SUNCORP

ASX announcement

18 July 2022

Suncorp Group announces the sale of Suncorp Bank to create a leading Trans-Tasman insurer

Suncorp Group Limited (ASX:SUN | ADR:SNMCY) (Suncorp or the Group) today announces it has signed a share sale and purchase agreement with Australia and New Zealand Banking Group Limited (ANZ) to sell its banking business (the Bank) (the Transaction).

Suncorp's insurance operations in both Australia and New Zealand will not form part of the Transaction and the Group's head office will continue to be in Queensland.

The Bank will continue to operate under the Suncorp Bank brand pursuant to a licensing agreement between ANZ and the Group for a period of 5 years post completion.

The Transaction continues the reshaping and simplification of the Suncorp Group, and positions both the insurance and banking businesses for ongoing growth and success – benefiting employees, customers and other stakeholders.

Transaction highlights

- Cash sale of Suncorp Bank to ANZ for $4.9 billion:
    - Represents $1.3 billion of goodwill paid above net tangible assets[1]
    - Represents 1.3x P/NTA[1].
- Additionally, a minimum fee of $50 million for the use of the Suncorp Bank brand, to be received over time (representing $10 million per year under the Brand Licence Agreement between the Group and ANZ).
- The Transaction is expected to yield net proceeds of $4.1 billion, representing $3.21 per share2. The indicative proceeds are net of the impact of separation costs, transaction costs, other divestment related costs and provisions, indicative capital gains tax, and other capital impacts. Consistent with the approach taken in previous divestments, the current intention is to return the majority of proceeds to shareholders.
- ANZ and Suncorp commit to maintain the strong current presence of Suncorp Bank in Queensland and further invest in people and a range of initiatives in the state.
- Agreement with ANZ to license the Suncorp brand for the banking business for a period of 5 years post completion, maintaining and enhancing the customer proposition of Suncorp Bank. The brand licence period may extend for up to two years. If extended, Suncorp will receive an additional fee of $10 million per year.
- A Transitional Services Agreement with ANZ for a period of 2 to 3 years post completion. Suncorp is targeting the removal of stranded costs arising from the transaction within 3 years post completion.
- The Transaction is subject to a range of regulatory approvals from the Federal Treasurer and the Australian Competition and Consumer Commission. Both parties will engage constructively with the Queensland government in relation to the State Financial Institutions and Metway Merger Act 1996 (Qld).

[1] Based on the last reported Net Tangible Assets (NTA) of the Bank of $3.6 billion, as at 31 December 2021. This NTA is subject to change once the completion balance sheet is finalised.
[2] Based on total number of ordinary shares on issues as at 30 June 2022 of 1,262,604,976.

- The targeted timeframe for completion is approximately 12 months, during which time Suncorp Group will continue to run the Bank.

ANZ has indicated its intention to run the Bank as a separate business to minimise disruption and support the Bank's ongoing growth for at least the following three years. The Transaction creates an opportunity to accelerate the plan for Suncorp Bank under ANZ's ownership.

The Transaction also supports the ongoing transformation of Suncorp's insurance businesses as it builds on its leading market positions and scale in attractive and growing segments in Australia and New Zealand.

Suncorp Chairman Christine McLoughlin said: "This proposal has been assessed through the lens of creating value for shareholders and, just as importantly, to ensure there is alignment of purpose and values and positive outcomes for our people and customers.

"Suncorp Group, which is the proud home of several of Australia and New Zealand's leading and most trusted insurance brands including AAMI, GIO, Shannons, Apia and Vero, and of course the Suncorp brand, will continue to offer the same great service to Queenslanders.

"Both businesses will benefit from a singular focus on their growth strategies and investment requirements.

"We believe the agreed price fairly values the Bank and reflects the hard work of our people and progress made on delivering our strategic objectives.

"Our purpose of building futures and protecting what matters – the focus of our company for over 100 years – will remain at our core and enable our people to deliver on our vision to create the leading Trans-Tasman insurance company."

Suncorp Group CEO Steve Johnston said: "As a dedicated insurance business we will be singularly focused on meeting the needs of our customers and communities at a time when the value of insurance has never been greater.

"We acknowledge the needs of insurance customers are rapidly changing, with a preference for digital interactions and for product design to take into account personal circumstances and risk profiles. At the same time, the external environment has seen more frequent and severe natural hazard events resulting in increased costs and affordability challenges.

"Suncorp will continue to be at the forefront of advocating for a more resilient Australia and for all levels of Government to focus on mitigating the impacts of major weather events through improved public infrastructure, subsidies to improve private dwellings and an overhaul of planning laws."

Mr Johnston said the decision to divest the Bank had not been taken lightly and had been informed by extensive analysis and consideration.

"By combining with a larger banking group, Suncorp Bank will be well positioned for the future. Customers will see benefits including access to a wider range of products and services, and career opportunities will be enhanced for our people. ANZ is committed to growing its presence in Queensland and I am pleased about the commitments they are making to our customers and employees.

"Suncorp Group remains fully committed to supporting the Bank until completion of the sale."

Commitment to Queensland

As part of the Transaction, both Suncorp and ANZ are making a number of commitments to the state of Queensland including:

ANZ's commitment

- Maintaining Suncorp Bank's strong Queensland presence, with ANZ committing to no net job losses or branch closures as a result of the transaction for three years following completion of the transaction.
- Benefits for Suncorp Bank's Queensland customers, including product and technology initiatives, and additional development, career progression and training opportunities for Suncorp Bank employees.

- Allocating $15 billion of new lending as part of ANZ’s existing renewable lending commitments to support Queensland renewable projects and green Olympic Games infrastructure over the next decade.
- $10 billion of new lending for energy projects particularly those targeting bioenergy and hydrogen over the next decade.
- $10 billion of lending made available to support Queensland businesses over the next three years.

Suncorp Group’s commitments

- Broader Suncorp commitment to the region, including the establishment of a Disaster Response Centre of Excellence, incorporating the latest technology to monitor, prepare for and respond to extreme weather and natural disasters. It will include the employment hub for our flexible event workforce.
- Continuing to be maintain its head office in Queensland, operating out of the new purpose-built facility at Heritage Lanes in Brisbane.

Suncorp reconfirms its commitment to its previously announced FY23 targets across all its businesses.
FY22 results will be released to the market on 8 August 2022.

Suncorp CEO & Managing Director, Steve Johnston and Chief Financial Officer, Jeremy Robson, will be hosting an investor call at 9am (AEST).

Please click on the following link for the webcast:
Investor audio webcast: https://webcast.openbriefing.com/8967/

Please click on the following link to register for Q&A:
Investor Q&A teleconference line: https://s1.c-conf.com/diamondpass/10023530-dgys6d.html

Authorised for lodgement with the ASX by the Suncorp Group Board.

ENDS

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ASX announcement

9 February 2021

Suncorp delivers 39.5% uplift in 1H21 cash profit

1H21 key points:

- **Group cash earnings** of $509 million, up 39.5 per cent on the prior comparative period (pcp), driven by higher earnings across all businesses: Insurance (Australia), Banking & Wealth, and Suncorp New Zealand.
- **Group net profit after tax** (NPAT) of $490 million, down 23.7 per cent on the pcp (which included the $293 million gain on sale of Capital S.M.A.R.T and ACM Parts businesses in October 2019).
- **Fully franked interim dividend of 26 cents per share**, reflecting a payout ratio of 65 per cent of cash earnings.
- **Strong top-line growth** in the Consumer and Commercial portfolios in both the Australian and New Zealand insurance businesses, higher investment returns and prior year reserve releases.
- **Banking & Wealth** delivered a strong net interest margin (NIM) of 2.04 per cent, up 8 basis points (bps) over the half, and annualised impairment charges of 3 bps of Gross Loans and Advances.
- **COVID-19 impact broadly neutral** on the 1H21 result, with increased provisions and risk margins to cover potential Business Interruption claims largely offset by reduced claims frequency.
- **Strong capital position** maintained with Group excess common equity tier 1 capital (CET1) of $1,026 million after adjusting for dividends; Group will continue to reassess its capital requirements taking into account the needs of the business, the economic outlook, and any regulatory guidance.
- **Three-year plan** focused on delivering for customers, further digitising and automating the core businesses, driving growth and generating sustainable returns above the through-the-cycle cost of equity.

	1H21	1H20	Change (%)
Insurance (Australia) profit after tax ($m)	258	123	109.8
Banking & Wealth profit after tax ($m)	190	171	11.1
New Zealand profit after tax ($m)	120	102	17.6
Profit after tax from ongoing functions ($m)	568	396	43.4
Other profit (loss) after tax ($m)	(59)	(32)	84.4
Cash earnings ($m)	509	365	39.5
Net profit after tax ($m)	490	642	(23.7)
Ordinary dividend per share (cps)	26	26	n/a
Payout ratio – Cash earnings (per cent)	65.2	89.5	n/a

Group overview

Suncorp has delivered a strong 1H21 result with cash earnings of $509 million, up 39.5 per cent versus the pcp. This reflects higher earnings from all three business lines, with strong top-line performance and higher investment returns. The positive performance was driven by a greater focus on the core businesses and stronger alignment across the organisation on strategic priorities. The Group has implemented a new operating model and refreshed the executive team, providing clearer accountability for results.

Suncorp Group CEO Steve Johnston said the 1H21 result demonstrates that the focus on the core businesses and digitisation is yielding positive results.

"Over the past year, we have refocused our strategy, continued to implement the ongoing regulatory program of work, improved our customer service, reinvigorated our brands, further digitised our business and become more efficient," Mr Johnston said.

"I am proud of how the Group has delivered on these commitments and been true to our purpose in a challenging year.

"We are seeing improved momentum in our Australian and New Zealand insurance businesses as evidenced by strong top-line growth, while our Bank is also delivering improved performance."

The Suncorp Board has declared the payment of a fully franked dividend of 26 cents per share, flat on the pcp. This represents a payout ratio of 65 per cent of cash earnings.

Suncorp remains well capitalised with $1,026 million of excess CET1 after adjusting for half year dividends, with all businesses holding CET1 at the top or in excess of targets, and $789 million held at Group.

Group operating expenses, excluding fire service levies, were in line with the prior period at $1.34 billion, including higher employee costs from salary inflation and a rise in technology costs, reflecting the enterprise-wide telephony upgrade. An additional $36 million expense was reported within Group cash earnings, reflecting costs associated with the implementation of the new operating model.

Suncorp has also provided an update on its three-year plan, which has a focus on further digitisation and automation of the core businesses to drive growth and improvement in key operational ratios.

The plan aims to drive growth and deliver a sustainable return on equity above the through-the-cycle cost of equity by FY23. This implies the General Insurance business delivers an underlying ITR of between 10-12 per cent, and the Bank Cost-to-income ratio falls to around 50 per cent.

For Insurance (Australia), initiatives include:

- Renewed brand strategy, marketing and product innovation;
- Further investments in analytics to improve pricing and risk selection decisions; and
- Digital-first approach to customer channels and a focus on optimising the claims supply chain.

In New Zealand, growth in SME and Consumer markets through broker, adviser and corporate partner channels will be pursued with further investments in core systems including digitisation.

For the Bank, in addition to ongoing cost management, there will be a focus on replicating the success of deposit channel growth in the home lending portfolio, while taking a targeted approach to business banking.

The Group is continuing to simplify its operations through disciplined portfolio management and a sharper focus on sustainable growth and returns. Simplification initiatives announced today include:

- Vero will exit from Australian consumer and construction policies via Australian intermediated partners (this has no impact on New Zealand);
- Suncorp Bank will no longer offer personal loans, enabling greater focus on home lending; and
- The Group will permanently cease underwriting travel insurance under all brands. Current customer policies will not be impacted by this announcement.

The financial impact of these exits is immaterial.

Suncorp has also today lodged its inaugural Modern Slavery Statement for the financial year ended 30 June 2020, identifying key risks and the actions the Group is taking to address these risks.

Divisional performance

Insurance (Australia)

Insurance (Australia) has delivered strong growth in the Consumer portfolio, higher investment returns and prior period reserve releases, with profit after tax up 109.8 per cent on the pcp to $258 million.

Home and Motor Gross Written Premium (GWP) grew 5.2 per cent with positive unit count and rate growth. Commercial GWP growth was 3.2 per cent, driven by premium rate momentum partially offset by lower retention in SME packages. Workers Compensation GWP increased 13.7 per cent, reflecting large multi-year account renewals and strong retention. The reduction in CTP of 5 per cent was primarily due to an accounting change made in 2H20. On a like-for-like basis, CTP GWP growth was broadly flat.

Excluding discount rate movements, net incurred claims increased by 0.8 per cent. The increase was due to higher natural hazard costs, with an additional provision for Business Interruption claims largely offset by a reduction in claims frequency. Prior year reserve releases also increased versus pcp.

Strong mark-to-market gains resulted in higher investment income of $305 million, which is up 124 per cent on the pcp.

Home and Motor digital policy sales grew by 10 per cent on the pcp. Suncorp and AAMI apps were updated to include additional security features and new online account opening capabilities through chatbot technologies.

The Group has maintained a prudent approach to provisioning for potential Business Interruption claims. The Business Interruption provision has been increased by $19 million to $214 million (previous market update in November: $195 million), reflecting the finalisation of interim reserve valuations and includes an allowance for the possibility of further legal costs.

Suncorp New Zealand

The New Zealand business recorded another positive result reflecting strong growth in both general insurance and life businesses, with profit after tax of NZ$129 million, up 19.4 per cent on the pcp.

General Insurance GWP grew 5.4 per cent to NZ$923 million, driven by strong performance in the direct Motor and Home portfolios. Motor GWP growth of 8.6 per cent was primarily driven by unit growth in the AA Insurance direct channel, as a result of strong new business sales and favourable retention. Home GWP growth of 6.4 per cent was driven by new business and favourable renewals supported by strong retention rates.

Net incurred claims were up 6 per cent on the pcp, largely due to higher natural hazard experience. Working claims experience in 1H21 has been higher than the pcp, mainly driven by unit growth.

The NZ Life Insurance business delivered profit after tax of NZ$29 million, NZ$15 million above the pcp, driven by improved claims experience and favourable investment market returns.

General Insurance

Total natural hazard costs across Australia and New Zealand were $561 million, $86 million above the allowance for the half and $42 million above the pcp. 12 events occurred during 1H21, including October's QLD and NSW hail event (net cost of $195 million). The first half event losses have not yet triggered reinsurance recoveries but continue to erode the aggregate deductible on several reinsurance treaties including the Aggregate Excess of Loss (AXL) treaty.

The Group underlying ITR has decreased from 9.3 per cent in 1H20 to 8.4 per cent in 1H21, reflecting the expected increase in the Group's natural hazard allowance, reinsurance costs as well as lower underlying investment income, partly offset by margin expansion across the portfolios.

Prior year reserve releases excluding Business Interruption reserves were $144 million representing 3.2 per cent of Group Net Earned Premium (NEP), primarily driven by the statutory portfolios. Total releases including higher prior year Business Interruption reserves were $93 million, representing 2.1 per cent of Group NEP.

Banking & Wealth

Banking & Wealth profit after tax was $190 million, up 11.1 per cent on the pcp. The strong improvement in net interest margin (NIM) and non-interest income was partially offset by a small increase in impairment charges versus the pcp and a small contraction in the lending portfolio.

Net interest income of $618 million for the half was up 4 per cent on the pcp. The Bank delivered a strong NIM of 2.04 per cent, up 8 bps over the half, reflecting continuing strong at-call deposit growth and significantly lower benchmark rates in the market.

The home lending portfolio contracted by 1.6 per cent over the half, with improved application volumes more than offset by higher levels of customer repayments, property sales and refinancing. New applications lodged were up over 30 per cent on the pcp. The Bank has continued to streamline its home lending process to simplify and speed up its origination process and improve the customer and broker experience. The proportion of home lending initiated via the digital channel almost doubled to 13.9 per cent in 1H21, compared to 7.1 per cent in 1H20.

Business lending grew 0.7 per cent over the half, with growth in commercial lending to select commercial property investment clients partially offset by a contraction in the agribusiness portfolio. The contraction in agribusiness lending reflects seasonable paydowns, partially offset by increased cropping activity, restocking and asset purchases.

The at-call deposits portfolio continued to achieve above-system growth, increasing by $3.7 billion or 13.1 per cent over the half. This is enabling the Bank to continue to optimise its funding mix, including running off $2.3 billion of term deposits.

Impairment losses of 3 bps to Gross Loans and Advances (annualised) were below the lower end of the through-the-cycle operating range, primarily due to the conservative provision taken in the previous half for the impacts of COVID-19. The

Bank's collective provision was flat through the half at $255 million, with moderate improvement in the underlying economic assumptions offset by adjustments to the management overlays.

The Bank's COVID-19 deferrals continued to exhibit an improving trend. At 31 December 2020, there were 2,645 Bank customer loan accounts under temporary loan deferral arrangements, representing $0.64 billion in lending across home (1.2 per cent of the portfolio) and SME customers (0.8 per cent of the portfolio). This is down from 14,408 customer accounts representing $4.83 billion as at 30 June 2020.

Group outlook

While the operating environment has improved, the outlook remains uncertain given the COVID-19 pandemic and its economic impact.

The executive team has developed a three-year plan to drive growth and further efficiencies across the core businesses. The Group's operating expense base including restructuring charges is expected to be around $2.8 billion in FY21 and FY22. The FY23 operating expense base is expected to return to around $2.7 billion, with efficiency gains effectively offsetting inflation and the costs of investing in growth over the three-year period.

The Group's regulated entities are expected to remain well capitalised, with significant excess capital held at the Group level. The Board remains committed to maintaining a dividend payout ratio of 60-80 per cent of cash earnings and returning to shareholders capital that is excess to the needs of the business. The Group will continue to reassess its capital requirements taking into account the needs of the business, the economic outlook, and any regulatory guidance.

The Group also maintains a robust reinsurance program to provide protection from natural hazard costs. The Group's catastrophe reinsurance covers remained fully intact at 31 December 2020, available to be used for the remainder of FY21.

Suncorp will continue to advocate for governments to support mitigation programs that increase community resilience to natural disasters and to remove inefficient taxes applied to insurance products. Suncorp will also advocate for statutory scheme reform to deliver improved customer outcomes and to ensure the long-term sustainability of the schemes. Fairer treatment of bank regulatory capital remains a priority.

Group CEO commentary

"Suncorp enters the second half of FY21 in good shape, with momentum starting to build across our businesses and our balance sheet remaining very strong," Mr Johnston said.

"The Group's three-year plan addresses customers' growing preference for digital and evolves how we work and serve our customers as technology changes.

"Most importantly, we are focused on delivering for our people, our customers, our communities and our shareholders."

Recent research commissioned by Suncorp and undertaken by SGS Economics showed regional Australia is most vulnerable to natural disasters and is prone to economic downturn many years after.

"Suncorp will keep advocating for an urgent co-ordinated response from all levels of government to make our communities more resilient to natural disasters and ensure that insurance is affordable and accessible. We are calling on the Federal Government to invest in well-chosen infrastructure projects that can protect communities in the long-term and provide a kick-start to jobs in the short-term," Mr Johnston said.

Webcast details

A live audio webcast hosted by Suncorp's Group CEO Steve Johnston and Group CFO Jeremy Robson will commence at 10.45am (AEDST) and will be available on the Suncorp Group website.

Authorised for lodgement with the ASX by the Board.

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	Jatin Khosla	[redacted]

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ASX announcement

28 February 2019

Completion of Australian Life Business sale

Suncorp (ASX: SUN | ADR: SNMCY) today announced the successful completion of the sale of its Australian Life Business to TAL Dai-ichi Life Australia Pty Ltd (TAL).

As previously disclosed and based on current estimates, total consideration is expected to be $725 million. After taking into account separation and transaction costs, hybrid capital and other provisions, Suncorp continues to expect to return approximately $600 million of capital to shareholders. The preferred means of distributing this capital continues to be through seeking shareholder approval for a pro-rata return of share capital and share consolidation, however, this may be combined with a small fully-franked special dividend. Both methods of return are subject to regulatory approval. The sale is expected to result in an after-tax non-cash loss on sale of approximately $880 million (pre-tax $910 million).

Suncorp will commence a 20-year strategic alliance with TAL to offer market-leading life insurance solutions through Suncorp's Australian distribution channels. Under the terms of the strategic alliance, Suncorp will earn income on the distribution of life insurance issued by TAL Life Limited.

Suncorp CEO & Managing Director, Michael Cameron, said partnering with TAL allows Suncorp to offer a compelling life insurance solution to Suncorp customers, supported by the scale and innovation of a market leading Life Insurer.

"The transaction frees-up capital for Suncorp to return to shareholders, and also leverages the strengths of the respective organisations to offer value to Suncorp customers," Mr Cameron said.

ENDS

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	Jatin Khosla	[redacted]

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ASX announcement

31 October 2019

Completion of the sale of Capital S.M.A.R.T and ACM Parts

Suncorp Group Limited (ASX: SUN ADR: SNMCY) today advises that it has completed the sale of Capital S.M.A.R.T Group (Capital S.M.A.R.T) and ACM Parts Pty Ltd (ACM Parts) to AMA Group (AMA), announced on 1 October 2019. The sale values 100% of Capital S.M.A.R.T at $420 million. ACM Parts was sold for a cash consideration of $20 million, broadly in line with book value.

As previously announced, the sale consideration is in the form of upfront cash proceeds and the retention of a 10% interest in Capital S.M.A.R.T. Suncorp will have a Board seat on the Capital S.M.A.R.T Group Holding entity to underpin its ongoing, long-term partnership with the business. The after tax profit on the sale is expected to be in the range of $285-295 million.

ENDS

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ASX announcement

1 December 2021

Completion of the sale of RACT Insurance

Suncorp (ASX: SUN | ADR: SNMCY) today advised that it has completed the sale of its 50% interest in RACT Insurance to its joint venture partner, the Royal Automobile Club of Tasmania Ltd (RACT), announced on 2 July 2021.

As previously disclosed, the sale was for a cash consideration of $83.75 million and is part of the continued simplification of the Group. The pre-tax profit on sale is $65 million, with the total capital release as a result of the transaction being $55 million.

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

ENDS

For more information contact:

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Analysts / Investors	Howard Marks

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ASX announcement

1 April 2022

Completion of the Australian Wealth business sale

Suncorp (ASX: SUN | ADR: SNMCY) today announced the successful completion of the sale of its Australian Wealth business, Suncorp Portfolio Services Limited (SPSL), to LGIAsuper.

Based on current estimates, total consideration is expected to be $55 million in cash. The impact of the transaction on Group profit is expected to be broadly neutral.

Suncorp Group CEO Steve Johnston said the completion of the sale was an important strategic milestone for the Group.

“The Wealth sale is a good outcome for our members, people and shareholders. It enables us to sharpen our focus on the Group’s core businesses of banking and insurance and improve the way we deliver for our customers,” Mr Johnston said.

“I’m pleased that our Wealth business is in good shape as we hand over to LGIAsuper. We have simplified the business to improve its overall performance, resolved historic remediation matters and we are delivering healthy investment returns to members.

“Suncorp’s 130,000 superannuation members will now join a larger and more sustainable super fund which manages around $31 billion in retirement savings for its members.”

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

ENDS

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Financial results for the year ended 30 June 2022

8 August 2022

SUNCORP GROUP LIMITED
ABN 66 145 290 124

FY22 Overview

Steve Johnston
Chief Executive Officer

Purpose driven, delivering sustainable outcomes

SUNCORP

Summary Profit & Loss Statement

	FY22 ($m)	FY21 ($m)	Change ($m)
Insurance (Australia)	174	547	(373)
Banking	368	419	(51)
New Zealand	155	200	(45)
Cash earnings	**673**	**1,064**	**(391)**
Group NPAT	**681**	**1,033**	**(352)**
Ordinary dividend (cps)	40	66	
Net impact of yields and investment markets:			
- General Insurance - Australia and New Zealand	(190)	453	(643)
- Banking (MTM losses on derivatives)	(16)	-	(16)
- Group	(13)	9	(22)
Natural hazards expense above allowance	(101)	(60)	(41)

- FY22 results demonstrate strong growth and progress in underlying margins
- Elevated natural hazards event season with assistance provided to around 130,000 customers
- Significant volatility in investment markets with increasing yields and widening credit spreads
- Combined impact of investment markets and natural hazards over $700m pre-tax versus FY21
- FY23 strategic targets reaffirmed

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FY22 key highlights

Insurance (Australia) GWP growth of 9.2%*
(10.7% in H2 v pcp)

Group UITR 9%
FY23 target of 10-12% reaffirmed

NZ GWP growth of 14.1%
(14.2% in H2 v pcp)

Claims management improvements effectively controlling inflationary pressures

Banking home lending growth of $4.1b
($2.9bn in H2)

Value realisation from strategic initiatives gaining momentum

*Excludes portfolio exits

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Sale of Suncorp Bank - Strategic rationale

Simplify

Suncorp as an organisation with a commitment to being at the forefront of sustainability

Focus

on strategic initiatives within Suncorp's insurance businesses

Maximise

value for Suncorp shareholders with the offer representing an attractive premium

Position

Suncorp Bank's customers, people and purpose for greater success over the medium to long term

Alignment

of ambition with ANZ on the Bank's future potential

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FY22 Financial Results

Jeremy Robson
Chief Financial Officer

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Financial overview

Strong growth momentum and improving underlying performance

- Record 2H GWP growth in Australia and New Zealand and turnaround in Home Lending
- Underlying ITR expansion to 9% for FY22 and 9.9% in 2H (excluding COVID benefits)
- FY23 targets reaffirmed with natural hazards and reinsurance costs offset by investment income and pricing

Investment income

- Net Insurance loss from yields and investment markets $190m in FY22
- Mark to market on Bank derivatives (c$16m)
- Rate environment positively impact investment income

Natural hazards

- Second successive La Niña contributed to an elevated event season
- Natural hazards costs for the year were $101m above allowance
- FY23 allowance increased to $1,160m

Other items

- Recognition of a tax credit relating to the FY19 sale of the Australian life insurance business
- Reinsurance premiums on additional main cat and AXL cover
- Other provisions recognised, predominantly restructuring costs

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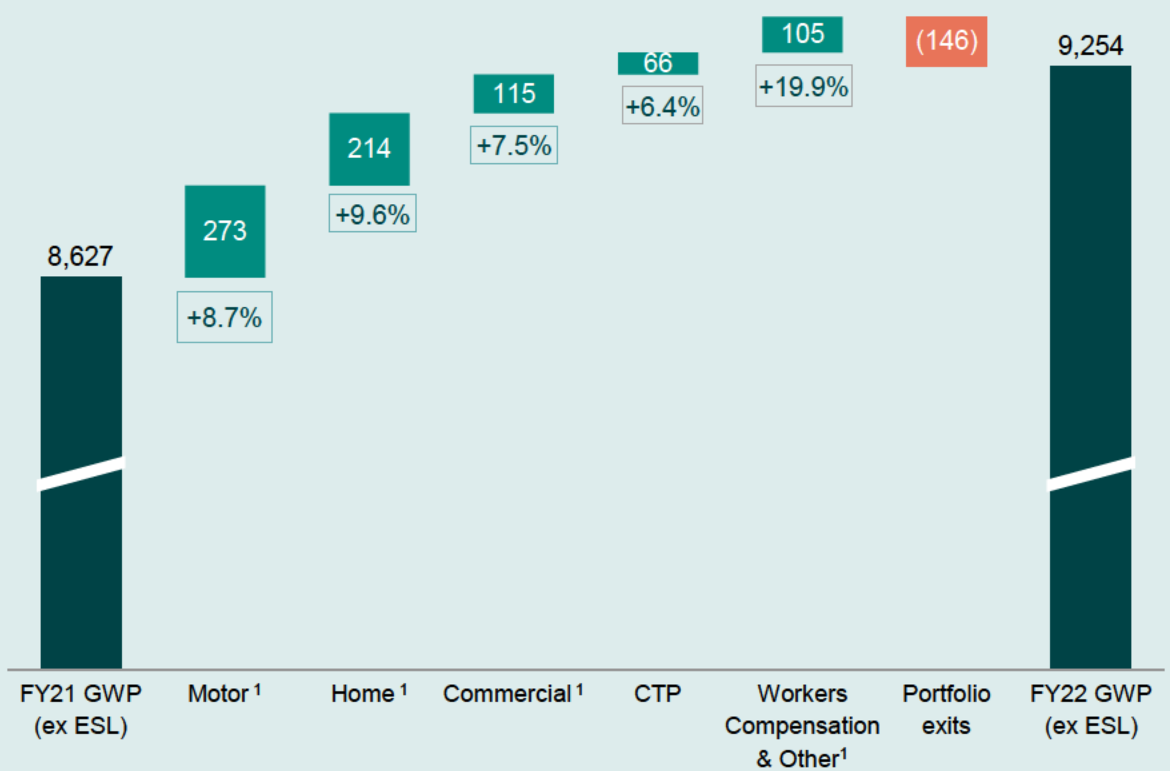
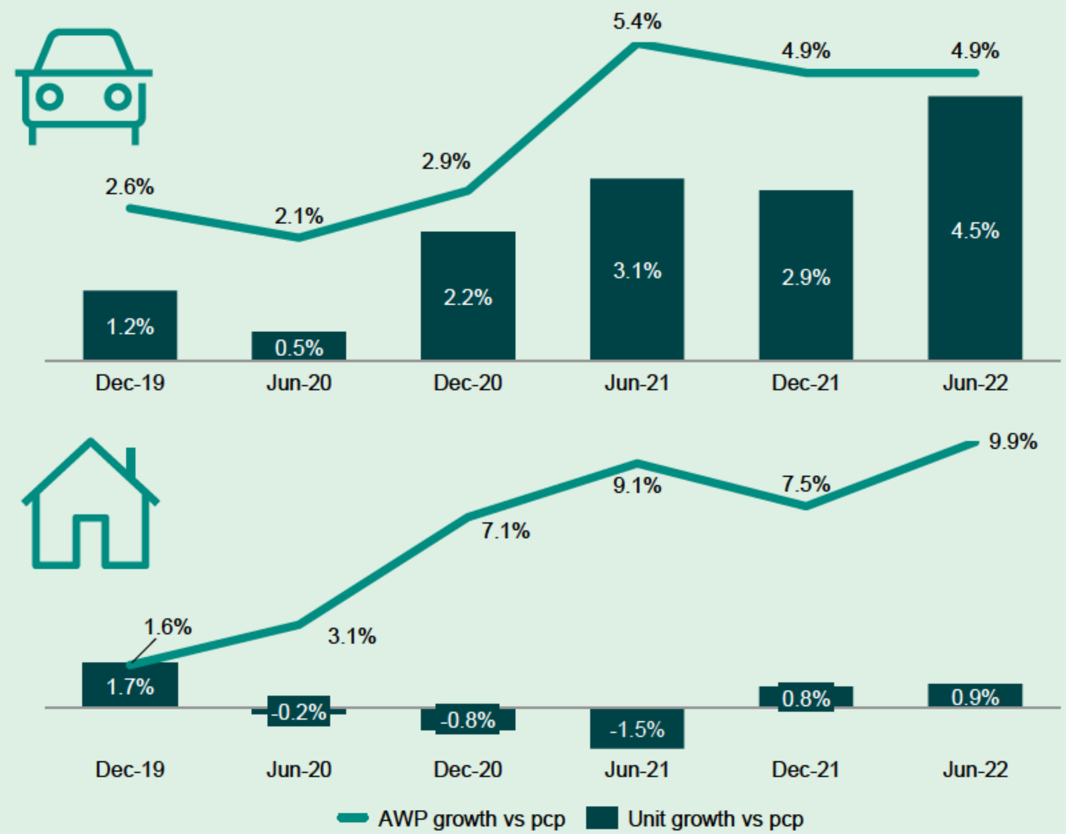
Insurance (Australia) – Gross written premium

Gross written premium (excluding ESL) by portfolio ($m)

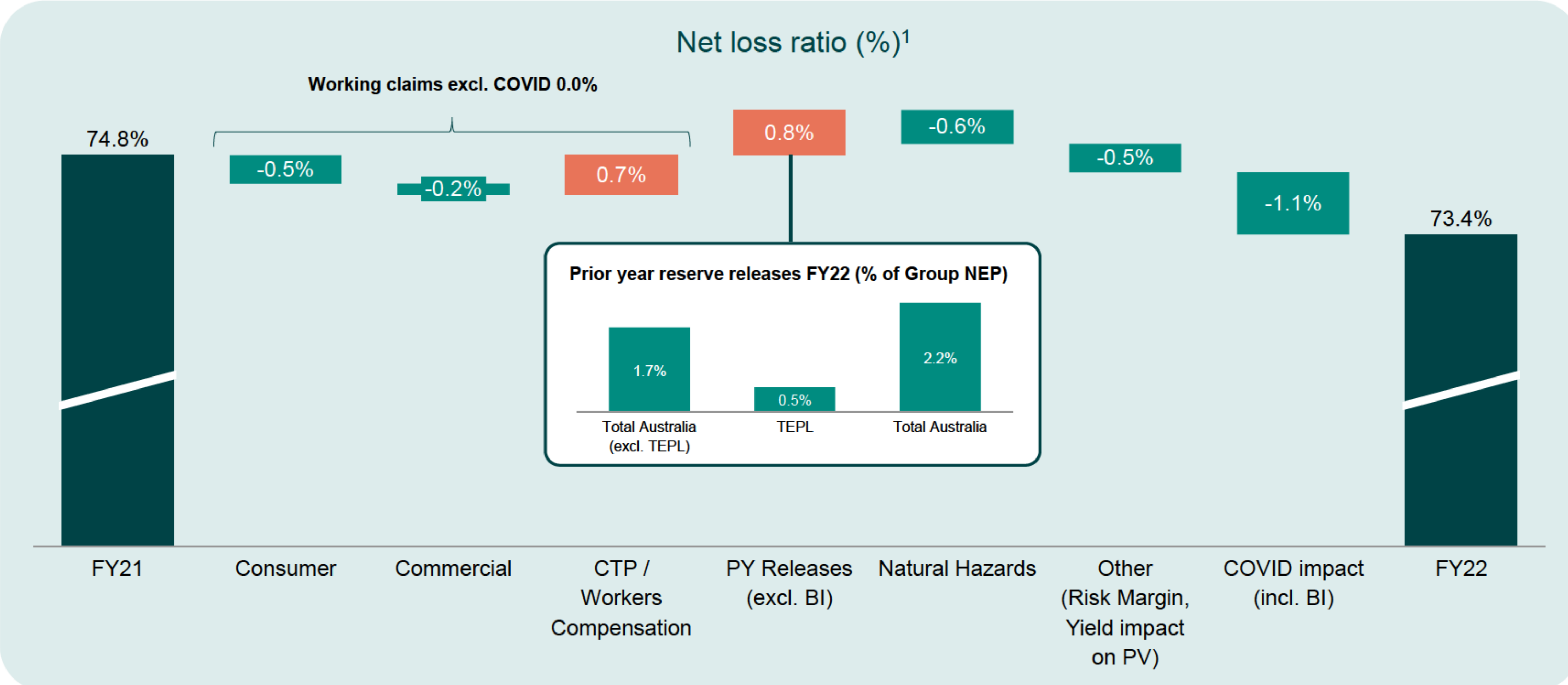


Home and motor portfolio (normalised)[1]



[1]Excludes impact of portfolio exits

Insurance (Australia) – Net loss ratio



[1] excluding FSL, discount rate movement and unwind

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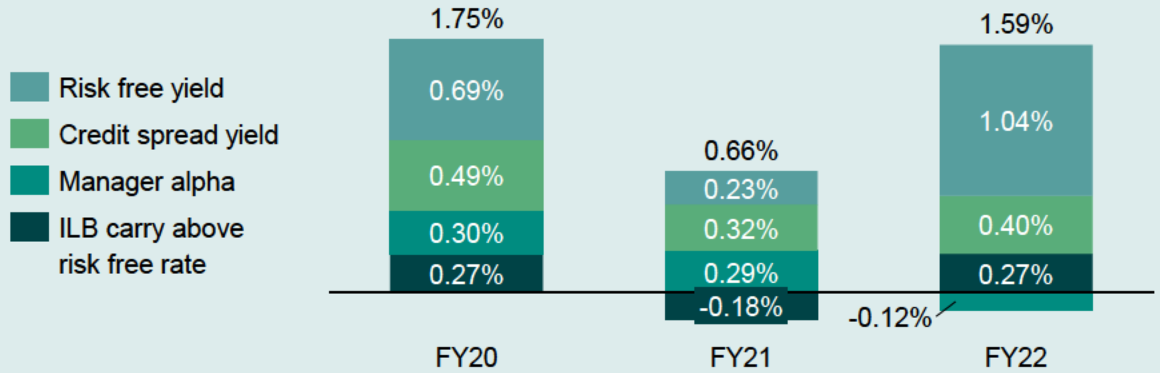
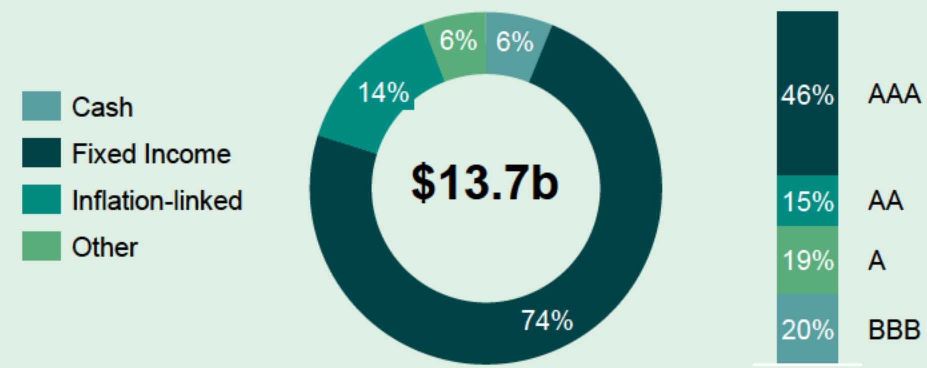
Insurance (Australia) – Investment market impacts

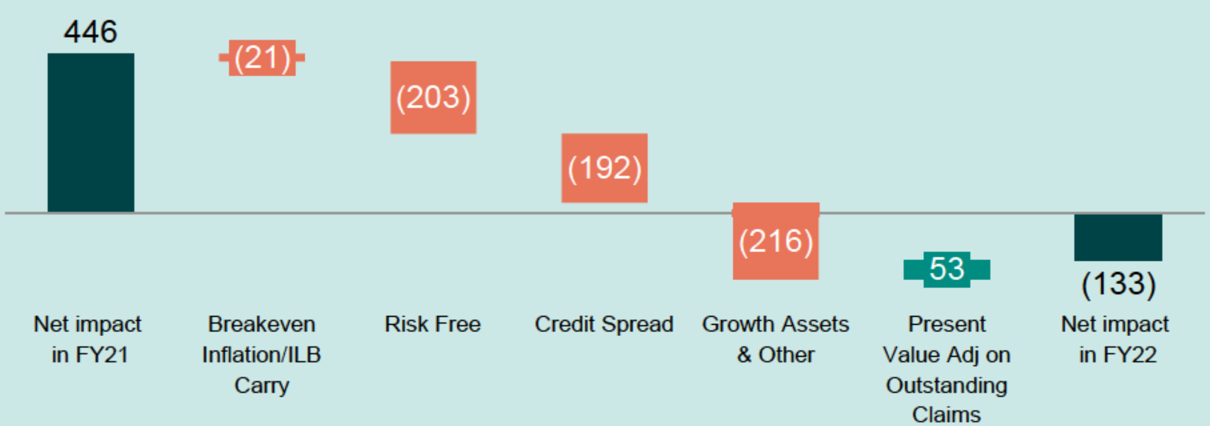
Underlying yield on insurance funds (%; annualised)



Investment Portfolio

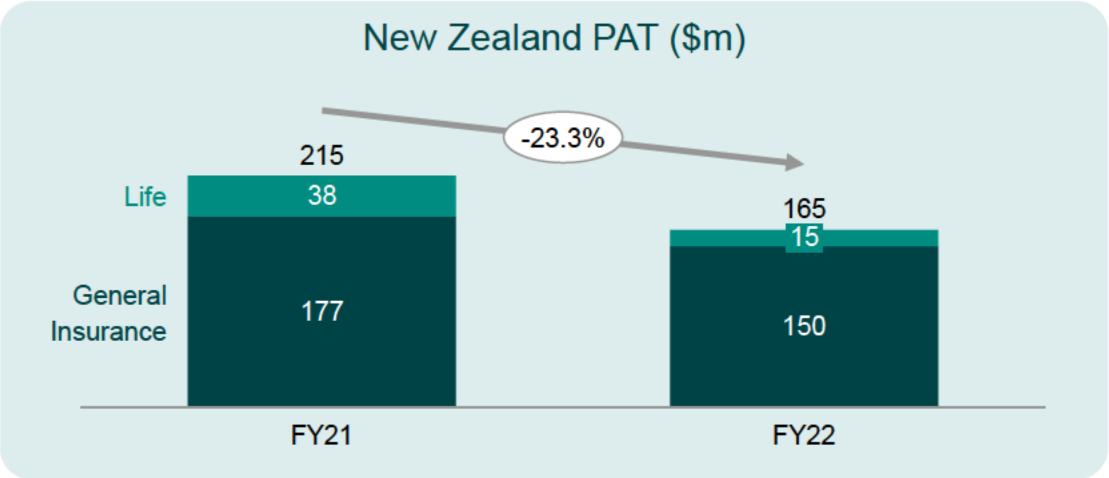


Net P&L impact from yield and investment markets ($m)

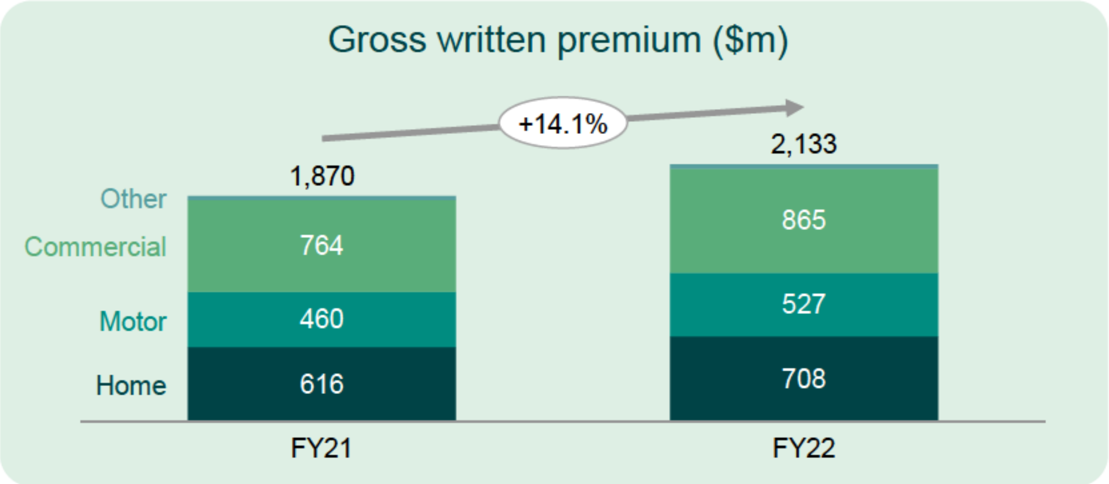


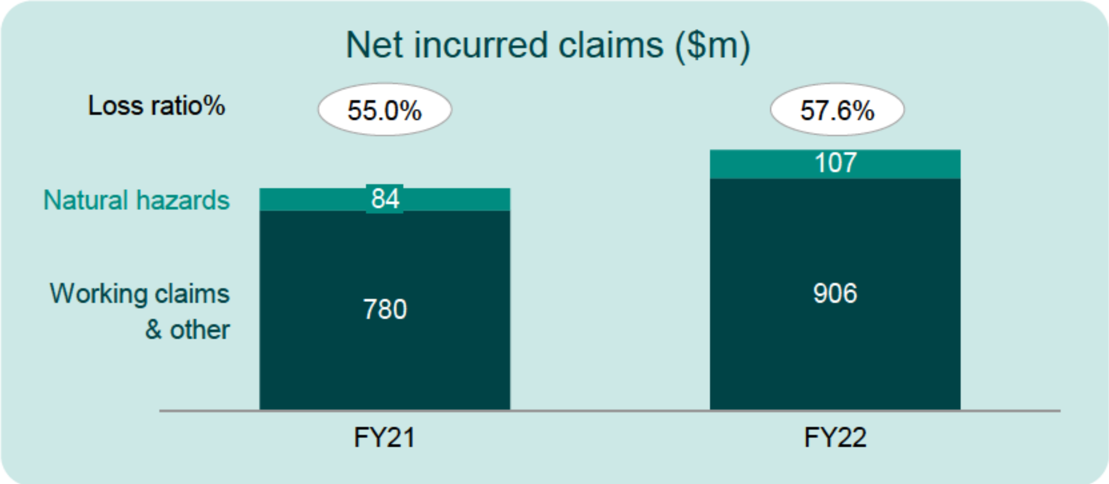
- Conservatively positioned portfolio: cash holdings above long-term targets, c. 90% of portfolio invested in investment grade fixed income assets
- Short-term mark-to-market impact from higher interest rates and credit spreads driving negative FY22 result
- Ongoing results to benefit from increased underlying yield
- Risk-free and credit spread yields on insurance funds ~3.5% at exit on 30 June 2022

New Zealand (NZ$)



- Strong top line performance continued with seventh consecutive quarter of above system growth
- Lower investment returns impacted profit but will result in higher yields in future periods
- Elevated natural hazard season increased net incurred claims
- Higher working claims was driven by unit growth and inflationary pressures

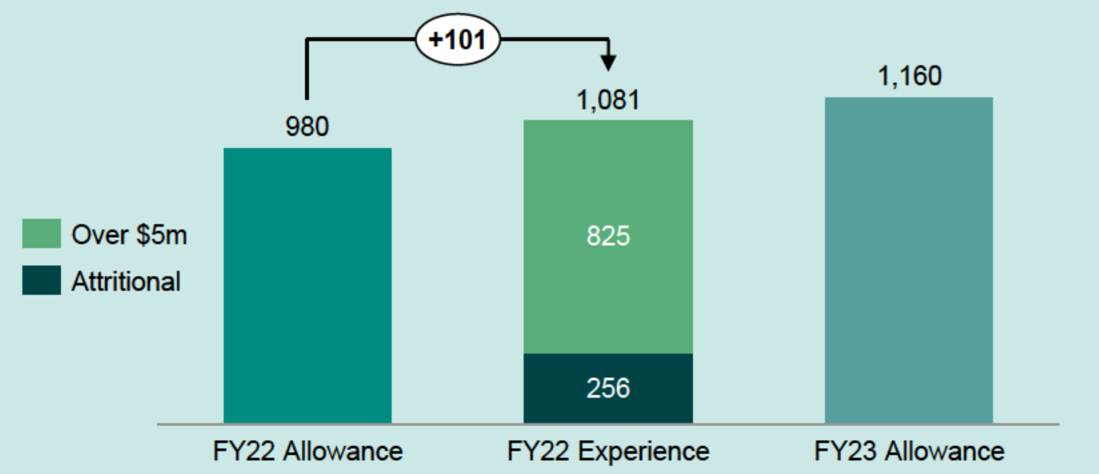




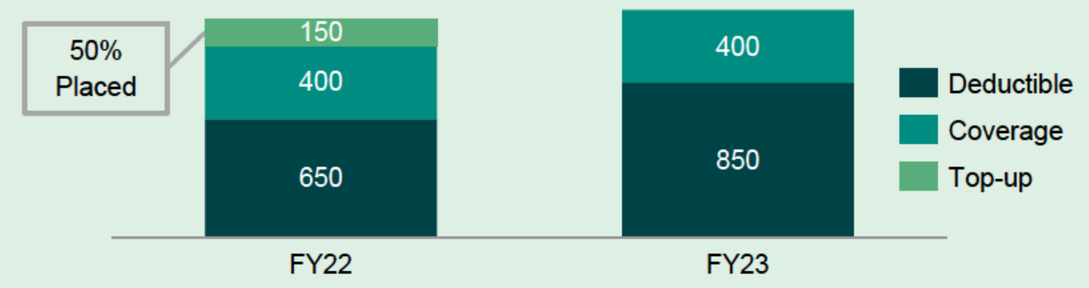
Note: All metrics shown in New Zealand dollars

Natural hazards and reinsurance

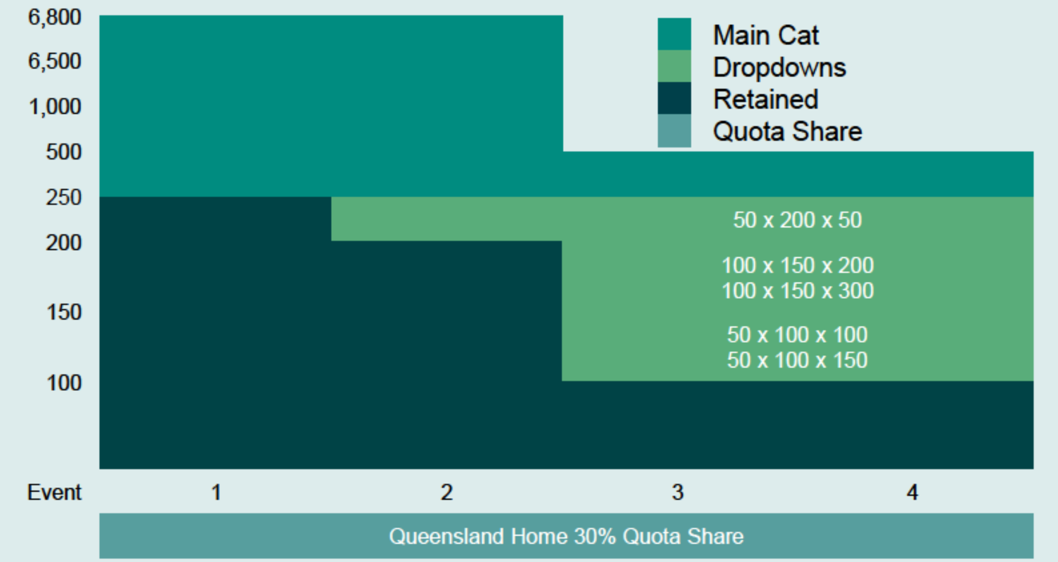
Natural hazard experience vs allowance ($m)



AXL cover FY22 v FY23 ($m)



FY23 Main Cat and Dropdown Cover ($m)



- FY22 natural hazards experience was $101m above allowance, in line with modelling for a La Niña year
- Changes to the structure and cost of the FY23 reinsurance program driven by hardening global reinsurance market
- FY23 natural hazard allowance has been increased by $180m to $1.16b driven by:
  - changes to the structure of the reinsurance program
  - recent adverse natural hazard experience

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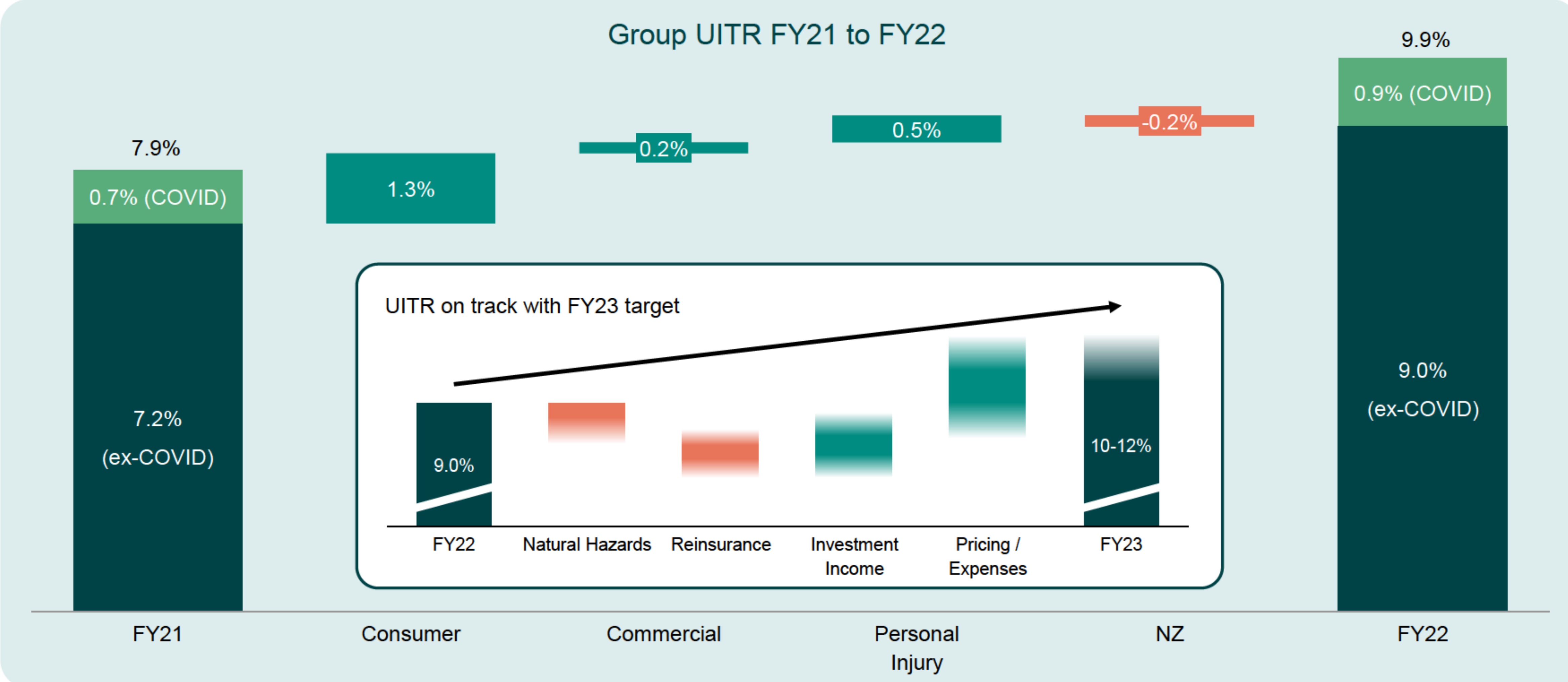
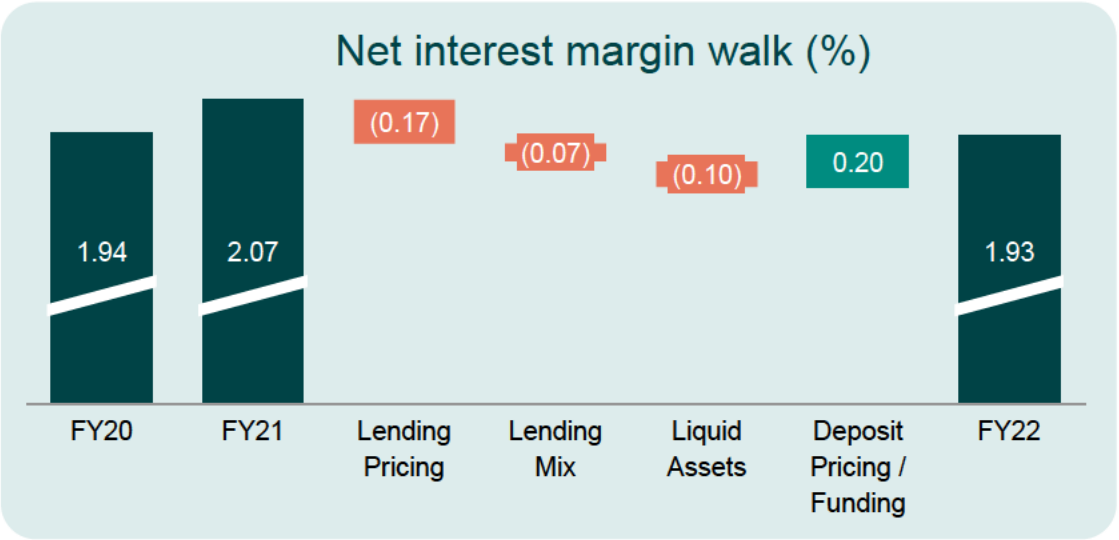
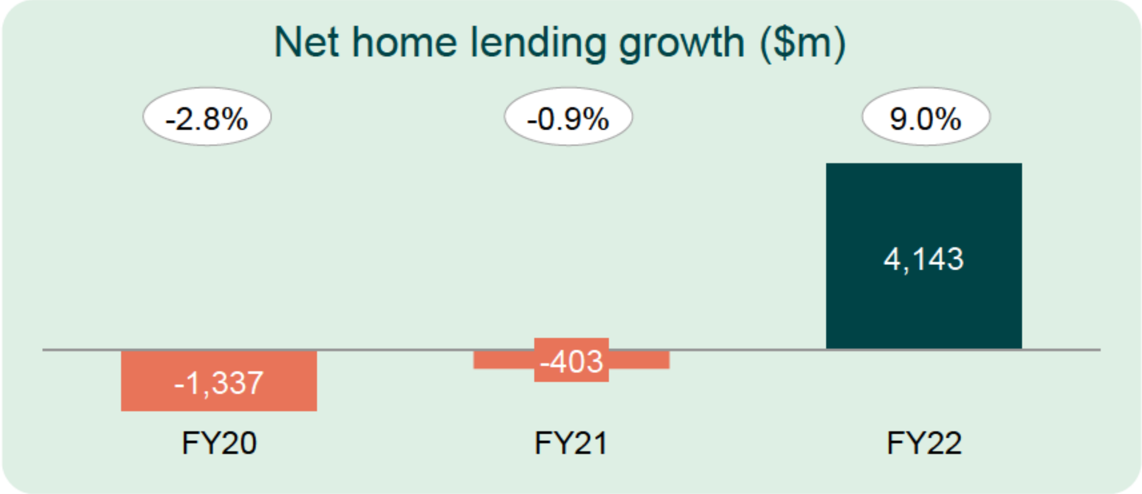
Group underlying ITR

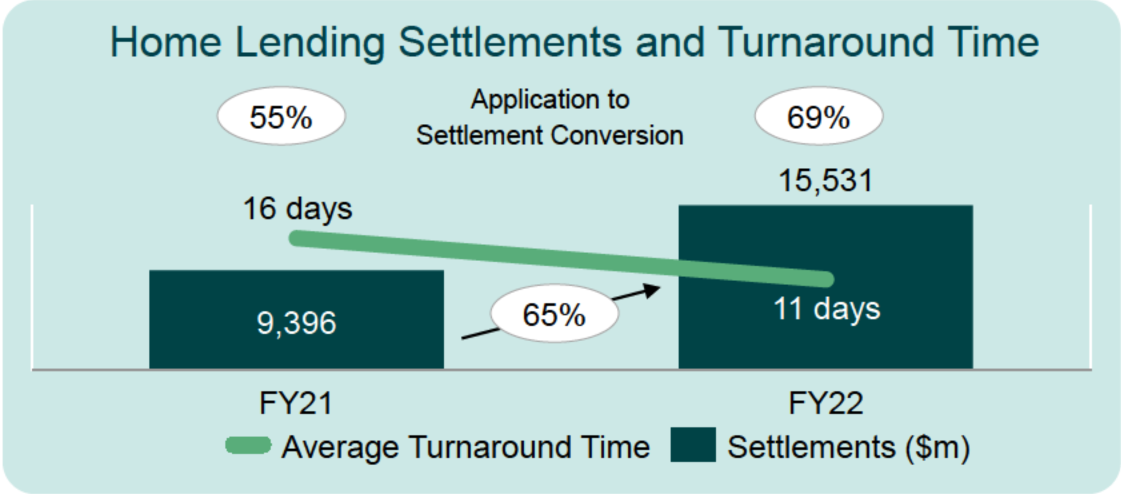


Banking

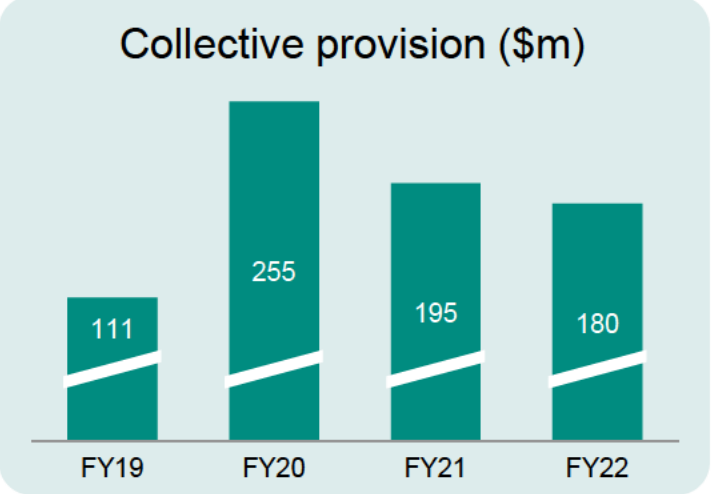
	FY22 ($m)	FY21 ($m)	Change (%)
Net interest income	1,245	1,242	0.2
Other operating income	3	39	(92.3)
Operating expenses	(736)	(731)	0.7
Profit before impairments	**512**	**550**	**(6.9)**
Impairment release/(expense)	14	49	(71.4)
Income tax	(158)	(180)	(12.2)
Banking profit after tax	**368**	**419**	**(12.2)**
CTI	**59.0%**	**57.1%**	

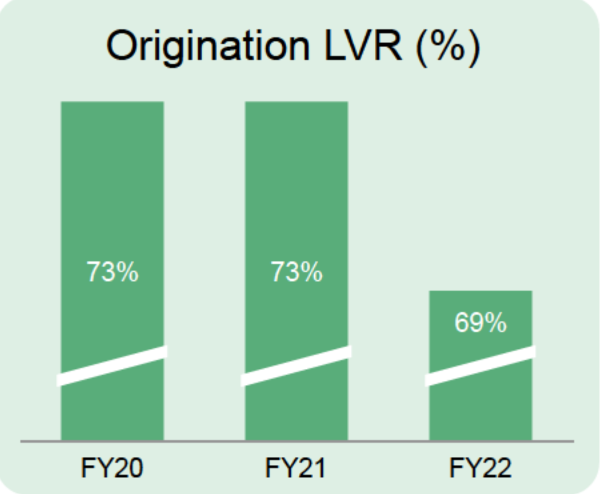


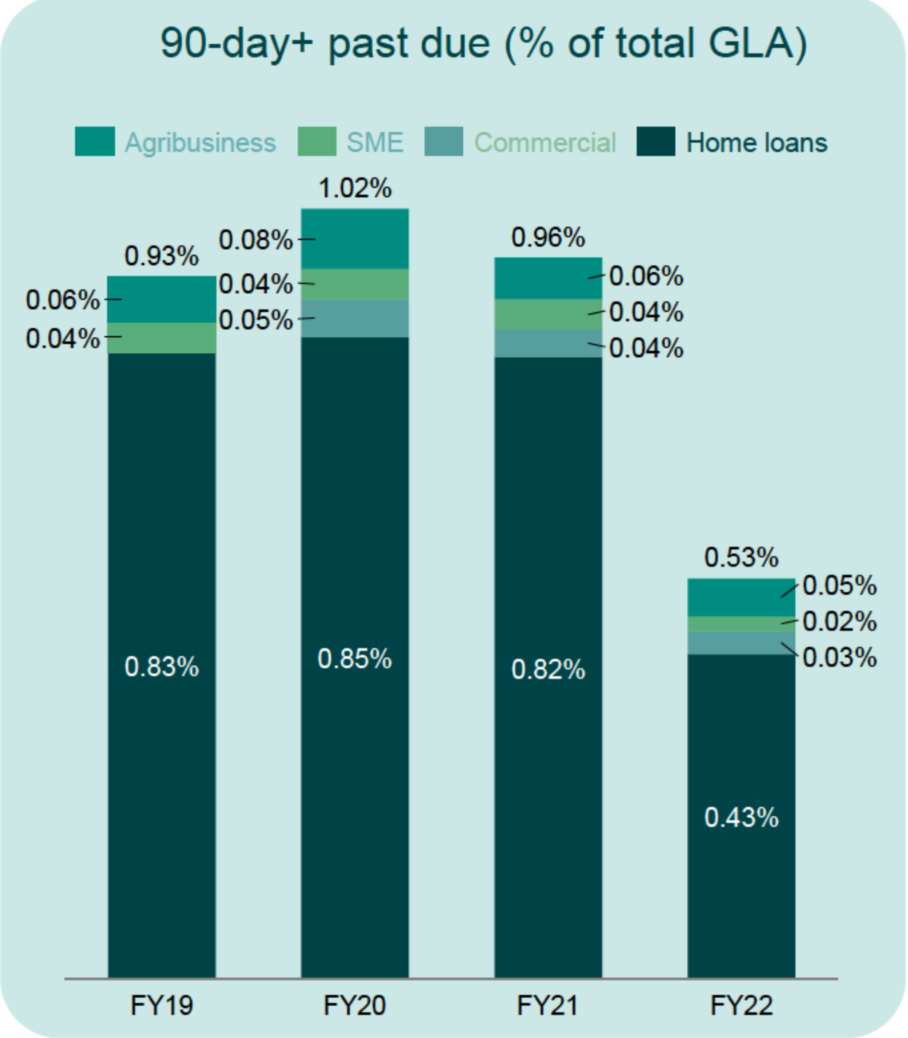




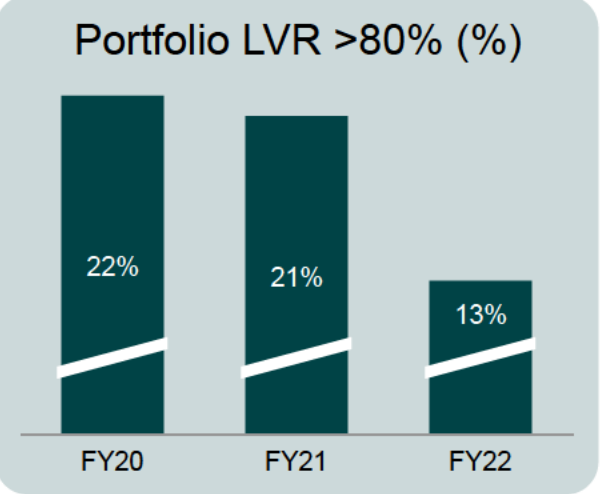
Banking – Credit Quality





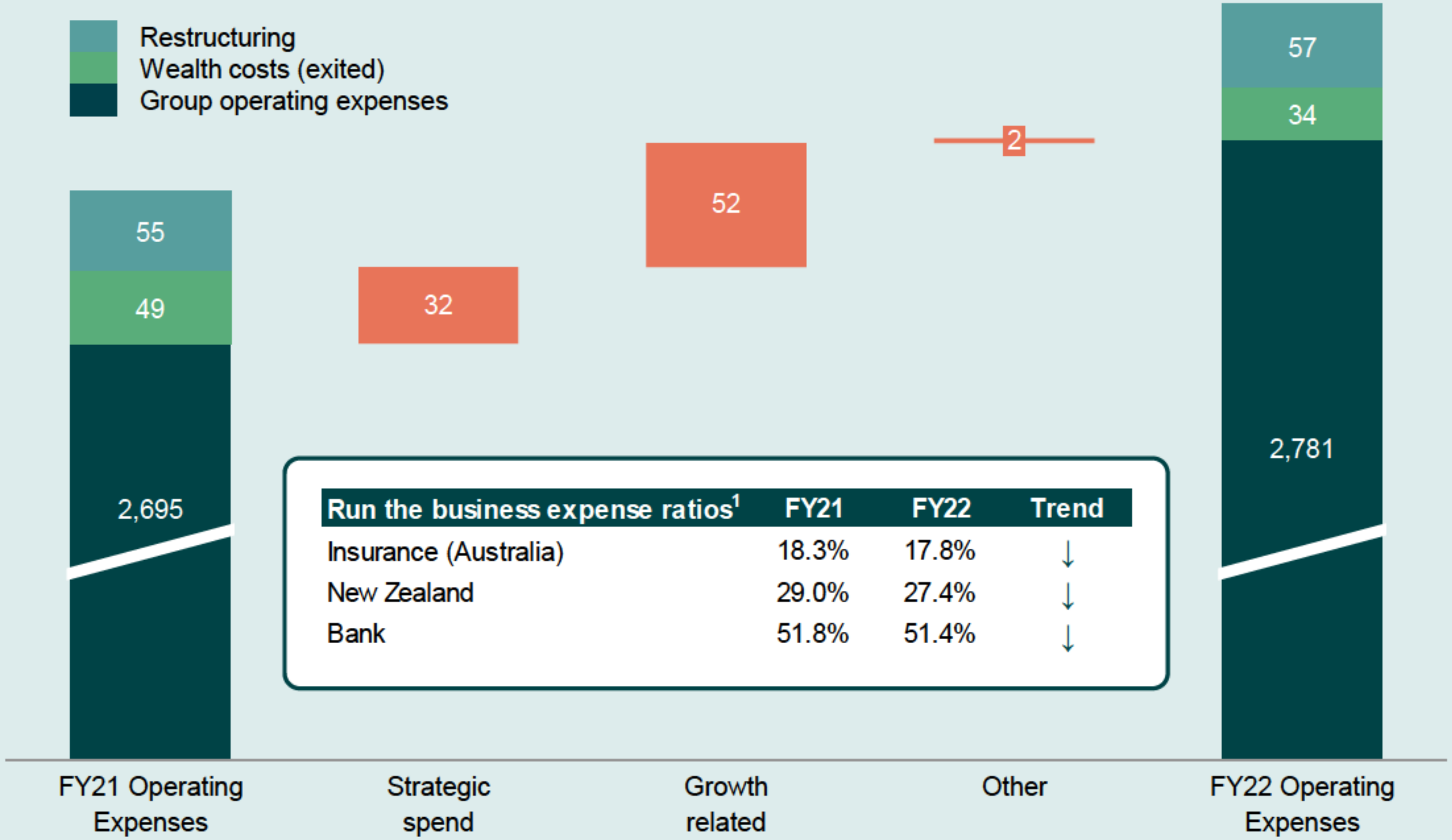


- Credit quality in the lending book strong and improving across a variety of metrics
- Past due loans at record lows
- The proportion of customers with DTI > 6x lower than market average
- Origination and portfolio LVR measures sound and improving



Group operating expenses

Group operating expenses (excluding ESL) FY21 to FY22 ($m)



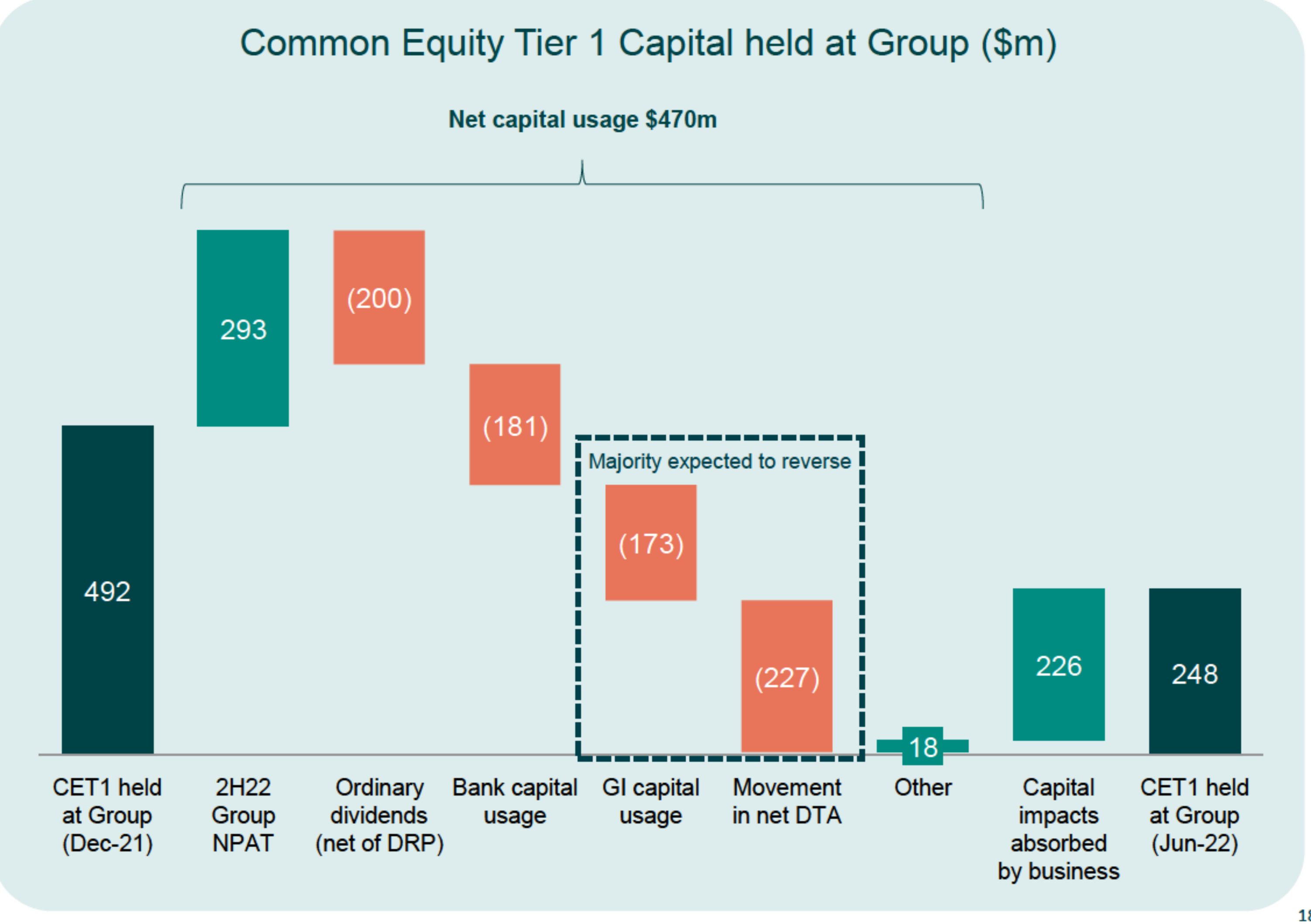
Run the business expense ratios[1]	FY21	FY22	Trend
Insurance (Australia)	18.3%	17.8%	↓
New Zealand	29.0%	27.4%	↓
Bank	51.8%	51.4%	↓

- Increase in strategic spend in line with previous guidance and expected to reduce in FY23
- Growth related costs driven by higher commissions, marketing spend and joint venture expenses in NZ
- Efficiency benefits from the delivery of strategic initiatives have offset inflationary impacts evident in flat other expenses and falling run the business expense ratios
- FY23 target of around $2.7b to be driven by the realisation of benefits from the strategic program and a reduction in strategic spend

1 Excludes projects costs and mark-to-market on Bank derivatives

Group CET1 Capital

- The net capital usage was $470m during 2H22, with the majority of the Deferred Tax Asset (DTA) and GI capital usage expected to unwind over time as:
  - Investments reach maturity – average duration is 2 to 3 years
  - Pricing changes reverse the impact on Excess Tech Provisions from reinsurance and NHA
- $226m of net capital impact absorbed within the businesses
  - GI capital ratio allowed to fall into bottom half of target range and expected to improve as capital impacts unwind
  - Bank reverted to normal practice - operating in bottom half of target range post dividends
- Dividend payout ratio towards top of target range
- Ongoing commitment to return capital in excess of the needs of the business



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Strategic Outlook

Steve Johnston
Chief Executive Officer

Strategy

Purpose

Building futures and protecting what matters

Strategic pillars

Customer led	Technology enabled	Our people	Advocacy
Digital first and personalised customer experiences	*Automated processes and modernised technology platforms*	*Exceptional people empowered to make a difference every day*	*Building towards a fair and sustainable industry for our stakeholders*

Strategic initiatives

Insurance Australia

- Revitalise growth
- Optimise pricing and risk selection
- Digital first customer experiences
- Best in class claims

New Zealand

- Grow brands and strategic partnerships
- Best in class claims
- Digitise and automate

Banking

- Win in home
- Seamless everyday banking
- Grow business
- Digital first
- Customer service excellence

Enablers

Improved productivity through Digital, Data and Automation
Engaged, Enabled and High Performing teams
Innovation and Partnering

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Insurance Australia - strategic progress and outlook

Revitalise growth	- Achieved strong gross written premium growth across all our portfolios, with AAMI generating unit growth in home and motor and higher NPS scores than FY21 - Delivered growth in Commercial supported by simplifying our product lines and improving digital platforms - FY23 will continue focus on strengthening our brands
Optimise pricing and risk selection	- Delivered CaPE for Home mass brands with over 65% of policies now priced via CaPE - Continued investment in Commercial underwriting tools, rolling out Property Underwriting tool and iSME pilot - FY23 will rollout CaPE Motor for mass brands in 2H
Digital first customer experiences	- Increased mass brand digital sales to 61% (up ~7pp) and service transactions to 37% (up ~6pp) - Released over 100 digital deployments and increased customer self service solutions via Interactive Voice Response and SMS routing - FY23 will continue delivering digital tools for customers and rolling out new frontline productivity tools
Best in class claims	- Motor and Home claims digital lodgements have more than doubled in FY22 versus pcp - Home and Motor repair panels reviewed, systems implemented to manage allocation and benchmark costs - Focus in FY23 will be on end to end digital enhancements, further supply chain optimisation (e.g. bulk buying / salvage opportunities), event Control Room Centre of Excellence, and operational transformation

Suncorp New Zealand - strategic progress and outlook

Grow brands and strategic partnerships	- Continued momentum with a targeted focus on deepening broker relationships and offering compelling market propositions delivered through trusted brands. - Increased market share by 134 basis points over the preceding 12 months, registering seven consecutive quarters of market share gains.
Best in class claims	- Continued progress to deliver a single claims platform, introducing new channels for customer engagement and seamless connectivity. - Automated claims assessment in the second half, resulting in reduced field assessment handling time and improved data accuracy.
Increasing digital and data capability	- Continued investment in core systems to deliver more value to customers and intermediaries through digitisation of key steps in the customer experience while simplifying products and automating high volume processes. - Launched online motor insurance sales through the ANZ corporate partnership, with development work underway on future product releases. - Continued progress on enabling broker connectivity with a pilot scheduled for early in FY23.

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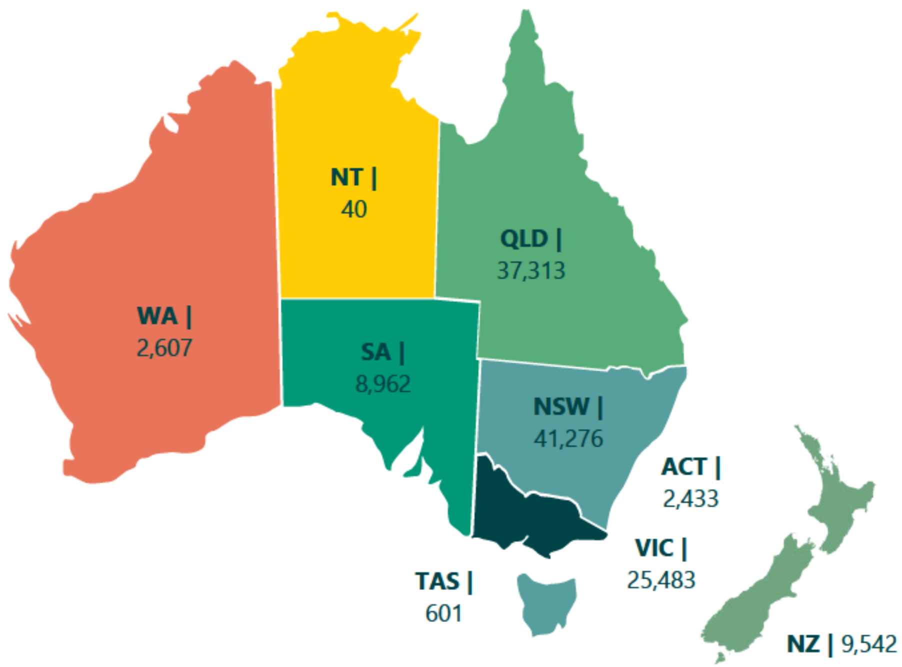
Natural Hazards, Resilience & Mitigation

Declared Events	Total Event Claims	Finalisation	Online Lodgement
35	**128,785**	**57%**	**58%**
Australia: 29 New Zealand: 6 ↑ 12 Events on PCP	Motor: 29,295 | Home: 85,507 Commercial: 4,441 | NZ: 9,542	Motor: 71% | Home: 52% Commercial: 55% | NZ 73%	(Australia) Motor: 53% | Home 59%

Top Loss Causes

Rain	45,256
Hail	24,825
Flood	20,409
Wind	12,664



Four Point Plan

1. Improve public infrastructure
2. Provide subsidies to improve the resilience of private dwellings
3. Address inadequate planning laws and approval processes
4. Remove inefficient taxes and charges from insurance premiums

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FY23 targets reaffirmed

Returns	Cash return on equity above the through-the-cycle cost of equity
Dividends	Dividend payout ratio of 60% to 80% of cash earnings Return any capital to shareholders that is excess to the needs of the business
Key divisional metrics	
General Insurance	Underlying ITR of 10 – 12% by FY23
Banking	Cost-to-income ratio of ~50% by end of FY23

FY23 Outlook

- GWP growth expected to be in the mid to high single digits
- Pricing increases to reflect increasing reinsurance and natural hazards costs and inflationary environment
- Unwind of mark-to-market investment losses to grow yield and support UITR
- Prior year reserve releases expected to moderate
- Transitory capital impacts to unwind

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Building futures and protecting what matters

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Important Disclaimer

This presentation contains general information which is current as at 8 August 2022. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to the Group or any product or service offered by Suncorp or any of its subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

This presentation should be read in conjunction with all other information concerning Suncorp filed with the Australian Securities Exchange (ASX).

The information in this presentation is for general information only. To the extent that the information is or is deemed to constitute forward-looking statements, the information reflects Suncorp's intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices at the date of this presentation. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, many of which are beyond Suncorp's control, which may cause actual results to differ materially from those expressed or implied. There can be no assurance that actual outcomes will not differ materially from these forward- looking statements.

There are a number of other important factors which could cause actual results to differ materially from those set out in this presentation, including the risks and uncertainties associated with the on-going impacts from COVID-19 and the Australian and global economic environment.

Suncorp undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation (subject to ASX disclosure requirements).

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ASX announcement

27 June 2022

Response to Media Speculation

Suncorp Group refers to recent media commentary regarding Suncorp's banking operations.

As previously advised, Suncorp, from time to time, reviews its strategic alternatives in relation to all of its businesses and is currently doing so in respect of its banking operations.

ENDS

For more information contact:

Media	James Spence	[redacted]
Analysts / Investors	Neil Wesley	[redacted]

Suncorp Group Limited | ABN 66 145 290 124 | Level 23, 80 Ann Street, Brisbane Qld 4000
suncorpgroup.com.au

Results Presentation

For the full year ended
30 June 2022

Bendigo and Adelaide Bank Limited ABN 11 068 049 178

Bendigo and Adelaide Bank

Contents

Overview

Marnie Baker
Managing Director

Overview

- Continued growth in loans, deposits and customer numbers
- Decline in 2H22 revenues due to margin pressures; exit NIM higher
- Absolute reduction in costs and continued improvement in CTI ratio
- Strong balance sheet and credit quality
- Strengthened focus on **returns, execution** and **sustainability**
- Trusted organisation with unwavering commitment to customers and communities

Financial performance

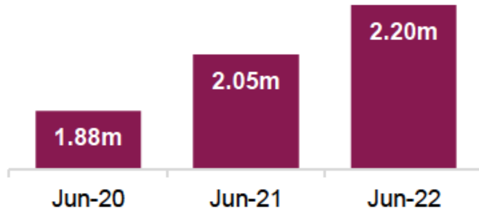
	FY22 ($m)	FY21 ($m)	FY22 v FY21
Total income	$1,709.9	$1,702.5	0.4%
Operating expenses	$1,016.3	$1,027.4	(1.1%)
Underlying profit (pre-credit expenses)	$693.6	$675.1	2.7%
Credit expenses	($27.2)	$18.0	Large
Cash earnings (after tax)	**$500.4**	**$457.2**	**9.4%**
Statutory net profit (after tax)	**$488.1**	**$524.0**	**(6.9%)**
Cash EPS	**89.8c**	**85.6c**	**4.9%**
Cash return on equity	**7.72%**	**7.67%**	**5bps**
Cost to income	**59.4%**	**60.3%**	**(90bps)**

Note: Total income includes Net Interest Income, Other Income & Homesafe net realised income before tax

Key performance indicators

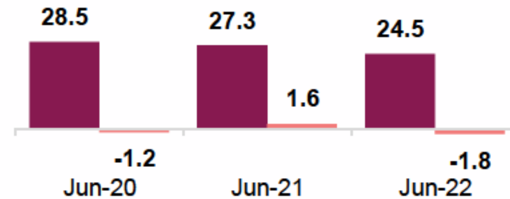
Consistent performance

Customer numbers



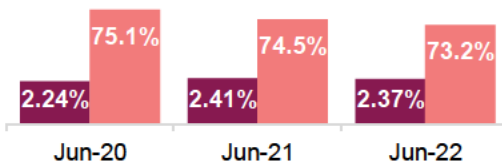
Net promoter score[3]

■ BEN ■ Industry



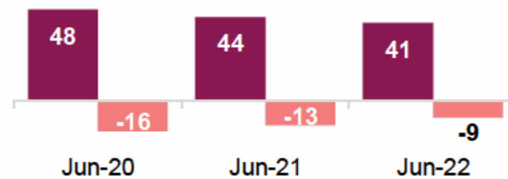
Market share[1]

■ BEN ■ Major banks



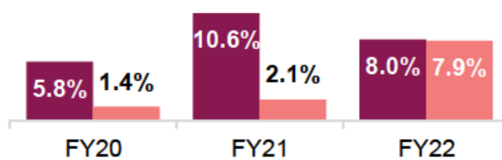
MFI business NPS[4]

■ BEN ■ Major banks

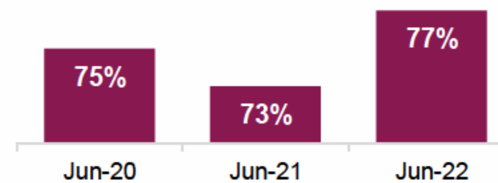


Total lending growth[2]

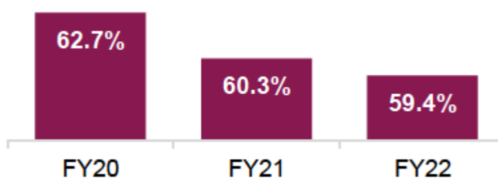
■ BEN ■ Major banks



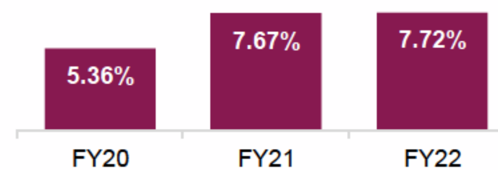
Employee Engagement Index[5]



Cost to income



Return on Equity (cash)



[1] APRA Monthly Banking Statistics June 2022. BEN total lending and major bank total lending divided by system.
[2] APRA Monthly Banking Statistics June 2022. BEN total lending growth rate and major bank average from June 2021 to June 2022.
[3] Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average. Industry includes: ANZ, BOM, BOQ, Bank SA, Bankwest, CBA, ING, NAB, St. George, Suncorp & WBC. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
[4] DBM Atlas (Business) MFI NPS – Total Business with <$40m turnover. Figures based on 12 month rolling data.
[5] Internal measure of employee motivation, commitment, discretionary effort and pride.

BendigoandAdelaideBank

Shaping the future of banking

Our strategy

VISION: **Australia's bank of choice**

PURPOSE: To feed into prosperity, not off it

IMPERATIVES: Reduce complexity | Invest in capability | Tell our story

Customer Centric Operating Model

Digital by design, human when it matters

Customer Value Proposition

Based on trust, authenticity, knowledge, expertise, connection and personalised relationships

Growth & Transformation Strategy

Propelled by human, digital and community connections

ESG Framework

Strengthen our ESG outcomes in line with our purpose

For our customers, people, partners, communities and shareholders

Rapidly changing environment requires a dynamic response

The new cycle presents fresh challenges

Macro-economic backdrop

- Inflationary pressures
- Rising interest rates
- Historically high labour force participation
- Property prices moderating
- Agriculture prices/conditions generally remain supportive
- Supply challenges
- Labour and skills shortages

Customer Impacts

- Tighter business operating margins and household cash flows
- Potential wealth deterioration from moderating asset prices
- Cost of living pressures and subdued consumer confidence
- Increased need for financial flexibility in terms of liquidity and working capital

Banking Industry Impacts

- Lower credit growth
- Deposit pricing competition
- Wage inflation
- Increased risk of credit default

Transforming our business and returns

Same strategy with a shift in emphasis

1. **Returns**
2. **Execution**
3. **Sustainability**

Transforming our business and returns

1. Returns

- Increased focus on financial returns
- Deliver a broadly flat expense profile

Transforming our business and returns

2. Execution

	FY22	Short to medium term
Portfolio	Ferocia acquisition completed, Margin Lending acquisition Combined Business/Agri division	Continue to actively manage for value
Customer	Up Home	Digitisation of term deposit opening process
Structure	Executive changes made – CFO, CCO Business/Agri, COO, Treasurer	Continued corporate and distribution reshape
Practices	Replicating portfolio term changes	Introduction of profit after capital measure and heightened ROI discipline
Rewards	New policies, increased focus on ROE in variable reward framework	Broadened performance-based remuneration

Transforming our business and returns

3. Sustainability

Getting the balance right for all stakeholders:

- Supporting our customers' financial needs
- Investment in our businesses and people
- Generation and utilisation of capital
- Franked dividends to our shareholders

FY22 financials and priorities

Andrew Morgan
Chief Financial Officer

Cash earnings vs Statutory NPAT

Solid growth in cash earnings, disciplined cost management and lower loan provisions

	FY22 ($m)	FY21 ($m)	FY22 v FY21
Total income	1,709.9	1,702.5	0.4%
Operating expenses	1,016.3	1,027.4	(1.1%)
Credit (reversals) / expenses	(27.2)	18.0	Large
Cash earnings after tax	**500.4**	**457.2**	**9.4%**
Non-cash items:			
- Homesafe (net)	(3.4)	77.7	
- Other items	(8.9)	(10.9)	
Statutory NPAT	**488.1**	**524.0**	**(6.9%)**

Reduction YoY predominantly driven by future portfolio growth assumptions being revised down[1]

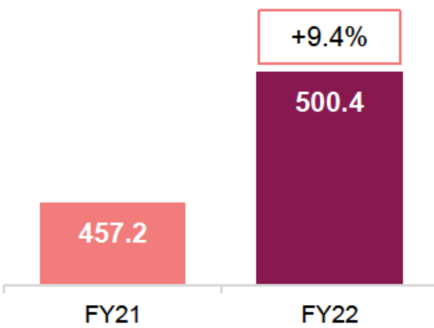
Restructuring costs and net impact of business sales and acquisitions

Note: Total income includes Net Interest Income, Other Income & Homesafe net realised income before tax
[1] Refer to slide 38 for further information on growth assumptions

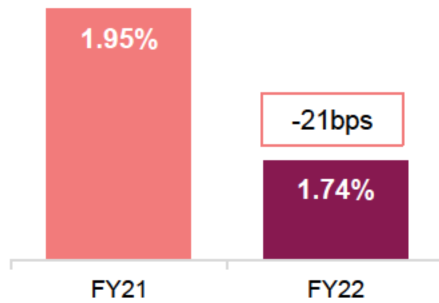
FY22 result

Key metrics showing improvement, with the exception of NIM

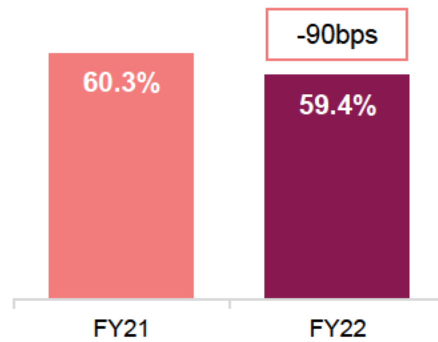
Cash earnings ($m)



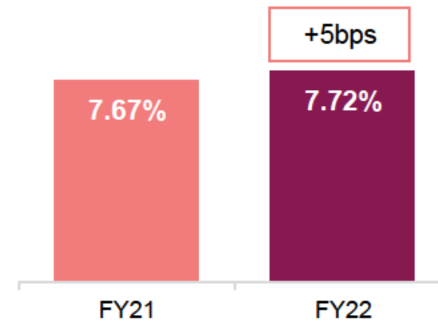
NIM



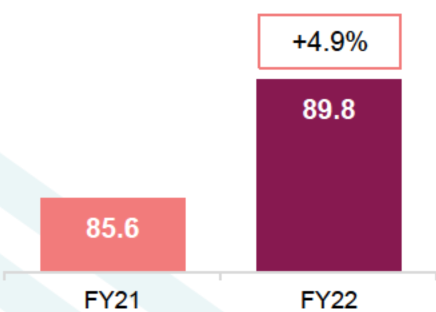
Cost to income



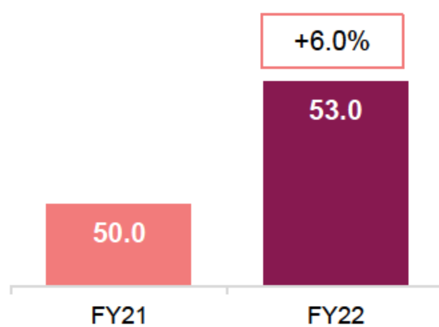
Cash ROE



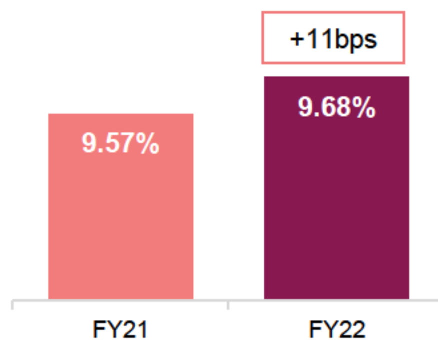
Cash EPS (cents)



DPS (cents)

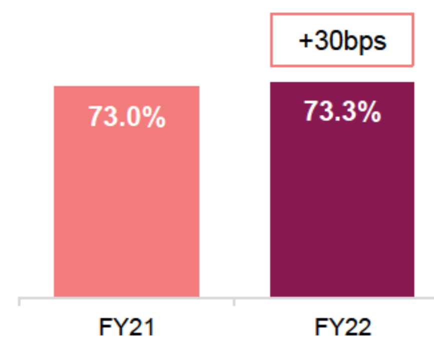


CET1



Customer deposits

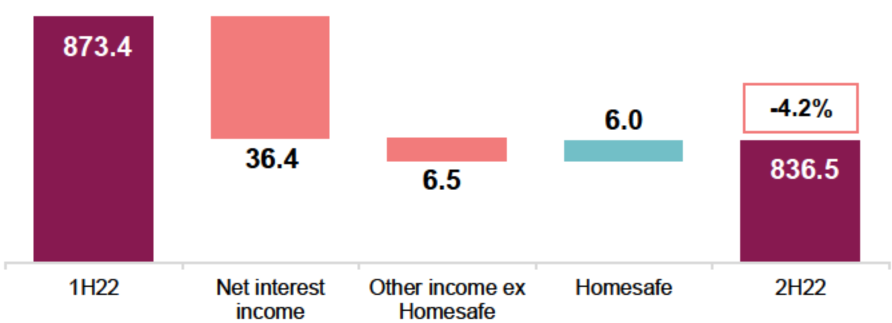
as % of total funding



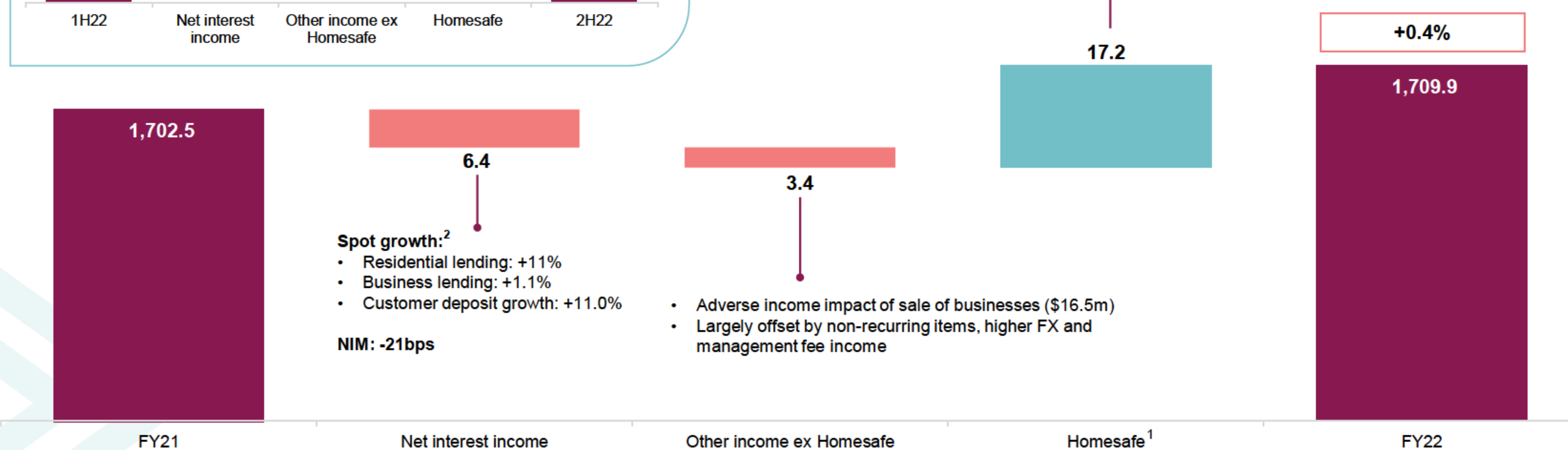
Total income

Benefit of strong volume growth offset by lower margins

2H22 ($m)



FY22 ($m)

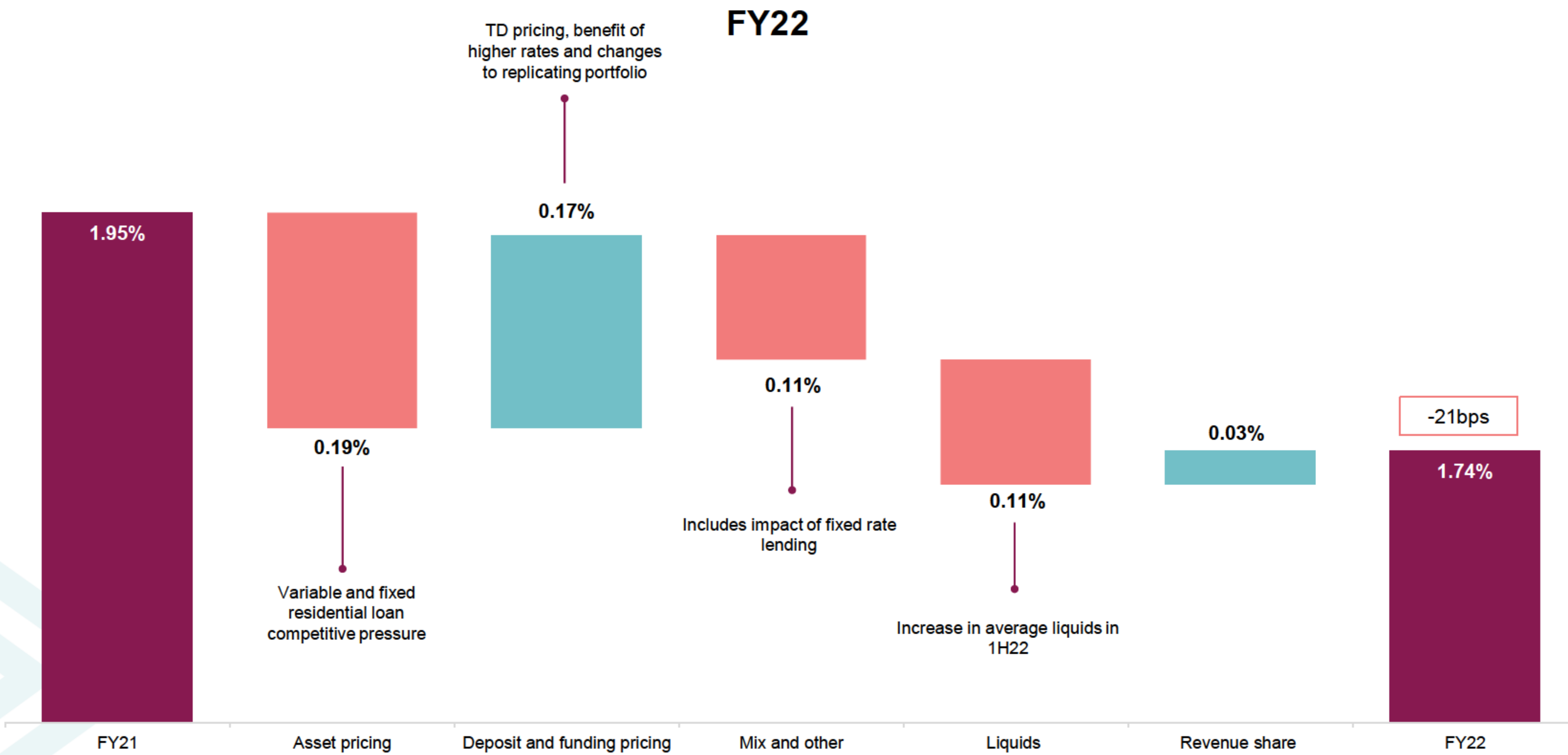


Note: Other income breakdown is prepared on a cash basis and excludes Homesafe revaluation ($38 5m).
[1] Homesafe net realised income before tax
[2] Spot growth is year-on-year growth taken from Appendix 4E total gross loan table by purpose. Business lending includes business lending, agribusiness lending and portfolio funding.

Bendigo and Adelaide Bank

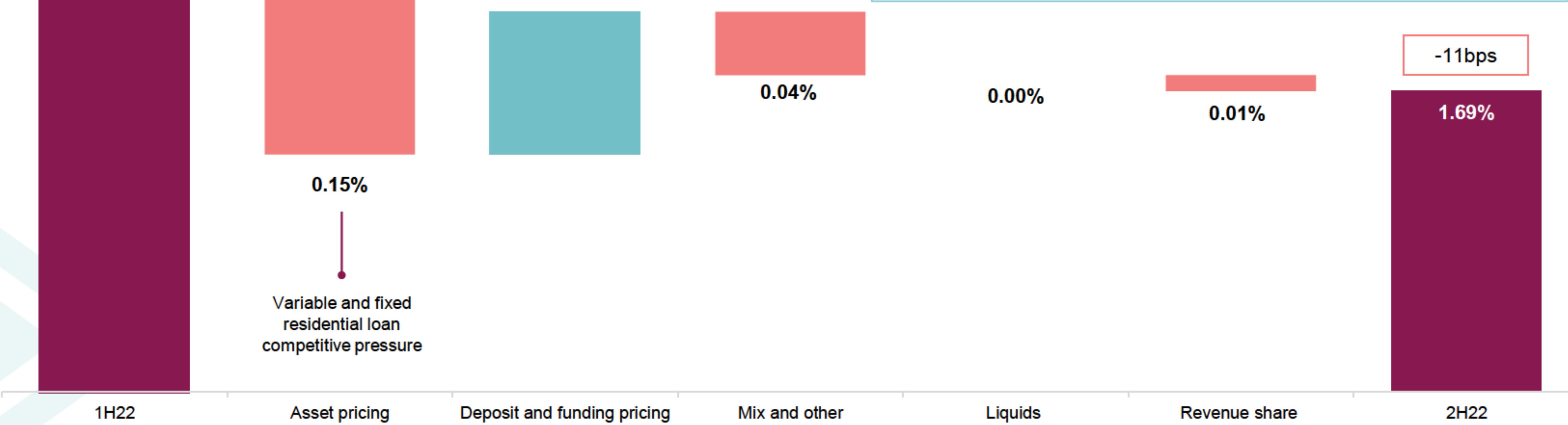
Net interest margin

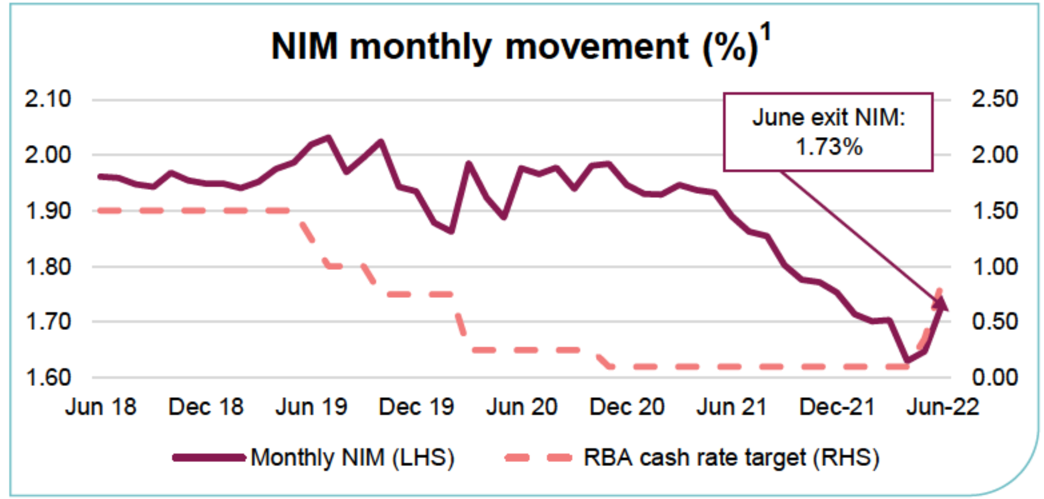
Impacted by competitive pressures, higher liquids and asset mix



Net interest margin

Impacted by competitive pressures partially offset by deposit pricing





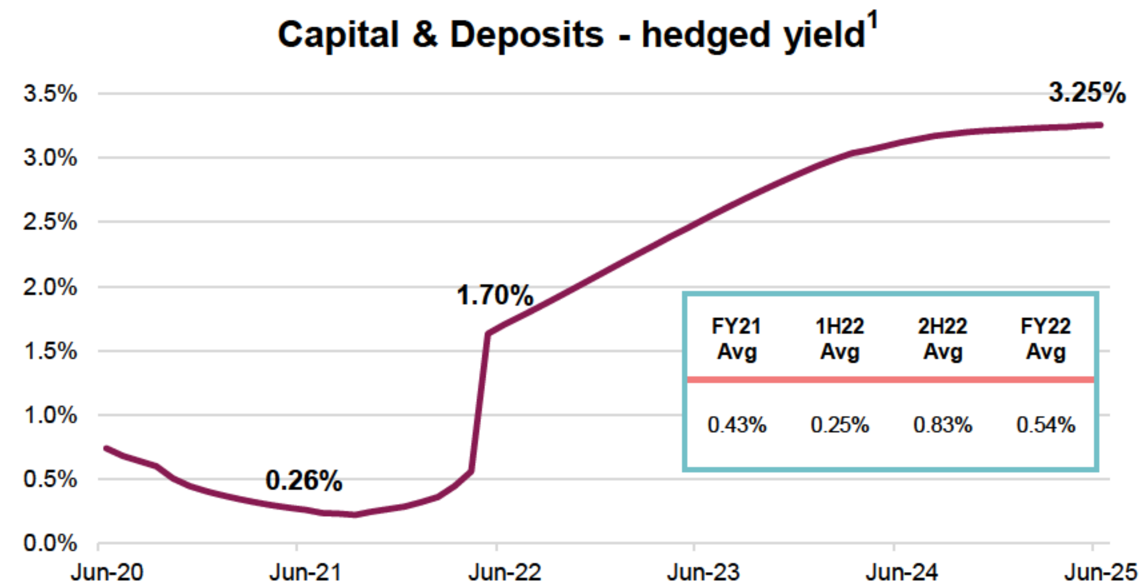
[1] Monthly NIM on a post revenue share basis

Net interest margin

Sensitivity to rising rate environment – Capital and deposit hedges

- Investment tenor extended in 2H22.
- Proportion hedged will vary over time
- **46bps** Group NIM benefit expected over next 3 years from impact of higher interest rates on replicating portfolio yields[1,2]
- **27bps** NIM benefit in FY23[1,2]
- Actual outcomes will be determined by a range of factors including, but not limited to: competition, future interest rates, capital and low rate sensitivity deposit volumes, AIEA volumes and investment strategy

	Portfolio Volume ($b)	Hedge Term (Years)	Hedged Yield (%)	
			FY22 Avg	2H22 Exit
Capital	4	2.5	0.50	0.83
Deposits	13	5	0.57	2.06
Total	17	2.5 - 5	0.54	1.70



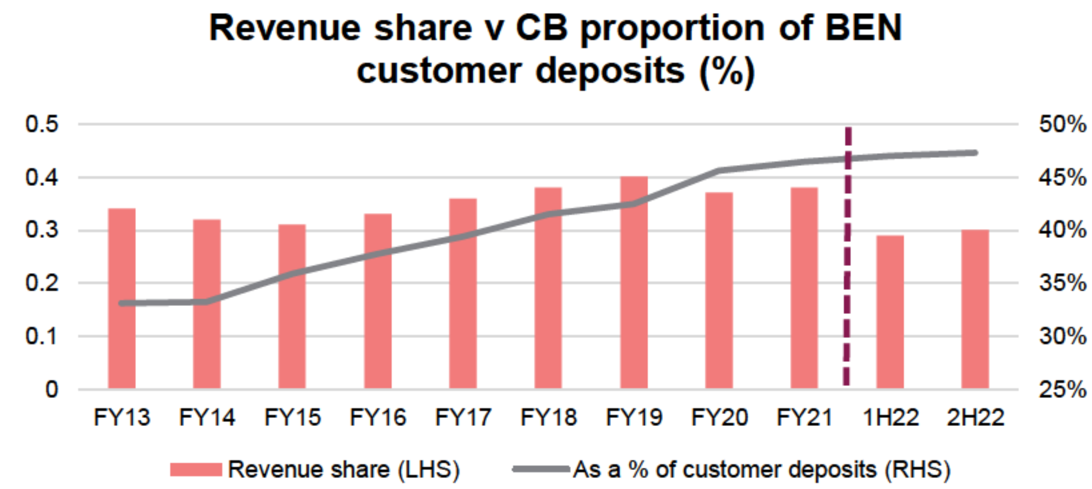
[1] Based on market-implied forward rates as at 9 Aug 22; and portfolio volumes and AIEA as at 30 Jun 22 (volumes assumed to be held constant).
[2] Based on comparison between FY22 average yield and FY25 average yield. Includes hedged and unhedged components.

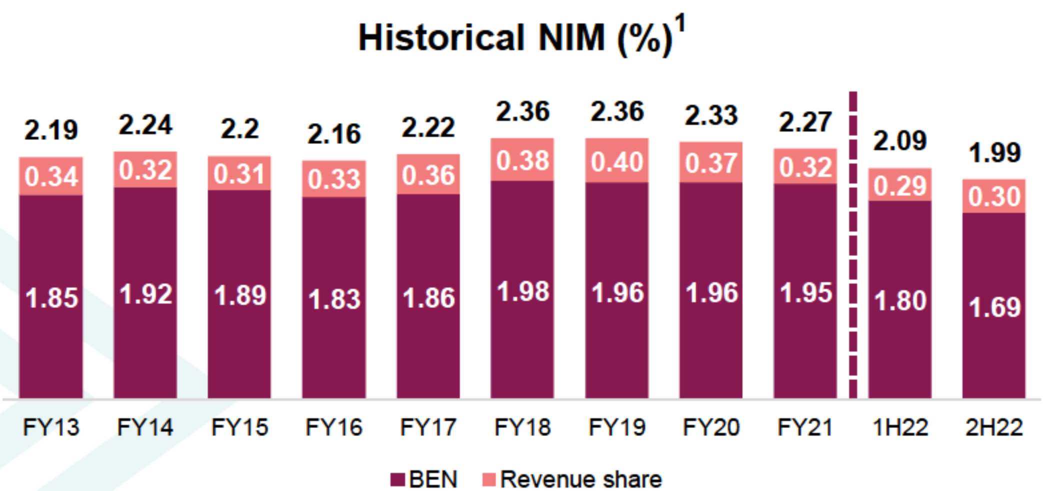
Bendigo and Adelaide Bank

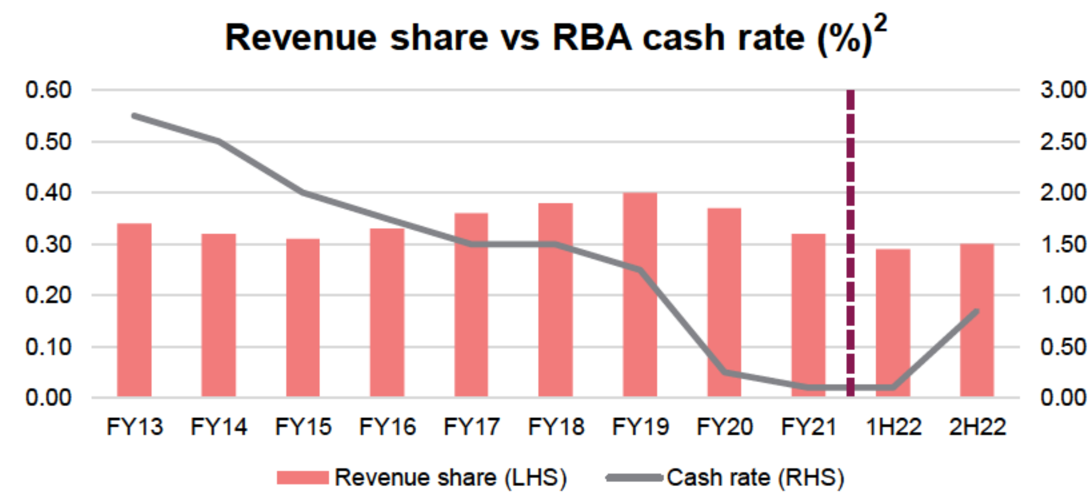
Net interest margin

Sensitivity to rising rate environment – Community Bank revenue share

- Revenue share is influenced by product NIM (impacted by cash rates) and Community Bank (CB) volumes
- Over time, CB footings have grown at faster rate than BEN portfolio particularly in deposits, with an increasing proportion of higher margin call deposits relative to term deposits. Until FY19, revenue share had been growing
- As cash rates declined and loan pricing fell, relative profitability of low cost CB deposits declined, which placed downward pressure on revenue share since FY19
- If historic trends continue, both rising cash rates and rising proportion of deposit funding sourced from CB will have an upward influence on revenue share to Community Bank and other partners



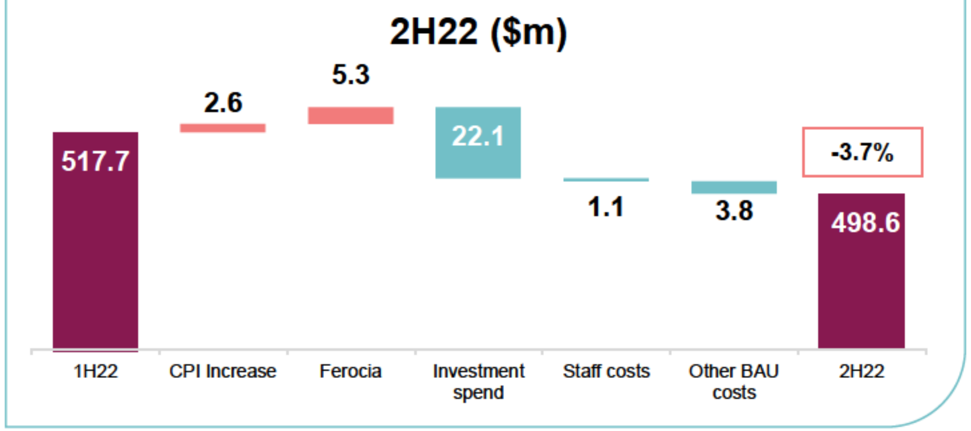


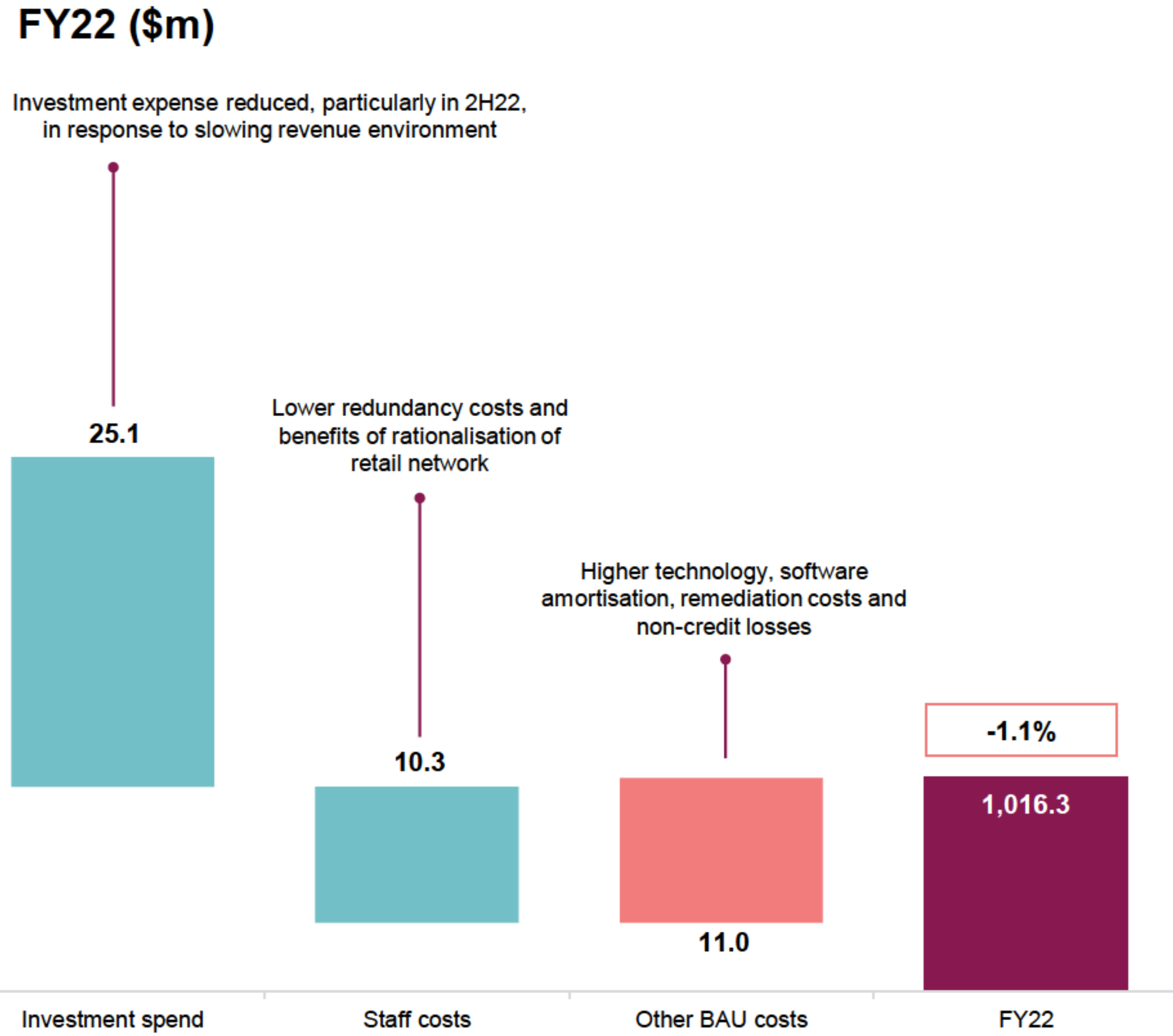


[1] Revenue share arrangements includes Community Bank and Alliance Bank
[2] RBA cash rate data as at end of period

Operating expenses

Costs managed prudently, appropriate to revenue environment

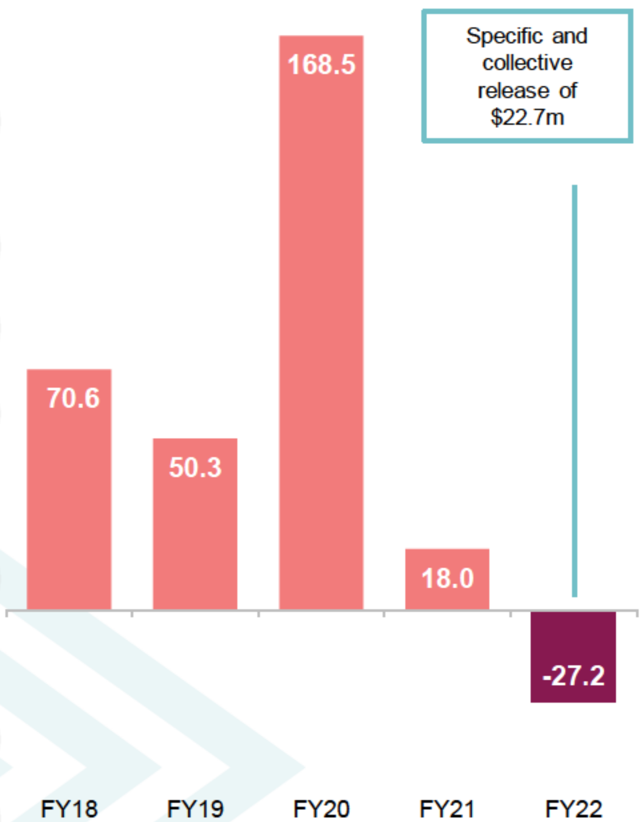




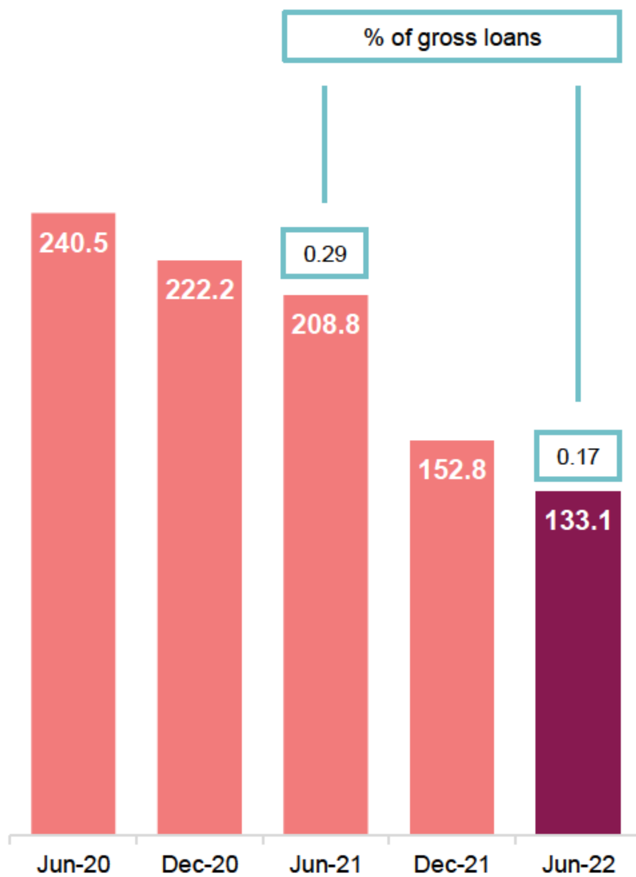
Credit quality

Continued reduction in credit expenses, supported by improving arrears

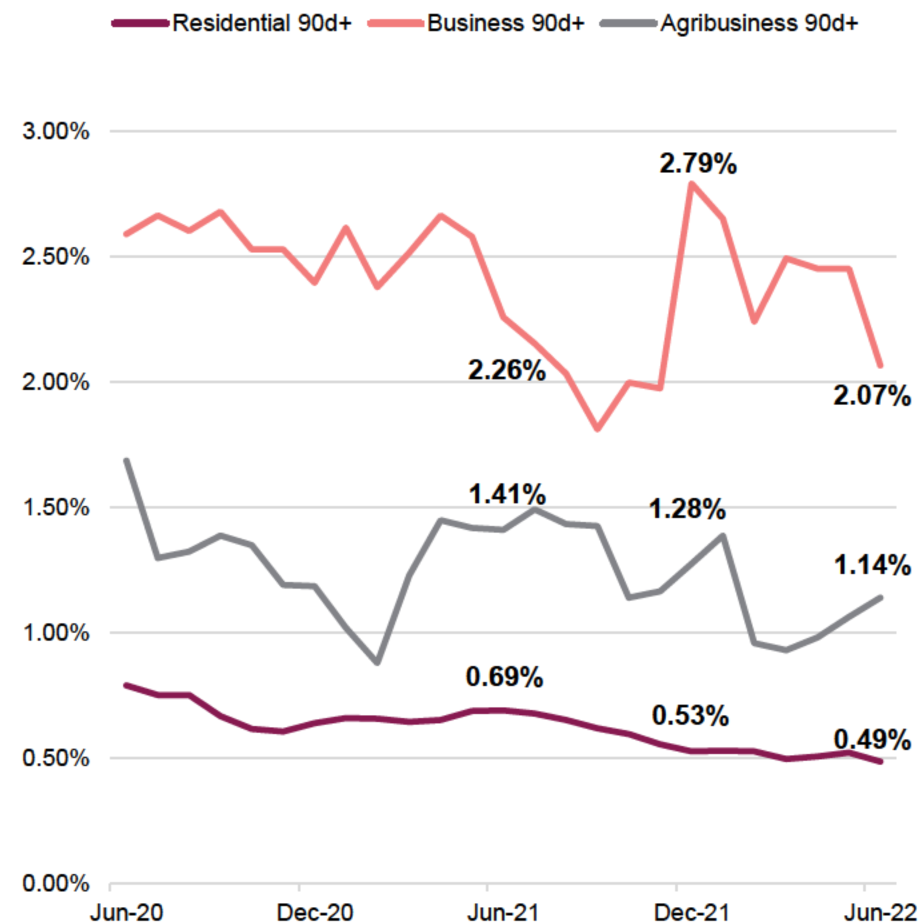
Credit expense ($m)



Gross impaired loans ($m)



Loan arrears

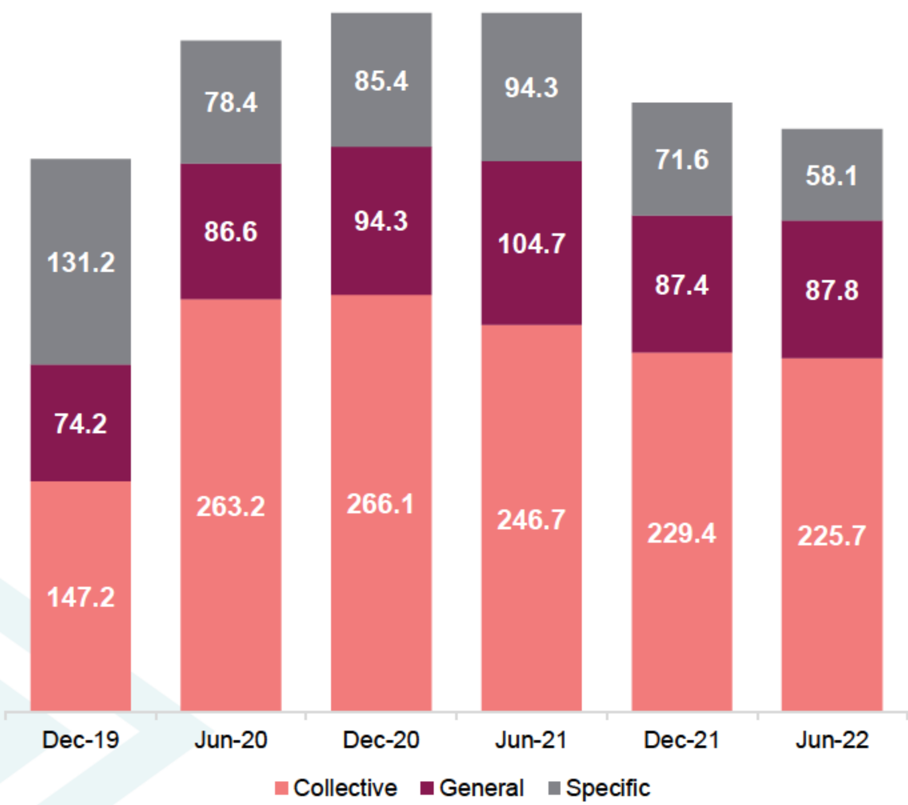


Note: Arrears include impaired assets and all arrangements

Provisioning

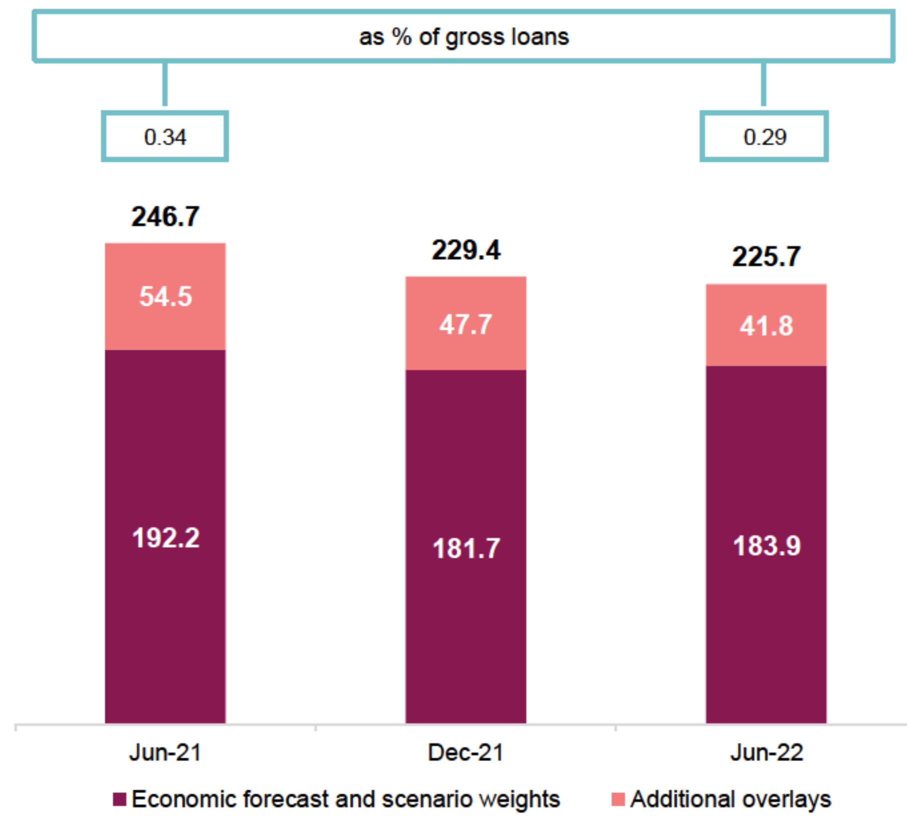
Reductions in COVID-19 overlays largely offset by increased sector overlays

Total provisions ($m)



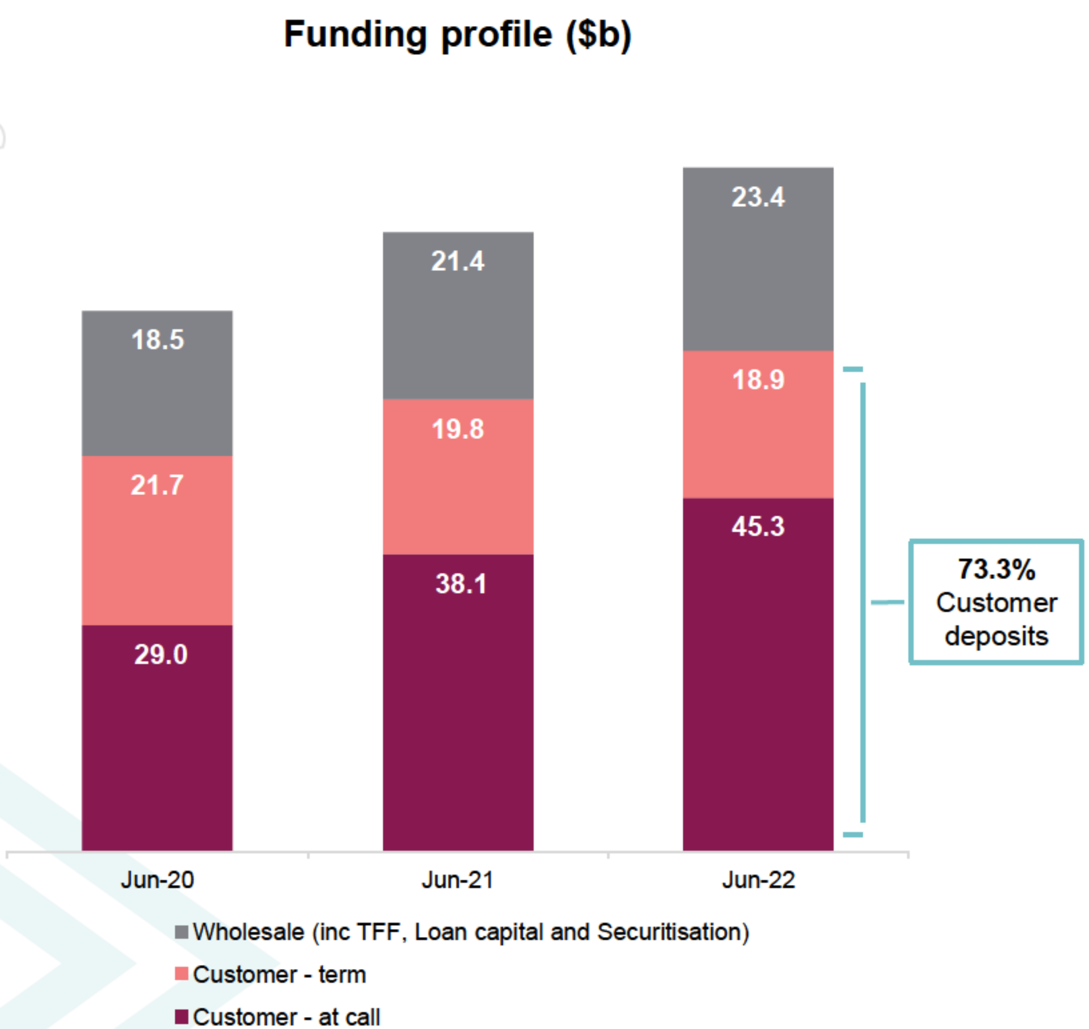
Collective provisions ($m)

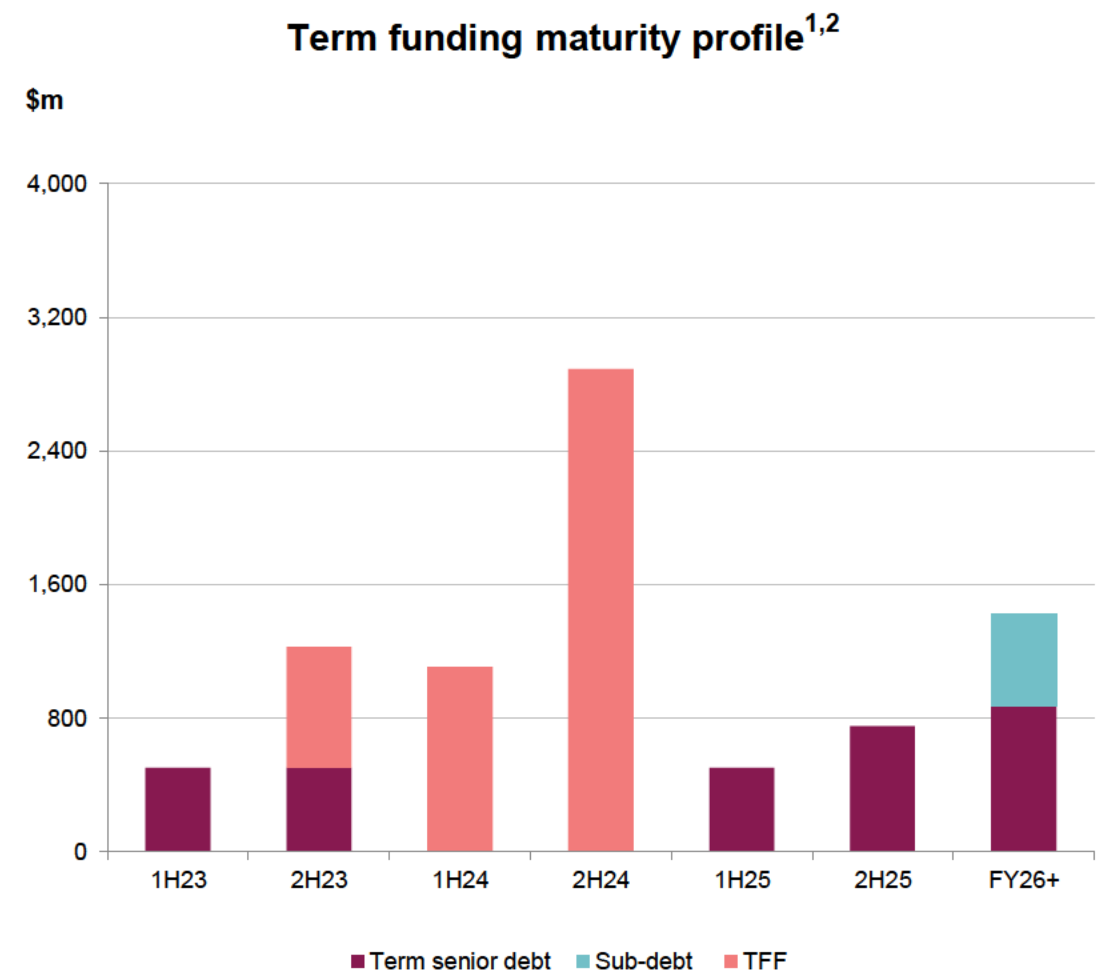
- Sector overlays reflect the risks associated with:
  - Significant appreciation in farmland values
  - Potential deterioration in business conditions and cashflow
  - Deteriorating condition in the construction industry



Funding and liquidity

Diverse range of funding across both retail and wholesale channels

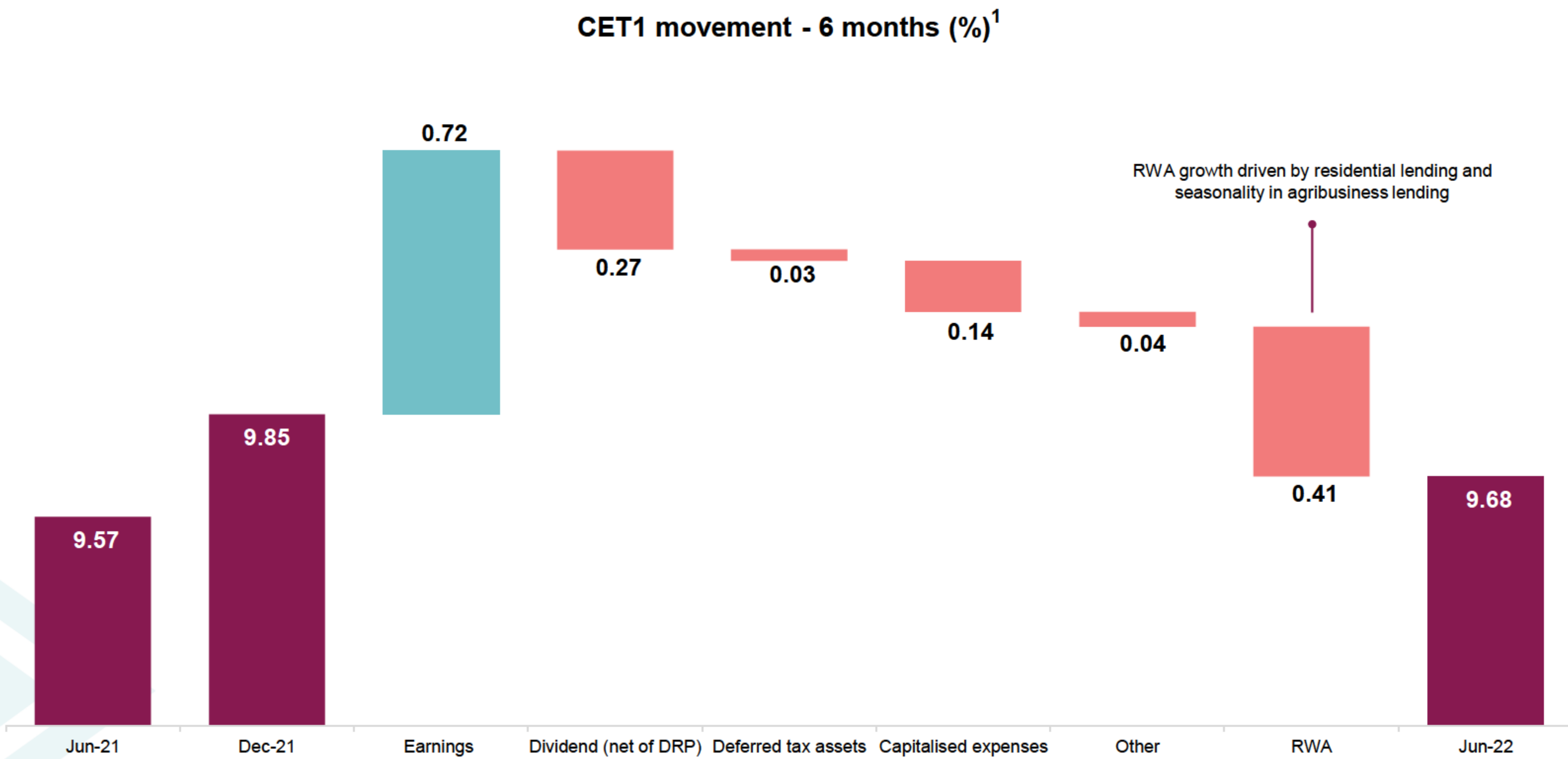




[1] Includes treasury issued products only
[2] Subordinated debt maturity refers to legal final maturity date.

Capital

Capital generation offset by growth in RWA and Capitalised Expenses

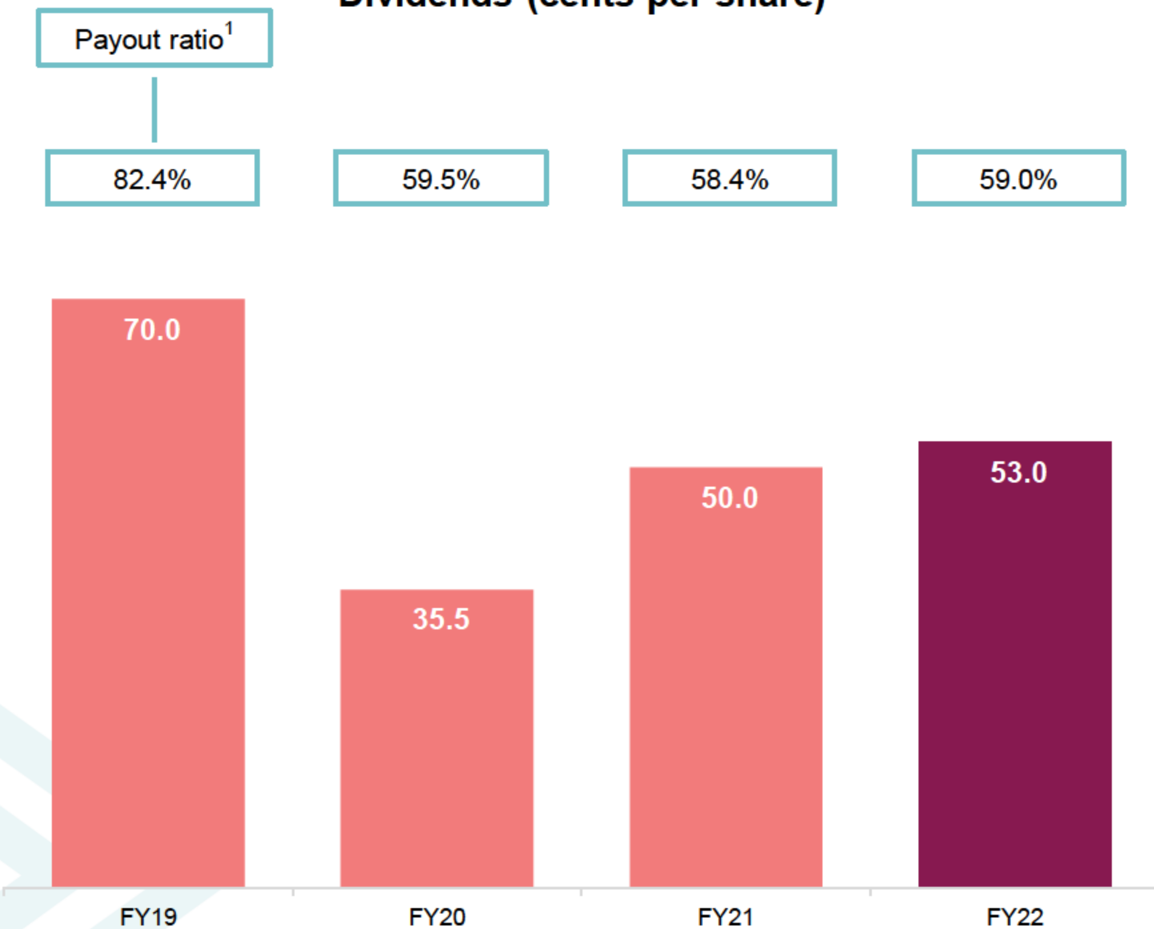


[1] Unrealised Homesafe revaluation revenue has been excluded from increases in retained earnings

Dividend

Increased DPS supported by solid business performance

Dividends (cents per share)



[1] Dividend payout ratio calculated on a cash basis

Capital considerations

- Dividend levels dependent on need to balance target capital levels, capital required to support balance sheet growth and desire to distribute imputation credits to shareholders
- Dividend levels managed to target range across the year, not by half
- Current expectation is that APS110/112 is expected to be broadly 'net neutral' after considering both the impact of the regulatory change and an increase in target capital levels

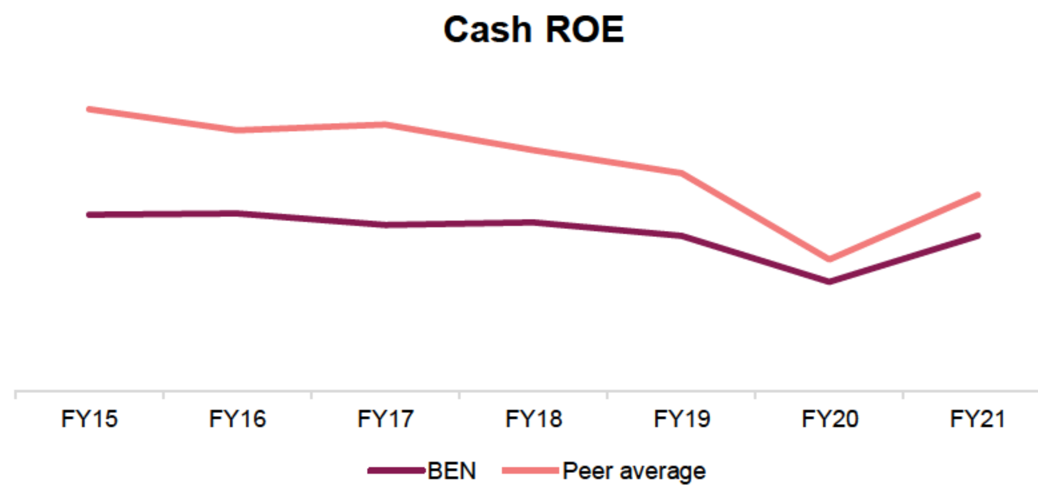
Medium term outlook

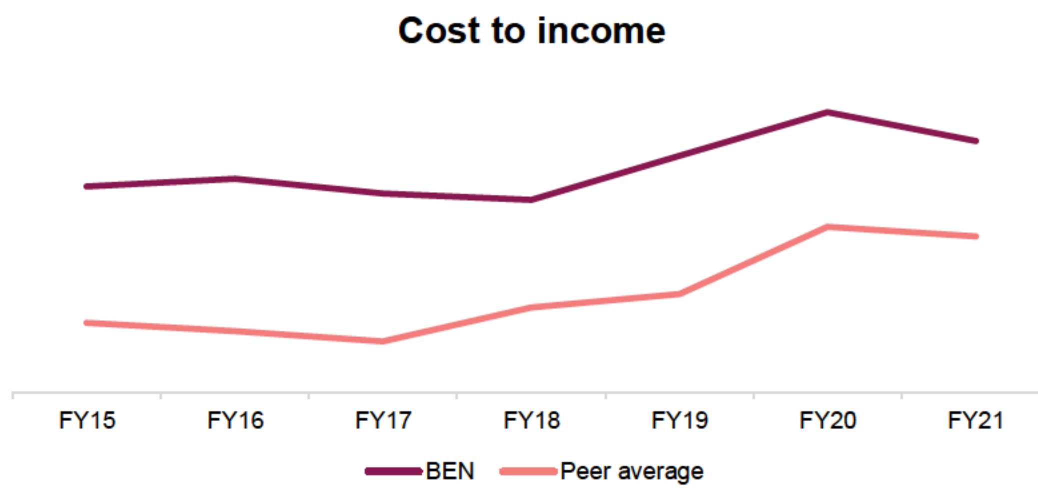
Income	• Expect subdued lending growth and heightened competition for deposits • NIM should benefit from new replicating portfolio settings, largely offset by higher revenue share payments which are likely to exceed historical levels • Other income expected to decline in FY23 due to non-recurring items and lower fees and commissions
Operating expenses	• Targeting broadly flat costs, noting various headwinds – increased investment opex, amortisation, wage and price inflation
Investment spend	• Continued total investment spend at current levels through FY24, then declining
Credit expenses	• Return to historical impairment levels over medium term

Priorities

Heightened focus on cost management and capital utilisation

1. Targeting ROE at levels closer to peers in order to lift organic capital generation
2. Heightened focus on cost efficiency and volume vs margin management
3. Improving returns on investment cases





Note: Peers average represents the average of the major banks and BOQ

BendigoandAdelaideBank

Summary

Marnie Baker
Managing Director

BendigoandAdelaideBank

In summary

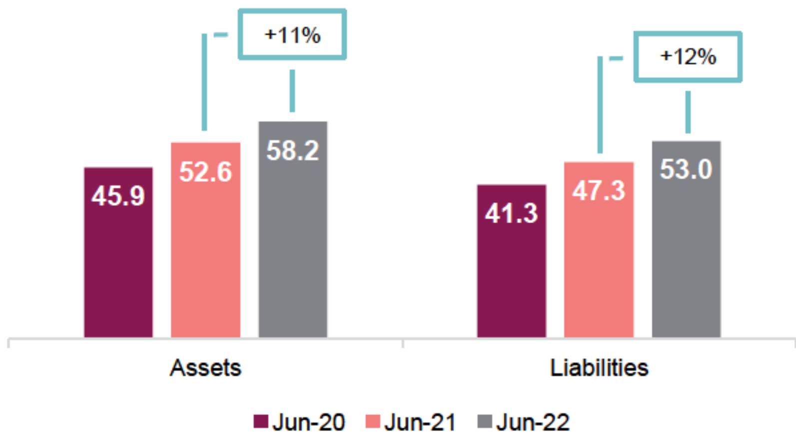
- Strategy remains consistent leveraging our unique strengths
- Resolute focus on customers and communities
- Rapidly changing environment
- Dynamic response required, with focus on factors within our control
- Strengthened focus on returns, execution and sustainability

Businesses and Divisions

Businesses and Divisions –

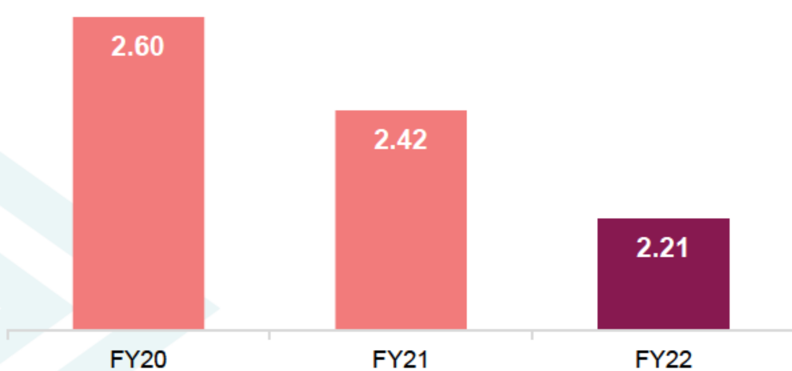
Consumer Banking

FY22 volume growth ($m)[1]

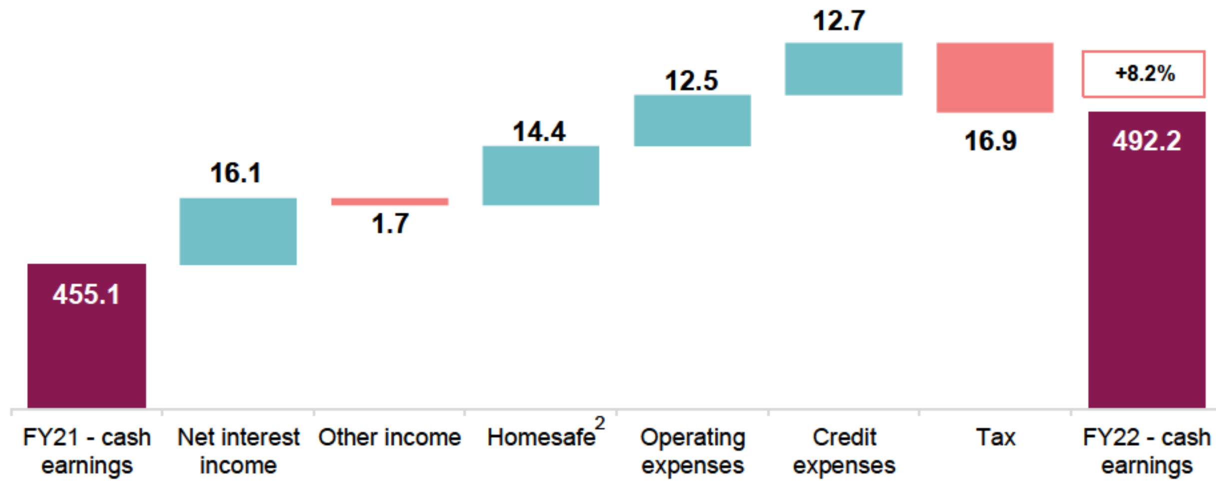


- Net interest income increase driven by stronger lending growth partially offset by declining NIM
- Decline in operating expenses due to the benefit of branch rationalisation and sale of merchant services to Tyro
- Credit expenses benefited from partial release of collective provision and lower specific provision charges

Divisional NIM (%)



Profit drivers ($m)



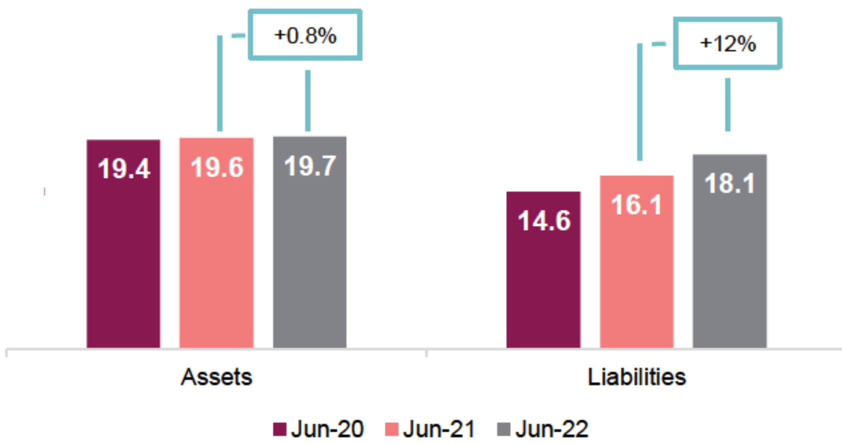
[1] Volume growth is based on assets and liabilities that are managed within the Consumer division as per he Appendix 4E segments. Includes investments.
[2] Homesafe net realised income after tax

Bendigo and Adelaide Bank

Businesses and Divisions –

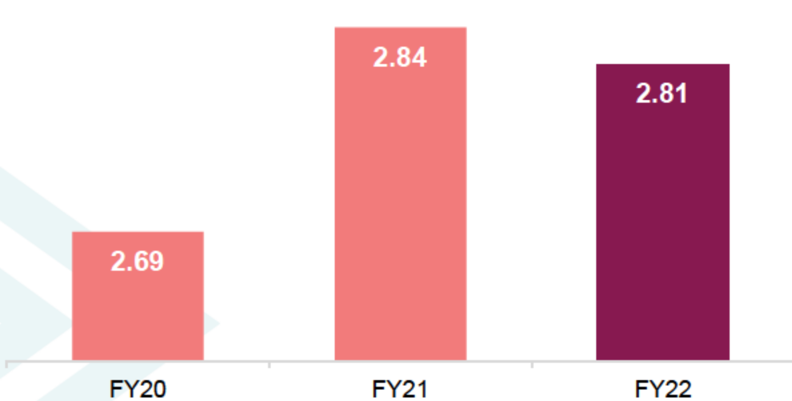
Business and Agribusiness Banking

FY22 volume growth ($m)[1]

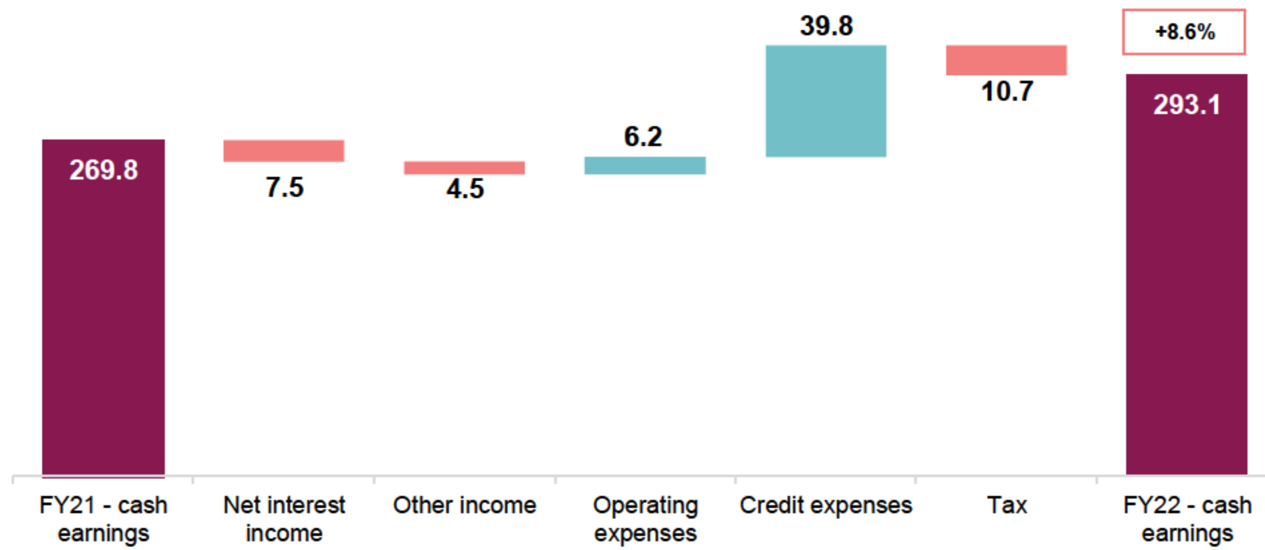


- Net interest income decrease driven by lower average balances and declining margins over the year
- Other income decrease due to lower revenue from government services business partially offset by higher foreign exchange income (easing travel restrictions)
- Operating expenses decrease mainly due to lower staff costs (government services business and lower redundancies)
- Credit expense benefited from partial release of collective and specific provision

Divisional NIM (%)



Profit drivers ($m)



[1] Volume growth is based on assets and liabilities that are managed within the Business and Agribusiness division as per the Appendix 4E segments. Includes investments.

Businesses and Divisions

Up - Australia's leading digital bank

Most Trusted Bank[1]
and
#1
Rated banking app[2]
with **NPS of 72**[3]

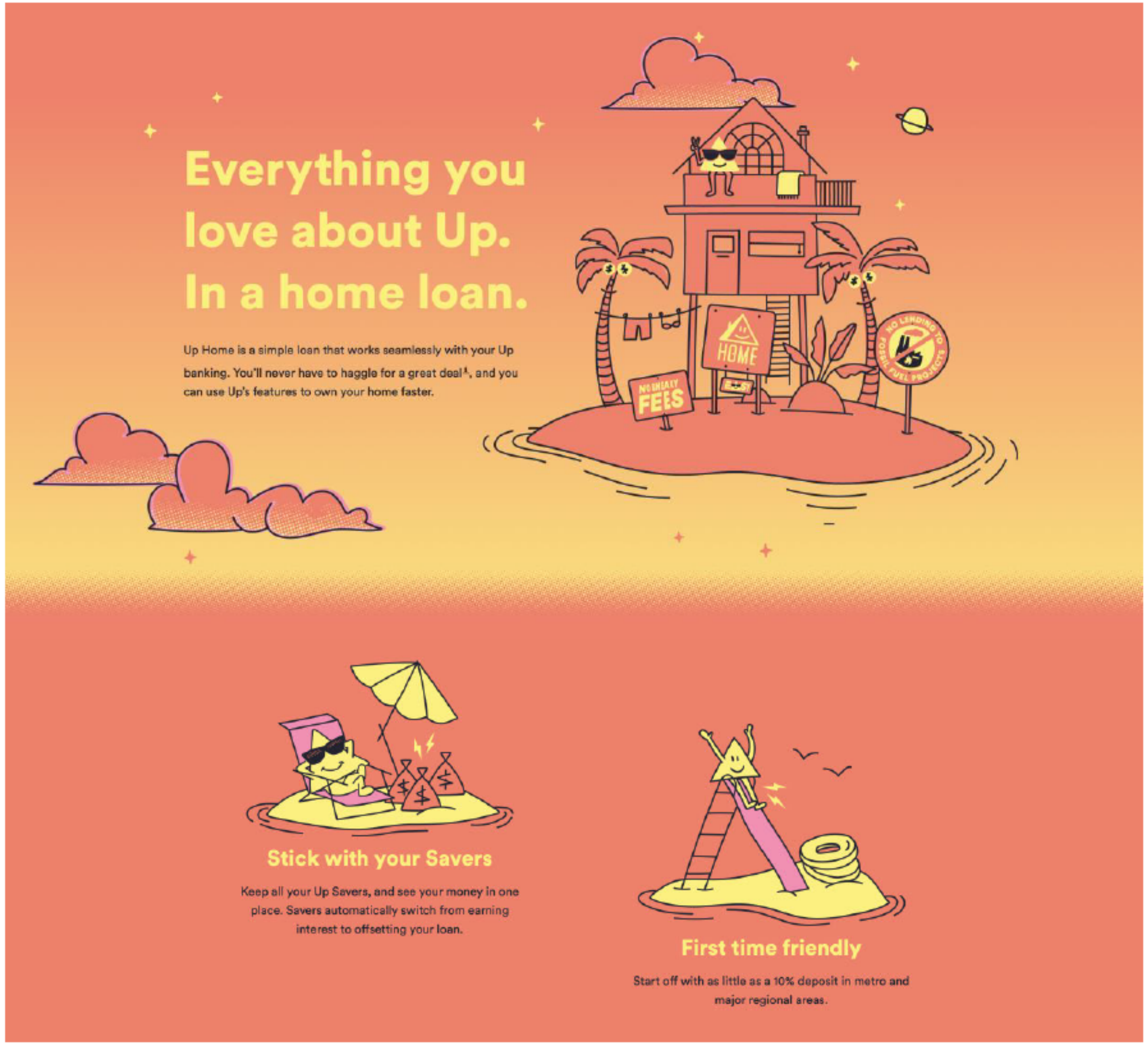
550,000
Customers of which 47% are considered 'active monthly'

Up Home
Soft launch in July 22 leveraging Tic:Toc platform

54,000+
Customers with home buyer savings intentions identified

$1bn+
Of Deposits
>30% growth in balances yoy
~3.1% growth mom in accounts
@below-peer interest cost

Maybuy
launched in August 2022



[1] DBM Australian Financial Awards 2022 – 16 May 2022
[2] Up is rated the #1 banking app on the App Store (4.9) and Google Play (4.3) as at 31 Jul 2022
[3] Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling average as at June 22

Bendigo and Adelaide Bank

Businesses and Divisions

Community Bank - 'Profit with purpose' model

307
Community Bank branches across Australia

Over **$272m** in community contributions[1]

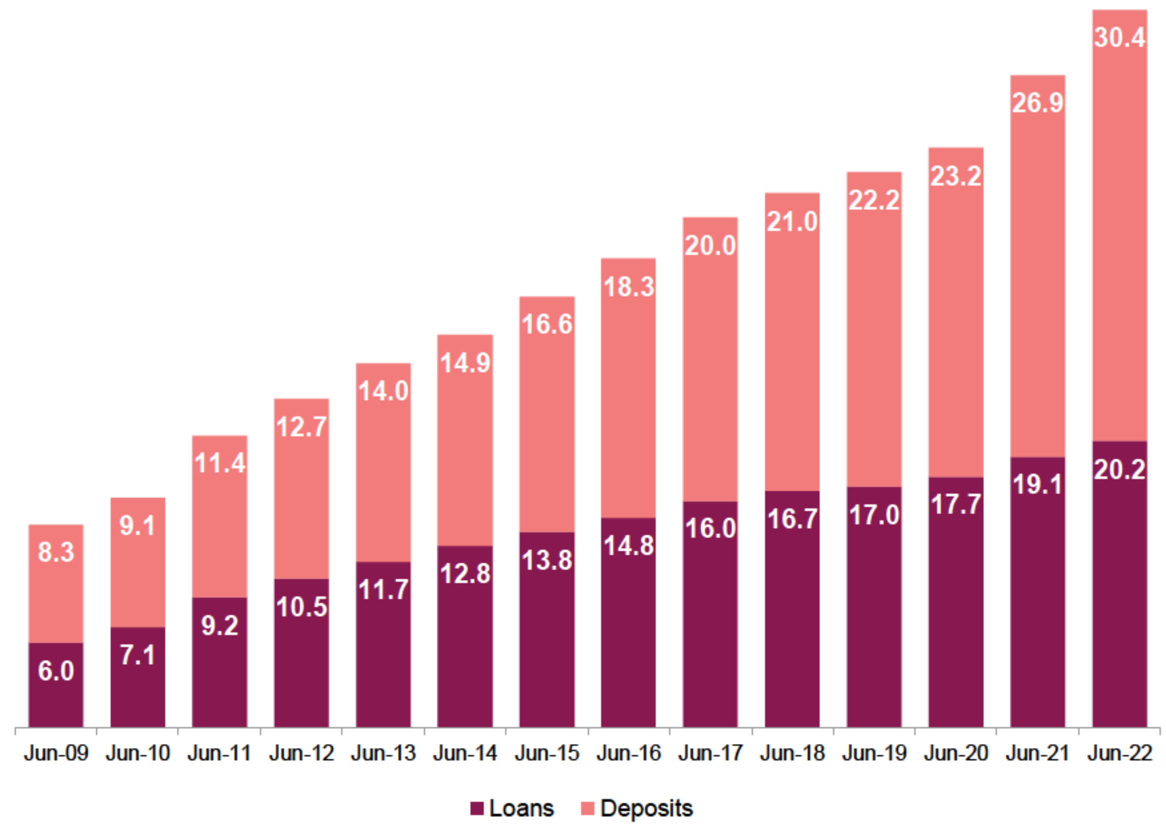
915,000+
Local customers and organisations'

70,000+
Community Bank shareholders and 1,600+ directors

Investments have supported critical local sporting, education, health, arts and cultural initiatives

Community Bank footings ($b)[2]

Community Bank branches are a significant source of stable customer deposits for the broader Group, increasing $2.5b in FY22



[1] Includes total sponsorships, donations and grants – data as at 30 June 2021
[2] Community Bank footings include Private Franchises (4 branches in total). Loans and deposits includes total lending and deposits in Community Bank's from bo h personal and business customers

BendigoandAdelaideBank

Businesses and Divisions

Community Bank – How the revenue share works

Community Bank footings → Interest rate +/- FTP rate[1] = Margin income → **50/50 split** between BEN and Community Banks

50% Margin income share plus a share of upfront fees and commissions – **Operating costs** Including staff costs, occupancy/branch, insurance and utilities = **Community Bank profit** Distributions to Community Bank shareholder (maximum of 20%)[2] and to the community through grants, donations and sponsorships

Note: Community Bank footings include home loans, business loans, credit cards, margin loans, at call accounts, term deposits. FTP is not used across all products.
[1] FTP = Fund Transfer Pricing. FTP methodology is independently audited.
[2] Dividend calculation is subject to terms and conditions.

Businesses and Divisions

Tic:Toc - Leading Digital Home Loan platform

3 primary drivers of Tic:Toc's value for BEN:

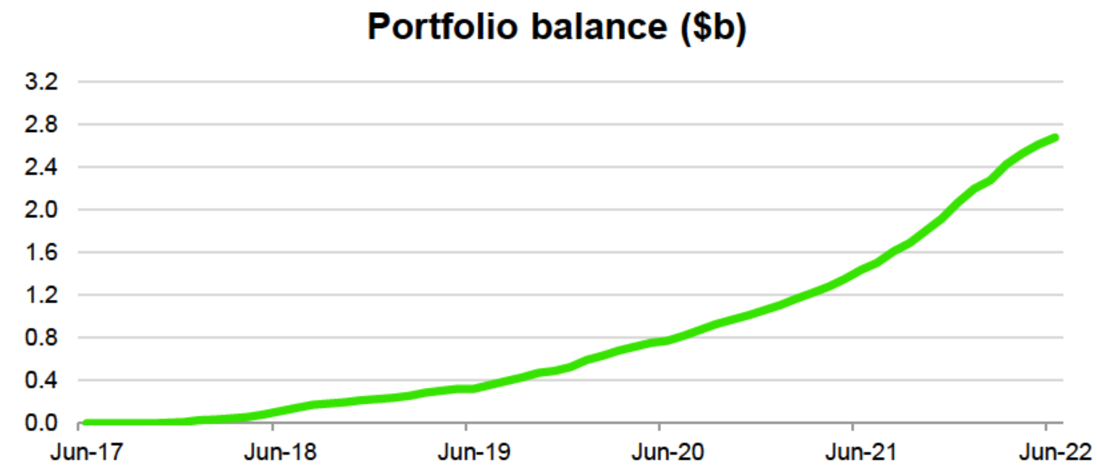
1. Platform drives significant and high-quality home loan volumes

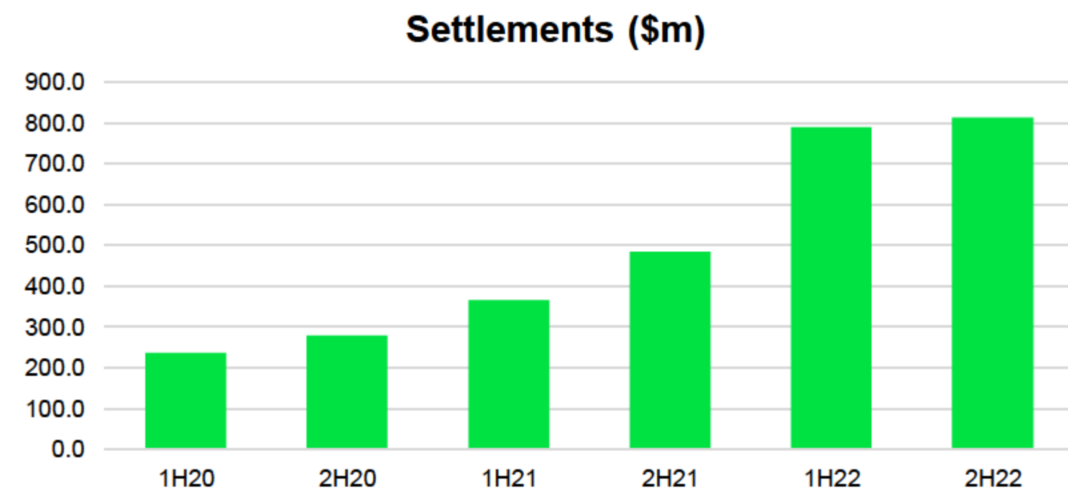
- 64% increase YoY in home loan approvals
- 87% increase YoY in home loans settlements
- 90d+ arrears rate of 0.02% (2H22) remains well below industry average.
- <2% Tic:Toc volume has DTI >= 6X compared to 23% across ADIs[1]

2. Tic:Toc adds capability and know-how

- Lower cost of home loan origination for the Bank via Tic:Toc Home Loans, Bendigo Express digital home loan and future digital home loan propositions
- Powering new digital product, Up Home, soft launch in 2022
- Machine guided decisioning enables Tic:Toc assessors to be >8x more efficient than traditional lending processes
- Platform automation levels enable loan fulfillment with as little as 6 minutes of human effort. Median turnaround time for customers across Tic:Toc's platform is <1 day
- Tic:Toc's platform is configured and licensed for two of Australia's largest five banks, and 17 SaaS customers

3. Bendigo and Adelaide Bank has a 27% shareholding





[1] APRA Monthly Banking Sta istics June 2022

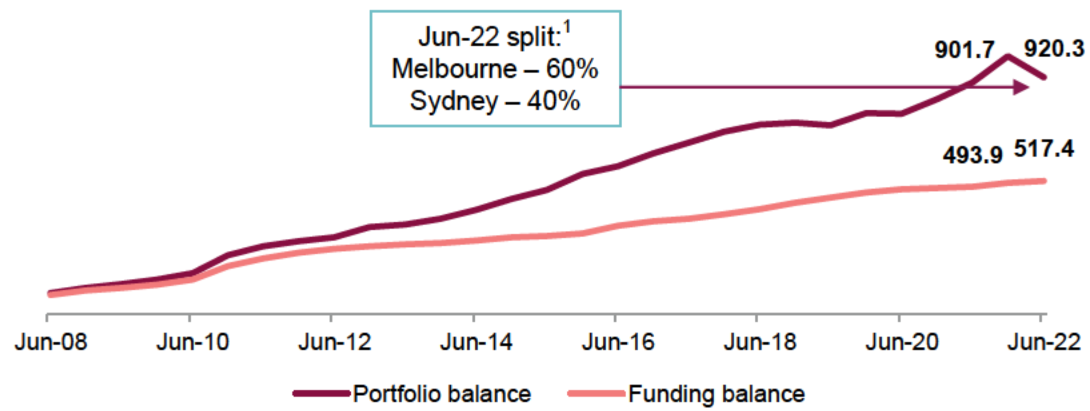
Businesses and Divisions

Homesafe

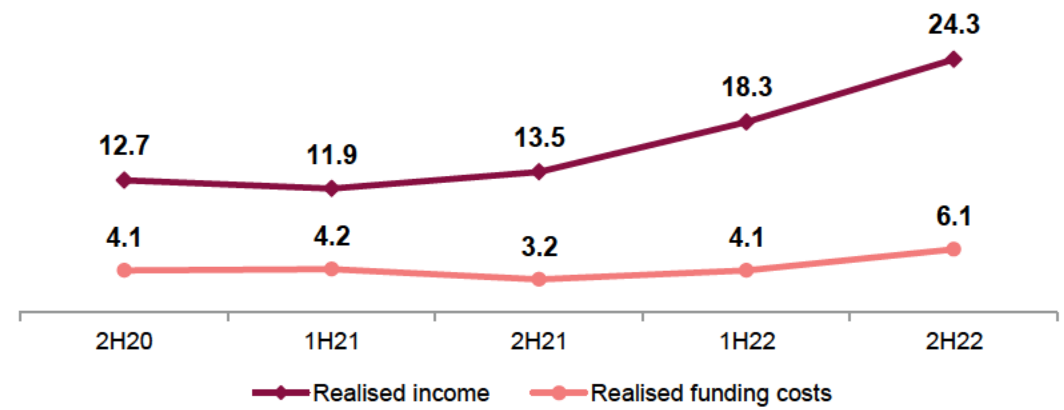
- The value of completions has led to a strong contribution to cash earnings in 2H22
- Proceeds on contracts completed during 2H22 exceeded carrying value by $3.0m
- Average annual return on completed contracts since inception is 9.8% p.a, pre funding costs
- Property valuation growth assumptions amended -5% year 1, -2% year 2 and +4% year 3+
- Property values would need to fall by 44% before any impact on regulatory capital
- Continue to actively engage with interested parties

	2H22 ($m)	1H22 ($m)	2H21 ($m)
Discount unwind	13.7	13.1	11.7
Profit on sale	3.0	4.9	3.5
Property revaluations	(83.8)	87.6	60.9
Total	**(67.1)**	**105.6**	**76.1**

Homesafe portfolio & funding balance ($m)



Realised - income vs funding costs ($m)



[1] % split of portfolio calculated on total portfolio balance

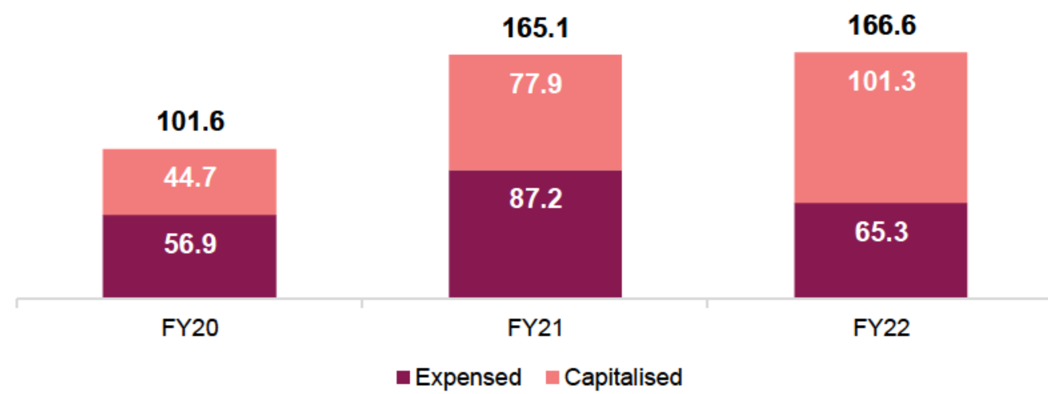
Investment spend

Continuing to invest for longer-term simplification benefits

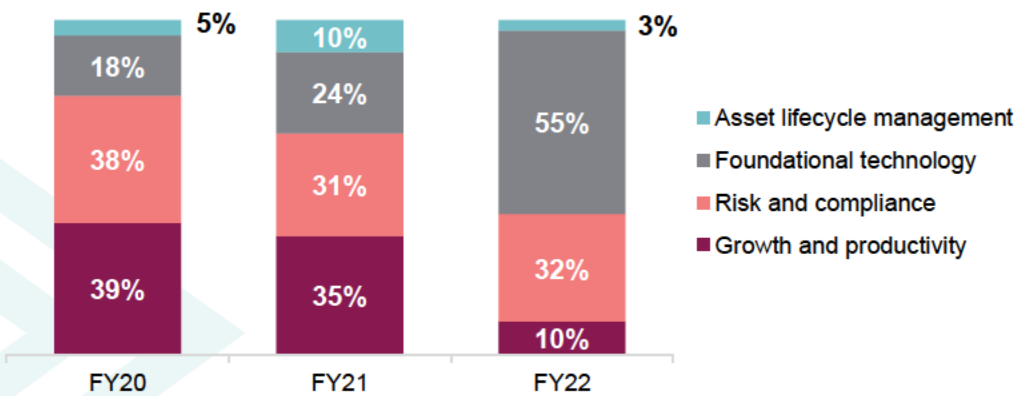
Top 5 projects by spend ($m):

- Core banking simplification (foundational technology)
- Foundational lending (foundational technology)
- Delphi bank integration (foundational technology)
- Open Banking data assets (Risk and compliance)
- Up Digital Bank

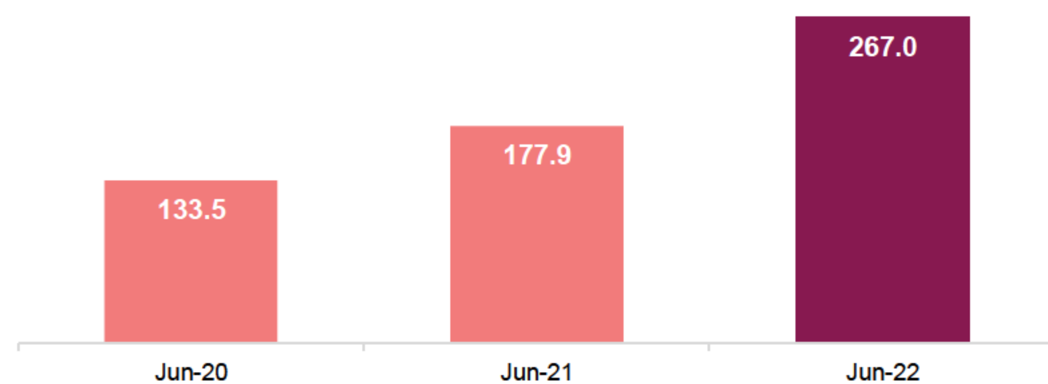
Investment spend ($m)[1]



Investment classification



Capitalised software balance ($m)[2]



[1] FY22 expense portion includes $3.1m from Alliance Bank restructure costs which are treated as a non-cash adjustment
[2] Capitalised software balance includes software under development

Bendigo and Adelaide Bank

Financials

Transformation program

	FY19	1H22	FY22	FY24
# brands	13	10	10	3
# core banking systems	8	8	7	1
# IT applications	650	570	491	325
% applications in the Cloud	1%	13%	19.9%	50%
% of API re-use	0%	25%	26%	40%
Median time to decision (home loans)[1]	22 days	14 days	13 days	≤1 day
% automated credit decisioning (home loans)[2]	0%	~10%	~10%	70-90%
% active eBanking customers[3]	58.3%	65.9%	68.0%	90%
% sales by digital channels[4]	19.2%	22.2%	23.9%	60%

[1] Median ime to decision (home loan) relates to Third Party Banking channel. Median time to decision (unconditional) includes pending and withdrawn loans. The actual average time to "initial" (conditional) decision as published in BrokerPulse May 2021 excludes pending and withdrawn loans and Adelaide Broker average time to initial decision is currently 5 days (#7 in the market)
[2] Includes loans originated through BEN Express and Tic:Toc platform
[3] Covering approx. 92% of the Group customer base including Bendigo Bank and Up customers. Active eBanking customers defined as customer >12yo and used eBanking in last 3 months (Bendigo Bank) and last 1 month (Up)
[4] A change to the reporting methodology in January 2022 resulted in a data cleanse and restating the 1H22 result from 24.7% to 22.2%.

Lending, funding and liquidity

Lending, funding and liquidity

Residential lending portfolio

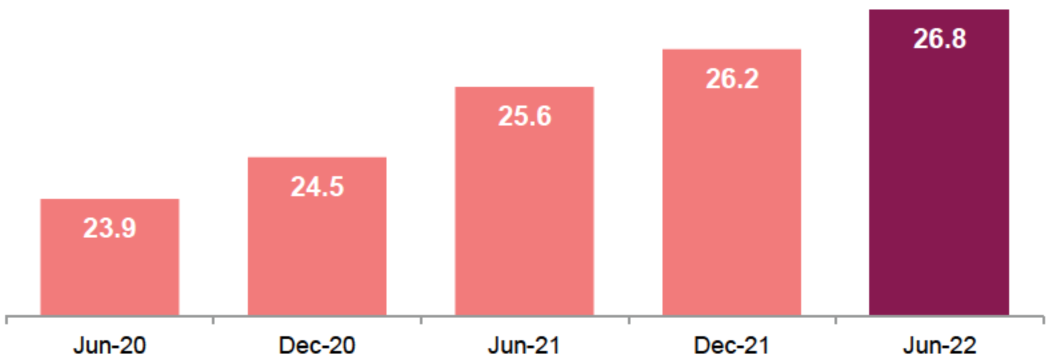
Residential metrics[1, 2, 3]	Flow		Portfolio		
	2H22	**1H22**	**Jun-22**	**Dec-21**	**Jun-21**
Retail lending	36%	44%	48%	50%	51%
Third Party Banking lending	64%	56%	52%	50%	49%
Lo Doc	0.01%	0.01%	0.4%	0.5%	0.7%
Owner occupied	77%	71%	69%	67%	66%
Owner occupied P&I	95%	94%	95%	94%	93%
Owner occupied I/O	5%	6%	5%	6%	7%
Investment	23%	29%	31%	33%	34%
Investment P&I	69%	69%	65%	63%	60%
Investment I/O	31%	31%	35%	37%	40%
Variable	76%	46%	57%	53%	59%
Fixed	24%	54%	43%	47%	41%
First home buyer %	19%	14%	13%	12%	11%
Mortgages with LMI	5%	7%	13%	15%	17%
Negative equity			0.12%	0.25%	0.40%
Average LVR	65%	66%	55%	56%	56%
Dynamic LVR			52%	55%	58%
Average loan balance	$469k	$455k	$290k	$278k	$267k
90+ days past due			0.49%	0.49%	0.65%
Impaired loans			0.06%	0.08%	0.10%
Specific provisions			0.02%	0.03%	0.04%
Loss rate			0.003%	0.002%	0.006%

[1] Loan data represented by purpose. Excludes Alliance Bank and Keystart data. Arrears includes impaired loans and all arrangements.
[2] Average LVR based on unweighted accounts. Flow metric is based on origination LVR, portfolio is based on current LVR (current balance against security value on file)
[3] Dynamic LVR is defined as current balance/current valua ion and is not audited (calculated for Residential Security only and excludes Delphi and Portfolio Funding exposures (2.1% of total EAD))

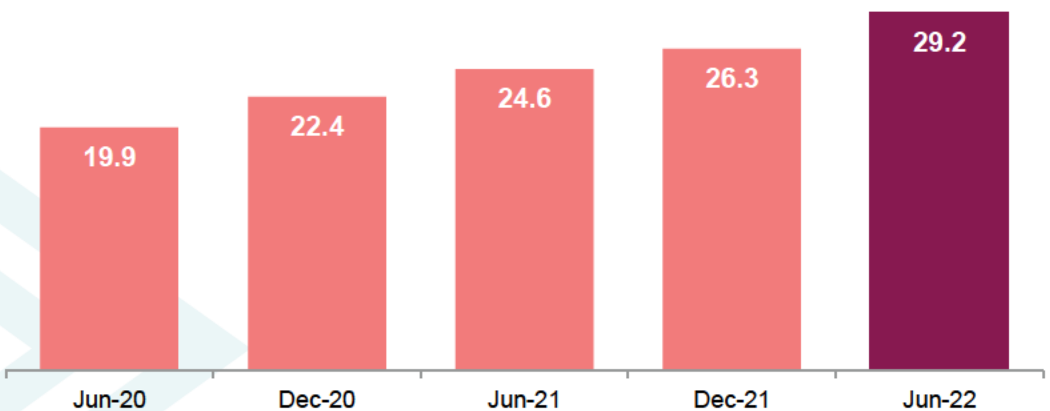
Lending, funding and liquidity

Residential lending portfolio

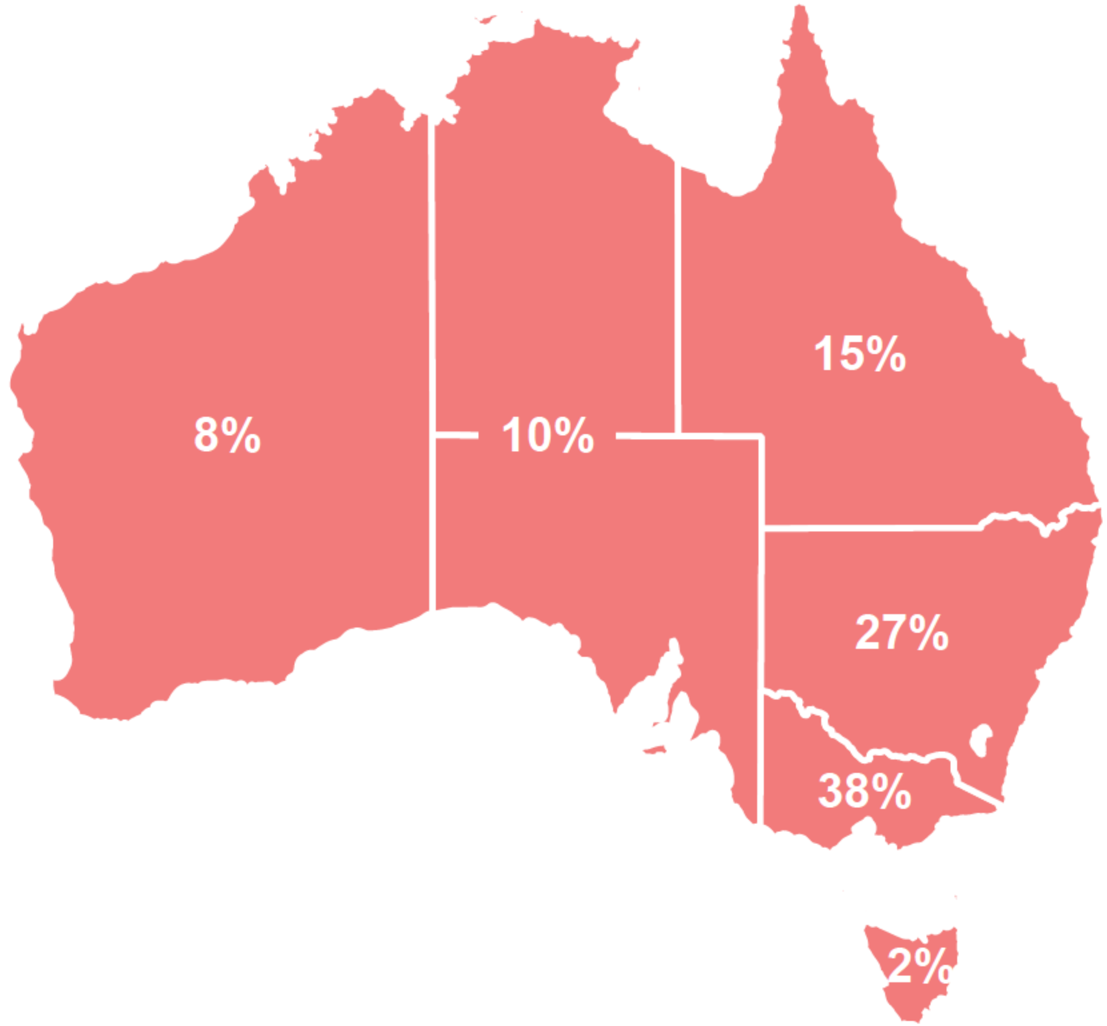
Retail - portfolio ($b)[1]



Third Party Banking - portfolio ($b)[1]



Residential balance by state



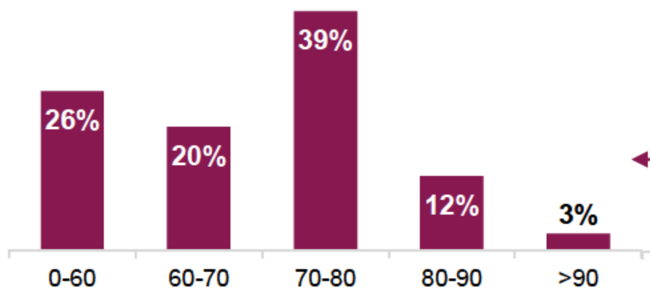
[1] Loan portfolio balances are represented by purpose, constructed from internal data and includes line of credit products. Retail includes Delphi, excludes Alliance Bank and Portfolio Funding

BendigoandAdelaideBank

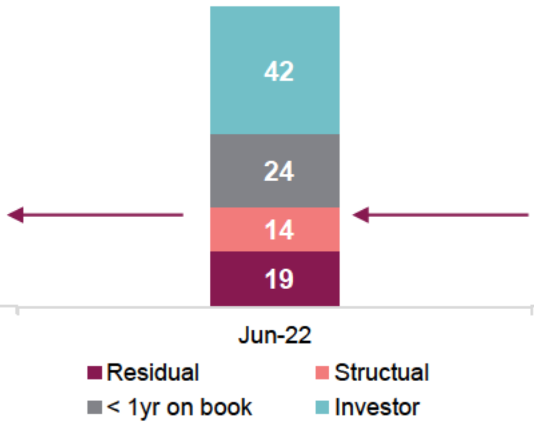
Lending, funding and liquidity

Residential lending portfolio

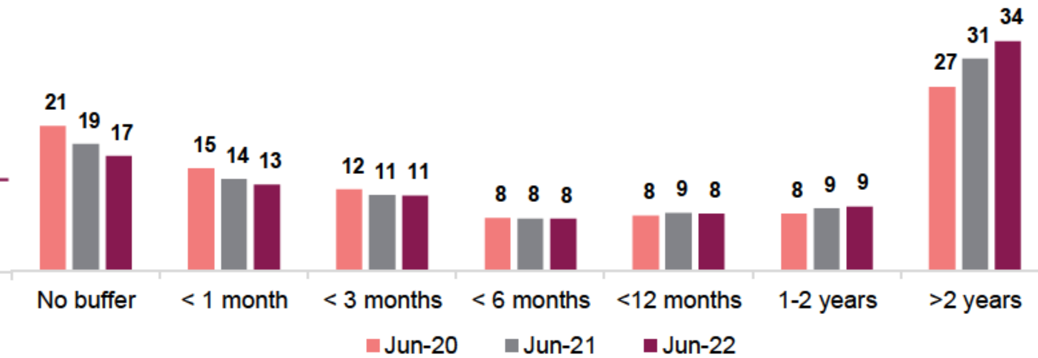
Current LVR of no buffer and <1 month ahead (% EAD)
Strong LVR profile



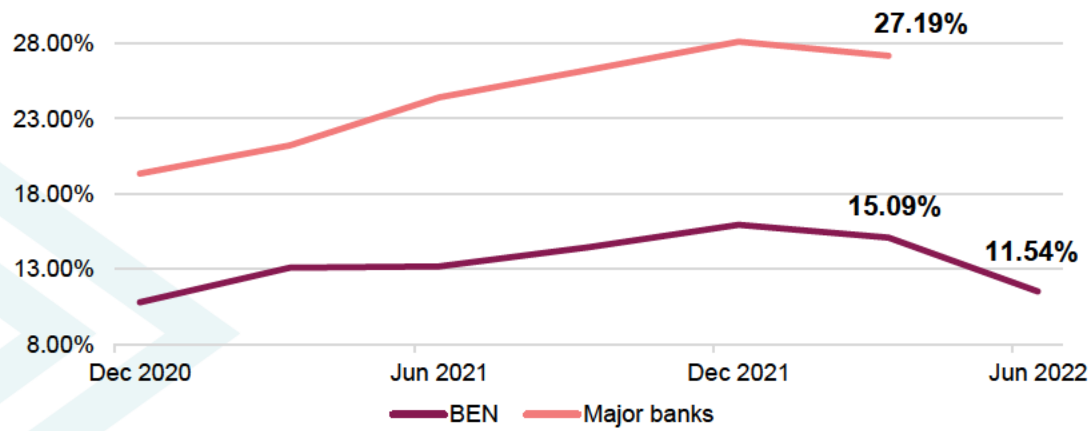
Composition of no buffer and <1 month ahead (% of EAD)



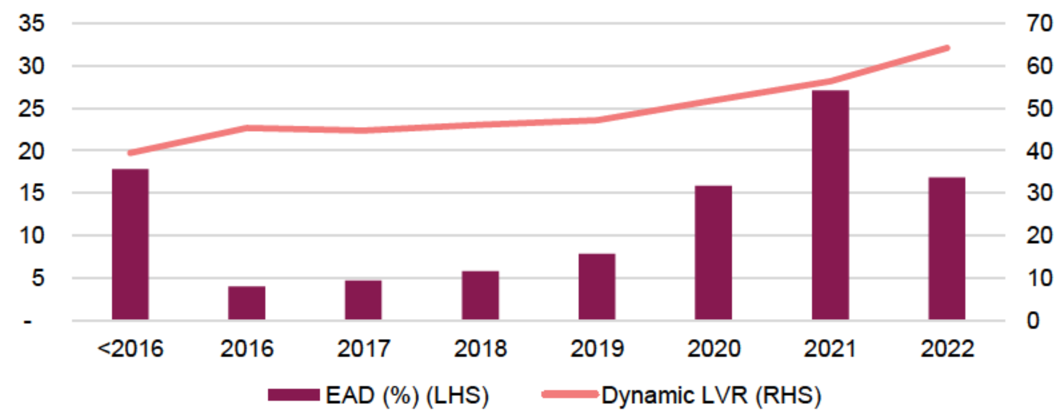
% of exposures by payments in advance (including offsets)[1]



BEN v major banks – new originations DTI >6 times[2]



Residential Lending at Jun 2022 by vintage - % EAD vs dynamic LVR (%)[3]

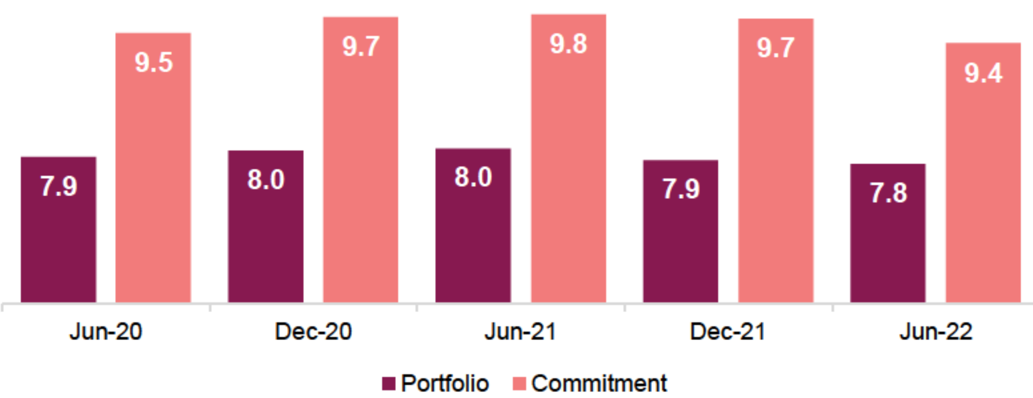


[1] Number of monthly payments ahead of minimum monthly payment (based on pre-arrangement); includes offset facilities and excludes HELOC products. Available for Retail, Third Party Banking and Alliance Bank Partners (94% of exposures)
[2] APRA Quarterly authorised deposit-taking institution property exposure statistics – Dec 2020 to Mar 2022 and the Bank's statistics
[3] Dynamic LVR is defined as current balance/current valuation and is not audited (calculated for Residen ial Security only and excludes Delphi and Portfolio Funding exposures (2.1% of total EAD))

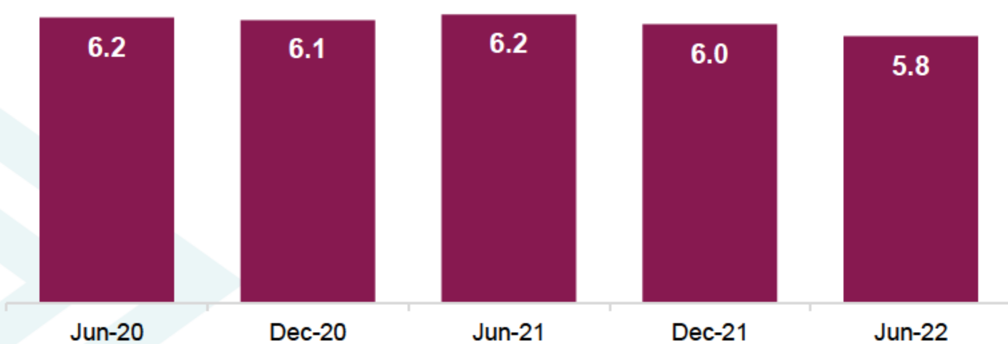
Lending, funding and liquidity

Business lending portfolio

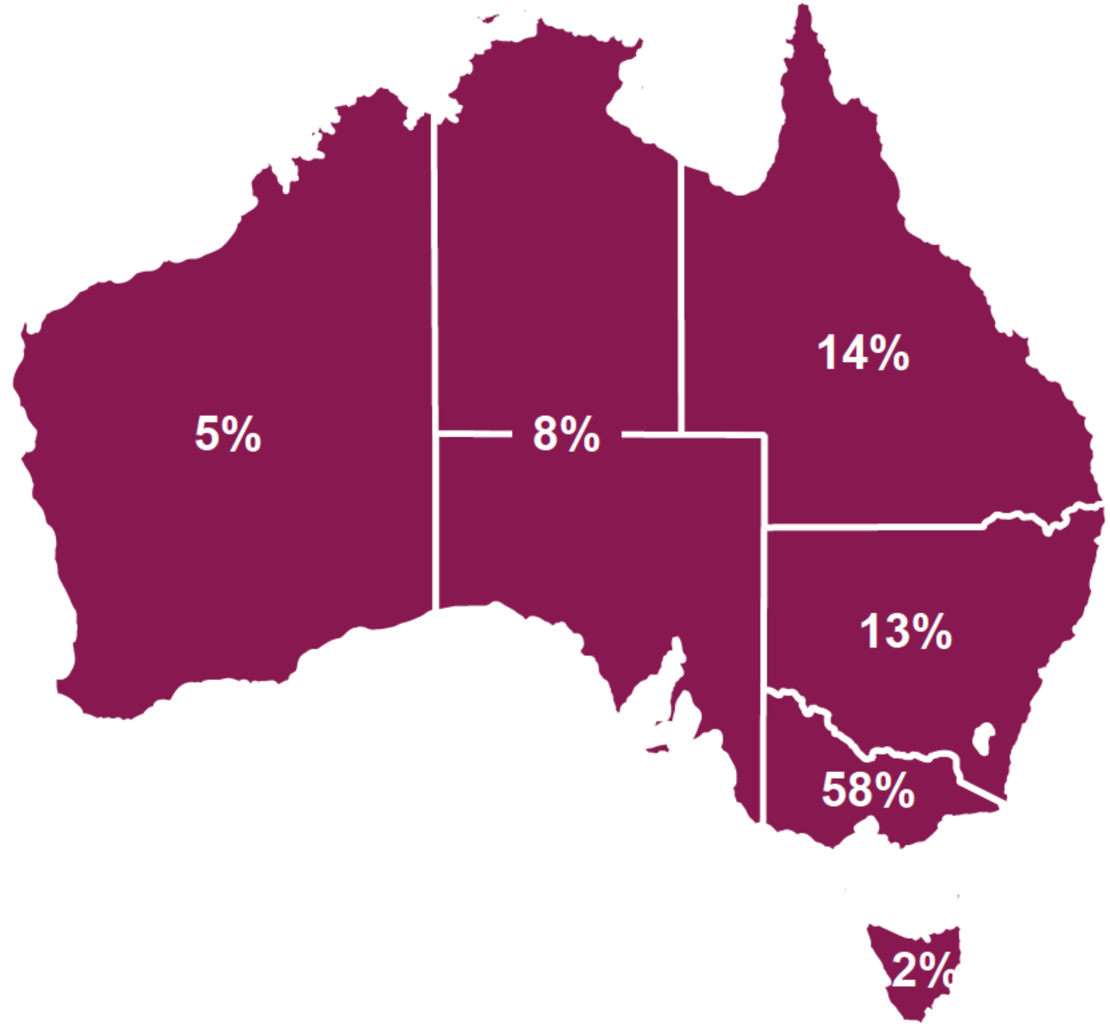
Business portfolio ($b)[1]



SME segment ($b)[2]



Business balance by state



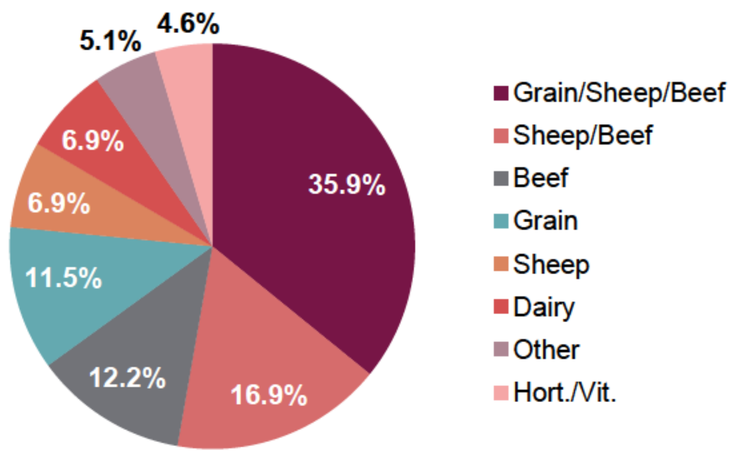
[1] Business portfolio balances are represented by purpose, constructed from internal data and includes line of credit products. Excludes Portfolio Funding
[2] SME is an internal defini ion using Small Business, Middle Markets, Delphi, Equipment Finance, Debtor Financing and Adelaide Bank Commercial Broking.

Bendigo and Adelaide Bank

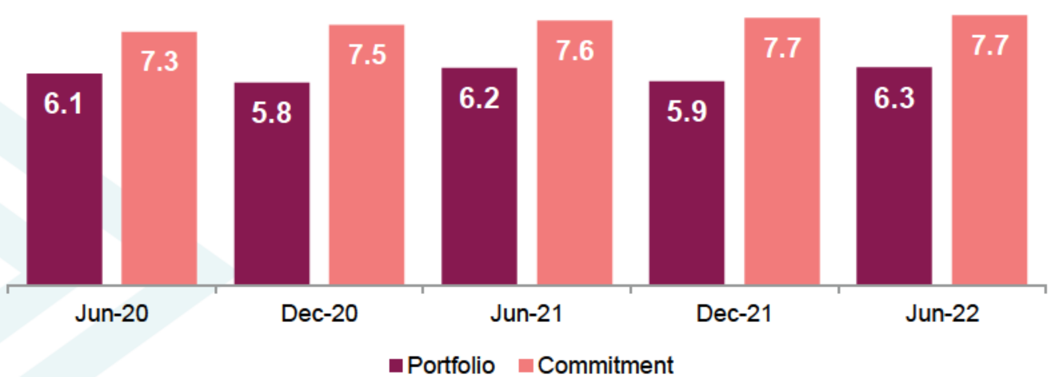
Lending, funding and liquidity

Agribusiness lending portfolio

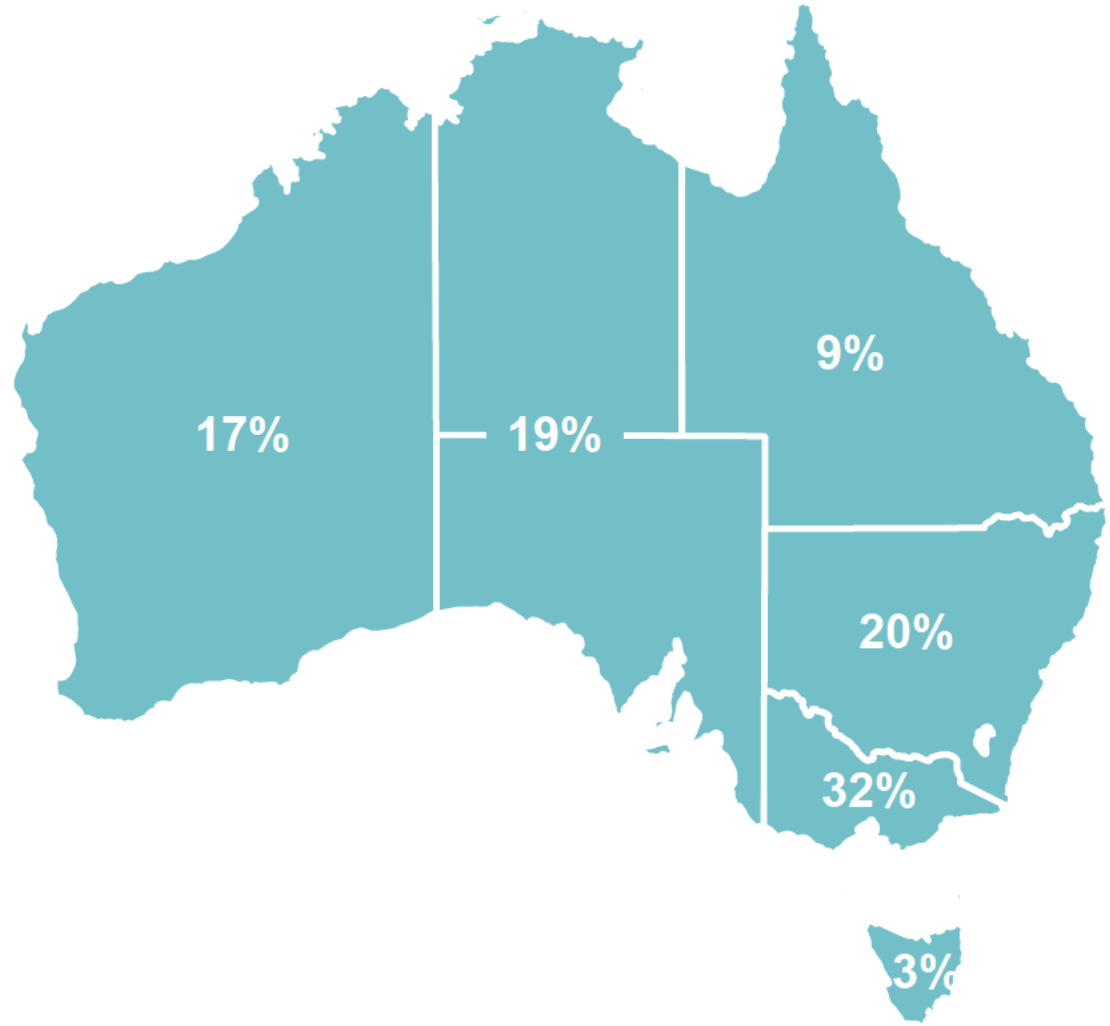
Agri exposure by industry



Agribusiness portfolio ($)



Agribusiness balance by state

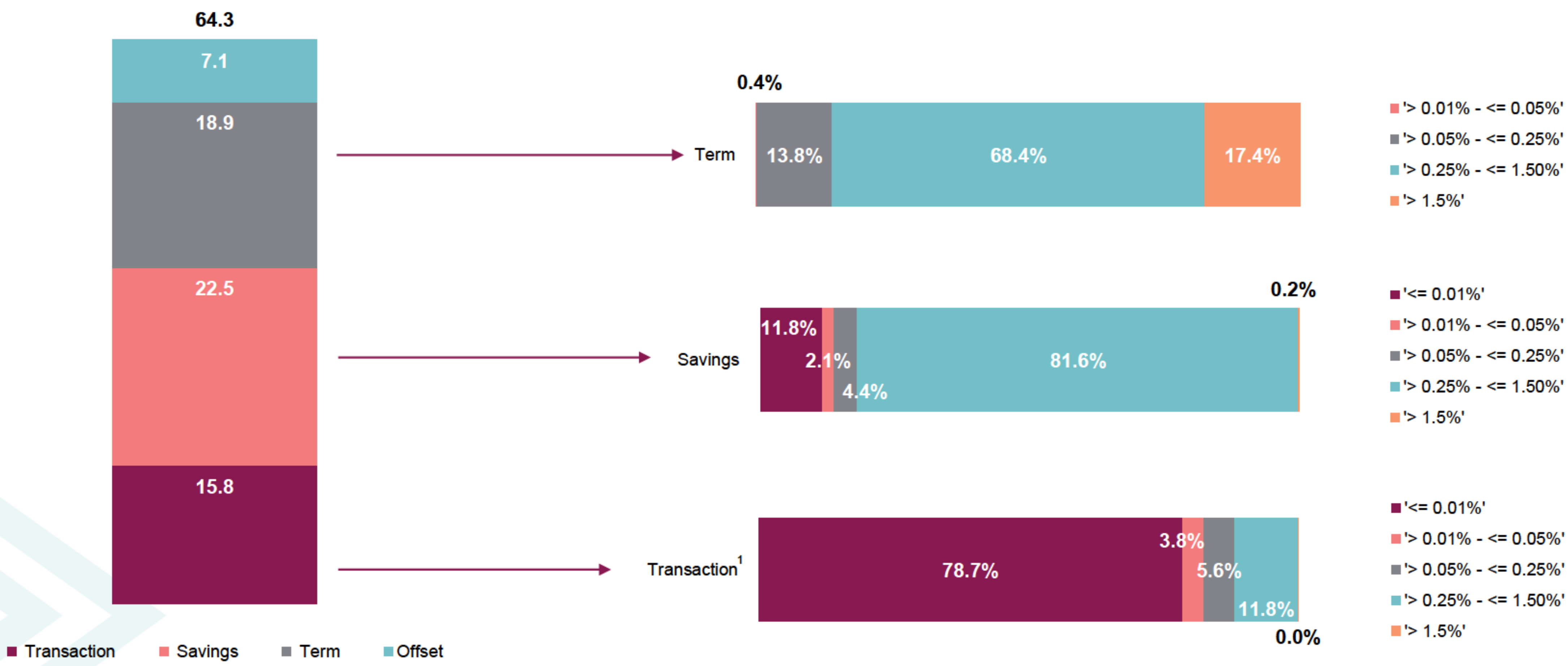


Lending, funding and liquidity

Customer deposits

Customer deposit – split ($b)

Customer deposit – funding costs

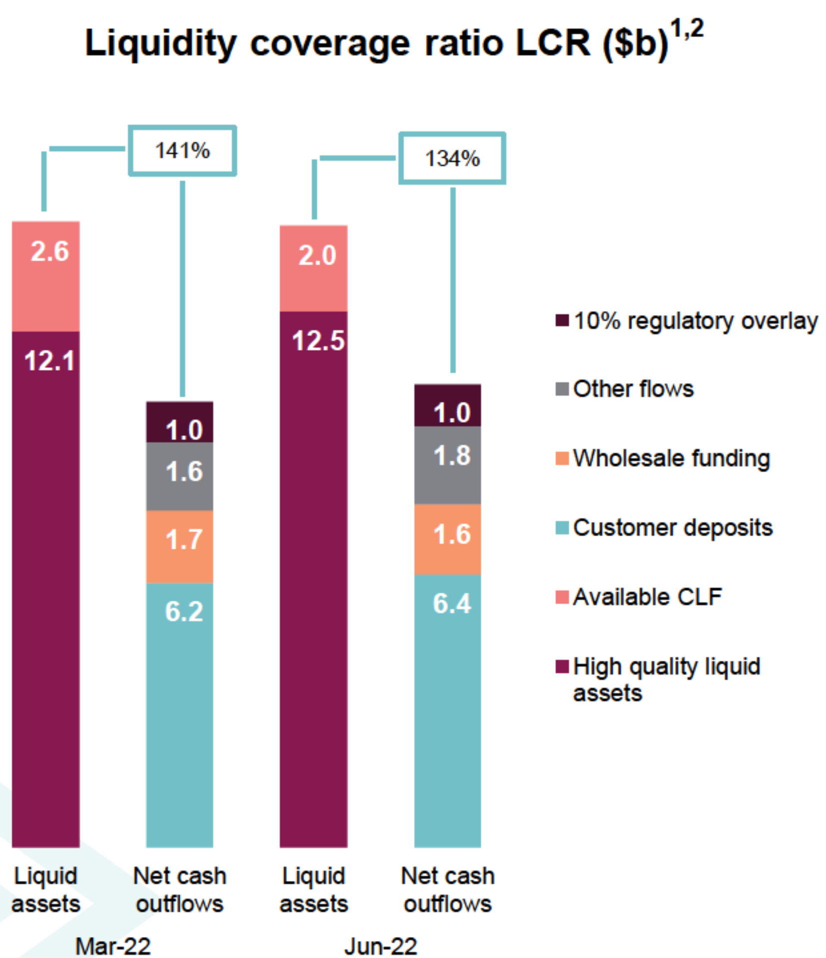


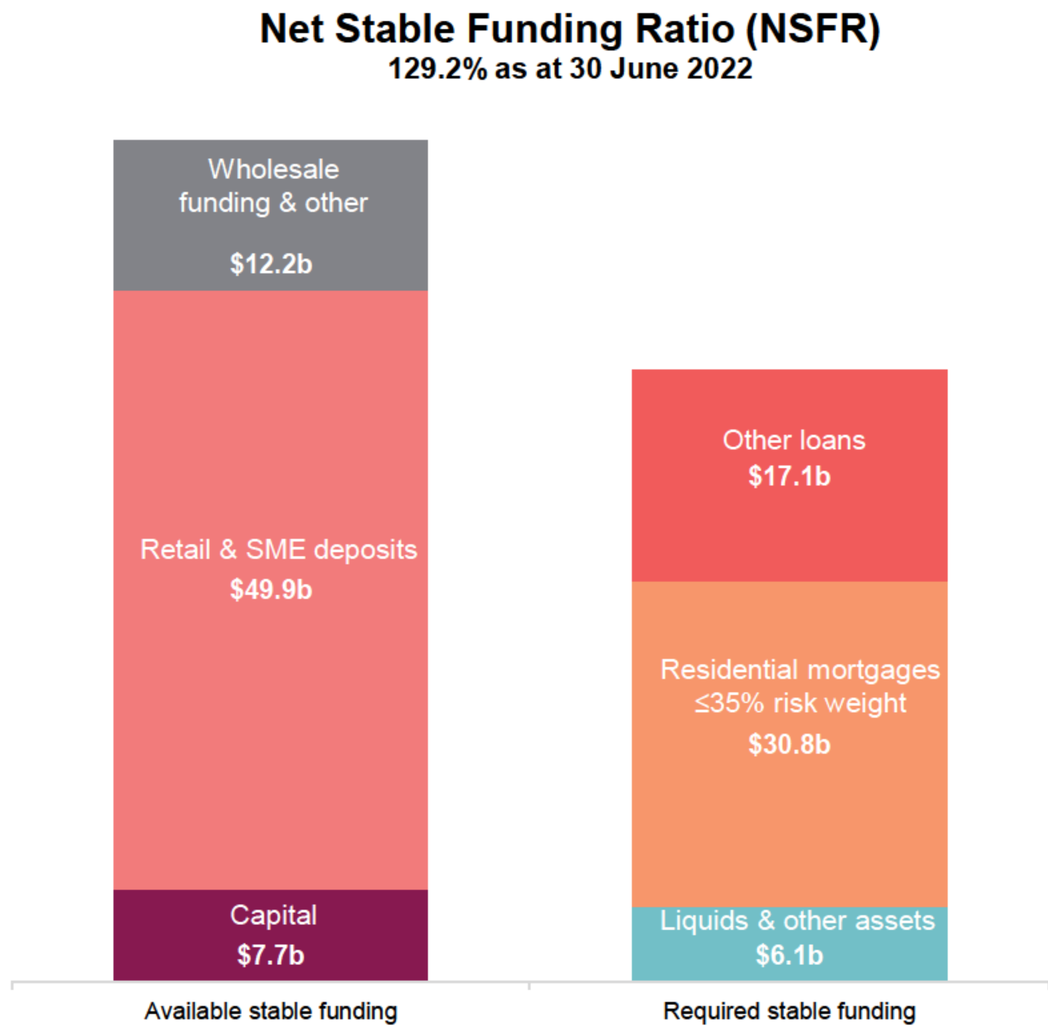
[1] 11.8% interest rate band in transaction accounts relates to State Government regulated trust accounts

BendigoandAdelaideBank

Lending, funding and liquidity

Liquidity



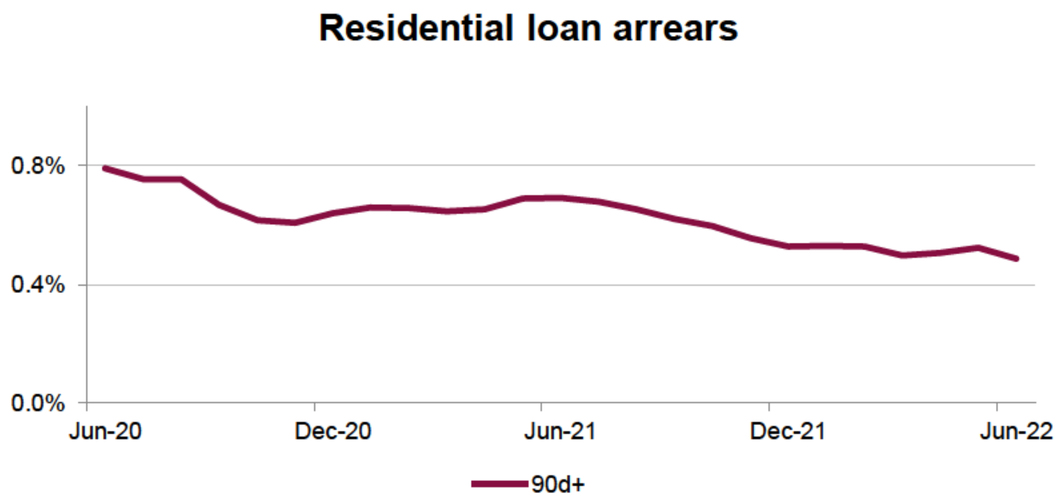


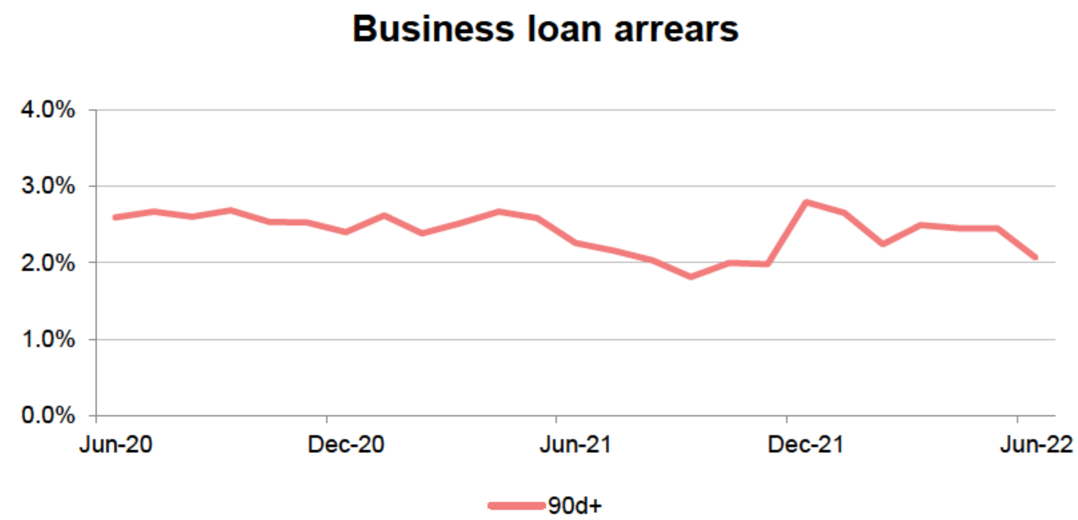
[1] BEN's LCR for the quarters ending 31 March 2022 and 30 June 2022 are based on a simple average of daily LCR outcomes observed during each period.
[2] The total net cash outflows are inclusive of a 10 per cent regulatory overlay, which was effective from 2 November 2020.

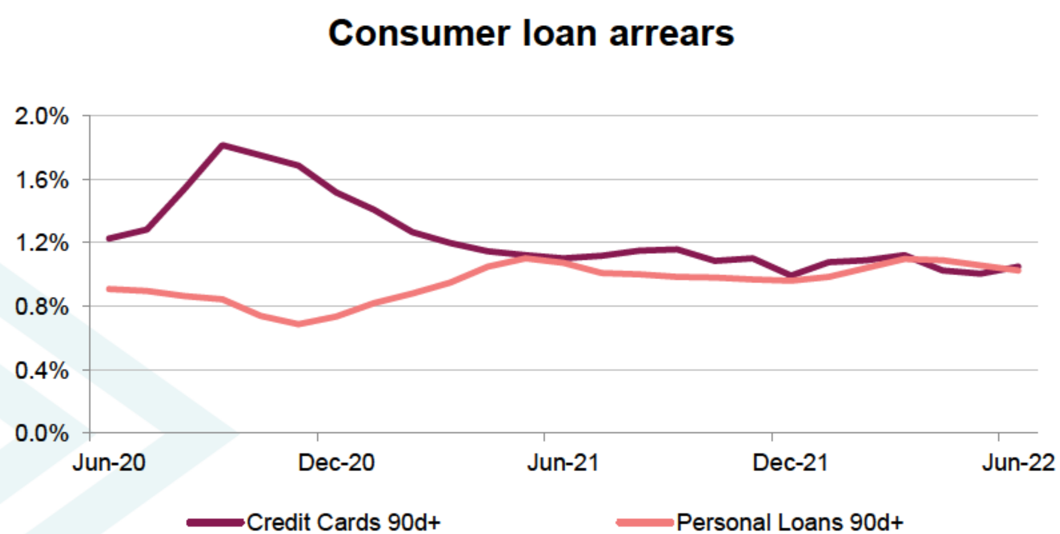
Risk and capital

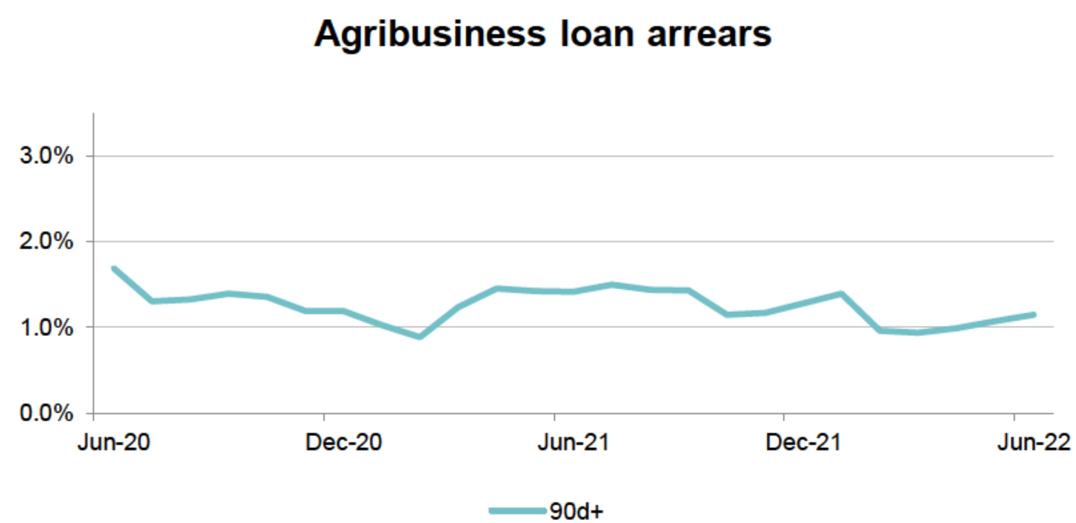
Risk and capital

Arrears





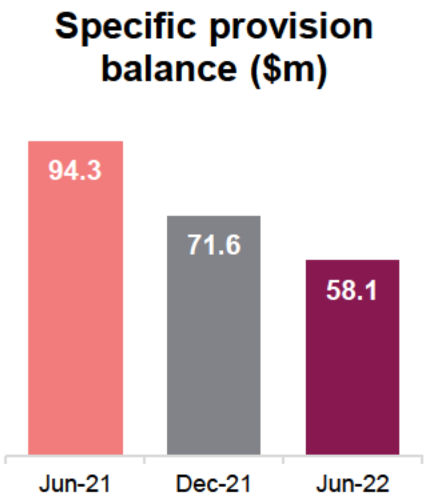




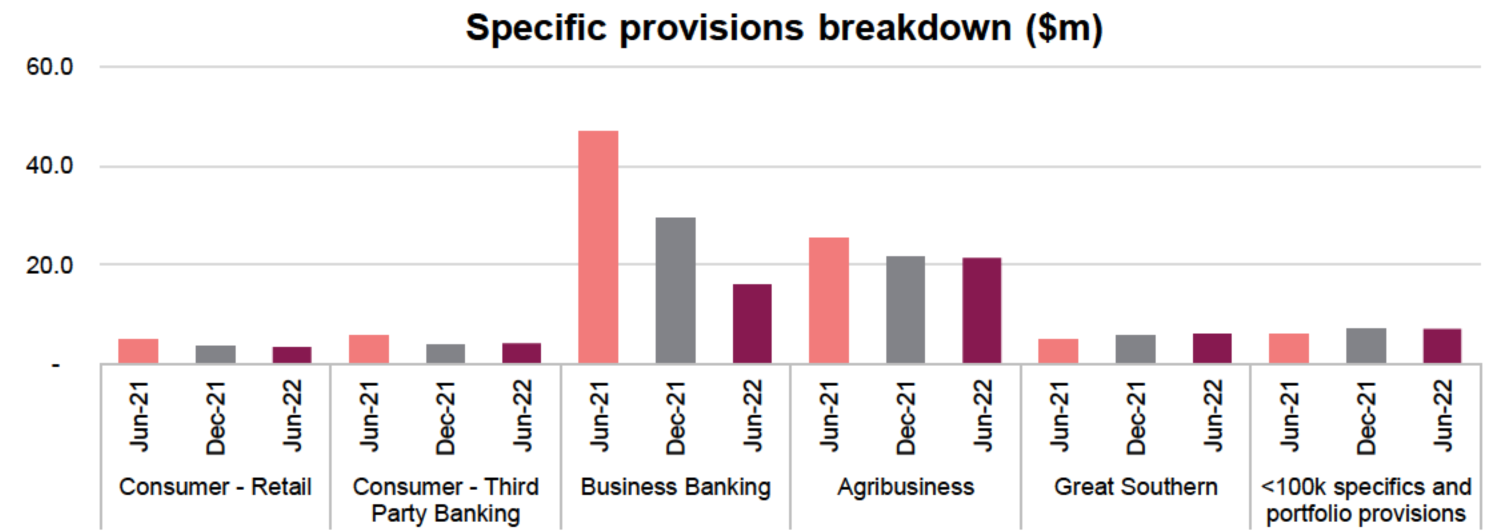
Note: Arrears include impaired assets and all arrangements

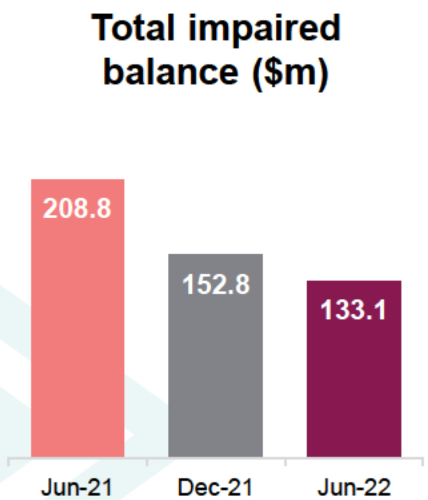
Risk and capital

Specific provisions and impaired



Represented by





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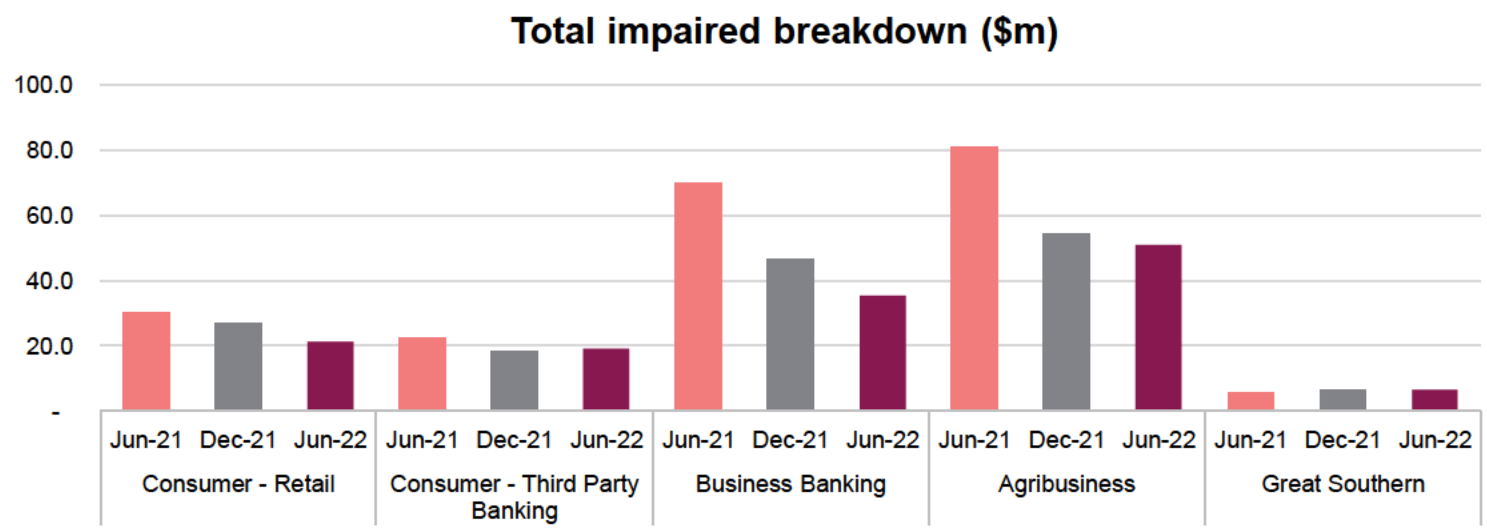
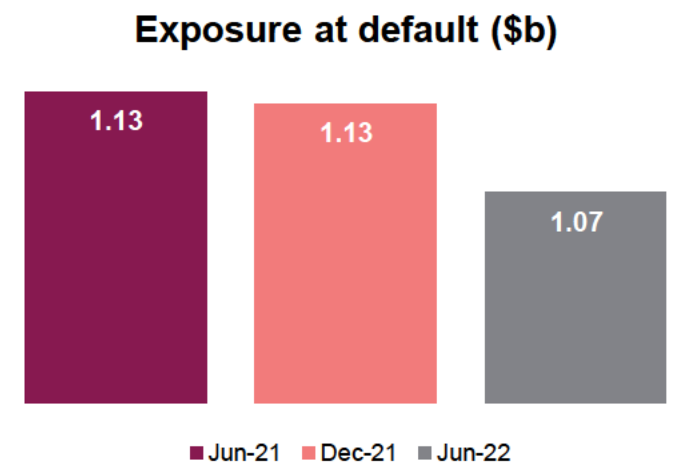
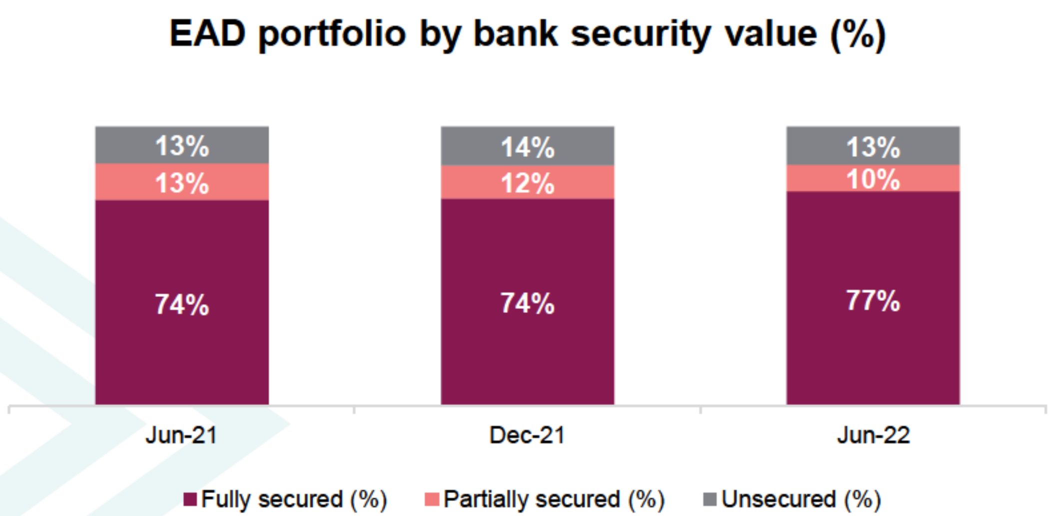


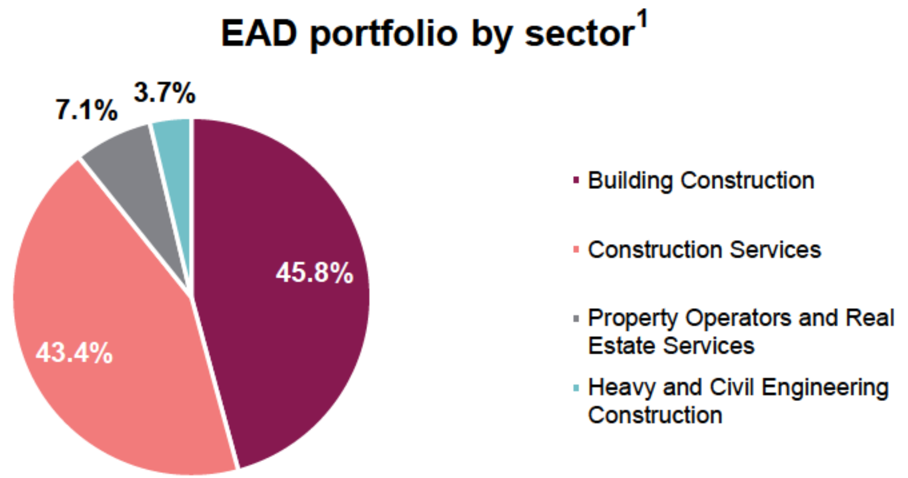
Risk and capital

Construction portfolio

- Construction portfolio currently representing ~1% of total group EAD and reducing in value
- Portfolio is well secured, with 87% of the book either fully secured or partially secured (fully secured is where the exposure is less than 100% of the bank discounted security value)
- Current default rate is 0.9% at June 2022 (3.7% June 21)
- Geographic distribution is weighted to Vic (67%) followed by QLD & NSW (11% and 10% respectively)





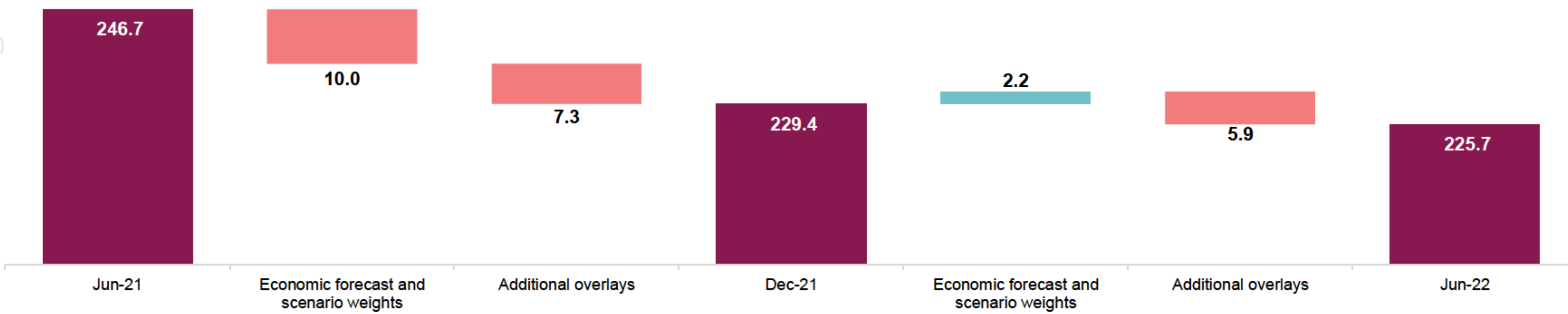


Note: Construction exposure includes all lending attached to Construction ANZSIC code and property operator lending in construction phase of development irrespective of underlying security

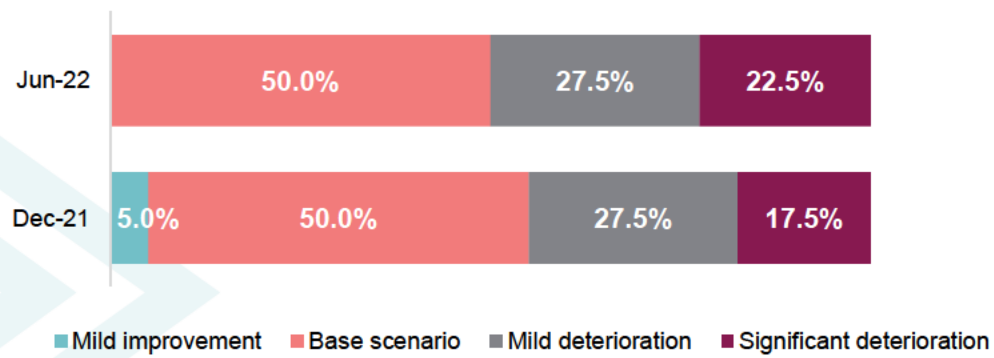
Risk and capital

Collective provisions

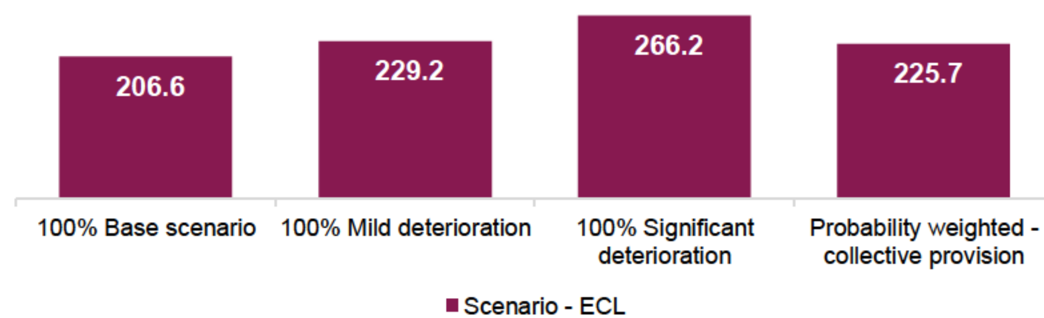
Total collective provision movements ($m)



Scenario weightings – shift to the downside



Collective provision - scenario outcomes ($m)[1,2]

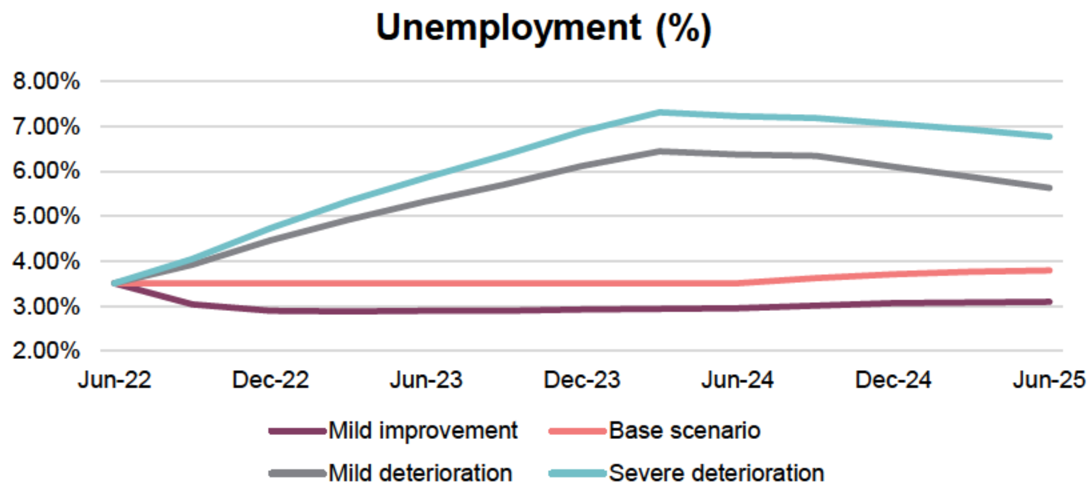


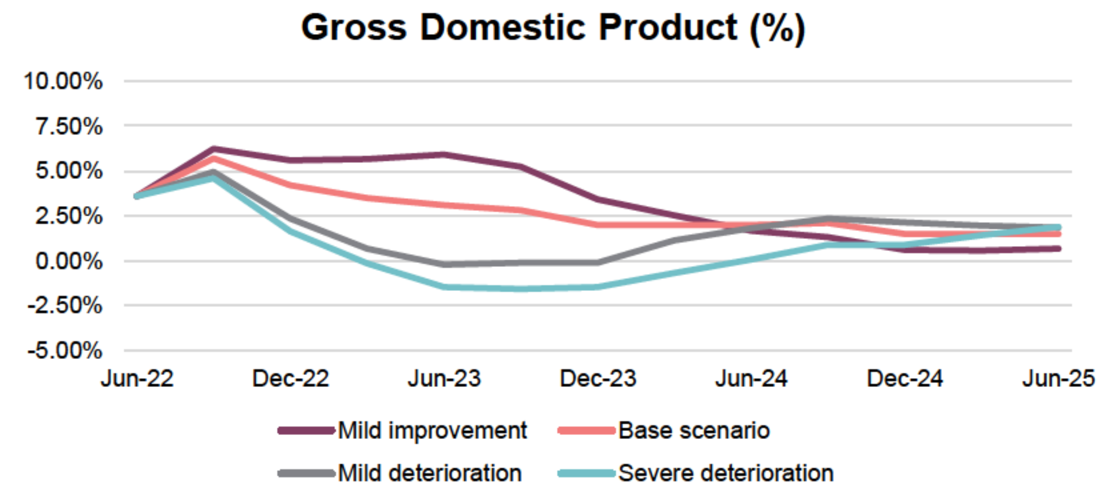
[1] Excludes GRCL
[3] Scenario – ECL includes economic outlooks scenario weights and related overlays

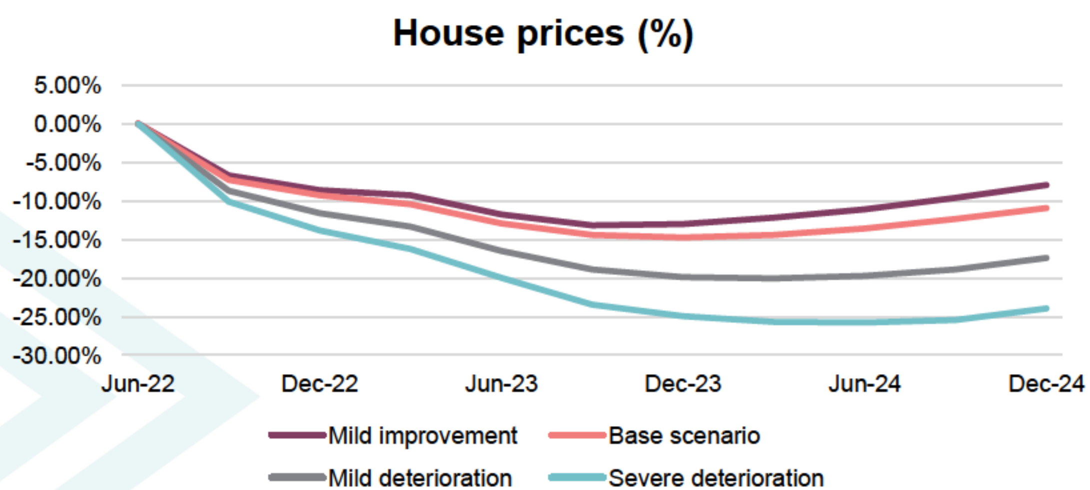
Bendigo and Adelaide Bank

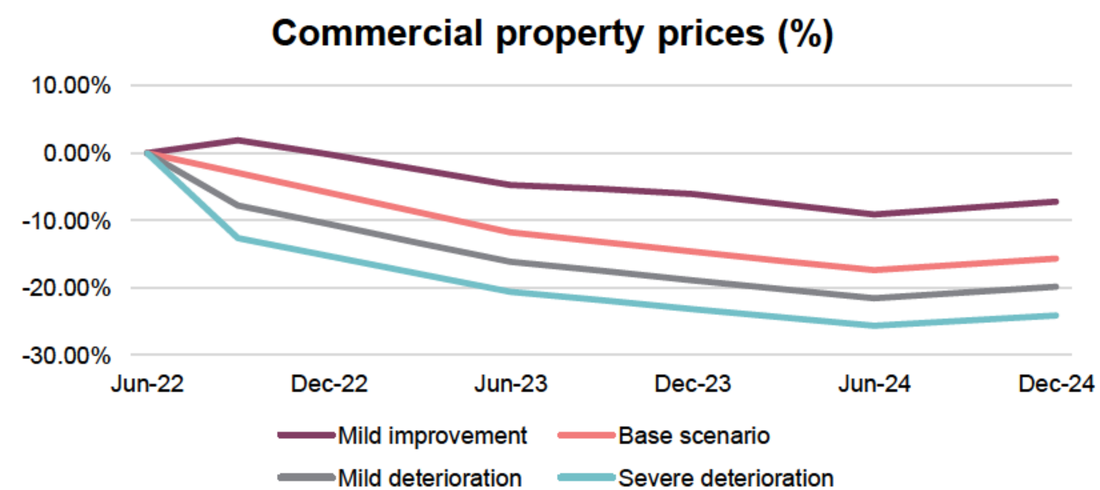
Risk and capital

Collective provision modelling









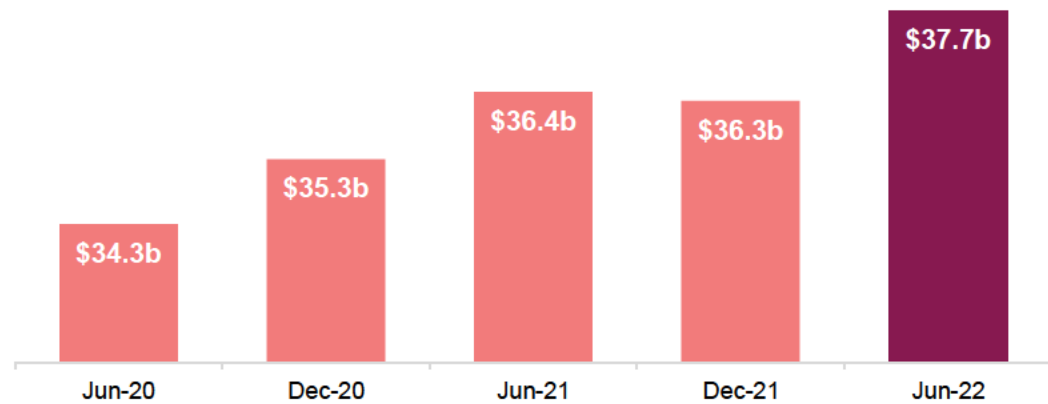
Note: House prices and commercial property prices are cumulative from Jun-22

Risk and capital

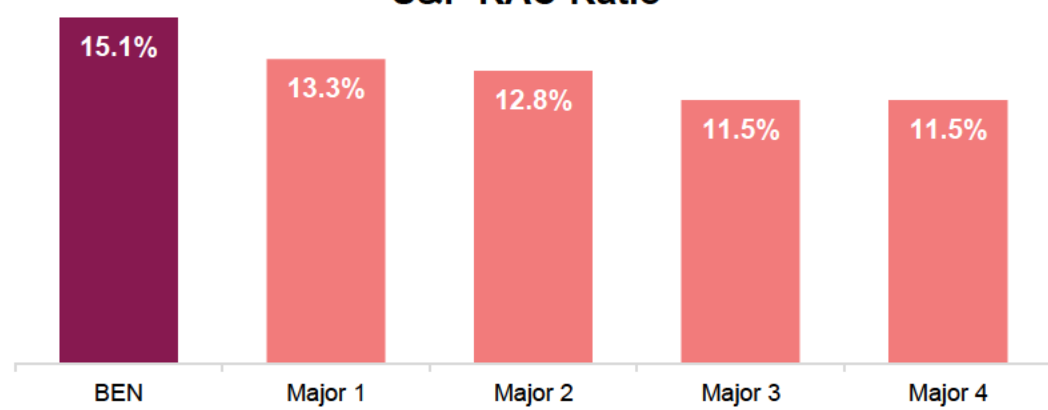
Capital - in summary

	Jun-22 (%)	Dec-21 (%)	Jun-21 (%)	Dec-20 (%)
Common Equity Tier 1	9.68%	9.85%	9.57%	9.36%
Additional Tier 1	1.95%	2.04%	2.04%	2.81%
Total Tier 1	11.63%	11.89%	11.61%	12.17%
Tier 2	1.97%	2.09%	2.20%	2.28%
Total capital	13.60%	13.98%	13.81%	14.45%
Total risk weighted assets	$42.2b	$40.5b	$40.5b	$39.4b

Credit risk weighted assets ($m)



S&P RAC Ratio[1]



[1] Standard & Poor's RAC Ratio, Major 1 as at 31 Dec 2021, Major 2, 3 & 4 as at 31 Sep 2021 & BEN as at 30 Jun 2021.

Bendigo and Adelaide Bank

ESG

Strengthening our ESG credentials

Key highlights

- **Establishment of dedicated ESG and Sustainability function**
- **Delivery of an ESG Framework which sets out approach to ESG risks and opportunities management and governance**
- **Delivered over 30 ESG capability building sessions for divisions and teams across BEN Group**

Environmental

- Over 50 branch and office locations are now powered by solar
- Electric vehicle pilot commenced for our employee fleet
- Celebrated the 20th anniversary of our Australian first Green Loans with deeper discounts
- Transition risk scenario analysis completed
- Ongoing carbon neutrality
- Over halfway to our 50% absolute emissions reduction by 2030 target

Social

- Release of 'Maybuy' by Up a 'save now buy later' offering to help depositors save for their purchases
- Appeal and hardship support for flood impacted communities in NSW and QLD
- Investment into scams detection, systems, education and information sharing
- Development of refreshed diversity and inclusion Belonging at BEN strategy
- BEN is now a signatory of HESTA 40:40 vision (9 June 2022)

Governance

- Release of Supplier Code of Conduct sharing BEN ESG expectations for suppliers
- Development of Stakeholder Engagement Framework
- Delivery of an ESG Framework which sets out approach to ESG risks and opportunities management and governance
- Design and commencement of an initiative to mature our risk management framework and strengthen risk management processes and culture

Important Information

This document is a presentation of general background information about the Group's activities current at the date of the presentation. It is information in a summary form and no representation or warranty is made as to the accuracy, completeness or reliability of the information. It is to be read in conjunction with the Bank's full year results filed with the Australian Securities Exchange on 15 August 2022 and the Bank's other periodic and continuous disclosure announcements. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

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