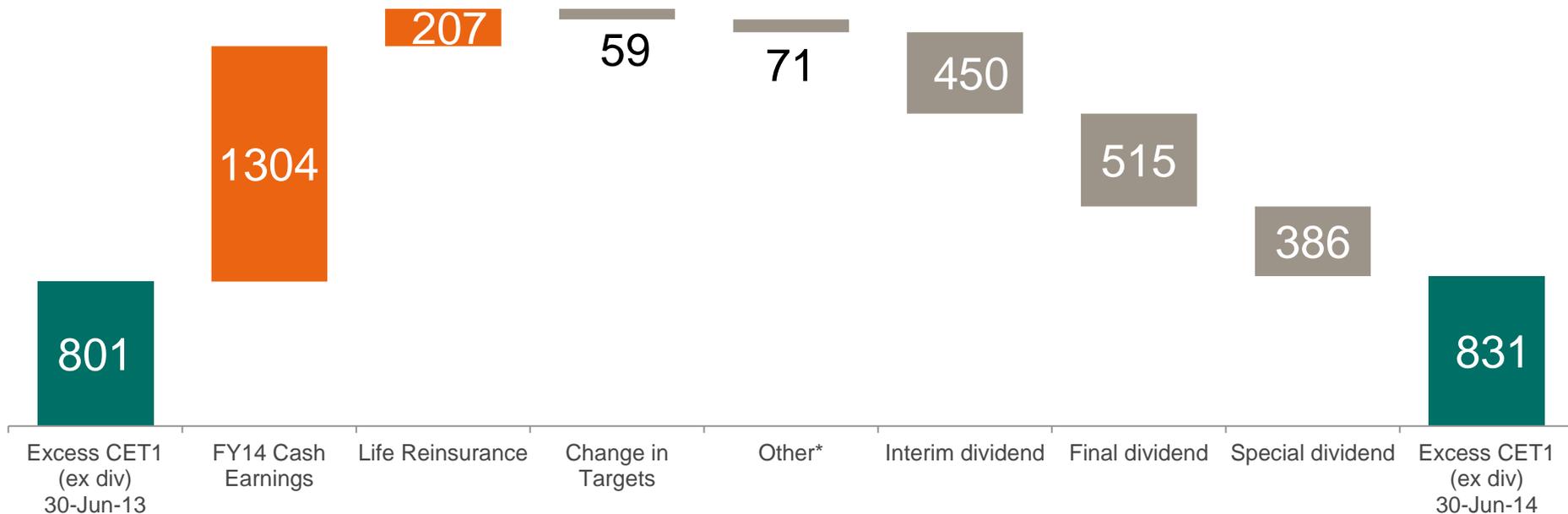
Illustrative lapse example

- Actual experience
- FY14 assumption
- Revised assumption



FY14 CET1 movements (\$m)

Excess increased to \$831 million



* "Other" largely reflects the positive impact of revised strategic asset allocations for Life and GI and improved bank credit quality offset by the business growth and the net effect of the impact of changed assumptions in the Life business (as part of the write-down) and net new business strain.

Suncorp capital at 30 June 2014

\$831 million excess to CET1 targets post dividend

\$m	General Insurance	Bank	Life	NOHC and other entities	Suncorp Group total
CET1	3,524	2,648	455	555	7,182
CET1 target	2,342	2,557	358	193	5,450
Excess (pre-div)	1,182	91	97	362	1,732
Dividend					(901)
Excess (post-div)					831
CET1 ratios (pre-div)	1.66x	8.54%	1.57x		
CET1 target	1.10x	8.25%	Amount equal to sum of PCA plus a target excess		



Conclusion

Patrick Snowball
Suncorp Group CEO

Suncorp Group

Key commitments

1

Group growth of 4% to 6% in the 2015 financial year

2

Simplification benefits of \$225 million in the 2015 financial year

3

'Meet or beat' an underlying ITR of 12% through the cycle

4

60% to 80% dividend payout ratio

5

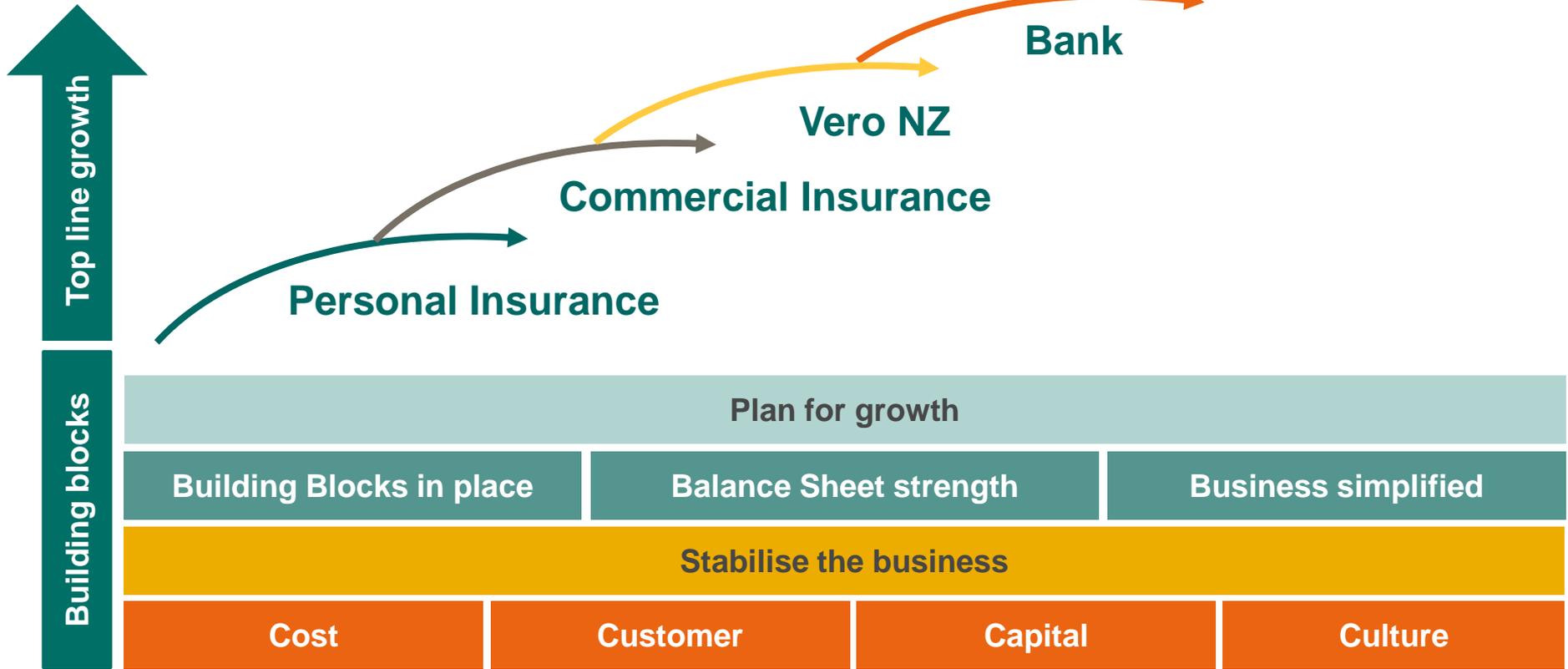
Continue to return surplus capital

6

Group ROE of at least 10% in the 2015 financial year

27

Suncorp's waves of growth



Suncorp's Strategic Assets

Our focus

Cost	<ul style="list-style-type: none">• Deliver scale cost benefits on third party procured goods / services• Share scale on infrastructure (real estate, enterprise technology) and non-unique business services
Customer	<ul style="list-style-type: none">• Enhancing the value of 9 million customer connections by deepening their relationships with Group brands
Capital	<ul style="list-style-type: none">• Demonstrating a diversification benefit through improved risk-based capital modelling• A+/A1 credit rating
Culture	<ul style="list-style-type: none">• Operating as 'One Company. Many Brands. One Team'



Q&A

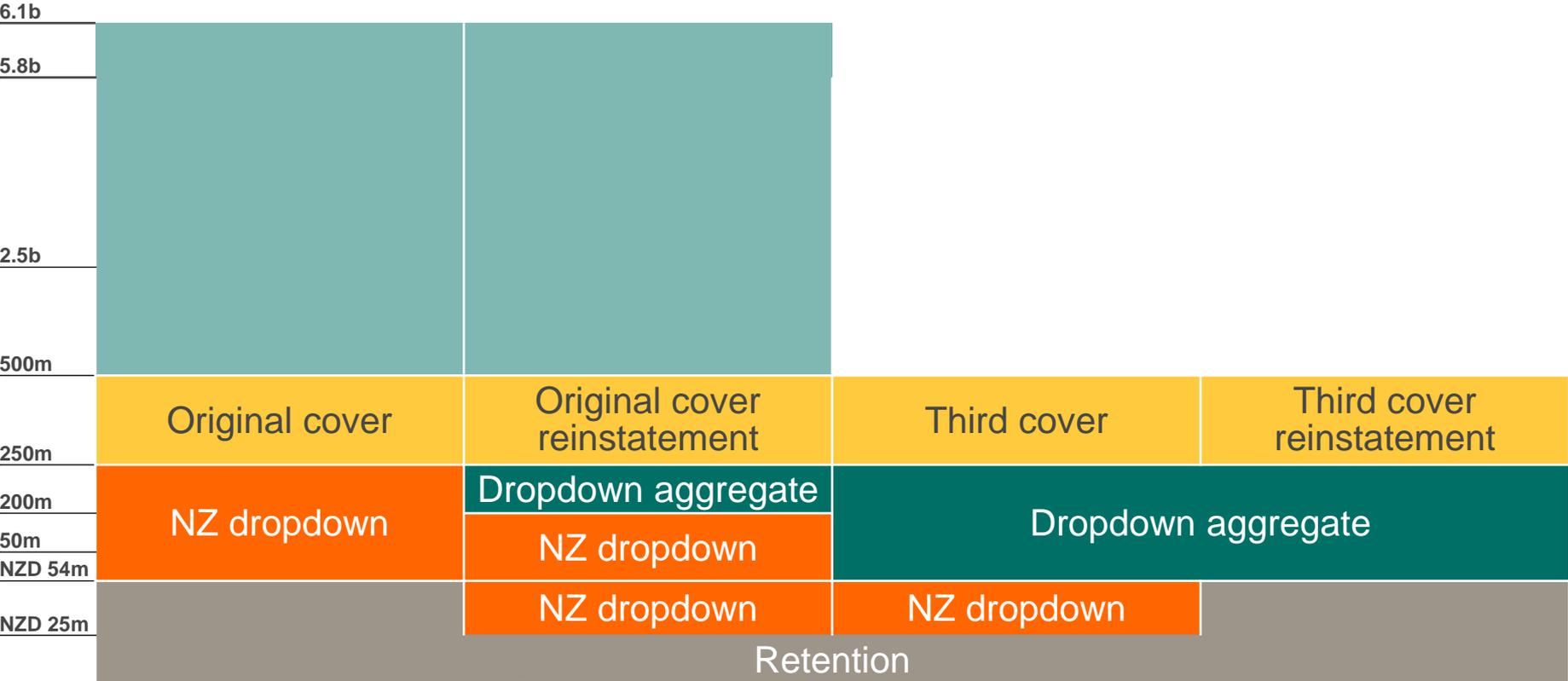
Financial results for the year ended 30 June 2014



Supplementary slides

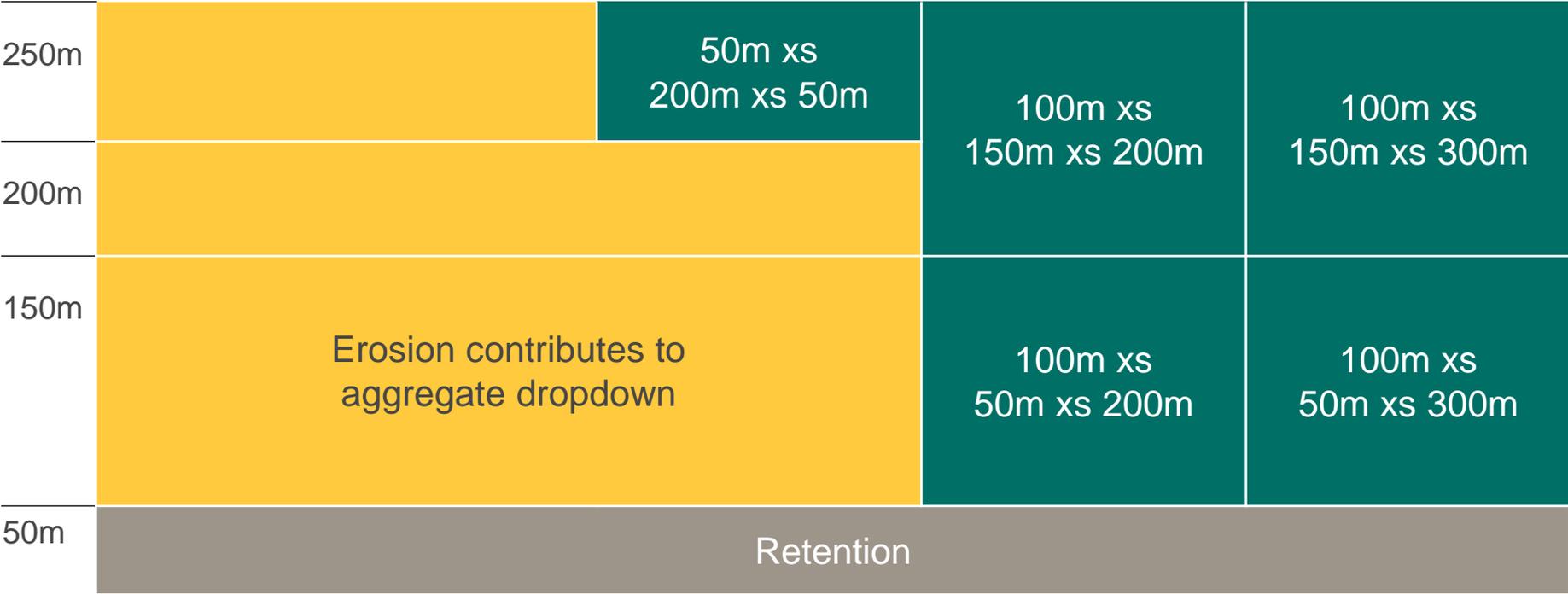
Financial results for the year ended 30 June 2014

FY15 Reinsurance program



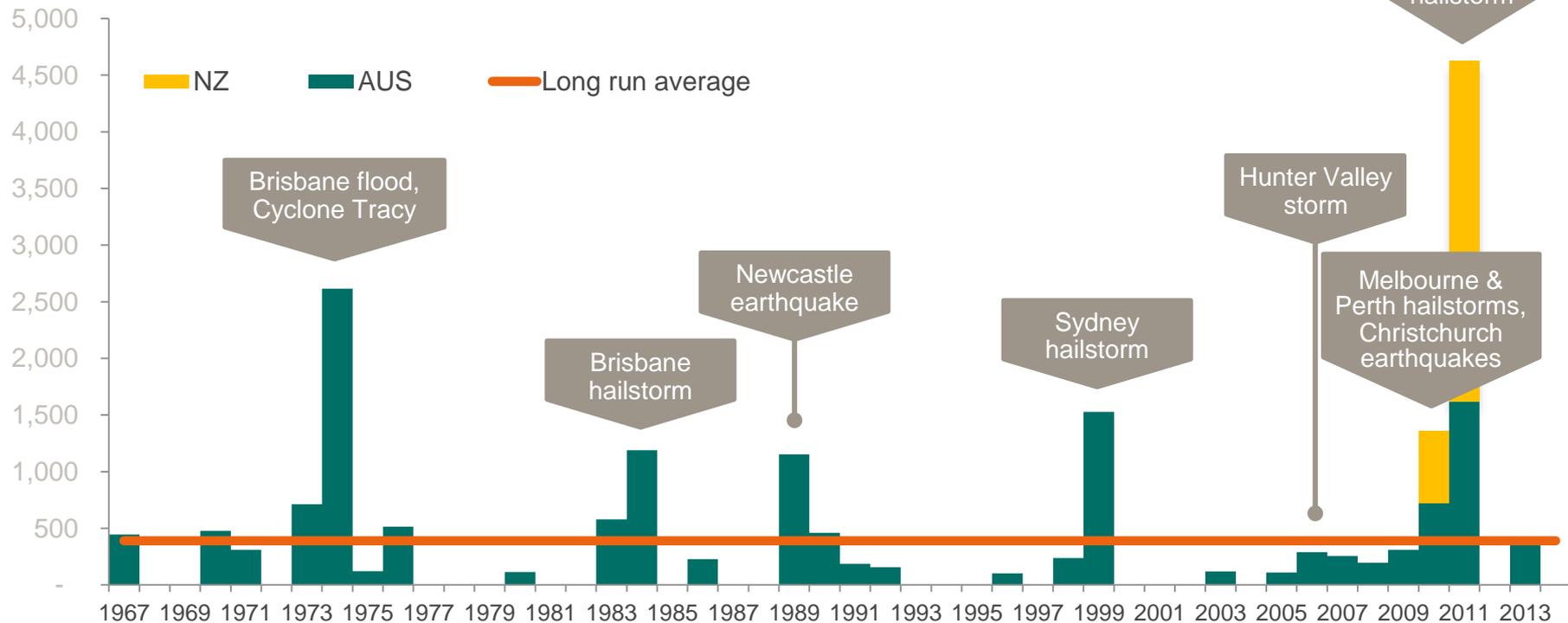
FY15 Reinsurance program

Drop-down aggregate program



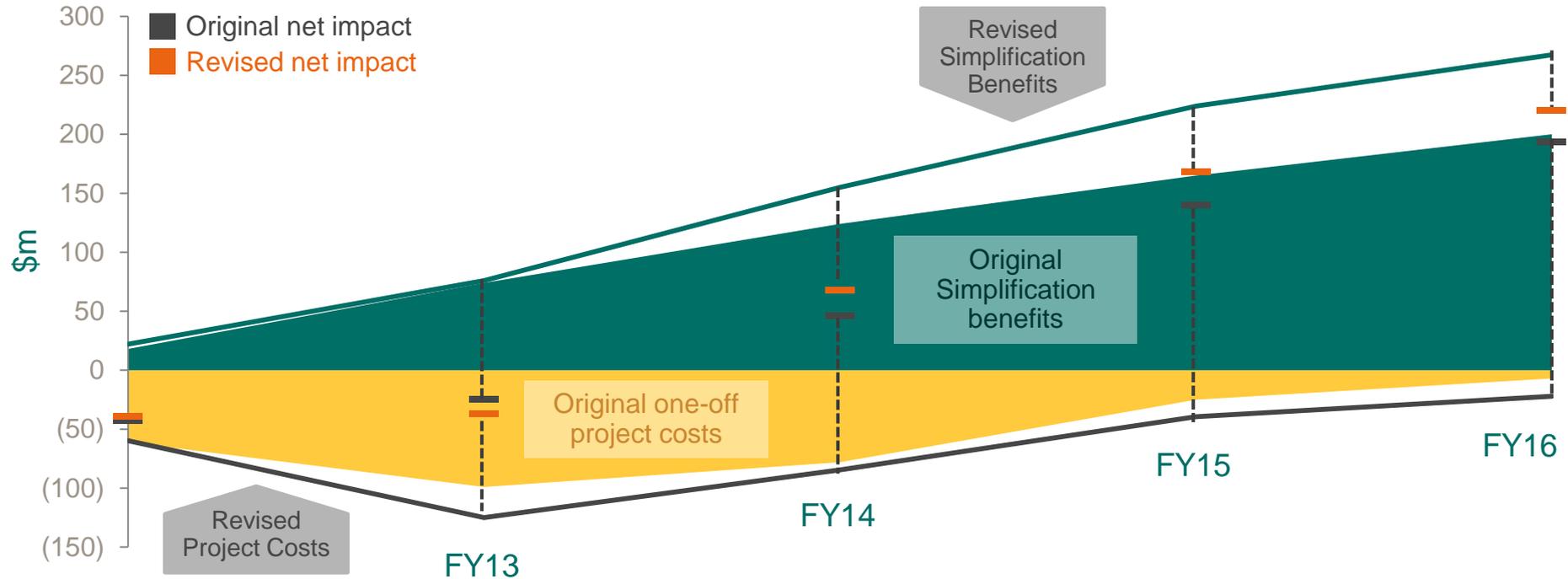
Natural hazards since 1967

Suncorp long-term catastrophic loss experience
Events greater than \$100m, gross of all reinsurance



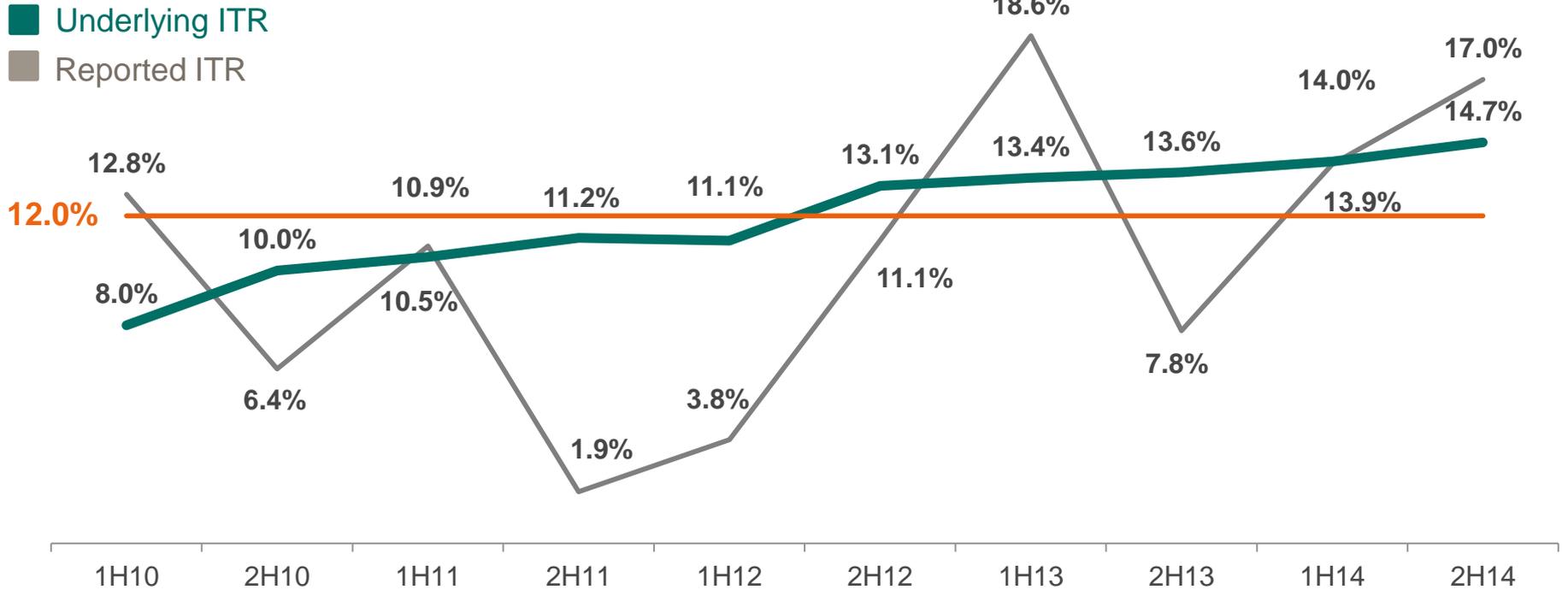
Simplification benefits

\$225 million in FY15, \$265 million in FY16



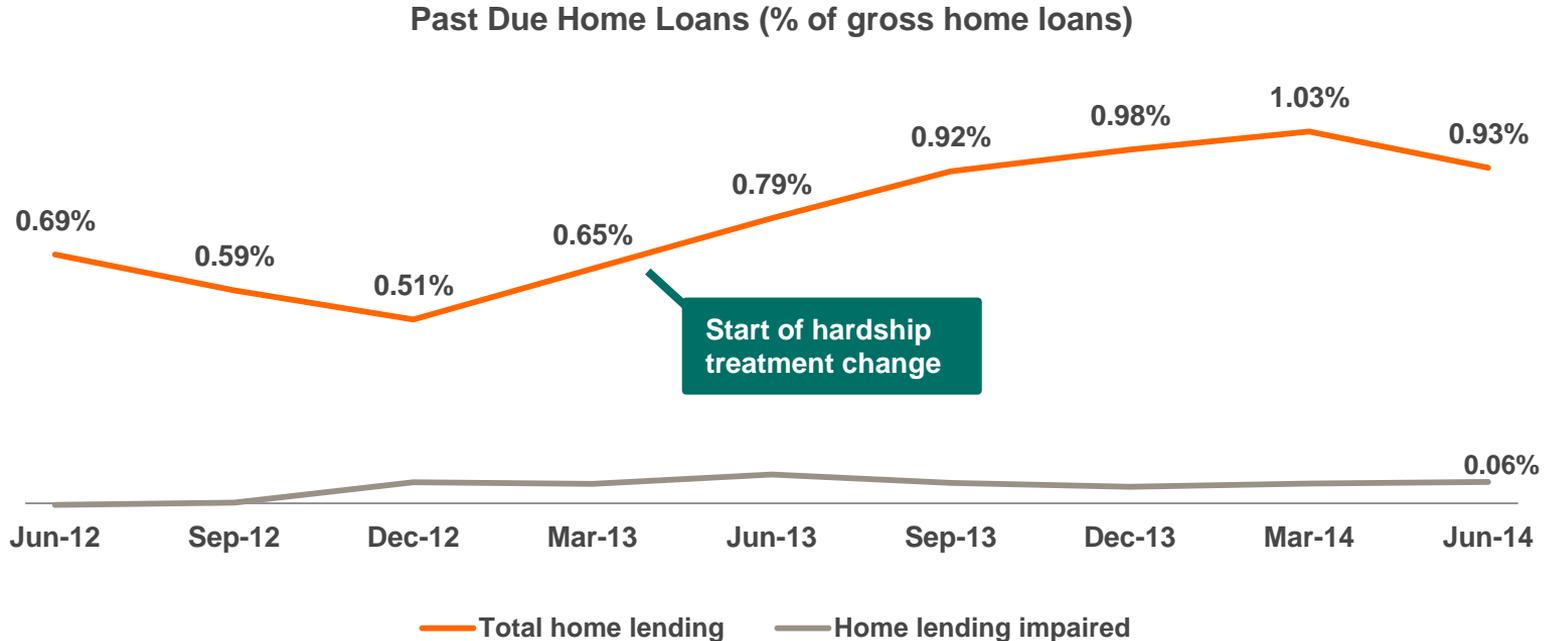
Underlying and Reported ITR

Building Blocks and Simplification delivering



Credit quality

Past due loans impacted by methodology change



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