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TROPICAL CYCLONE MARCIA AND FINANCIAL IMPACT UPDATE

Suncorp Group Limited (Suncorp) today provided a preliminary estimate of the financial impact of Tropical Cyclone Marcia and associated flooding in Queensland.

Suncorp expects claims to reach approximately 10,000 across its insurance brands including Suncorp, AAMI, Apia, GIO and Vero. The majority of claims relate to damaged homes in the Central Queensland towns of Rockhampton, Yeppoon, Biloela and Maryborough.

The event is expected to cost between \$120 million to \$150 million (pre-tax), net of the 30% proportional quota share arrangement covering the Queensland home portfolio.

Including the costs of this event, Suncorp expects its natural hazard expenses for the financial year to date to be in the range of \$690 million to \$720 million. The Natural Hazard Allowance for the full year to 30 June 2015 is \$595 million.

Suncorp Group CEO Patrick Snowball said the impact of two major events in less than six months (the Brisbane Hailstorm in November and Tropical Cyclone Marcia in February) had placed pressure on the Group's return on equity target of 10% for the 2015 financial year, which is now unlikely to be achieved.

"It's disappointing that our return on equity target will unlikely be met, however, the Group remains well placed with a resilient balance sheet, solid underlying earnings and a strong culture focused on supporting customers," he said.

Mr Snowball said Suncorp had more than 30 assessors on the ground in affected areas assessing around 100 properties each day.

"Our immediate and efficient response during these events allows us to deepen relations and attract new customers," he said.

"Our priority is to ensure customers remain safe and are returned to their homes as soon as possible."

"Our panel of builders have already commenced work on some properties as we prioritise displaced, elderly and infirm customers. We have a long and proud history of supporting Queenslanders through major weather events and this is no exception."

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