

23 September 2021

Suncorp 2021 Annual General Meeting

Suncorp Group Limited's (ASX: SUN | ADR: SNMCY) is today holding its 2021 Annual General Meeting (AGM) virtually at 1.30PM AEST.

Suncorp Group CEO Steve Johnston will tell shareholders that yesterday's earthquake in Victoria is a timely reminder of the need for a national framework to allow insurance claims to be safely processed during the current lockdowns and restrictions.

Mr Johnston will call on National Cabinet to agree to a framework for all insurance companies to safely get on with dealing with claims backlogs.

"We know we have far too many customers with valid insurance claims who we can't get to given the current restrictions and lockdowns," Mr Johnston will tell Suncorp shareholders today.

"Add to that the claims that emerge from the earthquake. And, as each day passes, we inch closer to the peak natural hazard season."

Mr Johnston says insurers should not be scrambling after the event to agree to make safe and repair arrangements.

"Most insurers have national workforces who are quickly moved around the country to where events occur. It would be incredibly difficult and slow down the repair process if we have to individually negotiate with State Governments and the Commonwealth after an event.

"As of this morning, we had received only a relatively small number of claims and while it's too early to accurately estimate potential costs, we don't expect it to be a big event from an insurance perspective. But it's a timely reminder of the value of the product we offer and the peace of mind it provides," he will say.

"We know it has been a challenging time for all Victorians, and we urge our customers to take every safety precaution as they inspect any damage. Please listen to the emergency services and lodge your claim when it is safe to do so. We stand ready to help our Victorian customers across all brands, including AAMI, Apia and GIO."

The Group has a comprehensive reinsurance program in place for major events, including earthquakes in Australia and New Zealand. The Group's maximum event retention on the main catastrophe program is \$250 million. In addition, the Group has dropdown aggregate protection and an aggregate excess of loss protection which provides additional cover for small and medium events. The Group's full year natural hazard allowance is \$980 million.

Today's virtual AGM will be held in an entirely online format and can be accessed at agmlive.link/suncorp21.

More information on the AGM, including the Notice of 2021 Annual General Meeting, the Link Online AGM Guide and a list of frequently asked questions are available on our [Suncorp Group website](https://www.suncorpgroup.com.au). If you are unable to join the AGM live, a recording will be made available shortly after the conclusion of the meeting on the [Suncorp Group website](https://www.suncorpgroup.com.au).

The Chairman's and Group CEO's addresses to be delivered at the AGM are attached.

2021 Suncorp Group Limited Annual General Meeting Chairman's and Group CEO's Addresses

Authorised for lodgement with the ASX by the Chairman and Group CEO.

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Chairman's address

Christine McLoughlin

Chairman

We find ourselves with a different AGM again this year, as a consequence of the perils of the Delta strain of COVID and related border closures and movement restrictions. Not only are we interacting with you, our shareholders, in an online medium but all of my Board colleagues, including our Group CEO and I, are in different locations. We really feel for you and your families as you navigate the uncertainty we are all living through at present.

There is no doubt that the past 18 months have been a testing period for everyone. We appreciate the understanding of our shareholders during this challenging situation, as your Board and the team at Suncorp continue to adapt to ever-evolving scenarios.

Australia and New Zealand have continued to face headwinds from the global pandemic. The ongoing lockdowns are having far-reaching impacts on our community - remote working; the hardship being experienced by small businesses and community groups; the mental health toll, particularly on the young; the challenges of prolonged home-schooling; and dealing with other life issues, including not being able to be with our families and friends. We are also mindful of the extraordinary sacrifices being made by those working in our healthcare systems, in the cities and regions most impacted.

The past year also brought with it 23 natural disasters across Australia and New Zealand, with many with devastating impacts for homes, families, and communities.

We are particularly thinking of our 2,300 strong Suncorp team in Victoria, and our Victorian shareholders, customers and communities following yesterday's earthquake. It is clearly an extremely challenging time for many Victorians, given ongoing lockdowns and the violent protests of recent days; now topped off by what has been reported as the largest earthquake in the State's recorded history. We're thinking of you.

We certainly can't underestimate how tough it is for Victorians right now. From an insurance perspective, we are fortunate that the epicentre of the earthquake was in the regional area of Mansfield, which is not densely populated. This is in contrast to the 1989 Newcastle, NSW earthquake which was of a similar magnitude but resulted in a significant loss of life and damage. We are all grateful this was not the case yesterday.

Your Group CEO will also comment in his address on the situation in Victoria.

In the face of all these challenges, I am proud of the way that Suncorp has responded. This has not only meant continuing to deliver seamless service to all of our customers, but also extending support to those in need, including relief packages and support for insurance and bank customers impacted by COVID-19.

This also extends to support for our own team members, many of whom are also contending with the consequences of lockdowns each day. Our leadership team have been extraordinary in the way they have endeavoured to stay in touch with our people; and the way our teams have adapted and come together while apart, has been truly impressive.

The way forward

There is hope on the horizon with rising vaccination rates across the country, and it remains the view of your Board that Australia and New Zealand's recovery rests on the successful vaccination of our populations and

indeed, the world. Your Board and leadership team are firmly committed to supporting the rapid, safe, and effective delivery of the COVID-19 vaccination program.

As we approach summer, which unfortunately brings with it natural disaster season, it is vital for our communities that our teams of essential workers – alongside other emergency workers – are able to move freely and safely to the areas where the support is needed immediately.

As Queensland's largest company, we are committed to doing our part. Suncorp provides support to our employees to get vaccinated with paid leave. I am pleased to report that all members of the Board and leadership team came forward for vaccinations as soon as they were eligible. We are committed to maintaining a safe environment for our customers and team members, whether it be in our branches, on-site for assessments or in our offices.

Financial Performance

In spite of the uncertainties and challenges of the past 18 months our leadership team has delivered good financial results for our shareholders. In August, we announced strong results for the 2021 financial year, testament to the Group's streamlined operating model and strategy to simplify and align around our core businesses of banking and insurance.

Net profit after tax was \$1.03 billion, an increase of 13.1% on the previous year. The result was driven by increased profit in the Australian insurance business and Suncorp Bank. Profit in New Zealand was down on last year, impacted by a range of factors including increased natural hazard costs.

Given the strength of these results, your Board was pleased to declare a fully franked total ordinary dividend of 66 cents per share for the full financial year. This incorporated a final dividend of 40 cents per share, which was paid yesterday. Suncorp has also paid a fully franked special dividend of 8 cents per share and we are also undertaking an on-market share buyback of up to \$250 million.

Your Board believes these dividend payments and share buy-back strike the right balance between providing returns to our shareholders, while maintaining a strong capital position. We are well positioned for potential uncertainty in the broader economy, as our countries begin to steer out of lockdowns over the coming months.

Issues of our time

While navigating the opportunities and challenges of today, it is also important to consider the longer-term risks and opportunities for our business, particularly through the lens of environmental, social and governance commitments and goals.

Your Board understands that Suncorp's future success and sustainability rests on understanding and meeting the expectations of a range of stakeholders. This is particularly the case in a highly regulated industry like financial services.

Our latest Materiality Assessment, conducted earlier this year, has helped us further refine the social and environmental topics that matter most to our business and our stakeholders.

Front and centre as the most material issue at Suncorp is climate change and the rising incidence and severity of natural disasters like floods, hail and bushfires.

In his latest annual letter, the head of the world's largest investor, Blackrock's Larry Fink, said that confronting the global threat of climate change in a more forceful way had become an imperative. He said, and I quote:

"In the past year, people have seen the mounting physical toll of climate change in fires, droughts, flooding and hurricanes. They are also increasingly focused on the significant economic opportunity that the transition will create, as well as how to execute it in a just and fair manner. No issue ranks higher than climate change on our clients' lists of priorities. They ask us about it nearly every day."

Your Board also believes that acting on climate is vital to preserve economic stability, maintain vibrant communities, help insurance remain affordable and support our banking customers with an orderly transition. That is why at the end of last month we released our updated Climate Change Action Plan, following its first publication in 2018. Through this plan, we will take an orderly and collaborative approach in partnership with our customers, suppliers, government and industry, to transition to a low-carbon future.

Suncorp is already working with agribusiness customers like the Hughes family who, through the Lachlan Hughes Foundation which they established, are committed to regenerative agriculture and creating sustainable and resilient farming practices. Based near Miles in Queensland, the Hughes family are leaders in this field, which focuses on reducing the impacts of extreme climate variability. Phil Hughes summed it up when we were chatting, saying "everybody can talk about it – we believe in doing it. If you can rebuild your soils you can rebuild your community".

This pragmatism is reflective of the approach we have taken in our own Climate Change Action Plan.

I was able to visit Springfield, outside of Brisbane, in June this year to meet with customers and survey the devastating damage to homes and property from major hail and storms that took place in October last year. Seeing firsthand the impact of events like this only strengthens Suncorp's resolve to continue to advocate and work with the government to drive public and private investment in disaster mitigation and community resilience measures.

An issue that is increasing in materiality for Suncorp and our stakeholders is cyber-security. As the world becomes more technology enabled, robust processes must be in place to manage customer data, security, and privacy. Additionally, with financial scams and fraud increasing, we are committed to educating our customers on being extremely vigilant to these risks.

Another important issue is the accessibility of our products and services, particularly for diverse communities. We continue to work closely with partners like Multicultural Australia, who we have partnered with since 2018, to build financial literacy and provide cultural capability training to our people.

Board and people

Your Board believes it is important that we head beyond the boardroom to hear directly from our teams and customers about their issues and aspirations. While border closures made this more difficult this year, we seized the opportunity whenever rules allowed.

This included the opportunity to meet with a range of business customers, team members and local political and industry figures in Cairns in May this year, with most of the Board and executive then able to travel to Far North Queensland.

In addition to Cairns, most Board members were able to meet in person in Newcastle, north of Sydney, where one of our large call centres is based. We were also able to meet at our headquarters in Brisbane, and in our Sydney offices.

2021 Suncorp Group Limited Annual General Meeting Chairman's and Group CEO's Addresses

I was also pleased to visit Toowoomba in June to attend an annual fundraising event hosted by the Toowoomba Hospital Foundation, allowing me the opportunity to meet some of our local banking customers across agriculture and small business and other community stakeholders. Suncorp is a large employer in the Toowoomba region, where we have not only the bank branch, but a Contact and Claims Centre that employs team members supporting insurance across multiple brands.

Given the challenges we have faced in recent times, I would like to thank my fellow Directors for their continued adaptability and ongoing commitment over the past year.

I would also like to extend my gratitude to our Group CEO Steve Johnston and his team. Steve and the entire Suncorp team continue to deliver on our plan to strengthen our core banking and insurance businesses and put our customers at the heart of everything we do. On behalf of the Board and shareholders, I would like to thank you for your commitment, not only to our customers, but to each other.

We are mindful of the importance of continuing to focus on delivering long term value to you, our shareholders. I would like to thank you, our shareholders, for your ongoing support.

I believe we have all learned to interact in very different ways in the last 18 months. Let's take the best of that and integrate it into a more normal life in the very near future.

I will now ask Steve to address the meeting.

Group CEO's address

Steve Johnston

Group CEO & MD

Thank you, Chairman and good afternoon.

I want to start by taking you back to our 2019 annual general meeting, held just two weeks after my appointment as your CEO.

At that meeting I talked about the importance of Purpose and I outlined the four key pillars around which I would build my leadership of Suncorp. I established a set of immediate priorities designed to improve customer and shareholder outcomes.

Not long after that meeting concluded we were dealing with the first bushfire of a summer like no other.

By the time the last fire of that fateful summer had been extinguished, and as we commenced the task of repairing homes, rebuilding lives and providing hope, we confronted perhaps the greatest challenge we will ever face.

I remember first being told of a rogue virus emanating from China with the potential to go global. I wondered if there was a management textbook which described how one went about leading through a pandemic.

Of course, there wasn't. We, like so many others, have had to do our best to write that textbook in real time. And we know there are a few chapters still to be written.

Throw in a La Niña weather system and another 50,000 insurance claims and it certainly has been an eventful two years.

And in the last 24 hours we've yet again been reminded that both mother nature and geo-science are indiscriminate in their timing. Indeed, they both have an exquisite tendency to strike during periods of peak vulnerability.

As if the people of Victoria need anything more thrown at them at this time.

While, as of this morning we had received only a relatively small number of claims and don't expect it to be a big event from an insurance perspective, it's a timely reminder of the value of the product we offer and the peace of mind it provides.

Today, as shareholders, you have an opportunity to review our performance over the FY21 year. The value we have created can be measured in profits, dividends and valuations. It can also be measured in lives restored, communities supported, and futures built and assured. The latter reflects our Purpose - why Suncorp exists. The former is a measure of how well our 13,000 people have lived that Purpose, supported each other and delivered for our customers.

It remains both a great responsibility and a huge privilege to lead this organisation, particularly at a time when we are needed more than ever.

In addressing you today about our performance and our plans for the future, it's important to do so in the context of what I set out in that AGM presentation two years ago.

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Our immediate priority was to align everyone at Suncorp around improving the way we deliver insurance and banking products to our customers in Australia and New Zealand.

I'm pleased to report we have made great progress against this priority – we have simplified our portfolio of assets and our products to enable management to focus on a realistic set of priorities that all our people can get behind.

Following the sale of the Australian Life business and Capital SMART in 2019, this year we announced the sale of our Wealth business to LGIAsuper, and we expect this will be finalised in early 2022.

In July, we confirmed the sale of our 50% interest in RACT Insurance in Tasmania.

We also exited several portfolios where returns were sub-optimal and customer outcomes unsatisfactory.

We believe each of these divestments and exits represent good outcomes for our customers, for our people and for our shareholders.

In July last year, I announced a new operating model to align our 13,000 people to our core insurance and banking businesses and the programs of work we needed to focus on to improve performance. We have worked to embed this throughout the course of the year and pleasingly, our people now have a much greater understanding of their role in delivering for our customers.

Our refreshed executive team are clear on their accountabilities, committed to building on the strong foundations of our business, and united in the strategic direction of the organisation.

Together, we then set about designing a plan for a strong and growing business. Our three-year plan to support this ambition focusses on those four strategic pillars I outlined two years ago:

- we will be customer-led through digital and personalised experiences
- everything we do will be enabled by technology and modern platforms
- supported by a re-imagined workforce and, lastly
- we will have a strong and authoritative voice for advocacy and change.

The plan is supported by 12 business initiatives attached to clear financial metrics and outcomes.

In Insurance Australia, we are focussed on revitalising growth, optimising pricing and risk selection, being digital-first in distribution, and best in class claims.

In New Zealand, we will grow our brands and strategic partnerships, digitise and automate our processes, and as in Australia, deliver best in class claims outcomes.

And in Banking, our focus is on winning in home lending, simplifying our products and processes, optimising distribution, accelerating digital and everyday banking, and driving targeted growth in our business bank.

The changes we've made to reset our business, and our disciplined approach to achieving our plan through a singular focus on these initiatives, is delivering.

As outlined at our full year result presentation in August, the Group delivered growth in its core Australian insurance and bank businesses, resulting in a 42% increase in Group cash earnings after tax to \$1.064 billion.

Importantly, we were able to return capital to our shareholders through share buy backs, a special dividend and ordinary dividends at the top end of our payout range.

Our Australian insurance business delivered its best full year revenue growth in almost a decade. Good progress has been made in reinvigorating our brands and improving our customer offerings and marketing. We are investing in pricing and risk selection through the rollout of our new pricing engine. And we continue to invest in digital and data and meet our customers increased appetite to interact with us digitally.

In New Zealand, we have made good progress growing our brands and partnerships. We are continuing to automate, reduce manual processes, and simplify our customers' claims journey.

In the Bank, for the first time in two years we are consistently achieving growth in home lending – all while significantly reducing turnaround times. Digital engagement at the Bank has also increased with now over 600k digitally active customers and over 1 million Suncorp App logins recorded every week.

Our purpose guides the way we support our communities and the issues on which we advocate for change. Our advocacy framework includes five key focus areas, all tightly aligned to our business.

These are:

- Climate change and natural hazard resilience
- Financial wellbeing
- Mental health
- Diversity and inclusion; and
- Well designed and fair policies and regulations

We recognise that to have a voice in these debates means we need to match words with actions.

This year, as you may have seen, Suncorp collaborated with leading experts to design and test what we call 'One House' – one of Australia's most disaster-resilient homes. We also introduced a new insurance product feature called "build it back better" – which provides options for eligible customers lodging a claim to improve their home's resilience to natural hazards as well as water, fire and theft.

I'm also very proud of a new community partnership we announced during the year with Queensland SES, which complements our long-standing partnership with the Victorian SES. Volunteers of these organisations are often the first responders when disasters hit.

During the financial year, we invested more than \$9 million in communities across Australia and New Zealand, including \$1.2 million through our employee giving program.

And we recently announced up to \$1 million to support the FRRR (Foundation for Rural and Regional Renewal) in a dedicated grants program. This will help support Australian communities in their long-term recovery and resilience-building efforts following natural disasters.

Our voice is increasingly being heard in Canberra and by State Governments across Australia. We have developed and argued for a four-point plan to build a more resilient Australia.

This plan sees us advocating strongly for:

- greater investment in mitigation infrastructure;
- government funding for households to make their dwellings more resilient;

- enhanced building codes and better planning laws; and
- and the removal of inefficient taxes and charges from insurance policies.

And finally, we launched our second Reconciliation Action Plan in November 2020, strengthening our commitment to building an inclusive, prosperous, and resilient society for Australia.

Balancing the demands of today with the longer terms needs, expectations and trends has never been more important.

The year ahead is one of critical importance for Australia and New Zealand. So much hinges on achieving a vaccinated population, enacting the agreed national plan and learning to live with the virus.

We will continue to prioritise the safety and wellbeing of our people and customers and, to this end, are encouraging increased levels of vaccination across both our workforce and the communities we operate in.

The vast majority of our team have either rolled up their sleeves or are awaiting their turn.

That's because we want to get on with the job. We know we have far too many customers with valid insurance claims who we can't get to given the current restrictions and lockdowns. Add to that the claims that emerge from yesterday's earthquake. And, as each day passes, we inch closer to the peak natural hazard season.

We need National Cabinet to turn its mind to this issue and put in place a framework for all insurance companies to safely get on with dealing with these claims.

We should not be scrambling after the event. We need a national framework.

For Suncorp, in addition to focusing on achieving our three-year plan, we are already looking over the horizon – and adapting to the rapidly evolving trends and digital revolution that is shaping our future.

We have both a realistic plan and an ambition to do much more.

In concluding, I'd like to extend my sincere thanks to you, our shareholders, for the ongoing support and trust you have placed in our company. I'd also like to thank the Board, our leadership team and everyone at Suncorp for their ongoing resilience and dedication.

I'll now hand back to our Chairman.