

17 May 2021

## Suncorp Investor Forum Banking & Wealth

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Suncorp Group (ASX: SUN | ADR: SNMCY) is today hosting a virtual investor forum to discuss its three-year plan for its Banking & Wealth business. The presentation is attached.

Members of the Executive Leadership Team will outline key initiatives and progress, with an opportunity for questions. A live video webcast will commence at 10:00am AEST and can be viewed on the [Suncorp Group website](#). A recording and transcript will be made available following the presentation.

### ENDS

Authorised for lodgement with the ASX by the Suncorp Disclosure Committee.

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# Suncorp Group Investor Forum

Banking & Wealth  
update



## Agenda – Banking & Wealth



Introduction	Steve Johnston
Banking & Wealth strategy	Clive van Horen
Expenses update	Jeremy Robson
People, Culture and Advocacy	Fiona Thompson
Conclusion	Steve Johnston
Q&A	

## Momentum continuing following the 1H21 result

### 1H21 Result Highlights

- ✓ Bank NIM up 8 basis points to 2.04%, supported by strong deposit growth
- ✓ Improvements in lodgements offset by accelerating repayments
- ✓ Impairment losses of 3 bps for 1H21
- ✓ Strong growth in digital interactions

### Continued momentum in Q3

- ✓ NIM remains strong, supported by lower funding costs
- ✓ Lending growth in February, March and April while maintaining turnaround times
- ✓ Impairment losses of 1 bps in 3Q21
- ✓ A+/A1 credit ratings reaffirmed
- ✓ Sale of the Wealth business to LGIASuper



**Clive van Horen**  
CEO Banking &  
Wealth

## Banking & Wealth

- **Vision:** Fastest growing challenger bank
- **Role:** Driving the Bank's strategy and performance including direct accountability for retail and business lending, deposits, treasury, finance, risk and distribution.

# Suncorp Banking & Wealth strategy


<b>Purpose</b>	<b>Building futures and protecting what matters</b>				
<b>Strategic priorities</b>	<b>Win in home lending</b>	<b>Accelerate digital and everyday banking</b>	<b>Optimise blended distribution</b>	<b>Targeted growth in business banking</b>	<b>Simplify products and processes</b>
<b>Business initiatives</b>	<ul style="list-style-type: none"> <li>- Reducing 'time to yes'</li> <li>- Automating and simplifying processes</li> <li>- Improving customer and broker experience</li> <li>- Clear and consistent credit policies</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on digital engagement</li> <li>- Simplified sales experience</li> <li>- Investment in innovation</li> <li>- Fee free transaction banking</li> </ul>	<ul style="list-style-type: none"> <li>- Broker core to success</li> <li>- Shift to digital origination and service</li> <li>- Optimised branch network</li> <li>- Blended contact centre and branch workforce</li> </ul>	<ul style="list-style-type: none"> <li>- Review strategy &amp; increase SME focus</li> <li>- Modernise technology</li> <li>- #simplify process simplification</li> </ul>	<ul style="list-style-type: none"> <li>- Exit Wealth &amp; Personal Loans</li> <li>- Back office process automation</li> <li>- Improved digital self-service capability</li> </ul>
<b>Key metrics</b>	<b>Above system home loan growth</b>		<b>Improved NPS</b>	<b>MFI customer growth</b>	
<b>Outcomes</b>	<b>Cost to income ratio ~50%</b>				

# Banking & Wealth leadership team

**Erin Strang**  
CFO Banking & Wealth




**Christine Traquair**  
CRO Banking & Wealth



**New to Role**

**Bruce Rush**  
EGM Home Lending



**New to Suncorp**

**Jessica Gleeson**  
EGM Digital, Customer & Strategy



**Tanya Johnson**  
EGM People & Culture



**Chris Fleming**  
EGM Consumer Distribution



**Glenn Haslam**  
EGM Business Banking



**Nick Fernando**  
EGM Everyday Banking



**Shailendra Singh**  
EGM Wealth



**Johmar Gazo**  
EGM B&W Technology



## Win in home lending

### Priorities

### Targeted outcomes



Reducing 'time to yes'



- Increased **loan processing** capacity
- Leverage **surge resourcing** in periods of heightened demand
- Improved **assessor productivity** over 30%



Improving customer and broker experience



- New **Broker Portal**
- Increased **broker support**
- **Top quartile** pricing



Automating and simplifying processes



- System **workflow simplification**
- Upgrade **core lending platform**



Clear and consistent credit policies

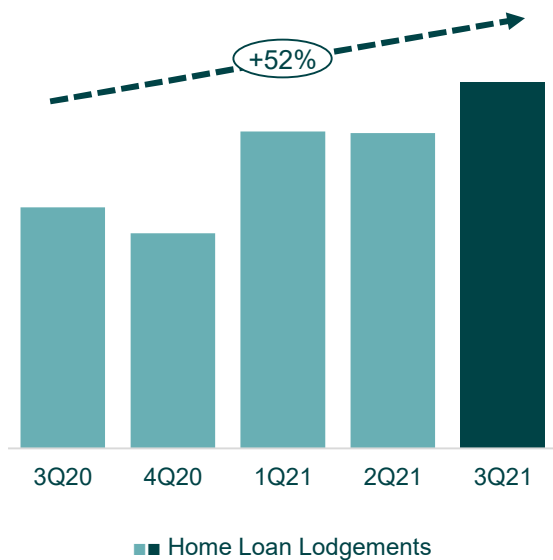


- Simplification of **income and expense** verification
- **Reduced documentation** requirements

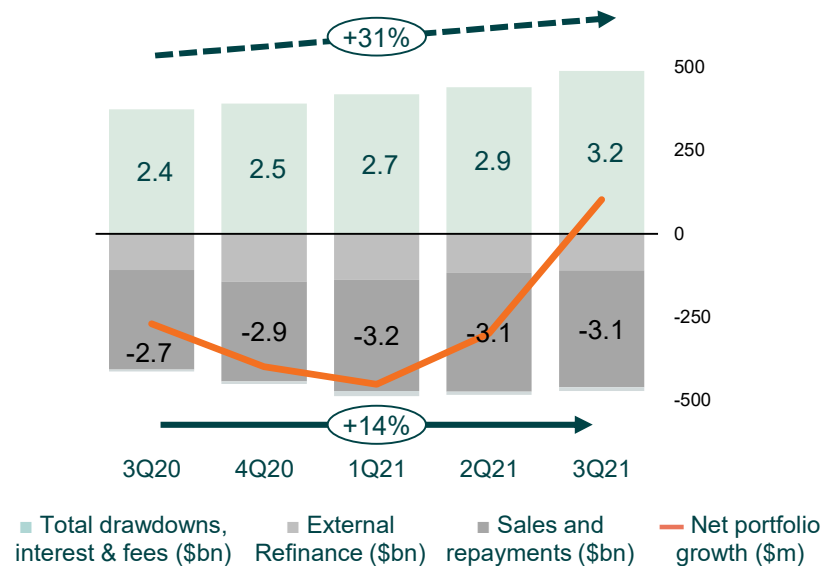


## Win in home lending

Sustained momentum in customer lodgements



Returned to balance sheet growth in Q321



## Accelerate digital and everyday banking

### Focus on digital engagement

- 600K digitally active customers
- 1m app logins per week
- Simplification of digital channels

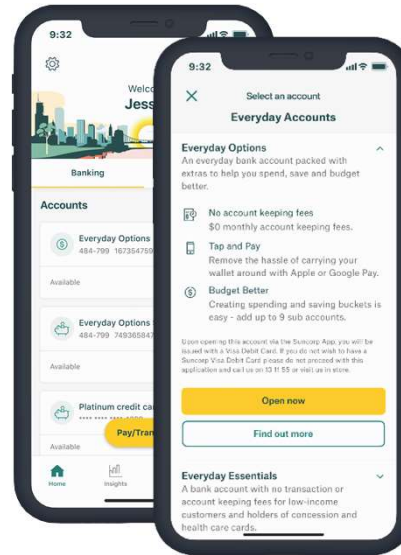
### Simplified sales experience

- 65% of deposit accounts opened online
- Digitally sourced home loans up 150%

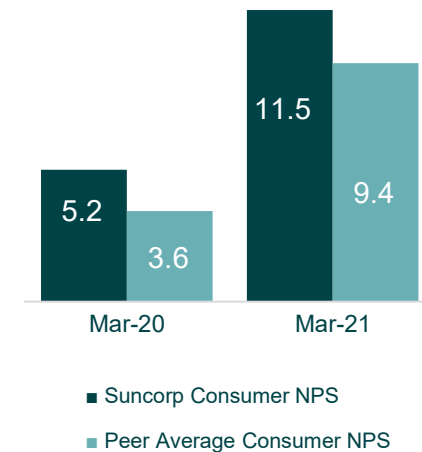
### Investment in innovation

- Leading everyday transaction product
- Open Banking partnership with Frollo
- Deliver data driven personalised experiences

### Digital self service and origination



### NPS improvement through digital and product innovation



## Optimise blended distribution

### Broker is core to our success

- Strategic engagement with broker headgroups
- Simplification of broker portal
- Consistent and transparent service levels

### Shift to digital

- SunApp migration and digital engagement focus
- Increased digital origination and self service

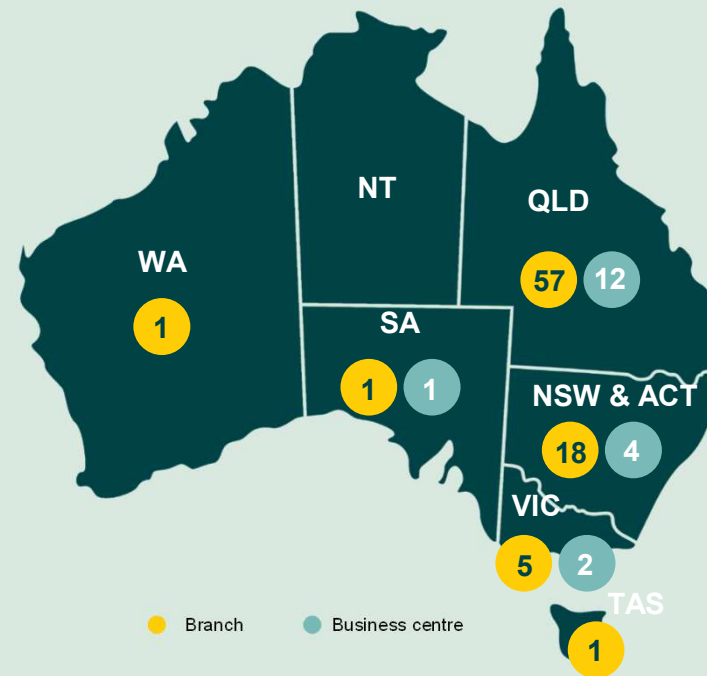
### Optimised Branch Network

- Focus on high value customer interactions
- ~20% of staff cross trained to support home loans

### Blended contact centre workforce

- Branch staff cross-trained to support contact centre
- Relocation of key contact centre staff onshore
- Creation of direct lending origination team

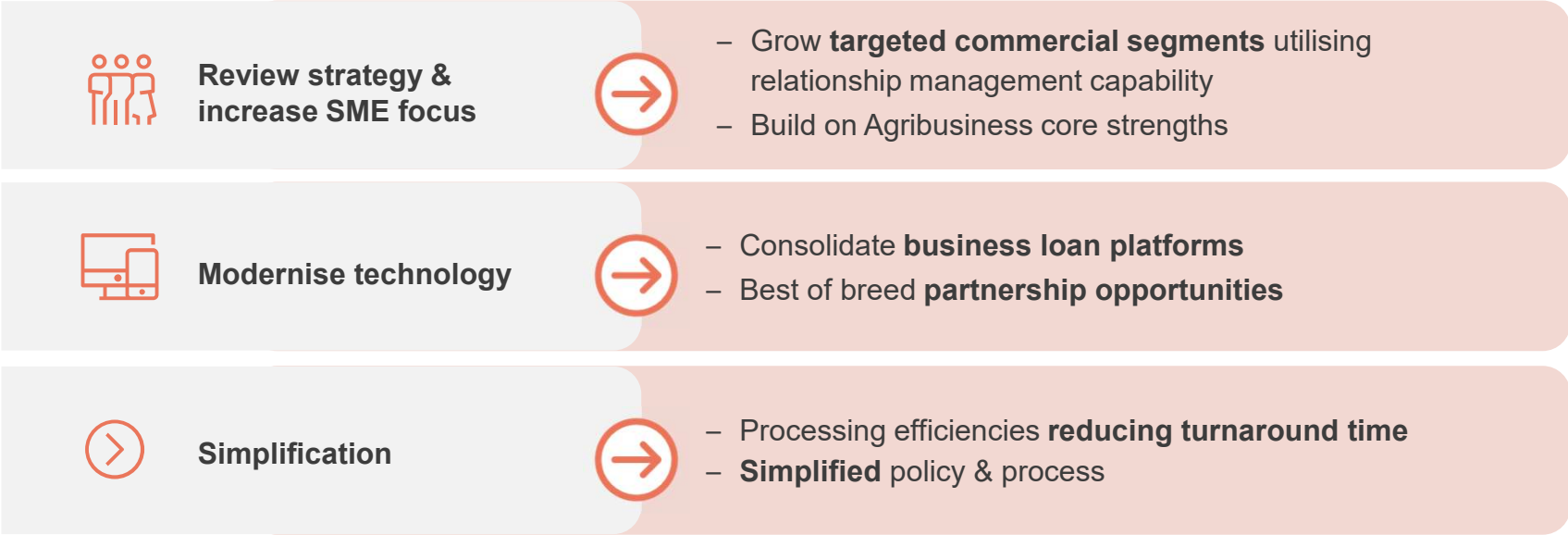
83 branches across Australia  
280 dedicated contact centre staff



# Targeted Growth in Business Banking

## Priorities

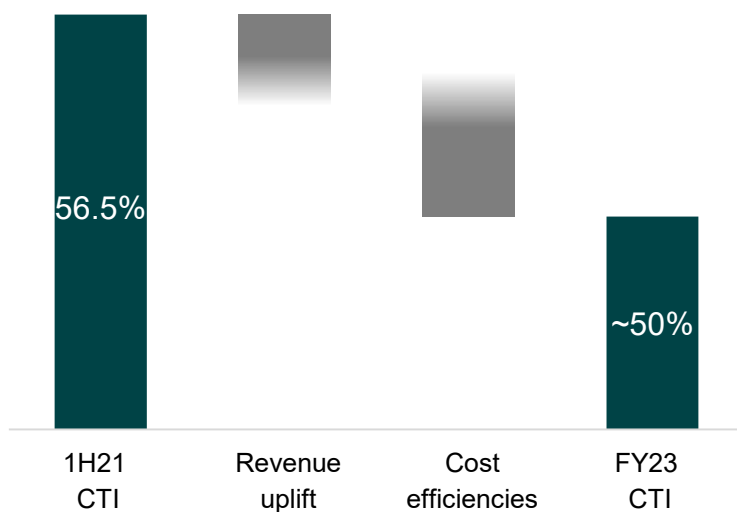
## Targeted outcomes



## Simplify products and processes

Completed	Underway	FY22 onwards
<ul style="list-style-type: none"><li>✓ Personal loan product removed from sale</li><li>✓ 7 deposit products removed from sale</li><li>✓ Simplified lending documentation requirements</li><li>✓ Merchant terminals in customer hands 80% faster</li></ul>	<ul style="list-style-type: none"><li>🕒 Wealth business to be exited during FY22</li><li>🕒 Sun App migration for mobile app decommissioning</li><li>🕒 Simplified business lending technology</li><li>🕒 Refresh lending credit policy</li></ul>	<ul style="list-style-type: none"><li>○ Online broker portal upgrade</li><li>○ Improved loan application auto-decisioning</li><li>○ Continuous improvement addressing customer pain points</li><li>○ Business lending process simplification</li></ul>

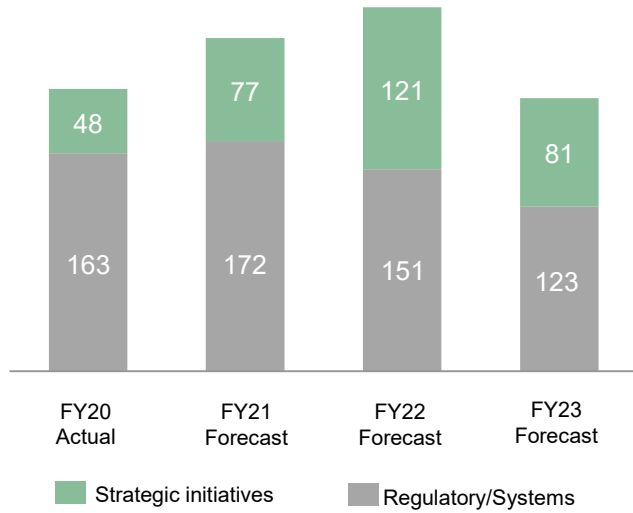
## Pathway to ~50% cost-to-income ratio in FY23



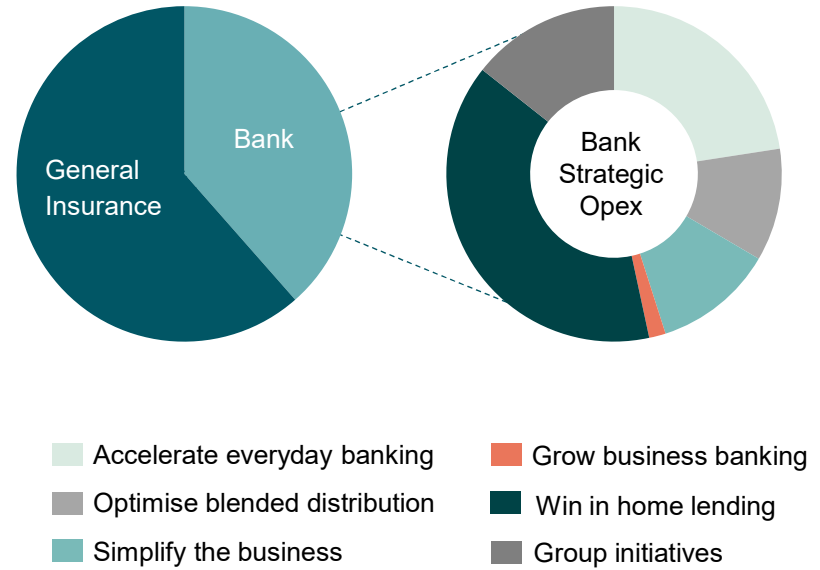
- **Revenue** is driven by above-system lending growth, partially offset by NIM reduction from cost of funds and expected market re-pricing
- **Cost efficiencies** are driven by investment in digitisation and automation, self service capability, and optimised distribution

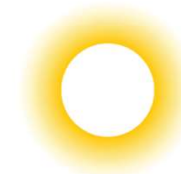
# Bank project slate profile

Overview of Group project slate (Opex) FY20 – FY23



Strategic initiatives (Opex) FY21 – 23





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**Building Futures and Protecting What Matters**





**Fiona Thompson**  
Group Executive,  
People, Culture &  
Advocacy

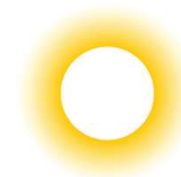
## People, Culture & Advocacy

- **Vision:** Driving change and building trust
- **Role:** Working with the business to deliver the strategy through having the right people and culture, deployed in the right way and advocating for positive change that supports all stakeholders

## People, Culture & Advocacy Priorities

<b>High Performing Culture</b>	Leverage Suncorp's cultural strengths to drive productivity and establish a culture that sustains high performance
<b>Advocacy</b>	Drive change which benefits all stakeholders
<b>Capability</b>	Invest in the capabilities required for today and tomorrow
<b>Employer of Choice</b>	Suncorp is known for its engagement, diversity and attracts great people

**Q&A**



**SUNCORP**

**Building Futures and Protecting What Matters**

## Pathway to delivering improved returns

✓ New Bank management team, with end-to-end accountability

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✓ Demonstrating momentum, with positive balance sheet growth

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✓ Disciplined investments to drive growth and reduce the CTI

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✓ Simplified business following the sale of Wealth