

ASX announcement



25 May 2016

SUNCORP GROUP INVESTOR DAY

Suncorp today is hosting its annual Investor Day in Sydney. Attached for immediate release are the presentation materials. The event will be webcast from 9.15am at www.suncorpgroup.com.au. A recording of the webcast will be made available later in the day.

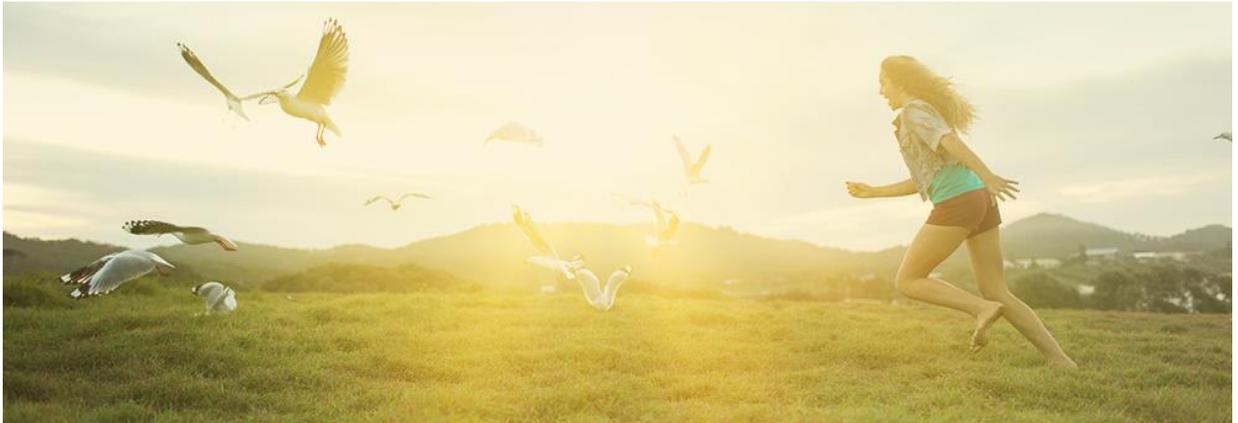
A handwritten signature in black ink that reads "Darren Solomon". The signature is written in a cursive style and is positioned above a light yellow rectangular background.

Darren Solomon
Company Secretary
Suncorp Group Limited

attach.

Create a better today

Investor Day | 25 May 2016



Agenda



Speaker

Michael Cameron – Introduction

Mark Reinke – Customer experience

Morning Tea

Gary Dransfield – Customer platforms

Amanda Revis – People experience and interview with Trov and 9 Spokes CEOs

Steve Johnston – Financial implications

Q&A

Michael Cameron – Final remarks

Investor Lunch

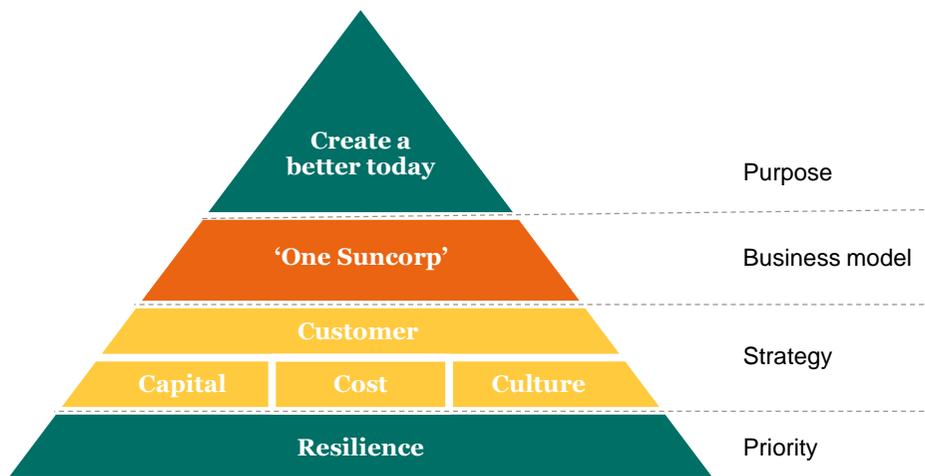


Create a better today

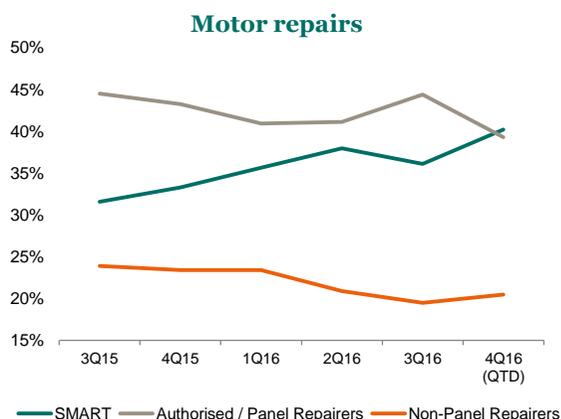
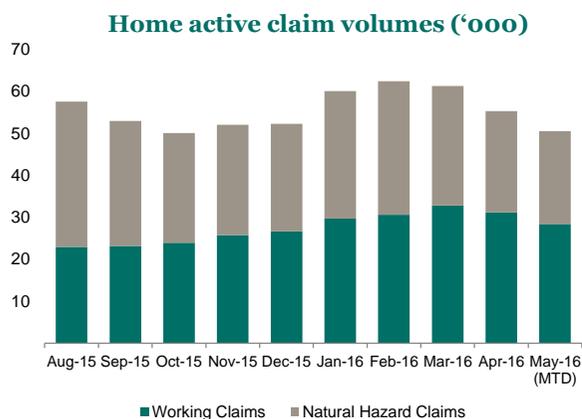
Michael Cameron, Managing Director
& Group Chief Executive Officer



Strategy



Good progress being made with working claims



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Business in good shape

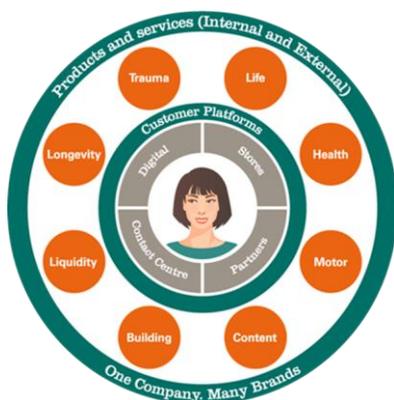
Expectations for the FY16 result:

- » Low-single digit **GWP growth**
- » Bank APS330 outlined very **strong credit quality** and **growth** in Q4
- » **Stable** Life **lapse** and **claims** environment
- » **Strong capital position** with surplus reflecting:
 - lower investment **yields** increasing Life capital;
 - upfront costs of entry into **SA CTP** market;
 - capitalised **software** costs; and
 - General Insurance **margin**.

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Operating model to deliver 'One Suncorp'

Suncorp's 'customer outcomes' approach



Our new operating model



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Strategy



Context

- » Simplification created **strong foundations**
- » Market conditions – **increased competition**, regulatory and political uncertainty and low yields
- » Rise of **Fintech** is undermining scale
- » High levels of customer **churn** across industry

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Strategy



Evolution

- » Shift to **creating value** for the customer (non-price value)
- » Reorientated from product to **customer outcomes** based operating model
- » Customer platform providing:
 - Easy **access** and **navigation**
 - **Wide range** of products and services

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Strategy

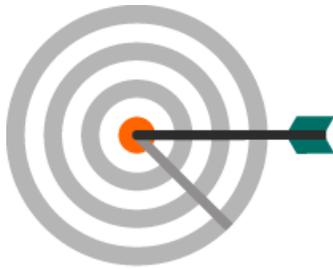


Priorities

- » Maintain **momentum** and **stability**
- » Elevate the **customer**
- » **Recalibrate** costs

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Strategy



Outcomes

- » Increasing **Connected Customers**:
 - Meeting more customer **needs**
 - Helping **navigate** complexity and make better choices
 - Interact **digitally** and **physically**
 - Integrated **third party** components
- » **Retention** and **growth**
- » **10% ROE**

Ability to execute the strategy



- » **Large** customer base
- » **Trusted** by customers / brokers / partners
- » **Strong foundations** with significant **scale**
- » **Unique structure** (Insurance / Life / Bank) in stable markets
- » Strong and unified **culture**

Ability to execute the strategy

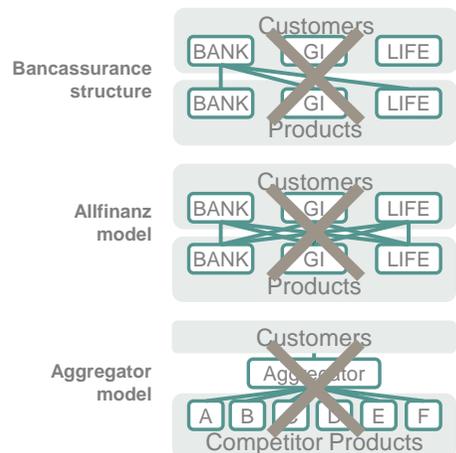
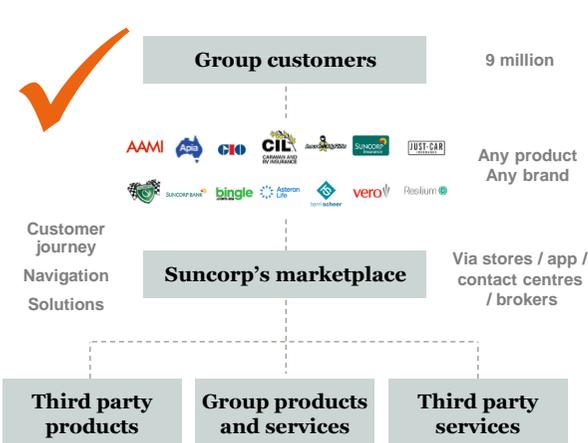


- » History of **innovation** and **execution**
- » Customer and marketplace strategy **embraced** by employees
- » Already have **platforms** e.g. Shannons / APIA
- » Aligned **operating model** around the customer
- » **Low risk** - doesn't require large investment program

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Suncorp's marketplace

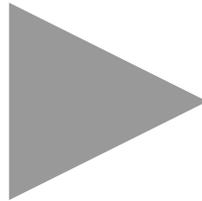
Not a Bancassurance, Allfinanz or Aggregator model



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Examples

Visualisation showing customer journeys



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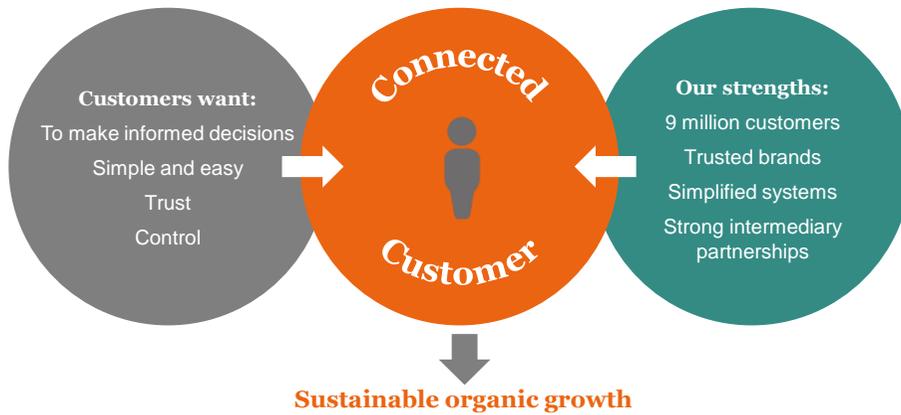
Customer Experience

Mark Reinke, Chief Customer
Experience Officer

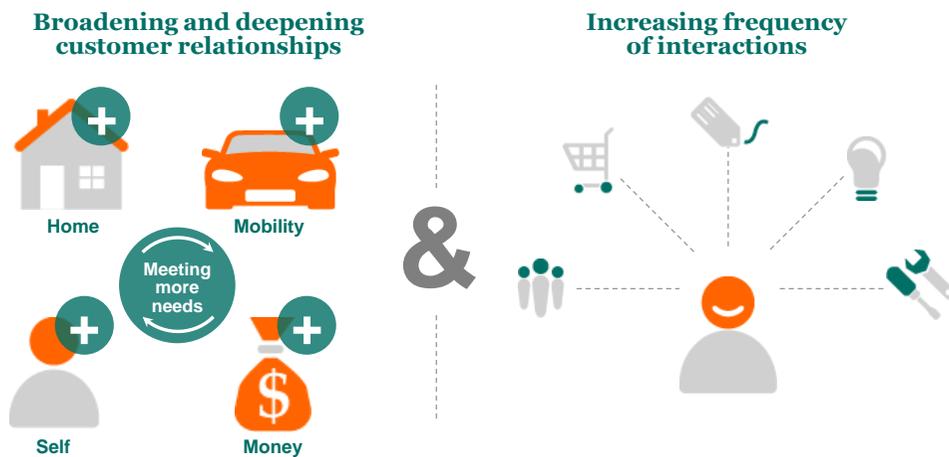


Creating a better today

Growing customer connections

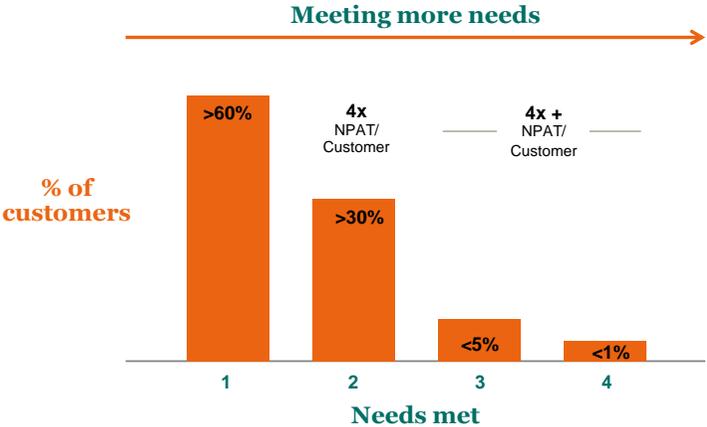


Connected Customers



Connecting customers creates value

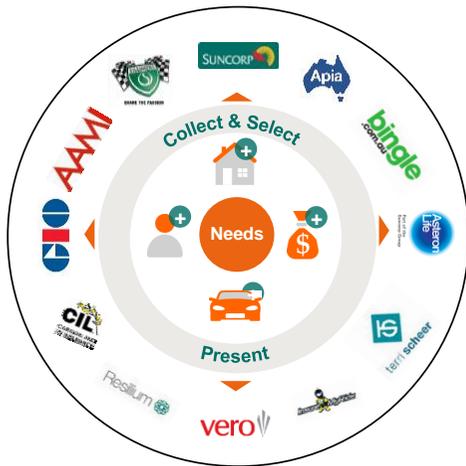
Significant growth opportunity



Our strategy to grow Connected Customers

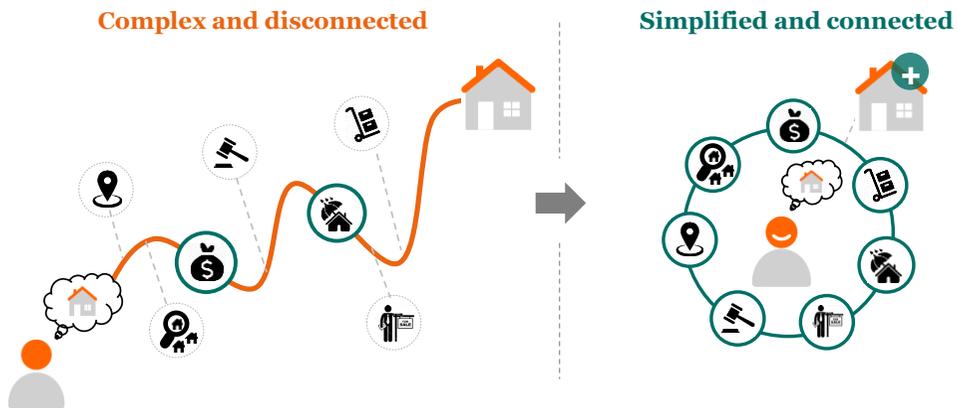
| | | | |
|--|---|---|--|
| | | | |
| Customer | Marketplace | Experience | Brands |
| <ul style="list-style-type: none"> Deep insights Priority segments New propositions | <ul style="list-style-type: none"> Curate solutions Omni-channel Customer navigation | <ul style="list-style-type: none"> Seamless experience Simplified journeys Personalised services | <ul style="list-style-type: none"> Reposition master brand Distinct and complementary Networked |

Adopting a marketplace approach

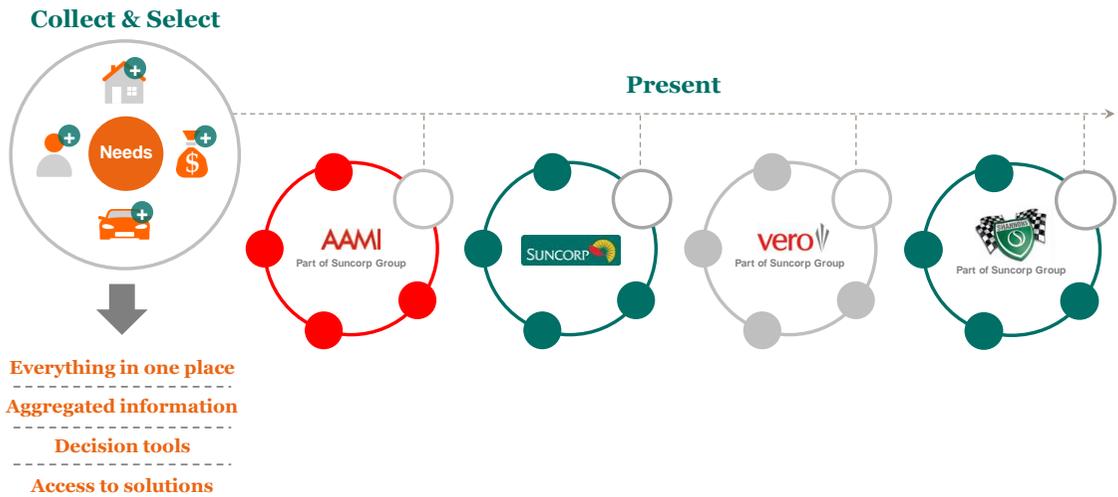


- » **Engaging** customers through omni-channel
- » **Curating** solutions that customers care about
- » **Enabling** customers to navigate and make informed decisions

Reinventing and improving customer journeys



Seamless connected experiences



Investor Day Showcases



AAMI Hub



Making informed decisions



On demand insurance



Morning Tea

Webcast will resume at 11.10am AEST

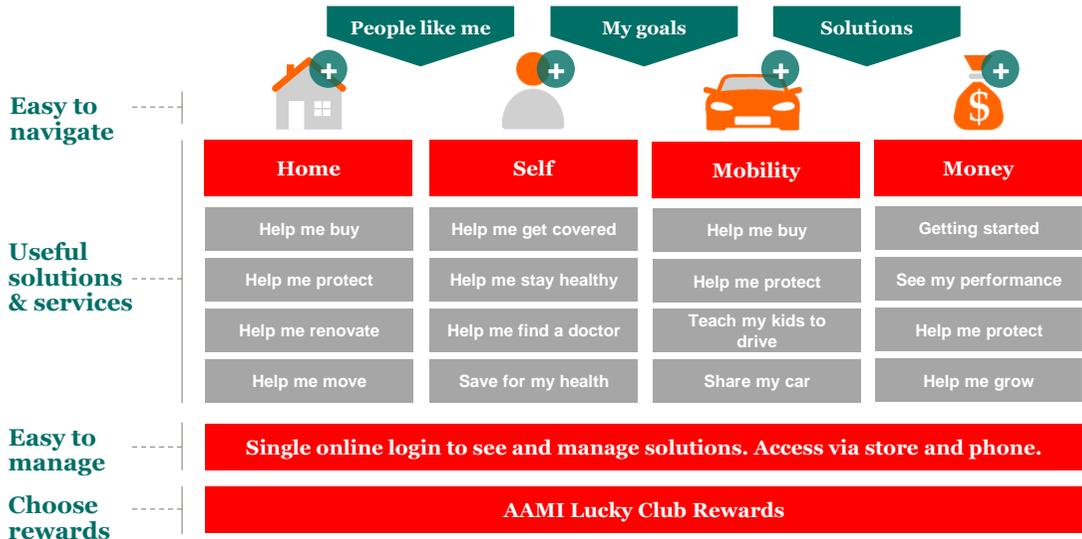


Customer Platforms

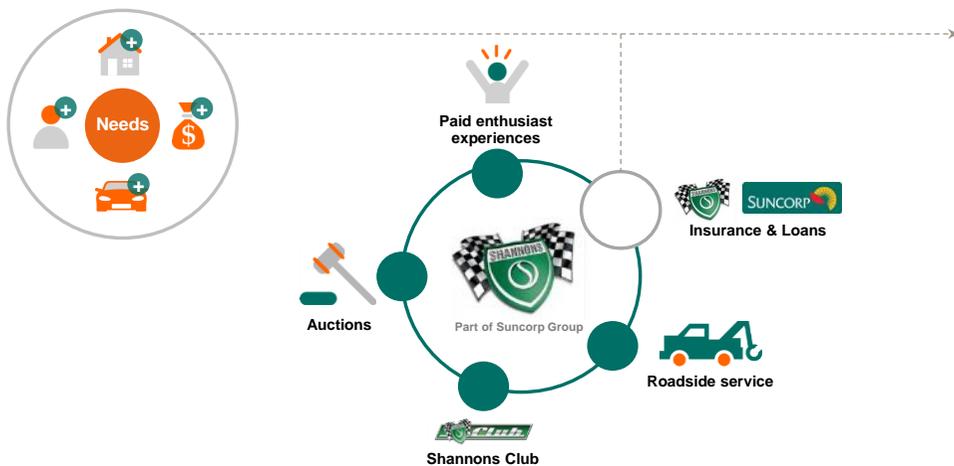
Gary Dransfield, Chief Executive Officer,
Customer Platforms



AAMI marketplace of useful services



Shannons – enabling our customers’ passion



New tools to help our SME customers navigate through complexity



Suncorp SME dashboard

powered by 9SPOKES

Easy to navigate

Useful solutions & services

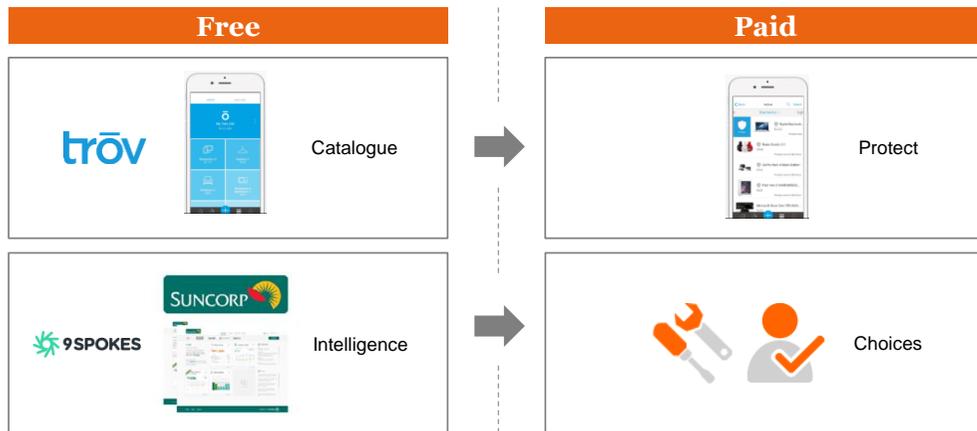
Easy to manage

| Cash flow | Protection | Operations | Customer | People |
|--|-----------------------|--------------------------|----------------------------|-------------------------|
| Help me manage my business | Help me manage assets | Help me manage jobs | Reward my customers | Manage service delivery |
| Help me save time | Help me track assets | Help me manage inventory | Build strong relationships | Help me with payroll |
| Help me manage money | Help me get covered | Help me get started | Know my customers | Help me manage staff |
| Help me grow | Help me protect | See my performance | | |
| Single online login to see and manage solutions. Access via store and phone. | | | | |

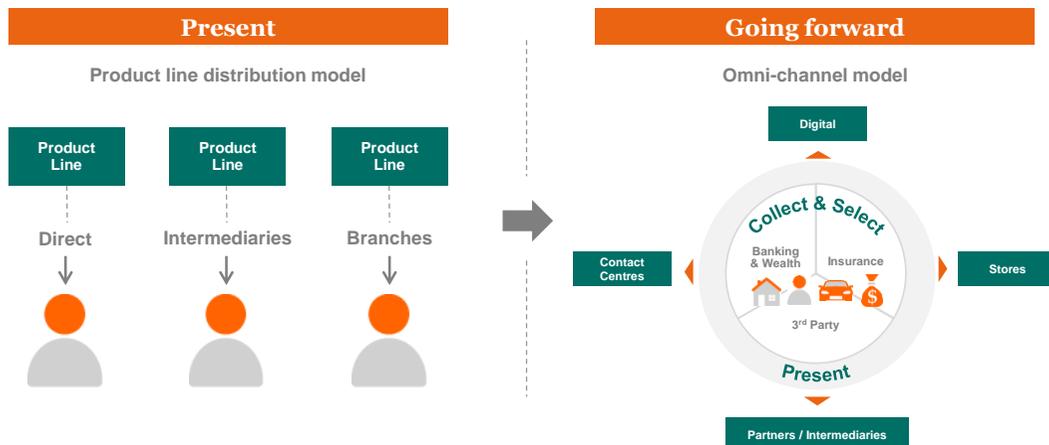
Customer dashboards



Everyday services – pathway to paid



A new approach to delivering value for customers



Suncorp store



Enabled by business model, data and technology



Customer centric business model

- » Holistic approach to customer
- » Omni-channel
- » Culture

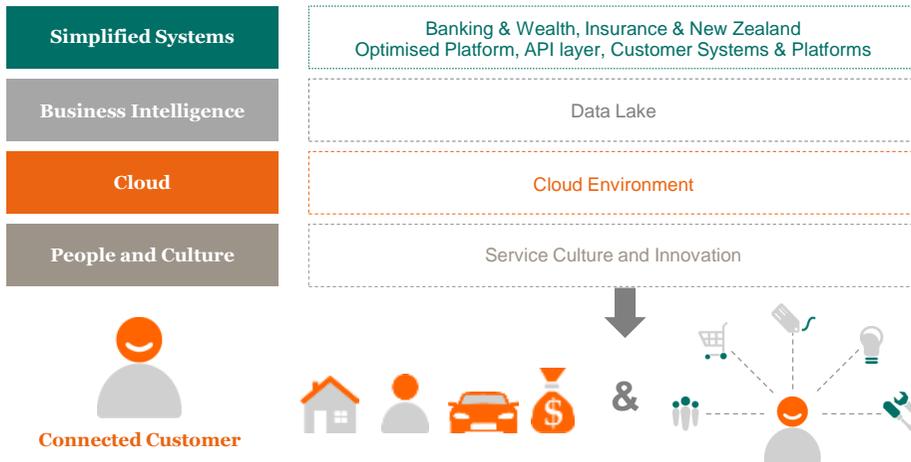
Manufacturing excellence

- » Efficient manufacturing units
- » Product management and development
- » Balance sheet strength

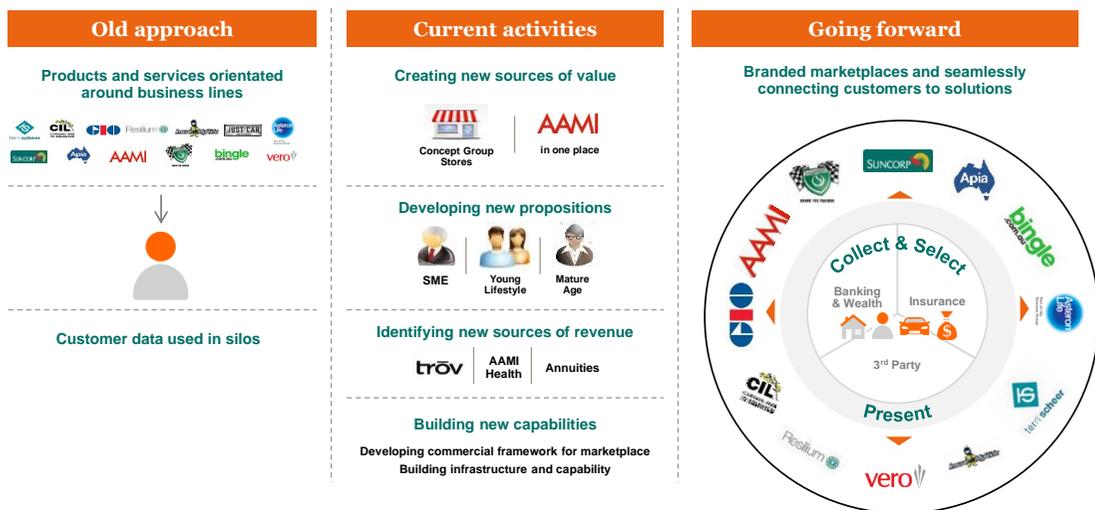
Technology, data & corporate functions in place

- » Modern technology
- » Data infrastructure
- » Efficient corporate functions

Modern technology stack, innovative culture



Pathway to implementation





People Experience

Amanda Revis, Chief People
Experience Officer



“Culture eats strategy for
breakfast, lunch and dinner.”
Peter Drucker

“Culture eats strategy for breakfast, lunch and dinner.”
Peter Drucker

“I came to see, in my time at IBM, that culture isn’t just one aspect of the game – it is the game. In the end, an organisation has nothing more than the collective capacity of its people to create value.”
Lou Gerstner

Confidence for the next phase

Track record of large scale change

Innovation

Customer focused culture

Partners



Partnering Panel



Mr Scott Walchek
Founder and
CEO Trov
—

Mr Mark Estall
Founder and
CEO 9 Spokes
—



Financial implications

Steve Johnston, Chief Financial Officer



New operating model

A management structure to deliver a 'One Suncorp' approach



- » **'Elevate the Customer'** building on transformational projects
- » **Centralised** Customer Experience and Customer Platforms functions
- » **Streamlined** corporate functions
- » **Restructuring** completed by end of June 2016
- » Up to pre-tax **\$55 million charge** in FY16
- » **At least \$80 million p.a.** ongoing benefit

Suncorp Marketplace

No major investment program required



- » Building the Marketplace
- » Branding the Marketplace
- » Creating Marketplace propositions
- » Testing the propositions in Labs
- » Accessing the Marketplace via digital, stores and contact centres

Medium term targets



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



Q&A session

Senior Leadership Team



Key points



- » Business is **well positioned**
- » We're building a financial services **Marketplace**
- » Creating value for **Connected Customers**
- » A '**One Suncorp**' approach
- » **Creating a better today** for everyone

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Thank you



Create a better today



For our Customers

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

For our Shareholders

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

For our People

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

For our Communities

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

For our Industry

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

For our Economy

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

Our Strategy



Our Priorities



Our Goals



Important disclaimer



This report contains general information which is current as at 25 May 2016. It is information given in summary form and does not purport to be complete.

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

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

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

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