

22 October 2024

Suncorp 2024 AGM

Suncorp Group Limited's (ASX: SUN | ADR: SNMCY) 2024 Annual General Meeting (AGM) will be held today at 10:00am Australian Eastern Standard Time (AEST). The meeting will be held in a hybrid format, with shareholders able to attend in person at the Brisbane Convention & Exhibition Centre, and via the online AGM platform which can be accessed at meeting.linkgroup.com/suncorp24.

More information on the AGM, including the 2024 Notice of Meeting, is available on the [Suncorp Group website](#). 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](#).

The Chairman's and CEO's addresses, as well as the direct and proxy votes received in advance of the meeting, are enclosed.

Authorised for lodgement with the ASX by the Company Secretary.

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CHAIRMAN'S ADDRESS - CHRISTINE MCLOUGHLIN, AM

2024 was a momentous year for Suncorp as we moved closer to our ambition to be the leading Trans-Tasman general insurer. We completed the extensive two-year sale and separation process for Suncorp Bank and announced the sale of our life insurance business in New Zealand, scheduled to complete in late January 2025. At the same time, we have commenced significant data and technology transformation programs to drive growth and improve our customer and employee experience.

While this marks a new chapter in our 100 year-plus history, we continue to service our customers through our well-known portfolio of leading brands including AAMI, Suncorp Insurance, GIO, Shannons and Vero as well as AAI, our joint venture in New Zealand. And importantly, we remain proudly headquartered in our home state of Queensland.

Suncorp is well positioned to deliver for our customers, communities, and shareholders at a time when the value of insurance and the need for continued investment in a sustainable, viable insurance sector has never been greater.

We have reached this critical juncture while maintaining our focus on delivering good growth and returns for shareholders, as well as progressing our strategy in areas such as digitisation, automation and cyber resilience, and our use of Artificial Intelligence – all of which we expect to accelerate over the coming years.

Complex environment

At the same time, the business and regulatory landscape for insurers continues to grow in complexity. We have continued our advocacy with governments and regulators to ensure a well-functioning, sustainable insurance market across our region.

Geopolitical tensions remain, as do significant cost-of-living and inflationary pressures, although we are seeing moderation of this in some pockets across the economy.

Your Board continues to remain aware of these pressures in relation to insurance premiums impacting all of our customers, and we understand the role the insurance industry must play so that insurance remains accessible and affordable.

Ultimately, premiums reflect the underlying risk that exists, so the way to ensure sustainable premiums is to reduce risk. This is why Suncorp has long advocated with governments of all levels in both Australia and New Zealand to invest in building greater resilience to protect our communities. Our CEO Steve Johnston will discuss more on this and the factors contributing to premium increases and insurance affordability in a moment. At the same time, we are working hard to streamline our processes, including speeding up the time to settle claims and complaints.

During the year we saw disasters including ex-Tropical Cyclone Jasper in Far North Queensland, ex-Tropical Cyclone Kyrilly in Townsville and surrounds, and significant Christmas and Boxing Day storms in southeast Queensland as well as heavy rains and flooding in New Zealand's north island.

I make it a priority to visit impacted communities following major weather events like these to hear from customers and our employees on the ground about their experience and understand barriers they face in recovering. This way the team and I get to see first-hand the progress we are making in supporting our customers and where we can improve their experience.

On this front, I would like to acknowledge the significance for the insurance industry of the report handed down last week by the House of Representatives Standing Committee on Economics following their Inquiry into insurers' responses to 2022 major flood claims. The report highlights areas where insurers can improve their response to natural disasters, and Suncorp welcomes recommendations that lead to better insurance outcomes for customers and communities.

Your Board continues to closely monitor the areas where we know we can improve and importantly, remains committed to working with government, the broader insurance industry and local communities to deliver solutions and better experiences. Steve will talk more about Suncorp's response and some of the improvements already underway shortly.

The challenges of these extreme weather events and a changing climate mean we must address these issues with a sense of urgency and pragmatism. We encourage local communities and governments to recognise the risks in allowing people to continue to build in harm's way; to be bold in addressing much-needed infrastructure investment; and even bolder in considering the relocation of some communities.

Advocating for change to better protect people and communities remains a priority for Suncorp – and it's pleasing that our CEO, will continue this advocacy and action through his recently announced role as Chair of the Insurance Council of Australia from 2025. Jimmy Higgins, the CEO Suncorp New Zealand, sits on the board of the Insurance Council of New Zealand and is also an advisor to the Minister for the Environment's "Climate Adaptation Independent Reference Group".

As a Trans-Tasman insurer, your Board has now been able to spend an increased amount of time in New Zealand meeting with a range of stakeholders including the government to continue engaging around the implications of climate change.

The Board has been particularly engaged in building on the good progress made in reducing our Scope 1 and 2 emissions from our own operations, to better understand our role in supporting the broader economy to transition to a net zero future. We continue to mature our climate and sustainability-related disclosures, and this remains a focus for your Board. We expect to release our first Climate Transition Plan during the 2025 financial year.

Technology investment is a key part of improving outcomes for both our people and our customers and Generative AI continues to transform the way we work and the work we do.

We are focused on ensuring a responsible and measured approach to AI deployment while remaining alert to the ongoing sophistication of cyber threats, which we continue to closely monitor and build our own resilience to as a business. We regularly engage both internal and external experts to help us do this and to challenge our overarching technology strategy and keep abreast of how AI is being used globally by leading customer facing companies.

Performance and bank sale

While Steve will shortly talk to the 2024 financial performance in more detail, I'd like to make some brief comments on this as well as the proposed return of bank sale proceeds to shareholders, which I know is of great interest to you all.

Suncorp delivered a strong FY24 result with Group net profit after tax of \$1.2bn, and Group cash earnings of \$1.37bn, reflecting a mix of factors including positive investment returns and natural hazard costs below allowances.

The final ordinary fully franked dividend of 44 cents per share was paid to shareholders on 25 September, with the full year dividend payout ratio of 72% of cash earnings, around the middle of the target payout ratio range of 60% to 80%.

Your Board continues to expect net proceeds from the sale to be around \$4.1 billion. It remains our intention to return net proceeds in excess of the needs of the business to shareholders, primarily by way of a capital return and accompanying pro rata share consolidation, and a smaller fully franked special dividend.

You will note from the Notice of Meeting that a number of resolutions to enable the return of proceeds to take place are before you today. Alongside seeking your approval, we are working to finalise the completion accounts with

ANZ. A receipt of a final ruling from the Australian Tax Office and approval from the Australian Prudential Regulation Authority are also required. Pending these, our current expectation is for the return of capital to occur around the first quarter of calendar year 2025. Again, if you have any questions relating to the capital return, I encourage you to speak with one of our Suncorp Investor Relations representatives located in the foyer outside following the conclusion of the meeting.

We are mindful of the commitments we have made to the State of Queensland as part of the bank sale that will deliver more jobs and investment to support the continued growth of the state. These include increased investment in a Disaster Response Centre in our Brisbane headquarters, and the establishment of a regional hub in Townsville, to help us better support customers and the community before, during and after weather events.

Board renewal

Turning to the Board, we have been progressively renewing our Board over the past few years and continue to assess our composition to ensure we have the appropriate mix of expertise, skills and diversity. As we transition to a pureplay insurer, technology capabilities and knowledge will continue to grow in importance for your Board and be reflected in our composition.

Around this time last year, in conjunction with an external search firm, we commenced a search for a new non-executive director and subsequently appointed Queensland-based Gillian Brown, whom we welcomed in February. Gillian brings experience in highly regulated industries and strong credentials in the stewardship of Environmental, Social and Governance issues.

Gillian's appointment followed the retirement of long-standing Board member Dr Doug McTaggart. We thank Doug for his significant contribution to Suncorp in his 12 years of service.

Given our average non-executive Director tenure is currently six years, we remain focused on ensuring stability, while continuing to renew the Board in an orderly manner. This is top of mind as we transition to a pureplay insurer.

Together with Gillian and three of my colleagues, I am seeking re-election to the Board this year. We will each address the meeting today; however, I would like to note that this will be my final term, and the Board will address Chair succession at the appropriate time.

Closing comments

In closing, I would like to thank my fellow Directors, our Chief Executive Officer & Managing Director Steve Johnston, and his executive team for their ongoing leadership. And as always, I thank all those who work for and with Suncorp - our dedicated employees, partners and suppliers - for their commitment to delivering for our customers and communities.

It's an incredible honour to chair Suncorp, a company here to assist customers at some of the most vulnerable moments in their lives. It is also an honour to serve you, our valued shareholders – we value your ongoing support of Suncorp.

We remain confident that we can deliver the benefits of being a dedicated Trans-Tasman insurer to both our communities and our shareholders. I will now hand to Steve.

END

CEO'S ADDRESS - STEVE JOHNSTON

Thank you, chairman and good morning, everyone.

It's great to be here to report on the 2024 financial year, and for the first time as a dedicated insurer.

As a member of the Suncorp team for almost 20 years, it remains a great privilege to lead our company and the committed team of people who bring our purpose to life every day.

We don't take for granted the important role we play in the lives of our customers, and in the communities and economies in which we operate across Australia and New Zealand. I have seen it etched on the faces of the many customers I have visited over the past year. I've seen the positive impact we have when we get it right, and equally in the reverse, if we get it wrong.

I've always believed there is a very clear connection between our purpose of building futures and protecting what matters, and the value we deliver to you, our shareholders. If our people continue to be guided by our purpose and deliver for our customers, we will, in turn, deliver superior outcomes for our shareholders.

While working through the process to finalise the bank sale over the course of the year, I'm pleased to report that we have also been able to build on our strong foundations to deliver growth and a strong set of results. I've captured the result highlights on the screen.

Net profit after tax of \$1,197 million was an increase of 11.8%, while cash earnings, which is the basis upon which we set our dividend payout, was \$1,372 million. As you can see on the screen, we achieved good growth across all of our portfolios, and our underlying insurance trading ratio increased to 11.1% on a full year basis.

While these headline numbers represent strong increases on the prior year, it's important to point out that the past few years have been very challenging for all insurance companies. Inflation, adverse weather and a fundamental reset in global reinsurance markets have contributed to material impacts on profitability, particularly in home and motor insurance.

I'm sure everyone in the room has felt the impact these conditions have placed on insurance premiums, which unfortunately have risen sharply as a consequence.

You'll see on the screen here I've provided a five-year time series across natural hazard claims numbers and gross natural hazard claims costs (at the top of the slide), and their consequent impact on allowances and reinsurance costs (on the bottom of the slide). I've also included here the dollar value cost per policy for home and motor over the past three years, which reflects the elevated level of inflation across both portfolios.

In summary, we have dealt with around 700,000 natural hazard claims over the past five years at a gross cost of around \$9 billion. Our reinsurance and natural hazard allowances have increased by more than \$1 billion since 2020, while inflation in home and motor insurance has increased by 7% and 13% respectively. All of this explains why insurance premiums have risen so steeply over the past couple of years.

In 2024 alone we managed over 100,000 extreme weather claims, including 12 separate events in Australia and 1 event in New Zealand. The total estimated cost of these events was just over \$1.2 billion, which is interesting given 2024 was declared a drier El Nino weather pattern in Australia.

Pleasingly, we were able to successfully place our 2025 reinsurance program with some stability returning to the global reinsurance markets, although we are watching the current hurricane season in the United States with interest.

Parliamentary Inquiry

While on the subject of major weather events, I will briefly refer to the Australian Parliamentary Economics Committee's Flood Inquiry, which released its report last Friday. I had the opportunity to appear before the Committee earlier this year and I've spent considerable time reviewing outstanding claims from the 2022 events and meeting on the ground with impacted customers.

While 2022 saw unprecedented levels of natural hazard activity, with over 51,000 claims received from the Australian east coast major floods, and on top of that we were dealing with the post-covid supply chain and labour availability issues, it's apparent to me that in some cases we let our customers down. As I said in the Parliament, I apologise to those customers where our claims processes did not meet theirs, or our, expectations.

In my view, we, like others across the industry, drew comfort from the fact that we had satisfactorily resolved a substantial number of claims from the events, with resolution rates in the high 90 per cent's. But, of course, it's inevitable that it's in the unresolved claims where the real complexity sits, and this is where we have spent a considerable amount of time improving our processes and communications.

In this context, we welcome the majority of the findings of the Inquiry and can report we are well advanced in implementing many of them.

I want to specifically call out four key initiatives:

- Since 2022, we have expanded our permanent home claims team by more than 150 employees, and established an on-call lodgement response team, so we can quickly scale up for major weather events.
- We've also invested in a new Disaster Management Centre located in our Brisbane Headquarters. This features state of the art technology and resources to monitor extreme weather events in real time, allowing us to respond faster and reach more customers sooner, as well as help them better prepare before disaster strikes. We will formally launch this in the next couple of months, but I want to today give you a sneak preview.
- We've also expanded our dedicated focus and support services to customers experiencing vulnerability both before lodging a claim, and importantly to those who become vulnerable due to their circumstances when making a claim.
- And lastly - we spent more than 164 days, almost six months, in recovery centres last year. To support the work we do in those centres, this year we are adding five new mobile disaster response hubs in the form of fully equipped, fit-for purpose caravans. These mobile hubs, to be named Larry, Yasi, Marcia, Debbie and Jasper, after well-known cyclones that have impacted Queensland, will be staffed by insurance specialists and support teams, and are designed to be deployed in the event of severe weather, providing immediate face-to-face assistance to impacted communities.

Alongside our own initiatives, we also continue to advocate strongly with governments and policy makers for greater investment in disaster mitigation and to improve resilience to extreme weather. Reducing risk will not only protect lives, but it will also go a long way in reducing the risk of a claim, in turn ensuring Australians and New Zealanders can access affordable, fit-for-purpose insurance.

We've seen some encouraging progress on this front, and I commend both the State and Federal Governments of Australia and the New Zealand Government for the funding commitments that have been made. But more needs to be done to prepare for what's ahead.

A plan to build a more resilient Australia must be at the top of the national agenda ahead of the federal election due in May next year. That includes investing more in resilience infrastructure, supporting homeowners in reducing their own risks, and stopping building homes where they should never be built.

I'm particularly concerned that in the rush to address the current housing shortages, the mistakes of the past will be repeated, putting a new generation of our citizens in harm's way. And finally, as we have said regularly at these forums, we need to remove the inefficient taxes and charges from insurance policies.

Bank performance

Before handing back to the Chairman, I will touch briefly on the performance of Suncorp Bank, which we did own for the full financial year. The Bank delivered Net Profit After Tax of \$379 million with home lending growth of \$2.2 billion in a very competitive market.

We were pleased to be able to hand the Bank over to ANZ in good shape after significantly improving its performance over the past four years. Particularly pleasing was the top quartile employee engagement and improving employee net promoter scores achieved across our bank team throughout the drawn-out sale process.

As you may be aware, Suncorp will continue to provide a range of largely technology-related services to Suncorp Bank under a Transitional Services Agreement with ANZ, the majority of which are planned to be exited within two years.

Strategy

So, with the bank sale complete, where to from here? We're proud of our progress over the past four years to build a more resilient, modern business with exceptionally strong foundations. And we're wasting no time in getting on with delivering on our refreshed strategic plan which underpins our future as an insurance - focussed business.

This slide provides a snapshot of our go-forward strategy, which of course will be guided by our purpose and our ambition to become the leading Trans-Tasman insurer. We will continue to focus on growing our Home, Motor, Commercial, Personal Injury and New Zealand portfolios, while digitising our business and investing in our market-leading brands.

Beyond that, our key programs of work will be focused on modernising our product and people platforms, deploying Artificial Intelligence in a measured way across the organisation, and testing a range of innovative reinsurance solutions. This is core to building a sustainable and growing insurance business.

And finally, the execution of any strategy relies on the quality, skill and capability of your team. The ongoing support of Suncorp people is something we never take for granted, but it is what truly sets us apart.

With that, I thank you for your continued confidence in Suncorp and I'll hand back to the Chairman.

END

DIRECT & PROXY VOTES RECEIVED IN ADVANCE OF THE AGM

Direct & proxy votes	For			Against		
	No. of votes	% of votes	No. of holders	No. of votes	% of votes	No. of holders
1. Return of capital to ordinary shareholders	819,211,905	99.80%	1,234	78,337	0.01%	37
2. Consolidation of ordinary shares	818,783,481	99.75%	1,116	445,357	0.05%	126
3. Amendment to the Constitution following the sale of Suncorp Bank	819,115,615	99.79%	1,192	120,613	0.01%	56
4a. Election of Gillian Brown	817,216,995	99.58%	1,032	1,819,806	0.22%	172
4b. Re-election of Sylvia Falzon	804,670,100	98.05%	1,049	14,408,096	1.76%	170
4c. Re-election of Christine McLoughlin	774,613,196	96.35%	1,052	27,727,196	3.45%	174
4d. Re-election of Lindsay Tanner	805,612,561	98.20%	1,035	13,153,861	1.60%	185
4e. Re-election of Duncan West	790,313,486	96.30%	1,061	28,723,938	3.50%	153
5. Non-executive director fee pool	816,690,561	99.58%	600	1,866,492	0.23%	575
6. Renewal of proportional takeover provisions in the Constitution	818,642,150	99.75%	1,059	453,639	0.06%	126
7. Remuneration Report	802,811,495	98.13%	722	13,732,506	1.68%	481
8. Grant of performance rights to the Chief Executive Officer & Managing Director	805,762,305	98.24%	556	12,882,920	1.57%	655