

07 August 2023

Chairman's letter to shareholders – Update on proposed sale of Suncorp Bank

Suncorp Group Limited (Suncorp) (ASX: SUN | ADR: SNMCY) has today released the attached letter from the Chairman to shareholders regarding Suncorp's update on the proposed sale of Suncorp Bank.

Authorised for lodgement with the ASX by the Company Secretary.

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Dear fellow shareholder

I am writing to you following the decision by the Australian Competition and Consumer Commission (ACCC) to deny authorisation of the proposed sale of Suncorp Bank to Australia and New Zealand Banking Group (ANZ) on 4 August 2023. While I am disappointed with the outcome, I want to assure you that we are committed to support ANZ in its application to the Australian Competition Tribunal (Tribunal) for review of the ACCC's decision. We remain convinced of the merits of this transaction.

As you will recall, on 18 July 2022, following a comprehensive strategic review, we announced the decision to sell Suncorp Bank to ANZ. We reviewed the benefits to all stakeholders that would result from the successful sale thoroughly. It was and remains the Board's firm view that the sale would provide the Bank and the Insurance business the opportunity to accelerate growth through a more focused technology spend. Suncorp would become a dedicated insurance company across Australia and New Zealand providing valuable and essential products and services to the public at a time when the value of insurance has never been more evident, with changing weather patterns having a noticeable impact on the economy and people's lives.

Despite our disappointment at the ACCC's decision, we remain of the view the sale of Suncorp Bank to ANZ is in the best interest of our customers, shareholders and employees, and will deliver benefits to Queensland and the Australian economy.

If the Tribunal approves the transaction, we will progress toward the other regulatory and government approvals required for the transaction. On 16 June 2023, Suncorp announced a significant jobs and investment package agreed with the Queensland Government. If we are successful at the Tribunal, proposed amendments to the State Financial Institutions and Metway-Merger Act would need to be introduced to the Queensland Parliament for consideration in accordance with the normal process to allow the sale to proceed. The transaction is also subject to approval from the Federal Treasurer under the Financial Sector (Shareholdings) Act. We will continue to work cooperatively and respectfully with all the relevant regulators and governments.

The Group remains fully committed to Suncorp Bank while the process continues with an unchanged focus on delivering value for our customers, communities and shareholders.

Subject to the approvals being received, we now expect completion to be by the middle of the 2024 calendar year. We will return capital in excess of the needs of the business to shareholders.

Yours sincerely

Christine McLoughlin, AM
Chairman