

23 January 2017

## Suncorp finalises execution on New Zealand Autosure disposal

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On 21 November 2016, Suncorp Group (Suncorp) announced that it had executed the sale of its New Zealand Autosure motor insurance business to Turners Limited.

The sale results in a release of capital of approximately A\$30 million and a post-tax loss on disposal of A\$25 million. The transaction will be accretive to the New Zealand business's long term return on equity (ROE). The adjustment will be booked in the Group's HY17 financial result as a non-cash item.

The New Zealand financial result will also be impacted by further claims arising from the 2010/11 Canterbury earthquakes and the 14 November 2016 Kaikoura earthquake.

### 2010/11 Canterbury earthquakes

The outstanding claims provision for the 2010/11 events has increased by NZ\$112 million primarily due to the notification of new 'over-cap' claims from the New Zealand Earthquake Commission. While the majority of these costs will be absorbed by Suncorp's reinsurance program, the Group expects to incur a net cost of NZ\$18 million in the HY17 financial results.

### Kaikoura Earthquake and Natural Hazard Costs

For the six months to 31 December 2016, natural hazard claims costs in Australia and New Zealand are estimated to be \$350 million, \$40 million above the natural hazard allowance of \$310 million. This includes NZ\$50 million for the net impact of the Kaikoura earthquake on 14 November 2016, \$60 million for South Australian/Victorian storms in November 2016 and \$50 million for Victorian/South Australian storms in December 2016.

Suncorp Group will present its financial results for the six months to 31 December 2016 on Thursday 9 February 2017.

**Ends**

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