

**Restriction of Publication of Part Claimed****STATEMENT IN SUPPORT OF APPLICATION FOR MERGER AUTHORISATION****SBGH LIMITED**

Target Company

Statement of **Steve Johnston**

Address Level 23, 80 Ann Street, Brisbane QLD 4000

Occupation Chief Executive Officer, Suncorp Group

Date 17 May 2023

This document contains confidential information which is indicated as follows: [REDACTED]

This document is to be treated as wholly confidential.

The lodgement of this document will be followed by the lodgement of a public version.

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### A. INTRODUCTION

1. I am the Chief Executive Officer (**CEO**) and Managing Director of Suncorp Group Limited (**Suncorp** or the **Group**) and a member of Suncorp's Executive Leadership Team (**ELT**).
2. This statement has been prepared in support of the application by Australia and New Zealand Banking Group Limited (**ANZ**) for authorisation of its proposed acquisition of 100% of the issued share capital in SBGH Limited (**Suncorp Bank**) from Suncorp, either directly or via a related body corporate of ANZ, in accordance with a share sale and purchase agreement between ANZ and Suncorp executed on 18 July 2022 (the **Proposed Transaction**).
3. This statement is to be read in addition to my statement made on 25 November 2022 (**First Statement**). Capitalised terms have the same meaning as defined in my First Statement.
4. In preparing this statement, I have reviewed the ACCC's Statement of Preliminary Views in relation to the application by ANZ and Suncorp for merger authorisation and the public version of the submission made by Bendigo & Adelaide Bank Limited (**BEN**) dated 3 March 2023 and published by the ACCC on 24 March 2023 (**BEN Submission**).
5. Exhibited to me at the time of signing this statement is a bundle of confidential documents marked **SJ-3** (which contains documents in respect of which a claim of confidentiality is made by Suncorp Bank) and a bundle of non-confidential documents marked **SJ-4**. The documents in these exhibits are true and correct copies of the documents referred to in this statement. I have reviewed those documents prior to signing this statement.
6. The matters set out in this statement are true to the best of my knowledge and belief and are based on my knowledge of the Group's operations, my review of Suncorp Group's business records, my involvement with the Group's business, and my understanding of public policy as it applies in Queensland and across Australia.
7. In this statement, I address the following:
  - (a) in my position as CEO of Suncorp Group and a member of the ELT, the reasons why there is no real commercial likelihood of an acquisition by BEN of Suncorp Bank in the next 5 year period;
  - (b) further detail of the reinsurance costs for the Group's insurance businesses and the implications for the increasingly capital consumptive nature on the Group's ability to make necessary investments; and
  - (c) the public benefits that would accrue from Suncorp Group becoming a pure play insurer.
8. I refer to paragraphs [62] and [63] of my First Statement where I provide detail of the likely inability to extract the synergies necessary for an acquisition by BEN of Suncorp Bank and paragraphs [69] of my First Statement where I provide detail of the divergent and incompatible risk profiles of Suncorp Bank and BEN.

### B. SUMMARY

9. In the ACCC Statement of Preliminary Views, particularly at [3.3] and [3.12]-[3.15], the ACCC considers what it describes as the "Second Tier Merger Counterfactual", being a scenario where Suncorp merges with another second-tier bank (with BEN specifically identified). At [3.15], the ACCC says that its preliminary view is that a merger with a second tier bank has a realistic prospect of occurring.
10. In light of the ACCC's Statement of Preliminary Views, and the BEN Submission, in this statement I provide some more detail about why I do not agree that a merger with BEN or any

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other second tier bank has a realistic prospect of occurring if the Proposed Acquisition does not proceed. I believe there is no real commercial likelihood of an acquisition by BEN of Suncorp Bank in the medium term (which I consider to be the next 3-5 years) and I, as CEO and Managing Director of the Suncorp Group, do not believe that a merger with BEN is in the best interests of Suncorp's shareholders, customers or employees.

11. An acquisition by BEN of Suncorp Bank would be heavily reliant on [REDACTED] and, at the same time, would need the support of the Queensland Government because it would require amendments to the State Financial Institutions and Metway Merger Act 1996 (**Metway Merger Act**).

12. I believe that an acquisition by BEN of Suncorp Bank would lead to a [REDACTED] (relative to either the Proposed Transaction or Suncorp Bank remaining under Suncorp Group ownership) and [REDACTED]. Other than when funding markets are orderly and liquid, I believe there is likely to be [REDACTED]. [REDACTED] It is for these reasons, [REDACTED].

13. In addition, given the current period of global banking instability, and with forecasts of a materially weaker economic outlook, I believe an acquisition by BEN of Suncorp Bank [REDACTED].

14. I believe the only relevant counterfactual is Suncorp Bank remaining part of Suncorp Group, albeit this would preclude the significant public benefits that would accrue from Suncorp operating as a pure play insurer.

15. The Proposed Acquisition by ANZ of Suncorp Bank will provide Suncorp with an opportunity to become a stronger insurer, better able to support customers and the community, as the capital requirements for primary insurers increase and as global reinsurance markets become more volatile. In my view, these public benefits are achieved without a substantial lessening of competition in the relevant banking segments.

### C. NO COMMERCIAL LIKELIHOOD OF MERGER BETWEEN SUNCORP BANK AND BEN

#### C.1 *There is no credible evidence that BEN would make a binding offer to acquire Suncorp Bank that would be accepted by Suncorp Group*

16. I have read paragraph 4.2 of the BEN Submission where BEN makes the following statements in the public submission:

- (a) *BEN's interest is not speculative and it had done significant work to ensure that it was well-positioned to make a binding offer to acquire Suncorp Bank;*
- (b) *BEN would have access to adequate funding to make a binding offer;*
- (c) *BEN's offer would have been compelling; and*
- (d) *BEN would be able to operate Suncorp Bank viably and sustainably.*

In my view, these propositions cannot be supported for the reasons set out below.

17. [REDACTED]



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- [REDACTED]
18. [REDACTED] one day after Suncorp Group's 27 June 2022 ASX release responding to media commentary regarding Suncorp's banking operations, which is exhibited to my First Statement at **Tab 8 of Non-confidential Exhibit SJ-2**.
19. There is no real commercial likelihood of an acquisition by BEN of Suncorp Bank in the medium term. [REDACTED]
20. I observe that the minutes of the June 2022 Suncorp Group Board meeting include a reference to management noting [REDACTED]. That observation has to be read and understood in context. It was an observation made in the context of a meeting of the board [REDACTED]. The statement does not mean that [REDACTED]. Given the particular circumstances of the proposed transaction and the existence of the Metway Merger Act, the Board also has to consider the impacts on the State of Queensland. Additionally, given FSSA approval, consideration needs to be given to the national interest and the ongoing stability of the Australian financial system. Indeed, management and the Board, over time, undertook extensive analysis to satisfy these considerations in relation to the Proposed Transaction.

### C.2 Merger assessment framework and outcomes

21. When making a recommendation to the Suncorp Board about the viability of a transaction, such as a merger between Suncorp Bank and another entity, I need to have regard to a range of short, medium and long term metrics. Specifically, I need to have regard to the following:
- (a) **Benchmark valuation exercise:** Suncorp periodically benchmarks the shareholder value creation of inorganic options relative to the delivery of the organic plan. The organic plan represents our internal view of the long term fundamental equity value of the Group including the Bank. This fundamental view has been "benchmarked" against potential inorganic alternative scenarios, including a merger transaction with BEN.
  - (b) **Transaction specific considerations including merger partner historical performance for an offer including scrip:** Given I believe any merger transaction with BEN would require BEN to offer scrip in the combined bank to Suncorp shareholders, I need to have regard to the merger partner's historical performance in creating value for their shareholders. In this respect, I need to consider the following merger partner key metrics:
    - (i) Net Interest Margin (NIM) and risk adjusted NIM;
    - (ii) Cost to income (CTI) ratio;
    - (iii) Stable customer funding;

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- (iv) Return on equity (ROE); and
- (v) Price to book value.

(c) **Executability:** I believe any merger transaction with BEN would face [REDACTED]

22. Based on the information available to me and the quantitative assessment of both shareholder value creation and key merger target metrics, which I describe below, [REDACTED]

[REDACTED]

As a result, as the CEO of Suncorp Group, I could not recommend a transaction involving a combination between Suncorp Bank and BEN to the Suncorp Board.

**C.2.1 Benchmark valuation analysis**

23. [REDACTED]

24. [REDACTED]

25. As a part of the benchmark valuation analysis, an assessment was prepared for the Suncorp Board with input from Barrenjoey. [REDACTED]

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

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<sup>1</sup> Tab 2 of Confidential Exhibit SJ-1 to my First Statement

<sup>2</sup> Tab 9 of Confidential Exhibit SJ-1 to my First Statement.

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26. In April 2022, the valuation benchmarking exercise indicated [REDACTED]

27. This analysis has been refreshed by Barrenjoey based on current information, but retaining the methodology adopted in April 2022. The conclusions are consistent with those in April 2022, as set out in **Tab 1 to Confidential Exhibit SJ-3**.

28. [REDACTED]

29. [REDACTED]

30. The key areas where our assessment of [REDACTED] has been refreshed are set out at page 10 of **Tab 1 to Confidential Exhibit SJ-3** and include:

(a) **Value the Bank is vended** [REDACTED]

(b) **Cost synergies:** [REDACTED]

(c) **Funding cost synergies:** [REDACTED]

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<sup>3</sup> I have assumed 25% phasing in FY26 and 50% in FY27

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[REDACTED]

(d) **Stranded costs:** [REDACTED]

[REDACTED]

(e) **Upfront equity raising required:** [REDACTED]

[REDACTED]

31. After adjusting for the amendments set out above, [REDACTED]

[REDACTED]

32.

[REDACTED]

33. Based on this assessment, I am not satisfied that a scenario involving a merger of the Bank into BEN delivers value to Suncorp shareholders when considered relative to or the status quo where the Bank continues to operate as a part of Suncorp Group.

### **C.2.2. Transaction specific considerations - Merger partner historical performance**

34. If, following the assessment process I identify in paragraph 18, a transaction meets the initial benchmarks which I identify in paragraph 28, a further process would be undertaken to assess whether a transaction is achievable and would produce returns above the cost of capital and above the returns produced by alternative options above This process involves having regard to a range of different metrics that relate to the short, medium and long term viability of such a transaction and shareholder interests. Specifically, the key metrics that I would have regard to are:

- (a) **Net Interest Margin (NIM) and risk adjusted NIM:** The NIM is a measure of a bank's profitability, reflecting interest income generated by assets less interest paid on funding divided by average interest earning assets. The risk adjusted NIM is calculated in the same way, however, it uses average credit risk weighted assets as the denominator as a measure of net interest income generated per dollar of credit risk taken on by a bank. A lower risk adjusted NIM indicates a higher risk and inferior investment (all else being equal) as shareholders are receiving less compensation for the credit risk they bear.

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- (b) **Cost to income (CTI) ratio:** The CTI ratio is a measure of operational efficiency used by bank management and shareholders. The higher the share of revenue required to cover operational expenses, the less efficient an entity will be (all else being equal). The CTI ratio is calculated by dividing total operating expenses by total income.
- (c) **Stable customer funding:** This is a measure of the value of customer funding where more stable funding is more valuable given the ability for the bank to fund higher return, longer term and/or less liquid assets. Stable customer funding is calculated by dividing unweighted stable deposits (as defined by the Australian Prudential Regulation Authority's Prudential Standard APS 210 *Liquidity*) by total retail and small to medium entity (SME) unweighted deposits.
- (d) **Return on equity (ROE):** The ROE is a measure of profitability and organic capital generation. An entity with a lower ROE is less competitive (all else being equal) given it implies a higher cost of equity which increases the cost of funds, and lower organic capacity to fund balance sheet growth and investment. The ROE is calculated by dividing net profit after tax by average shareholders' equity.
- (e) **Price to book value:** Price to book value is a measure of the equity market's valuation of total future shareholder returns (i.e. the present value of future cash flows) relative to total shareholders' equity. A ratio below 1.0x indicates an expectation that total future shareholder returns will be below shareholders' target rate of return. Price to book value is calculated by dividing total market capitalisation by total shareholders' equity.
35. If I were considering a merger of Suncorp Bank and BEN, I would need to consider these metrics. I have set out below an assessment of these metrics for BEN, BOQ, Suncorp Bank and, where relevant, a comparison of these metrics against the average of the Major Banks. **Table 1** below summarises the metrics.

**Table 1: Summary of key target metrics**

| Key Metric                                | Suncorp Bank | BEN | BOQ | Major Banks |
|---|--------------|-----|-----|-------------|
| FY22 Risk adjusted NIM                    |              |     |     |             |
| CTI ratio                                 |              |     |     |             |
| Stable customer funding                   |              |     |     |             |
| FY22 ROE                                  |              |     |     |             |
| Price to book ratio (As at 21 April 2023) |              |     |     |             |

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36. Of these key metrics, I consider the price to book metric to be the most cogent as it reflects the aggregate assessment of the value of prospective shareholder returns for a given bank by all market participants over time relative to a bank's cost of capital.

37. The spreadsheet at **Tab 3 of Confidential Exhibit SJ-3** sets out the relevant data and calculations performed to calculate each of the above metrics. Set out in paragraphs [37] to [40] below is a description of the methodology and data sources used to derive these metrics.

38. Having looked at BEN's financial performance and prospects by reference to these metrics, and having compared them to BOQ, Suncorp Bank and the Major Banks,

39. I provide additional detail on each of these metrics in the paragraphs that follow.

### *Risk adjusted net interest margin*

40. To calculate the risk adjusted NIM for each of BEN, BOQ, Suncorp Bank and an average of the Major Banks, requires collating net interest income values and credit risk weighted asset values for each of BEN, BOQ and Suncorp Bank and the Major Banks.

41. This data comes from the following sources:

- (a) data on each of BEN's, BOQ's and Suncorp Bank's net interest income was sourced from their respective latest company financial statements. For BEN, this data was sourced from its Appendix 4E full year results for FY22. For BOQ this data was sourced from BOQ investor packs for FY22. For Suncorp Bank, this data was sourced from Suncorp Group investor packs for FY22;
- (b) data on each of BEN's, BOQ's and Suncorp Bank's credit risk weighted assets from reports prepared by each entity to meet the disclosure obligations under the APRA Prudential Standard APS 330 *Public Disclosure*. Authorised deposit-taking institutions are required to publish capital adequacy and risk data, including risk weighted assets on a quarterly basis under Prudential Standard APS 330. These quarterly reports are referred to as "Pillar 3 Reports" as Prudential Standard APS 330 was established to implement the third pillar of the Basel Committee on Banking Supervision's framework for bank capital adequacy, being market discipline; and
- (c) for the Major Banks, data on net interest income and credit risk weighted assets was sourced from Tab 4c (Major Banks' capital adequacy) and Tab 4f (Major Banks' performance ratios) of the quarterly authorised deposit-taking institution performance statistics for the period September 2004 to December 2022 published by APRA on 14 March 2023 and available at: <https://www.apra.gov.au/quarterly-authorised-deposit-taking-institution-statistics> (APRA Quarterly ADI Statistics dataset).

Copies of these data sources are at **Tabs 1 to 10 of Non-confidential Exhibit SJ-4**.

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42. Having obtained this data:
- (a) the value of each entity's and the Major Banks' average credit risk weighted assets across FY21 and FY22 is calculated; and
  - (b) the value of each entity's and the Major Banks' net interest income for FY22 is divided by the value of its average credit risk weighted assets.
43. As set out at tab 'Risk metrics' to the spreadsheet at **Tab 3 of Confidential Exhibit SJ-3**, for FY22:
- (a) BEN's risk adjusted NIM was [REDACTED] %;
  - (b) BOQ's risk adjusted NIM was [REDACTED] %;
  - (c) Suncorp Bank's risk adjusted NIM was [REDACTED] %; and
  - (d) the Major Banks' risk adjusted NIM was [REDACTED] %.
44. The risk adjusted NIM metrics show that BEN and BOQ [REDACTED]

### *Cost to income ratio*

45. Given the cyclical nature of bank earnings, I think it is important to look at the CTI ratio over time, rather than at a point of time. This is because the CTI ratios can be heavily influenced by volatility in interest rates and credit impairments which vary over time. I have therefore considered the CTI ratios as reported by each of BEN, BOQ and Suncorp Bank and an average value for the Major Banks over the period from FY07 to FY22.
46. This data is sourced from BEN's and BOQ's respective financial results presentations covering FY08 to FY22 and for Suncorp Bank from its analyst/investor packs covering FY08 to FY22. For the Major Banks this data is sourced from Tab 4a (Major banks' financial performance) of APRA Quarterly ADI Statistics dataset. Copies of these data sources are at **Tabs 2 to 3 and 10 to 35 of Non-confidential Exhibit SJ-4**.
47. The metrics are shown at tab 'Majors v BEN' to the spreadsheet at **Tab 3 of Confidential Exhibit SJ-3**. This shows that BEN's CTI ratio [REDACTED]

(a) [REDACTED]

(b) [REDACTED]

### *Funding ex-equity composition - stable deposits as a share of total funding*

48. In my opinion, stable customer deposits are generally a less costly form of funding and offer greater funding flexibility than less stable customer deposits (e.g. they offer greater scope to fund higher yield longer term assets) to a bank. It is therefore important, in this context, to understand the composition of funding for each of BEN, BOQ and Suncorp Bank, and the share of total funding from stable customer deposits.

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49. Details of the composition of each of BEN's, BOQ's and Suncorp Bank's funding is contained in their respective company financial statements. For BEN, this data was sourced from BEN's 2023 interim financial results for the period ended 31 December 2022, Appendix 4D for the period ending 31 December 2022 and Pillar 3 report for the period ending 30 June 2022. For BOQ, this data was sourced from BOQ's 2023 half year results presentation for the period ended 28 February 2023 and Pillar 3 reports for the periods ending 28 February 2022 and 31 August 2022. For Suncorp Bank, this data was sourced from Suncorp Group's 2023 half year results for the period ended 31 December 2022 and Pillar 3 reports for the period ending 31 December 2021 and 30 June 2022. Copies of these data sources are at **Tabs 4, 7, 9, 19 and 36 to 40 of Non-confidential Exhibit SJ-4**.
50. Stable deposits are defined in APRA Prudential Standard APS 210 at paragraph 36 as:
- "... the proportion of deposits that are fully covered by the Financial Claims Scheme (or an effective government deposit insurance scheme) where:
- (a) the depositor has other established relationships with the ADI that make deposit withdrawal highly unlikely; or
- (b) the deposits are in transactional accounts (e.g. accounts where salaries are automatically credited)."
51. The proportion of each entity's funding that comprises stable customer deposits can be determined by dividing the stable deposits values for each entity by total retail and SME deposits.
52. The metrics at tab 'Risk metrics' to the spreadsheet at **Tab 3 of Confidential Exhibit SJ-3** show that as at December 2022 for BEN and Suncorp Bank and as at February 2023 for BOQ:
- (a) BEN sources a higher proportion of total funding from customer deposits (██████████%) than Suncorp Bank (██████████%) while BOQ (██████████%) ██████████ and
- (b) Suncorp Bank has a ██████████ of stable deposits as a share of total funding (██████████)

### *Return on equity*

53. The ROE for each of BEN, BOQ and Suncorp Bank and the average ROE for the Major Banks, are sourced from collating:
- (a) ROE values for BEN from its annual report for FY08, results presentations for FY10 to FY22; ROE values for BOQ from Annexure A to its financial reports for FY08 to FY12, its Investor information reports from FY13 to FY16 and results presentations from FY17 to FY22 and ROE values for Suncorp Bank from its analyst/investor packs from FY08 to FY22; and
- (b) average equity values and cash profit values for the Major Banks from Tab 4a (Major banks' financial performance) of the APRA Quarterly ADI Statistics dataset for FY07 to FY22.
- Copies of these data sources are at **Tabs 2 to 3, 10, 12 to 18, 24 to 29, 31 to 34 and 41 to 47 of Non-confidential Exhibit SJ-4**.
54. I think it is important to look at ROE over time, rather than at a point of time, given the cyclical nature of bank earnings, which are heavily influenced by volatility in interest rates and credit impairments amount other factors.



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55. For each financial year, you divide the average equity value of the Major Banks by the average cash profit value of the Major Banks to determine the Major Banks' ROE. This enables you to compare these values with the values for BEN, BOQ and Suncorp Bank over time.
56. The metrics calculated are at tab 'Majors v BEN' to the spreadsheet at **Tab 3 of Confidential Exhibit SJ-3**. They show that [REDACTED] and that over the last eight financial years [REDACTED] Suncorp Bank's ROE. For FY22:
- BEN's ROE was [REDACTED] %;
  - BOQ's ROE was [REDACTED] %;
  - Suncorp Bank's ROE was [REDACTED] %; and
  - the average ROE of the Major Banks was [REDACTED] %.
57. I understand BEN's and BOQ's ROE figures [REDACTED]

### Price to book ratio

58. The price to book value for an entity is calculated by dividing the entity's total market capitalisation by its total shareholders' equity. Point in time data may not give an accurate impression and I believe it is important to look at price to book value over time, rather than at a point of time, given the cyclical nature of bank earnings, which are heavily influenced by volatility in interest rates and credit impairments amount other factors.
59. This data is provided by a market data provider Factset which shows the price to book ratios for each of BEN, BOQ, Suncorp Group and the Major Banks on a weekly basis from 24 April 2008 to 21 April 2023. Factset sources data from company financial statements and market data from the ASX. Factset calculates these ratios at a point in time by dividing the closing share price of each entity by its most recently reported book value per share. The data from Factset can then be used to calculate the average price to book ratio for the Major Banks, weighted by market capitalisation. This is done by multiplying the price to book ratio for each of bank by its market capitalisation and then adding these figures together. The total figure calculated is then divided by the sum of the market capitalisation of each bank.
60. The metrics at tab 'Historical valuation' to the spreadsheet at **Tab 3 of Confidential Exhibit SJ-3** show that:
- as at 21 April 2023, BEN's and BOQ's shares are trading on a multiple of [REDACTED] book value respectively (i.e. BEN's and BOQ's shares are trading at a discount to book value), Suncorp Group's shares are trading on [REDACTED] book value and a market capitalisation weighted average of the Major Banks' shares are trading on a multiple of [REDACTED] book value (i.e. Suncorp Group's, and the average of the Major Banks' are trading at a premium to book value.); and
  - BEN's shares have traded [REDACTED] over the last 15 years.
61. This means that for every \$1 of shareholder equity raised or retained by [REDACTED]

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[REDACTED]

62. A price to book multiple less than 1.0x also implies that the market believes [REDACTED]

[REDACTED]

63.

[REDACTED]

### C.2.3 Executability

*An acquisition by BEN of Suncorp Bank would face funding challenges*

64. I have reviewed the:

- (a) S&P RES Report annexed at **Tab 2 to Confidential Exhibit SJ-3**; and
- (b) the independent expert report of Mozammel Ali.

From the report of S&P, I understand that a combined BEN Suncorp Bank would likely achieve an issuer rating of [REDACTED]

[REDACTED]

65. The issuer rating of an entity impacts the availability of funding it can raise in wholesale markets as well as the cost of that funding. This is because investors are guided by their credit policies when making investment decisions and based on my experience as Group CEO and previous experience as Group Chief Financial Officer and Executive General Manager Group Finance and Corporate Affairs, investors have limited capacity under their credit policies to invest in BBB+ rated entities.

66. In order to understand the potential impact of a BBB+ rating on funding levels, I asked Mr Simon Lewis, Suncorp Bank Treasurer, to estimate the immediate impact of a two or three notch downgrade from our current S&P issuer rating of A+ long term A1 short term to A-/BBB+ long term and A2 short term having regard to his 25 years of financial markets experience and his direct discussions with domestic and offshore investors during this time. As Treasurer of Suncorp Bank, Mr Lewis is the responsible executive for rating and funding matters under the Banking Executive Accountability Regime (BEAR), set out in Part IIAA of the Banking Act 1959. Accordingly, Mr Lewis' advice and input is an important consideration for me and for the Board.

67.

[REDACTED]

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68.

69.

70. I have reviewed and disagree with the following paragraph at page 2 of the BEN Submission, that a BEN and Suncorp Bank merger would *"Allow BEN to effectively double its scale, which immediately enhances its competitive advantages such as the ability to achieve cost efficiencies from synergies, attract deposit funding, increase investment in technology accelerating the delivery of BEN's digital capabilities and reducing its cost of funding and cost of capital"*.

71. In my view, the liquidity funding challenges that arise from a BEN/Suncorp Bank combination are likely to

attractiveness to equity investors and other sources of funding. A BBB+ rated entity would be subjected to significantly more costly wholesale funding. This is demonstrated by comparing the recent debt funding by Suncorp (which has a S&P rating of A+), NAB (which has a S&P credit rating of AA-) and BEN (which has a S&P rating of BBB+ ) in early May. Copies of Bloomberg records of these debt transactions are at **Tab 48 of Non-Confidential Exhibit SJ-4**:

- (a) Suncorp issued \$1 billion 3 years senior unsecured debt across fixed and floating tranches priced at a margin of +105bps over BBSW.
- (b) BEN issued A\$750 million 3 years senior unsecured debt across fixed and floating tranches priced at a margin of +125bps over BBSW; and
- (c) NAB issued A\$5.25 billion of senior unsecured in fixed rate and floating rate instruments across 3 year and 5 year tenors. The 3 year instruments priced at a margin of +78bps over BBSW, while the 5yrs priced at +100bps over BBSW.

72. If funding is not available on economic terms, the combined entity would have to

### *Technology integration challenges*

73. I anticipate there would be significant challenges in the necessary technology integration for a merger between Suncorp Bank and BEN based on Suncorp's experience of its program of work designed to migrate customers from the Hogan platform, which was Suncorp Bank's core banking platform at that time, to a new and heavily customised version of the Oracle Banking Platform (OBP).

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74. Consolidating core systems is an extremely large task and very complex, and has implications at all levels of the business, including at a user level. Based on my review of the business records I understand that the delivery of the project referred to in the previous paragraph suffered from delays in project delivery and a requirement to significantly increase the project budget.
75. Over the period from 2012 to 2018 Suncorp was able to successfully implement the rollout of the Retail Lending, Personal Loans and Customer Collections modules on the OBP but was unable to complete its integration work. This was despite extending the timeframes for delivery and significant cost increases in budget which increased from the original budget for that program of work [REDACTED].  
[REDACTED] A bundle of the approval papers for the budgetary increases dating from 2011 to 2017 are **Tabs 4 to 12 of Confidential Exhibit SJ-3**.
76. Since April 2017, the OBP has been Suncorp's core banking platform to support home loan origination, servicing and product ledger, collateral, and collections only and the Hogan platform has supported other services.
77. I was appointed to Group CEO in September 2019. [REDACTED]  
[REDACTED]
78. At the Suncorp Group Board Audit Committee meeting on 8 May 2020, the Audit Committee [REDACTED]  
[REDACTED]
79. In my May 2020 Suncorp Group Investor Update, which I gave on 11 May 2020, I announced that Suncorp Group had elected to impair the carrying value of the Deposit and Transactions modules not yet implemented on the OBP. A copy of the May 2020 Investor Update I presented is at **Tab 49 of Non-confidential Exhibit SJ-4**.

### *An acquisition by BEN of Suncorp Bank would face M&A structuring challenges*

80. In my view, it would be necessary to find an appropriate structure for a transaction between BEN of Suncorp Bank. Any such structure would likely require at least a BEN shareholder vote and potentially also a Suncorp shareholder vote. In its letter to Suncorp dated 9 August 2022, BEN [REDACTED]  
[REDACTED]

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81. This potential transaction structure would have presented a number of issues, including:
- (a) **Valuation:** the value of the BEN proposal. As the consideration proposed by BEN included scrip, it would have been necessary to consider the valuation of a combined Suncorp Bank / BEN and the value of BEN shares, which would have required Suncorp undertaking a detailed due diligence of BEN. In addition, any BEN scrip would have needed to have been considered on the basis that the future value of such scrip would have depended on the price at which BEN shares trade on the ASX in the future (as opposed to the certainty of a purely cash transaction); and
  - (b) **Conditionality:** BEN's proposal would have been likely to be subject to a number of conditions, including:
    - (i) BEN shareholder approval under ASX Listing Rule 7.1 to issue shares to Suncorp. Whilst there is no technical requirement to commission an Independent Expert's Report, it would be consistent with market practice for one to be commissioned by BEN to assist BEN shareholders to assess the merger and consider whether to vote in favour of it;
    - (ii) Suncorp shareholder approval under section 256C of the Corporations Act if there were to be any reduction in the capital of Suncorp. 
    - (iii) ASIC relief by Suncorp so that the takeover rules in the Corporations Act would not apply to the acquisition by Suncorp of new shares in BEN before those were distributed to Suncorp shareholders; and
    - (iv) other potential ASIC and ASX relief and/or waivers, depending on the arrangements.



### **C3. Likelihood of a meaningful offer arising**

#### **C3.1 BEN's 2022 letters lacked detail**

82. 

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**C3.2 Engagement with BEN**

83.

84.

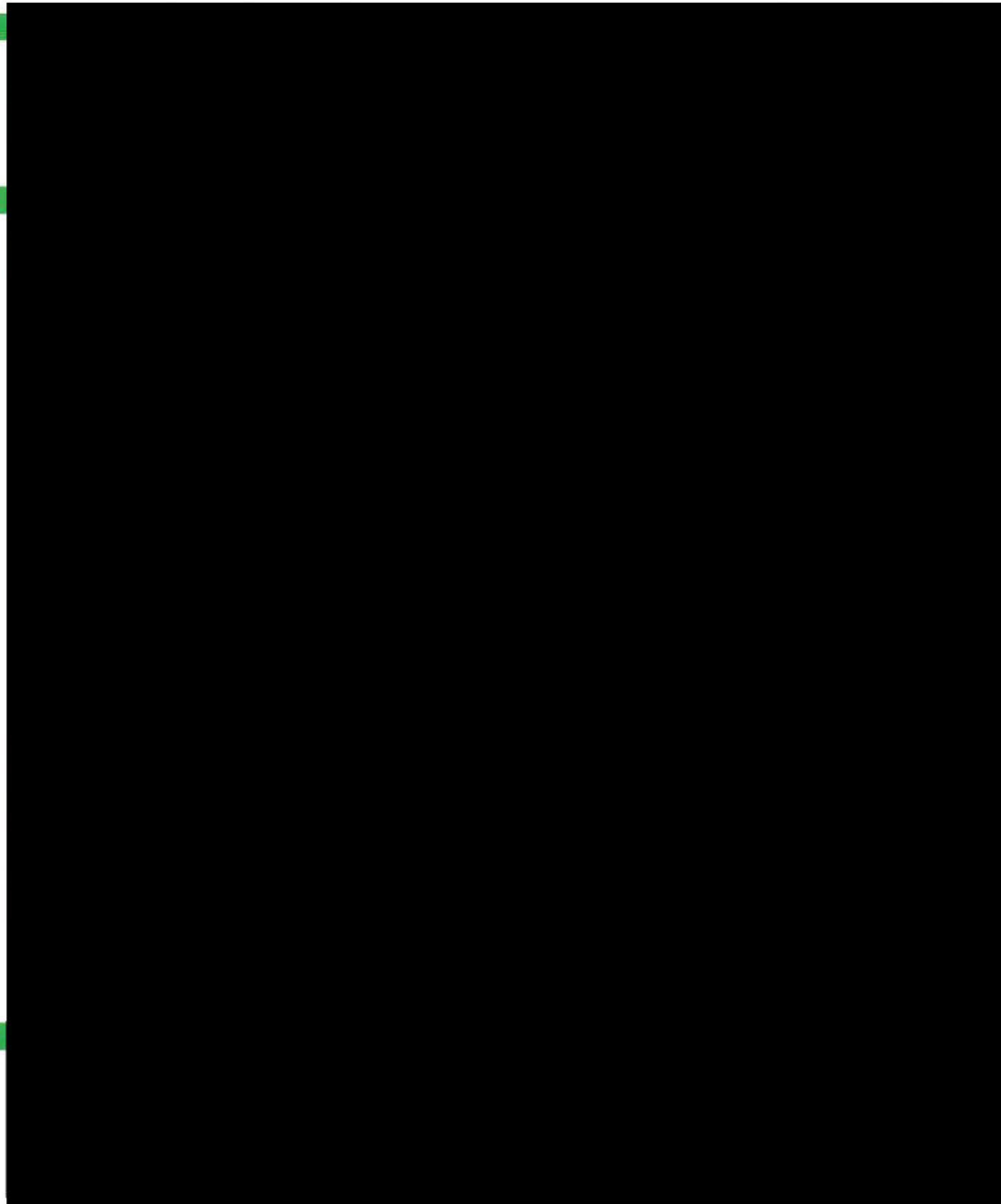
85.

86.

87.

88.

89.



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### C.4 Conclusion

90. In June 2022 [REDACTED]
91. Suncorp Bank has been improving its performance with an increasing focus on certain areas of business. In Suncorp Group's first half 2023 Financial Results presented on 8 February 2023, I announced that Suncorp Bank continued to grow its home and business lending portfolios and customer deposits. In particular, I announced Suncorp Bank's home lending was up \$2.6 billion over the half or 10.4% (annualised), its net interest margin was 2.03%, up 13 basis points, and cost-to-income ratio reduced to 49.9%. Suncorp Group's ASX release announcing these results is exhibited at **Tab 50 of Non-confidential Exhibit SJ-4**. These results show that the Bank continues to maintain a high quality and conservatively positioned home lending portfolio. Business lending grew 1.8% in the half, predominantly driven by commercial lending across several industries. [REDACTED]
92. The analysis set out in **section C** above and in **section G** of my First Statement shows that:
- (a) an acquisition by BEN of Suncorp Bank would face M&A structuring challenges and would require amendments to be made to the Metway Merger Act;
  - (b) a combination of Suncorp Bank with BEN, at this time, would not deliver value to shareholders compared with continuing to hold Suncorp Bank within Suncorp Group;
  - (c) the required synergies [REDACTED]
  - (d) having regard to Suncorp Group's experience of technology integration concerns the technology integration challenges that would arise should BEN acquire Suncorp Bank [REDACTED]
  - (e) [REDACTED]
  - (f) [REDACTED]

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(g)



93. For these reasons I, as the CEO and Managing Director, do not believe that a merger with BEN at this time is in the interests of either shareholders, customers or employees.

### D. PUBLIC BENEFITS ARISING FROM THE PROPOSED TRANSACTION

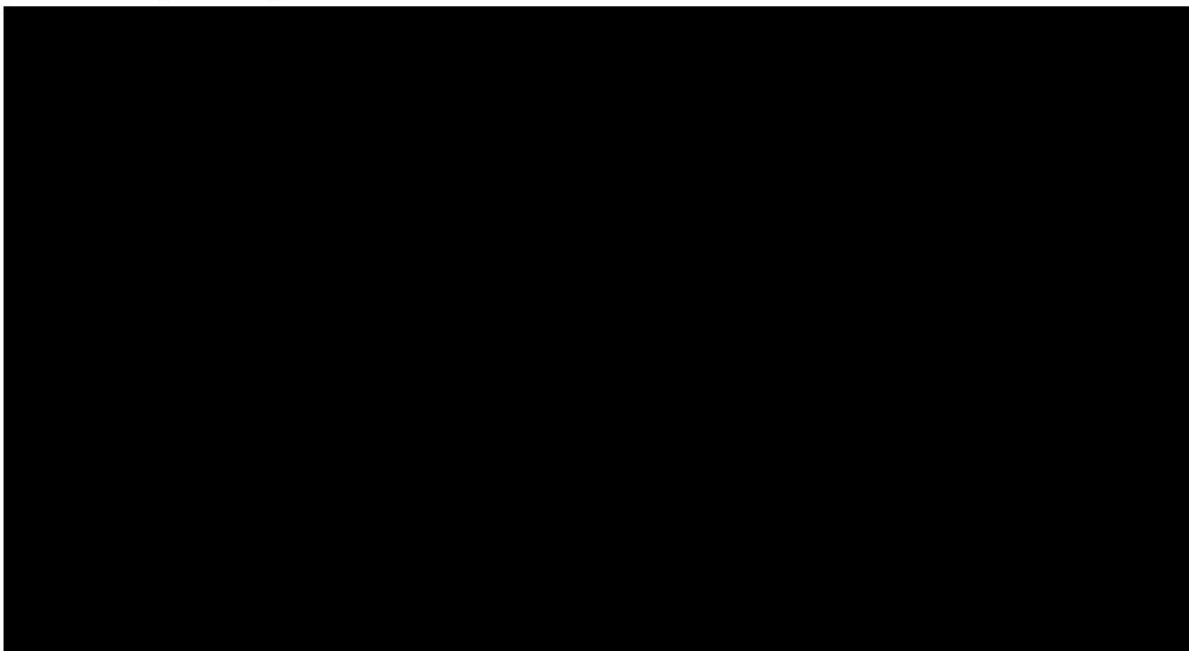
#### D.1 Capital consumption

94. In this section I expand on the information contained at paragraph [89] of my First Statement that explain the capital consumptive nature of the bank business and the insurance businesses which impact on and result in the Group making decisions and trade-offs in order to ensure that its capital decisions allow Suncorp's businesses to meet the relevant differing regulatory requirements for the Bank and for the Insurance business and position the Group overall for future growth.
95. In this statement I provide some further context to the capital requirements arising from Suncorp's conglomerate structure. Under APRA's Prudential Standards and Suncorp's Level 3 (Conglomerate) Non-Operating Holding Company (NOHC) Conditions, issued by APRA as part of Suncorp's authorisation as a NOHC, Suncorp is required to hold minimum levels of capital within each of its businesses (general insurance and bank). As a (Level 3) Group, under the NOHC Conditions Suncorp is unable to recognise any diversification between the general insurance and banking businesses, with Suncorp's (Level 3) Group regulatory capital requirements equal to the sum of the individual general insurance and bank capital requirements.
96. The figure below demonstrates the relative capital consumption of Suncorp's insurance business and Banking entities over the past five years. In the period from FY17 to FY22, Suncorp experienced a significant increase in the capital usage across both its general insurance and banking businesses.



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**Figure 1: Capital consumption of Suncorp's insurance business and Banking entities over the past five years<sup>4</sup>**



97. Prior to FY20 capital usage from the general insurance business was relatively modest but stepped up from FY20. Reinsurance is a key driver of the elevated capital usage since FY20. The reasons for this increase are outlined in Suncorp's annual Investor Packs for FY20 to FY23 and are summarised below:
- (a) FY20 capital usage was driven by an increase in capital targets due to changes in the FY21 reinsurance program and more conservative profitability assumption due to lower yield environment as well as a reduction in Excess Technical Provisions due to changes to the FY21 reinsurance program and an increase in the FY21 Natural Hazards Allowance;<sup>5</sup>
  - (b) FY21 capital usage was driven by an increase in capital targets due to a change in modelling assumptions relating to the speed at which downside scenarios are recognised in the liability valuations and an increase in Asset Risk Charge following a review of the strategic asset allocation for the investment portfolio;<sup>6</sup> and
  - (c) FY22 capital usage was driven by an increase in capital targets due to changes to the FY23 reinsurance program and a significant increase in Deferred Tax Assets (capital deduction) due to unrealised losses on the investment portfolio from the material increase in bond yields.<sup>7</sup>

<sup>4</sup> The data used to prepare this figure is from Suncorp's FY22 Investor Pack: Financial results for the year ended 30 June 2022 dated 8 August 2022 at pp. 14, 68 and 69; Suncorp's FY21 Investor Pack: Financial results for the full year ended 30 June 2021 dated 9 August 2021 at pp. 14, 70 and 71; Suncorp's FY20 Investor Pack: Financial results for the full year ended 30 June 2020 dated 21 August 2020 at pp. 15, 74 and 75; Suncorp's FY19 Investor Pack: Financial results for the full year ended 30 June 2019 dated 7 August 2019 at pp. 25, 72 and 73; Suncorp's FY18 Investor Pack: Financial results for the full year ended 30 June 2018 dated 9 August 2018 at pp. 16, 77 and 78; Suncorp's FY17 Analyst Pack: Financial results for the full year ended 30 June 2017 dated 3 August 2017 at pp. 59, 78 and 79; Suncorp's FY16 Analyst Pack: Financial results for the full year ended 30 June 2016 dated 4 August 2016 at pp. 57, 69 and 70. Copies of these documents are at **Tab 3, 32 to 35, 51 and 52 of Non-confidential Exhibit SJ-4**.

<sup>5</sup> See pages 14 to 15 of Suncorp's FY20 Investor Pack, a copy of which is at **Tab 34 of Non-confidential Exhibit SJ-4**.

<sup>6</sup> See page 13 of Suncorp's FY21 Investor Pack, a copy of which is at **Tab 35 of Non-confidential Exhibit SJ-4**.

<sup>7</sup> See pages 14 to 15 of Suncorp's FY22 Investor Pack, a copy of which is at **Tab 3 of Non-confidential Exhibit SJ-4**.

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98. Suncorp Bank has historically had higher capital usage from business growth than the general insurance business. Bank capital usage was elevated in FY19 and FY20.

The additional capital impacts were spread over FY19 and FY20.

- 99.

### D.2 Natural hazards and reinsurance

100. In paragraphs [34] to [40] of my First Statement I set out the challenges facing Suncorp Group's insurance business.
101. As set out in my First Statement, general insurance businesses are facing increased pressures in relation to natural hazard costs. Suncorp's general insurance business is subject to significant natural hazards risk due to the geographical profile of its business and the nature of the products it provides. Part of this risk is retained by Suncorp and makes up its Natural Hazard Allowance (**NH Allowance**) and the remaining part of it is reinsured to external entities for a cost (**Reinsurance Cost**). The annual cost of Natural Hazard events retained by Suncorp via its NH Allowance and the amount paid in reinsurance premiums paid since FY18 is shown below.

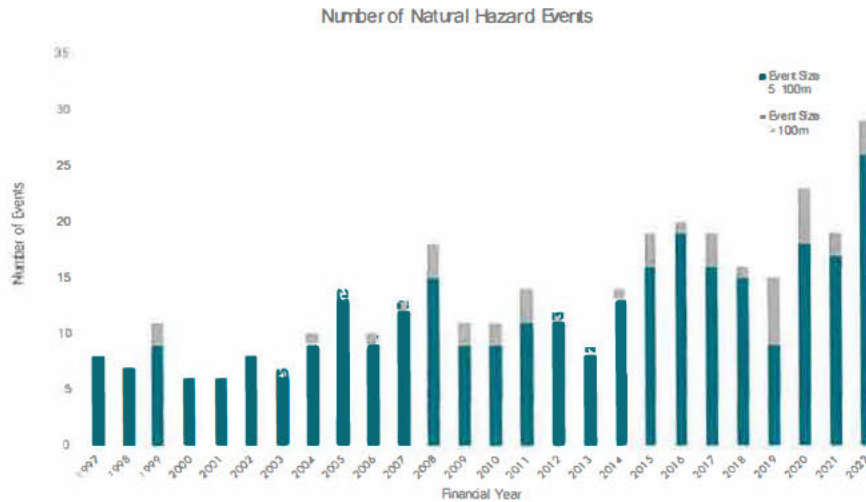
**Table 2: Annual cost of Natural hazard events retained by Suncorp via its NH allowance and the amount paid in reinsurance premiums paid since FY18**

102. The table shows that the average rate increase in the retained natural hazard cost over this period has been % p.a. The cost of reinsurance has been increasing at a rate of % p.a. The combined cost (NH allowance and reinsurance costs) has been increasing at a rate of % p.a. which is far in excess of economic inflation over this period.

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103. Part of the reason for the increase is due to the increasing frequency and severity of natural hazard experience as shown in the figure below.

**Figure 2: Number of Natural Hazard Events from FY97 to FY22**



104. The increasing cost of natural hazard events puts upward pressure on both the size of the NH Allowance and the cost of reinsurance, which may lead to higher consumer pricing. In addition to this, the available capacity/capital to support this risk from the reinsurance market has reduced recently [REDACTED]

105. The reinsurance market is a global market with most reinsurance provided by global companies. Returns earned by reinsurers over recent years have been poor and with the increased frequency of global events (natural hazards, pandemic and war) the amount of reinsurance capital has been limited. This has caused pricing to increase as the remaining capital seeks higher target returns. These increases have been reflected in higher reinsurance premiums to Suncorp, particularly for the current financial year [REDACTED]

106. [REDACTED] Even excluding the impacts of increasing frequency and severity of weather events, and of reducing reinsurance capacity, Australia's first event retentions (including Suncorp's [REDACTED] million first event retention) are considered low relative to global peers. [REDACTED]

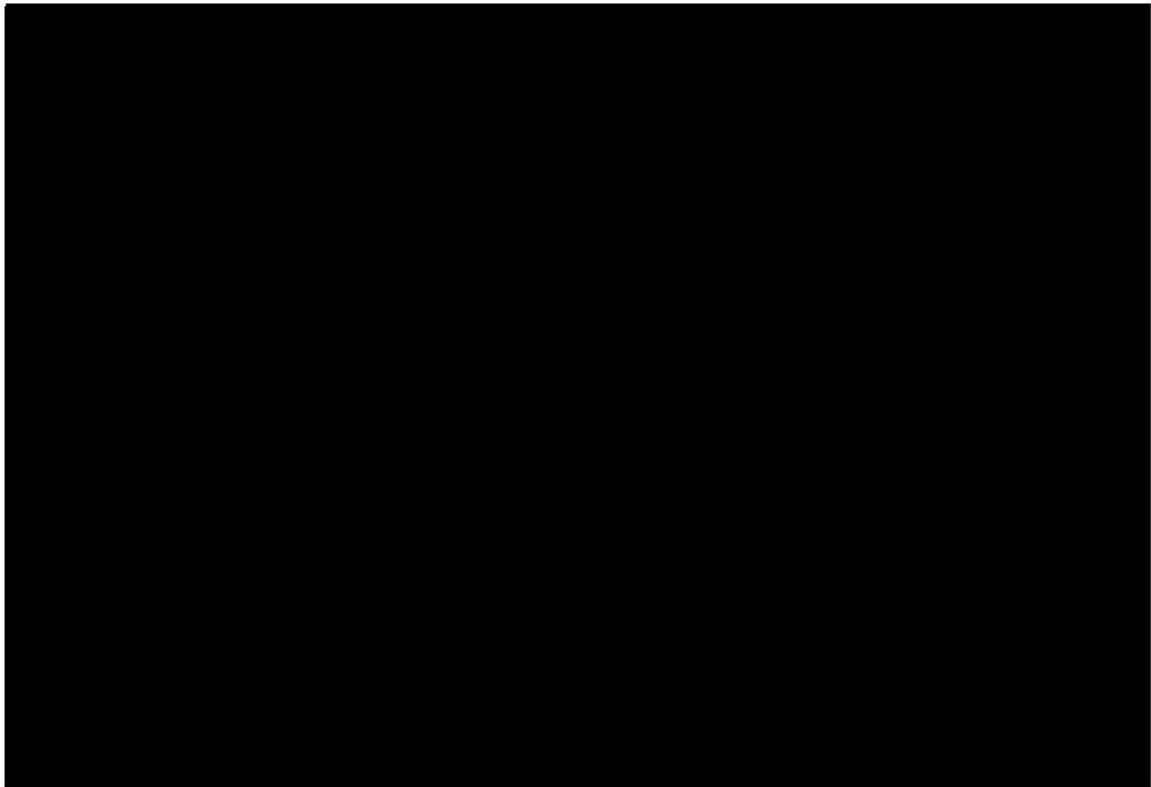
**Table 3: Suncorp's capital requirements if the attachment of the main catastrophe program were to be brought more in line with international benchmarks**

[REDACTED TABLE CONTENT]

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### D.3 Consequences of these overall trends

107. Since providing my First Statement, I have observed competitors and other industry participants renew their reinsurance covers at the 1 January 2023 renewal, including the Insurance Australia Group (IAG), which announced its renewed reinsurance cover on 9 January 2023, and QBE, which announced in its financial year results on 17 February 2023 its renewed reinsurance cover. Copies of both announcements are at **Tab 53 and 54 of Non-confidential Exhibit SJ-4**.
108. I have also held discussions with key global reinsurance providers including Hannover Re, Munich Re, Gen Re, Swiss Re and Berkshire Hathaway and in late March and April 2023 I met with reinsurance providers to discuss the forthcoming renewal of Suncorp's FY24 reinsurance covers. I attended:



109. Based on these meetings it is clear to me that the trends that I pointed out in my First Statement remain true and in fact have amplified over recent months.



**Confidential SJ-3.**

110. In approaching the renewal of our FY24 covers, Suncorp has received verbal indications through its broker, Aon, which is, for the most part, conducting negotiations on Suncorp's behalf, that

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- [REDACTED] This is the basis on which the FY24 will be offered to the market.  
[REDACTED]
- [REDACTED] This is consistent with the approach of IAG, as set out in IAG's announcement at **Tab 53 of Non-confidential Exhibit SJ-4** and reflects the developing lack of appetite for reinsurance markets to provide covers that attach more frequently. [REDACTED]
- [REDACTED]
- [REDACTED] These changes in reinsurance market dynamics, are described in the report prepared by AON dated 1 January 2023 (see in particular page 16), a copy of which is at **Tab 55 of Non-confidential SJ-4**.  
[REDACTED]
111. [REDACTED] with a first event retention of \$ [REDACTED] million, [REDACTED] million attachment for the FY23 program, [REDACTED]. My understanding, based on Suncorp's negotiations to date, is that retention rates [REDACTED] as described in the report prepared by AON dated 1 January 2023 (see in particular page 16), a copy of which is at **Tab 55 of Non-confidential SJ-4**. [REDACTED]
112. This recent reassessment of risk in Australia and New Zealand is unlikely to reverse particularly in a period of sustained inflation and weather volatility accompanying a changing climate. Indeed, many reinsurers have raised with me the relatively low attachment points for Australian insurers relative to insurers in other parts of the world. [REDACTED]
113. To the extent that reinsurers are moving to transfer risk to primary insurers like Suncorp, some of this risk will, in turn, need to be passed on to consumers of insurance products as I point out in paragraph [109] above.
114. This pricing dynamic intersects with Australia's historical underinvestment in resilience and mitigation and decades of poor planning decisions that have allowed houses and community infrastructure to be built in areas unable to cope with current and emerging climate trends. As set out in paragraph [101] above, the historical view of actual natural hazard costs for Suncorp compared to allowances for such events demonstrates a rapid increase in the frequency and severity of hazard events and a significant increase in costs of addressing such events.
115. A combination of rapidly increasing underlying risk, a changing climate outlook and the reassessment of Australia and New Zealand by global reinsurers adds up to a significant challenge for the insurance industry, Governments and public policy makers over the next decade. Evidence of this can already be seen in the need for the Government to step in and underwrite cyclone risks, establishing a liability for the nation's taxpayers to support.

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116. As set out in my First Statement, relative to the status quo of the Suncorp conglomerate structure, a Board and management team with a single focus on investing in, managing and governing a simplified simpler insurance business model is better placed to manage address these challenges.
117. The table set out in paragraph [96] above, shows the capital consumptive nature of Suncorp's insurance business and its banking business over the past five years. This table demonstrates a manageable impost on group capital when one/the other of the businesses is not growing  
 [REDACTED]
118. From Suncorp Bank's perspective, the emerging demands of reinsurance [REDACTED] [REDACTED] has manifest itself in steps being taken to reduce lending growth in the banking entity. At **Tabs 56 and 57 of Non-confidential Exhibit SJ-4** are two Research Bulletins prepared by Credit Suisse dated 31 March 2023 and 28 April 2023 that demonstrate Suncorp Bank's growth relative to system levels over the months of February and March 2023. I expect that these trade-offs will continue under the conglomerate structure and have a negative impact on our ability to compete in both banking and insurance market.

### D.4 Pureplay general insurance focus

119. In my First Statement at paragraphs [87] to [92], I outlined the public benefits that would accrue from Suncorp Group becoming a pureplay general insurer and described the volatility in global reinsurance markets that was flowing through to primary insurers like Suncorp. I pointed out that this may result in availability and affordability challenges for consumers of insurance products in Australia and New Zealand.
120. Assuming this authorisation application is successful, Suncorp has proposed a comprehensive, multi-year strategy to sustain the performance of its insurance entity and improve outcomes for current and prospective insurance customers. The plan, [REDACTED] [REDACTED] details twelve programs of work designed to ensure Suncorp's leadership in a sustainable insurance industry, annexed at **Tab 19 to Confidential Exhibit SJ-3** is a copy of the plan on a page.
121. [REDACTED]
122. Suncorp's Policy Administration system (**PAS**) underpins its general insurance business in Australia and AAI Joint Venture in New Zealand. Suncorp is focused on modernising its PAS.  
 [REDACTED]
123. The movement to a cloud based claims system and enhanced data storage is aimed at improving the broker experience and enabling Suncorp to deliver a differentiated broker experience. The use of a cloud based system drives down complexity and costs of operations.

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124. Of critical importance to the delivery of the strategy is an investment program designed to modernise core systems and deliver digital solutions to insurance customers. Core system investments include:
- (a) modern pricing engines and underwriting enhancements;
  - (b) the investment in a modern PAS; and
  - (c) the movement to a cloud based, 'out of the box' claims system and enhanced data storage that prioritises privacy and integrity.

Such a comprehensive core system replacement would need to be assessed very differently from a timing and sequencing perspective if the Group needed to 'trade-off' these investments against a similar suite of capital investments in the banking entity.

### D.4 Conclusion

125. Suncorp's FY22 Total Capital usage across both general insurance and banking businesses of [REDACTED] within the general insurance business while continuing to invest in technology upgrades across both businesses and supporting all three key business lending portfolios in Suncorp Bank. This contrasts with a position where, under the sale to ANZ, shareholders would benefit from a return of over \$4 billion distributed across the broad Suncorp Group base of shareholders including circa \$1 billion to over 158,000 retail shareholders holding in excess of 340 million shares representing over 37% of the issued shares.

126. [REDACTED]

Signature of witness

[REDACTED]

## Second Witness Statement of Steven Johnston dated 17 May 2023

### Non-confidential Exhibit SJ-4

| Tab | Title   | Access to document  |
|-----|---|---|
| 1.  | BEN Appendix 4E to the results for the year ending 30 June 2022 dated 15 August 2022                            | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/financial-results/appendix-4e-full-year-results-2022.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/financial-results/appendix-4e-full-year-results-2022.pdf</a>   |
| 2.  | BOQ FY22 investor materials for the full year ending 31 August 2022 dated 12 October 2022                       | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2022/investor-materials-fy22.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2022/investor-materials-fy22.pdf</a>   |
| 3.  | Suncorp investor pack for the year ended 30 June 2022 dated 8 August 2022                                       | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1693577">https://www.suncorpgroup.com.au/announcements-pdf/1693577</a>   |
| 4.  | BEN Basel III Pillar 3 Disclosures for the period ending 30 June 2022 dated 15 August 2022                      | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/regulatory-disclosures/2022/30-june---basel-iii-pillar-3-disclosures--prudential-standard-aps-330.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/regulatory-disclosures/2022/30-june---basel-iii-pillar-3-disclosures--prudential-standard-aps-330.pdf</a>   |
| 5.  | BEN Basel III Pillar 3 disclosures for the period ending 30 June 2021 dated 14 September 2021                   | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/regulatory-disclosures/fy-2021/30-june--basel-iii-pillar-3-disclosures--prudential-standard-aps-330.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/regulatory-disclosures/fy-2021/30-june--basel-iii-pillar-3-disclosures--prudential-standard-aps-330.pdf</a>   |
| 6.  | Suncorp Pillar 3 reports for the period ending 30 June 2021 dated 9 August 2021                                 | <a href="https://www.suncorpgroup.com.au/uploads/APS330-June-2021.pdf">https://www.suncorpgroup.com.au/uploads/APS330-June-2021.pdf</a>   |
| 7.  | Suncorp Pillar 3 reports for the period ending 30 June 2022 dated 8 August 2022                                 | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1693583">https://www.suncorpgroup.com.au/announcements-pdf/1693583</a>   |
| 8.  | BOQ Pillar 3 reports for the period ending 31 August 2021 dated 13 October 2021                                 | <a href="https://www.boq.com.au/content/dam/boq/files/reports/apra-pillar/apra-basel-iii-pillar-disclosures-31-aug-2021.pdf">https://www.boq.com.au/content/dam/boq/files/reports/apra-pillar/apra-basel-iii-pillar-disclosures-31-aug-2021.pdf</a>   |
| 9.  | BOQ Pillar 3 reports for the period ending 31 August 2022 dated 12 October 2022                                 | <a href="https://www.boq.com.au/content/dam/boq/files/reports/apra-pillar/apra-basel-iii-pillar-disclosures-31-Aug-2022.pdf">https://www.boq.com.au/content/dam/boq/files/reports/apra-pillar/apra-basel-iii-pillar-disclosures-31-Aug-2022.pdf</a>   |
| 10. | APRA Quarterly ADI Statistics dataset for the period ending September 2004 to December 2022 dated 14 March 2023 | <a href="https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.apra.gov.au%2Fsites%2Fdefault%2Ffiles%2F2023-03%2FQuarterly%2520authorised%2520deposit-taking%2520institution%2520performance%2520statistics%2520-%2520September%25202004%2520to%2520December%25202022.xlsx&amp;wdOrigin=BROWSELINK">https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.apra.gov.au%2Fsites%2Fdefault%2Ffiles%2F2023-03%2FQuarterly%2520authorised%2520deposit-taking%2520institution%2520performance%2520statistics%2520-%2520September%25202004%2520to%2520December%25202022.xlsx&amp;wdOrigin=BROWSELINK</a> |



| Tab | Title  | Access to document  |
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| 11. | BEN full year results presentation for the period ending 30 June 2008 dated 11 August 2008     | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2007-08.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2007-08.pdf</a> |
| 12. | BEN full year results presentation for the period ending 30 June 2010 dated 9 August 2010      | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2009-10.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2009-10.pdf</a> |
| 13. | BEN full year results presentation for the period ending 30 June 2012 dated 20 August 2012     | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2011-12.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2011-12.pdf</a> |
| 14. | BEN full year results presentation for the period ending 30 June 2014 dated 11 August 2014     | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2013-14.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2013-14.pdf</a> |
| 15. | BEN full year results presentation for the period ending 30 June 2016 dated 8 August 2016      | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2015-16.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2015-16.pdf</a> |
| 16. | BEN full year results presentation for the period ending 30 June 2018 dated 1 September 2018   | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2017-18.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2017-18.pdf</a> |
| 17. | BEN full year results presentation for the period ending 30 June 2020 dated 17 August 2020     | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2019-20.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2019-20.pdf</a> |
| 18. | BEN full year results presentation for the period ending 30 June 2022 dated 15 August 2022     | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2022.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/full-year-results-presentation-2022.pdf</a>       |
| 19. | BEN interim results presentation for the period ending 31 December 2022 dated 20 February 2023 | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/half-year-results-presentation-2022-23.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/investor-presentations/half-year-results-presentation-2022-23.pdf</a> |
| 20. | BOQ full year results presentation for the period ending 31 August 2008 dated 9 October 2008   | <a href="https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2008-full-year-results-investor-presentation.pdf">https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2008-full-year-results-investor-presentation.pdf</a>   |

| Tab | Title   | Access to document  |
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| 21. | BOQ full year results presentation for the period ending 31 August 2010 dated 1 November 2010 | <a href="https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2010-full-year-results-investor-presentation.pdf">https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2010-full-year-results-investor-presentation.pdf</a>                       |
| 22. | BOQ full year results presentation for the period ending 31 August 2012 dated 28 October 2012 | <a href="https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2012-full-year-results-presentation.pdf">https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2012-full-year-results-presentation.pdf</a>   |
| 23. | BOQ full year results presentation for the period ending 31 August 2014 dated 9 October 2014  | <a href="https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2014-full-year-results-investor-presentation.pdf">https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2014-full-year-results-investor-presentation.pdf</a>                       |
| 24. | BOQ full year results presentation for the period ending 31 August 2016 dated 6 October 2016  | <a href="https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2016-full-year-results-presentation.pdf">https://www.boq.com.au/content/dam/boq/files/about-us/presentations/2016-full-year-results-presentation.pdf</a>   |
| 25. | BOQ full year results presentation for the period ending 31 August 2018 dated 4 October 2018  | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2018/2018-investor-presentation.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2018/2018-investor-presentation.pdf</a>                     |
| 26. | BOQ annual report for the period ending 31 August 2020 dated 13 October 2020                  | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2020/annual-report-2020.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2020/annual-report-2020.pdf</a>                                     |
| 27. | Suncorp analyst pack for the period ending 30 June 2008 dated 27 August 2008                  | <a href="https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2008/20080827 Analyst Pack.pdf">https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2008/20080827 Analyst Pack.pdf</a>                   |
| 28. | Suncorp analyst pack for the period ending 30 June 2010 dated 25 August 2010                  | <a href="https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2010/20100825 FY10 analyst.pdf">https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2010/20100825 FY10 analyst.pdf</a>                   |
| 29. | Suncorp analyst pack for the period ending 30 June 2012 dated 22 August 2012                  | <a href="https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2012/20120822 SUN FY12 Analyst Pack.pdf">https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2012/20120822 SUN FY12 Analyst Pack.pdf</a> |
| 30. | Suncorp analyst pack for the period ending 30 June 2013 dated 21 August 2013                  | <a href="https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2013/FY/SUN%20FY13%20Analyst%20Pack.pdf">https://www.suncorpgroup.com.au/uploads/fm/documents/Investors/Events/Financial Results/2013/FY/SUN%20FY13%20Analyst%20Pack.pdf</a> |
| 31. | Suncorp analyst pack for the period ending 30 June 2014 13 August 2014                        | <a href="https://www.suncorpgroup.com.au/announcements-pdf/558585">https://www.suncorpgroup.com.au/announcements-pdf/558585</a>   |

| Tab | Title   | Access to document  |
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| 32. | Suncorp analyst pack for the full year ended 30 June 2016 dated 4 August 2016         | <a href="https://www.suncorpgroup.com.au/announcements-pdf/810535">https://www.suncorpgroup.com.au/announcements-pdf/810535</a>   |
| 33. | Suncorp investor pack for the full year ended 30 June 2018 dated 9 August 2018        | <a href="https://www.suncorpgroup.com.au/uploads/FY18-Investor-Pack-FINAL.pdf">https://www.suncorpgroup.com.au/uploads/FY18-Investor-Pack-FINAL.pdf</a>   |
| 34. | Suncorp investor pack for the full year ended 30 June 2020 dated 21 August 2020       | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1382191">https://www.suncorpgroup.com.au/announcements-pdf/1382191</a>   |
| 35. | Suncorp investor pack for the full year ended 30 June 2021 dated 9 August 2021        | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1529206">https://www.suncorpgroup.com.au/announcements-pdf/1529206</a>   |
| 36. | BEN Appendix 4D for the period ending 31 December 2022 dated 20 February 2023         | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/financial-results/appendix-4d-half-year-results-2023.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/financial-results/appendix-4d-half-year-results-2023.pdf</a> |
| 37. | BOQ half year results investor materials for the period ending 28 February 2023       | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-information/boq-1h23-results-investor-materials-final.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-information/boq-1h23-results-investor-materials-final.pdf</a>   |
| 38. | BOQ Pillar 3 reports for the period ending 28 February 2022 dated 20 April 2023       | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-information/apra-basel-iii-pillar-disclosures-28-Feb-2023.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-information/apra-basel-iii-pillar-disclosures-28-Feb-2023.pdf</a>   |
| 39. | Suncorp investor pack for the half year ending 31 December 2022 dated 8 February 2023 | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1781273">https://www.suncorpgroup.com.au/announcements-pdf/1781273</a>   |
| 40. | Suncorp Pillar 3 reports for the period ending 31 December 2021 dated 8 February 2022 | <a href="https://www.suncorpgroup.com.au/uploads/APS-330-31-December-2021.pdf">https://www.suncorpgroup.com.au/uploads/APS-330-31-December-2021.pdf</a>   |
| 41. | BEN annual financial report 2008 dated 24 September 2008                              | <a href="https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/annual-reviews/annual-financial-report-2008.pdf">https://www.bendigoadelaide.com.au/globalassets/documents/bendigoadelaide/investorcentre/results-and-reporting/annual-reviews/annual-financial-report-2008.pdf</a>                   |
| 42. | BOQ Annexure A to Financial Report FY08   | <a href="https://www.boq.com.au/content/dam/boq/files/reports/annual-report/archives/annexure-a-2008.pdf">https://www.boq.com.au/content/dam/boq/files/reports/annual-report/archives/annexure-a-2008.pdf</a>   |
| 43. | BOQ Annexure A to Financial Report FY10   | <a href="https://www.boq.com.au/content/dam/boq/files/reports/annual-report/archives/annexure-a-2010.pdf">https://www.boq.com.au/content/dam/boq/files/reports/annual-report/archives/annexure-a-2010.pdf</a>   |
| 44. | BOQ Annexure A to Financial Report FY12   | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2012/annexure-a-2012.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2012/annexure-a-2012.pdf</a>   |

| Tab | Title   | Access to document  |
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| 45. | BOQ investor information for the period ending 31 Aug 2014 dated 28 October 2014  | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2014/investor-information-2014.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2014/investor-information-2014.pdf</a> |
| 46. | BOQ investor information for the period ending 31 Aug 2016 dated 6 October 2016   | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2016/investor-information-2016.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2016/investor-information-2016.pdf</a> |
| 47. | BOQ investor information for the period ending 31 Aug 2018 dated 8 October 2018   | <a href="https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2018/2018-investor-information.pdf">https://www.boq.com.au/content/dam/boq/files/shareholder-centre/financial-results/2018/2018-investor-information.pdf</a> |
| 48. | Bloomberg records of debt transactions dated May 2023   | Refer to documents attached at pages 38-41 of document bundle   |
| 49. | Suncorp Group Investor Update dated 11 May 2020   | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1341537">https://www.suncorpgroup.com.au/announcements-pdf/1341537</a>   |
| 50. | Suncorp ASX Announcement with 1H23 Financial Results dated 8 February 2023  | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1781272">https://www.suncorpgroup.com.au/announcements-pdf/1781272</a>   |
| 51. | Suncorp analyst pack for the full year ended 30 June 2017 dated 3 August 2017   | <a href="https://www.suncorpgroup.com.au/announcements-pdf/943253">https://www.suncorpgroup.com.au/announcements-pdf/943253</a>   |
| 52. | Suncorp investor pack for the full year ended 30 June 2019 dated 7 August 2019  | <a href="https://www.suncorpgroup.com.au/announcements-pdf/1225359">https://www.suncorpgroup.com.au/announcements-pdf/1225359</a>   |
| 53. | Insurance Australia Group reinsurance announcement dated 9 January 2023   | <a href="https://www.asx.com.au/asxpdf/20230109/pdf/45kh7lkppte6tq.pdf">https://www.asx.com.au/asxpdf/20230109/pdf/45kh7lkppte6tq.pdf</a>   |
| 54. | QBE 2022 full year result presentation dated 17 February 2023   | <a href="https://announcements.asx.com.au/asxpdf/20230217/pdf/45lpz4d2kj6w9f.pdf">https://announcements.asx.com.au/asxpdf/20230217/pdf/45lpz4d2kj6w9f.pdf</a>   |
| 55. | AON report titled 'Reinsurance Market Dynamics' dated 1 January 2023  | <a href="https://www.aon.com/getmedia/008f688f-73d3-4387-b24f-7c2d23fd8bf2/reinsurance-market-dynamics-january-2023.pdf">https://www.aon.com/getmedia/008f688f-73d3-4387-b24f-7c2d23fd8bf2/reinsurance-market-dynamics-january-2023.pdf</a>             |
| 56. | Credit Suisse report titled 'APRA banking stats February 2023 - Below system growth, negative MoM housing growth (-0.2%)' dated 31 March 2023 | Refer to document attached at pages 42-46 of document bundle  |

| Tab | Title  | Access to document   |
|-----|--|--|
| 57. | Credit Suisse report titled 'APRA banking stats March 2023 – Second consecutive below-system mortgage growth (0.14x system)' dated 28 April 2023 | Refer to document attached at pages 47-52 of document bundle |

## Tab 48 of Non-confidential Exhibit SJ-4

| 25 Bond Description |                              | 26 Issuer Description   |                  | 94 Notes                      | 95 Buy                        | 96 Sell          |
|---------------------|------------------------------|-------------------------|------------------|-------------------------------|-------------------------------|------------------|
| <b>Pages</b>        | <b>Issuer Information</b>    |                         |                  | <b>Identifiers</b>            |                               |                  |
| 11 Bond Info        | <b>Name</b>                  | BENDIGO AND ADELAIDE BK |                  | <b>FIGI</b>                   | BBG01GKPLP88                  |                  |
| 12 Addtl Info       | <b>Industry</b>              | Banking (BCLASS)        |                  | <b>ISIN</b>                   | AU3CB0299337                  |                  |
| 13 Reg/Tax          | <b>Security Information</b>  |                         |                  | <b>ID Number</b>              | ZK5307283                     |                  |
| 14 Covenants        | <b>Mkt Iss</b>               | DOMESTIC MTN            |                  | <b>Bond Ratings</b>           |                               |                  |
| 15 Guarantors       | <b>Ctry/Reg</b>              | AU                      | <b>Currency</b>  | AUD                           | <b>Moody's</b>                | A3               |
| 16 Bond Ratings     | <b>Rank</b>                  | Sr Unsecured            | <b>Series</b>    | MTN                           | <b>S&amp;P</b>                | BBB+             |
| 17 Identifiers      | <b>Coupon</b>                | 4.700000                | <b>Type</b>      | Fixed                         | <b>Composite</b>              | BBB+             |
| 18 Exchanges        | <b>Cpn Freq</b>              | S/A                     |                  | <b>Issuance &amp; Trading</b> |                               |                  |
| 19 Inv Parties      | <b>Day Cnt</b>               | ACT/ACT                 | <b>Iss Price</b> | 99.93100                      | <b>Amt Issued/Outstanding</b> |                  |
| 20 Fees, Restrict   | <b>Maturity</b>              | 05/15/2026              | <b>Reoffer</b>   | 99.931                        | AUD                           | 200,000.00 (M) / |
| 21 Schedules        | BULLET                       |                         |                  | AUD                           | 200,000.00 (M)                |                  |
| 22 Coupons          | <b>Reoffer</b>               | +125.00bp vs SQ ASW     |                  | <b>Min Piece/Increment</b>    |                               |                  |
| 23 Impact           | <b>Calc Type</b>             | (23)AUSTRALIA:EX-DIV    |                  | 200,000.00/ 10,000.00         |                               |                  |
| <b>Quick Links</b>  | <b>Pricing Date</b>          | 05/08/2023              |                  | <b>Par Amount</b>             | 10,000.00                     |                  |
| 32 ALLQ Pricing     | <b>Interest Accrual Date</b> | 05/15/2023              |                  | <b>Book Runner</b>            | JOINT LEADS                   |                  |
| 33 QRD Qt Recap     | <b>1st Settle Date</b>       | 05/15/2023              |                  | <b>Exchange</b>               | NOT LISTED                    |                  |
| 34 TDH Trade Hist   | <b>1st Coupon Date</b>       | 11/15/2023              |                  |                               |                               |                  |
| 35 CACS Corp Action |                              |                         |                  |                               |                               |                  |
| 36 CF Filings       |                              |                         |                  |                               |                               |                  |
| 37 CN Sec News      |                              |                         |                  |                               |                               |                  |
| 38 HDS Holders      |                              |                         |                  |                               |                               |                  |
| 60 Send Bond        |                              |                         |                  |                               |                               |                  |

| 25) Bond Description |                              | 26) Issuer Description  |                  | 94) Notes                     | 95) Buy                       | 96) Sell |
|----------------------|------------------------------|-------------------------|------------------|-------------------------------|-------------------------------|----------|
| <b>Pages</b>         | <b>Issuer Information</b>    |                         |                  | <b>Identifiers</b>            |                               |          |
| 11) Bond Info        | <b>Name</b>                  | BENDIGO AND ADELAIDE BK |                  | <b>FIGI</b>                   | BBG01GKPLT80                  |          |
| 12) Addtl Info       | <b>Industry</b>              | Banking (BCLASS)        |                  | <b>ISIN</b>                   | AU3FN0077913                  |          |
| 13) Reg/Tax          | <b>Security Information</b>  |                         |                  | <b>ID Number</b>              | ZK5307291                     |          |
| 14) Covenants        | <b>Mkt Iss</b>               | DOMESTIC MTN            |                  | <b>Bond Ratings</b>           |                               |          |
| 15) Guarantors       | <b>Ctry/Reg</b>              | AU                      | <b>Currency</b>  | AUD                           | <b>Moody's</b>                | A3       |
| 16) Bond Ratings     | <b>Rank</b>                  | Sr Unsecured            | <b>Series</b>    | MTN                           | <b>S&amp;P</b>                | BBB+     |
| 17) Identifiers      | <b>Est Cpn</b>               | 5.131552                | <b>Type</b>      | Floating                      | <b>Composite</b>              | BBB+     |
| 18) Exchanges        | <b>Formula</b>               | QUARTLY BBSW +125.000   |                  | <b>Issuance &amp; Trading</b> |                               |          |
| 19) Inv Parties      | <b>Day Cnt</b>               | ACT/365                 | <b>Iss Price</b> | 100.0000                      | <b>Amt Issued/Outstanding</b> |          |
| 20) Fees, Restrict   | <b>Maturity</b>              | 05/15/2026              |                  | AUD 550,000.00 (M) /          |                               |          |
| 21) Schedules        | BULLET                       |                         |                  | AUD 550,000.00 (M)            |                               |          |
| 22) Coupons          | <b>Iss Sprd</b>              |                         |                  | <b>Min Piece/Increment</b>    |                               |          |
| 23) Impact           | <b>Calc Type</b>             | (515)AUSTRALIAN FLOATER |                  | 200,000.00 / 10,000.00        |                               |          |
| <b>Quick Links</b>   | <b>Pricing Date</b>          | 05/08/2023              |                  | <b>Par Amount</b>             | 10,000.00                     |          |
| 32) ALLQ Pricing     | <b>Interest Accrual Date</b> | 05/15/2023              |                  | <b>Book Runner</b>            | JOINT LEADS                   |          |
| 33) QRD Qt Recap     | <b>1st Settle Date</b>       | 05/15/2023              |                  | <b>Exchange</b>               | NOT LISTED                    |          |
| 34) TDH Trade Hist   | <b>1st Coupon Date</b>       | 08/15/2023              |                  |                               |                               |          |
| 35) CACS Corp Action |                              |                         |                  |                               |                               |          |
| 36) CF Filings       |                              |                         |                  |                               |                               |          |
| 37) CN Sec News      |                              |                         |                  |                               |                               |          |
| 38) HDS Holders      |                              |                         |                  |                               |                               |          |
| 66) Send Bond        |                              |                         |                  |                               |                               |          |

| 25) Bond Description |                              | 20) Issuer Description  |                  | 94) Notes                     | 95) Buy            | 96) Sell |
|----------------------|------------------------------|-------------------------|------------------|-------------------------------|--------------------|----------|
| <b>Pages</b>         | <b>Issuer Information</b>    |                         |                  | <b>Identifiers</b>            |                    |          |
| 11) Bond Info        | <b>Name</b>                  | NATIONAL AUSTRALIA BANK |                  | <b>FIGI</b>                   | BBG01GJ5BVX4       |          |
| 12) Addtl Info       | <b>Industry</b>              | Banking (BCLASS)        |                  | <b>ISIN</b>                   | AU3FN0077822       |          |
| 13) Reg/Tax          | <b>Security Information</b>  |                         |                  | <b>ID Number</b>              | ZK4883961          |          |
| 14) Covenants        | <b>Mkt Iss</b>               | DOMESTIC MTN            |                  | <b>Bond Ratings</b>           |                    |          |
| 15) Guarantors       | <b>Ctry/Reg</b>              | AU                      | <b>Currency</b>  | AUD                           |                    |          |
| 16) Bond Ratings     | <b>Rank</b>                  | Sr Unsecured            | <b>Series</b>    | MTN                           |                    |          |
| 17) Identifiers      | <b>Est Cpn</b>               | 4.660000                | <b>Type</b>      | Floating                      |                    |          |
| 18) Exchanges        | <b>Formula</b>               | QUARTLY BBSW +78.000    |                  |                               |                    |          |
| 19) Inv Parties      | <b>Day Cnt</b>               | ACT/365                 | <b>Iss Price</b> | 100.0000                      |                    |          |
| 20) Fees, Restrict   | <b>Maturity</b>              | 05/12/2026              |                  | <b>Issuance &amp; Trading</b> |                    |          |
| 21) Schedules        | BULLET                       |                         |                  | <b>Amt Issued/Outstanding</b> |                    |          |
| 22) Coupons          | <b>Iss Sprd</b>              |                         |                  | AUD                           | 2,000,000.00 (M) / |          |
| 23) Impact           | <b>Calc Type</b>             | (515)AUSTRALIAN FLOATER |                  | AUD                           | 2,000,000.00 (M)   |          |
| <b>Quick Links</b>   | <b>Pricing Date</b>          | 05/04/2023              |                  | <b>Min Piece/Increment</b>    |                    |          |
| 32) ALLQ Pricing     | <b>Interest Accrual Date</b> | 05/12/2023              |                  | 1,000.00 / 1,000.00           |                    |          |
| 33) QRD Qt Recap     | <b>1st Settle Date</b>       | 05/12/2023              |                  | <b>Par Amount</b>             | 1,000.00           |          |
| 34) TDH Trade Hist   | <b>1st Coupon Date</b>       | 08/14/2023              |                  | <b>Book Runner</b>            | NAB-sole           |          |
| 35) CACS Corp Action | MIN PIECE A\$200,000 IN EEA  |                         |                  | <b>Exchange</b>               | NOT LISTED         |          |
| 36) CF Filings       |                              |                         |                  |                               |                    |          |
| 37) CN Sec News      |                              |                         |                  |                               |                    |          |
| 38) HDS Holders      |                              |                         |                  |                               |                    |          |
| 60) Send Bond        |                              |                         |                  |                               |                    |          |



| 25) Bond Description |                              | 26) Issuer Description  |                  | 94) Notes                     | 95) Buy          | 96) Sell |
|----------------------|------------------------------|-------------------------|------------------|-------------------------------|------------------|----------|
| <b>Pages</b>         | <b>Issuer Information</b>    |                         |                  | <b>Identifiers</b>            |                  |          |
| 1) Bond Info         | <b>Name</b>                  | NATIONAL AUSTRALIA BANK |                  | <b>FIGI</b>                   | BBG01GJ5BVF4     |          |
| 12) Addtl. Info      | <b>Industry</b>              | Banking (BCLASS)        |                  | <b>ISIN</b>                   | AU3CB0299238     |          |
| 13) Reg/Tax          | <b>Security Information</b>  |                         |                  | <b>ID Number</b>              | ZK4883953        |          |
| 14) Covenants        | <b>Mkt Iss</b>               | DOMESTIC MTN            |                  | <b>Bond Ratings</b>           |                  |          |
| 15) Guarantors       | <b>Ctry/Reg</b>              | AU                      | <b>Currency</b>  | AUD                           |                  |          |
| 16) Bond Ratings     | <b>Rank</b>                  | Sr Unsecured            | <b>Series</b>    | MTN                           |                  |          |
| 17) Identifiers      | <b>Coupon</b>                | 4.200000                | <b>Type</b>      | Fixed                         |                  |          |
| 18) Exchanges        | <b>Cpn Freq</b>              | S/A                     |                  | <b>Issuance &amp; Trading</b> |                  |          |
| 19) Inv Parties      | <b>Day Cnt</b>               | ACT/ACT                 | <b>Iss Price</b> | 99.99100                      |                  |          |
| 20) Fees, Restrict   | <b>Maturity</b>              | 05/12/2026              |                  | <b>Amt Issued/Outstanding</b> |                  |          |
| 21) Schedules        | BULLET                       |                         |                  | AUD                           | 350,000.00 (M) / |          |
| 22) Coupons          | <b>Iss Sprd</b>              | +78.00bp vs SQ ASW      |                  | AUD                           | 350,000.00 (M)   |          |
| 23) Impact           | <b>Calc Type</b>             | (23)AUSTRALIA:EX-DIV    |                  | <b>Min Piece/Increment</b>    |                  |          |
| <b>Quick Links</b>   | <b>Pricing Date</b>          | 05/04/2023              |                  | 1,000.00 / 1,000.00           |                  |          |
| 32) ALLQ Pricing     | <b>Interest Accrual Date</b> | 05/12/2023              |                  | <b>Par Amount</b>             | 1,000.00         |          |
| 33) QRD Qt Recap     | <b>1st Settle Date</b>       | 05/12/2023              |                  | <b>Book Runner</b>            | NAB-sole         |          |
| 34) TDH Trade Hist   | <b>1st Coupon Date</b>       | 11/12/2023              |                  | <b>Exchange</b>               | NOT LISTED       |          |
| 35) CACS Corp Action | MIN PIECE A\$200,000 IN EEA  |                         |                  |                               |                  |          |
| 36) CF Filings       |                              |                         |                  |                               |                  |          |
| 37) CN Sec News      |                              |                         |                  |                               |                  |          |
| 38) HDS Holders      |                              |                         |                  |                               |                  |          |
| 60) Send Bond        |                              |                         |                  |                               |                  |          |

Research Bulletin

**Suncorp** (SUN.AX)

**APRA banking stats February 2023 - Below system growth, negative MoM housing growth (-0.2%)**

- APRA's February 2023 Monthly Banking Statistics indicate mortgage growth for SUN below system (-0.2%) following ~6 months of above-system growth.
- The year-on-year growth trend remains very strong at 11.4% vs. 12.3% in January.
- SUN's market share was 2.4%, in line with December. SUN contracted -0.2% during the month, while system growth was 0.3%.
- As already published in a note by our Australian Banks Team, the charts below provide further detail on SUN's mortgage book volumes.

|                              |            |
|------------------------------|------------|
| Company Code                 | SUN.AX     |
| Rating                       | OUTPERFORM |
| Price (31-Mar,A\$)           | 12.17      |
| Target Price (A\$)           | 13.95      |
| Market cap (A\$m)            | 15,383.8   |
| Yr avg. mthly trading (A\$m) | 790.0      |
| Projected return:            |            |
| Capital gain (%)             | 14.6       |
| Dividend yield (net %)       | 6.5        |
| Total return (%)             | 21.1       |

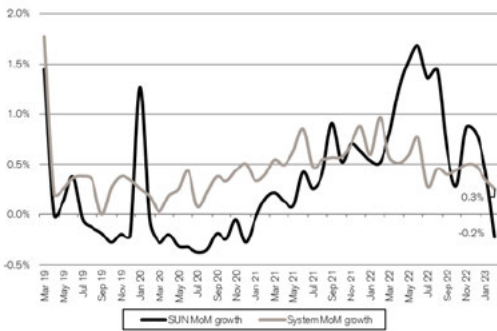
Target price is for 12 months.

Research Analysts

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doron.kur@credit-suisse.com

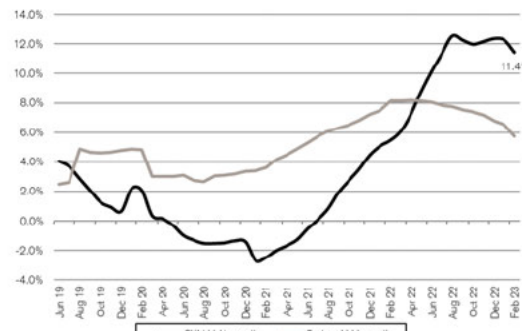
**Lachlan O'Rourke** / 61 2 8205 4065  
lachlan.orourke@credit-suisse.com

Figure 1: SUN Mortgage Growth % - Month on Month



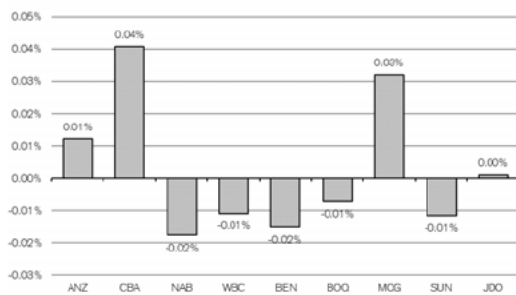
Source: Credit Suisse estimates, APRA

Figure 2: SUN Mortgage Growth % - Year on Year



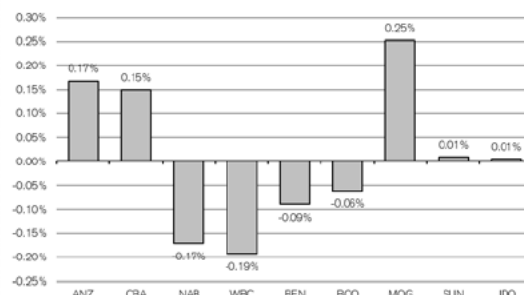
Source: Credit Suisse estimates, APRA

Figure 3: SUN Mortgages Market Share Change - One Month



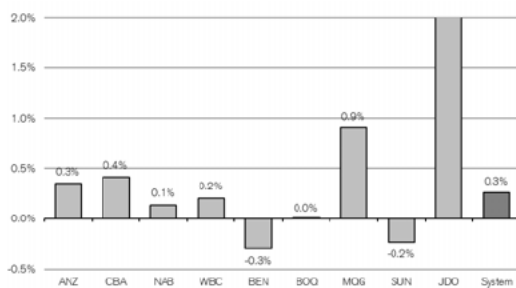
Source: Credit Suisse estimates, APRA

Figure 4: SUN Mortgages Market Share Change - Six Months



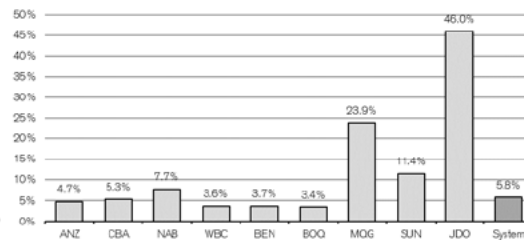
Source: Credit Suisse estimates, APRA

Figure 5: Mortgages - Month on Month Growth



Source: Credit Suisse estimates, APRA

Figure 6: Mortgages - Year on Year Growth



Source: Credit Suisse estimates, APRA

## Valuation Methodology and Risks

### Target Price and Rating

Valuation Methodology and Risks: (12 months) for Suncorp (SUN.AX)

**Method:** Our A\$13.95 target price for SUN is based on Sum of the Parts valuation with bank earnings valued at 1x and assuming the bank is sold in FY24 for \$3.21 a share. We value the remaining insurance business on ~15x earnings, in-line with peer multiples. Given an attractive valuation and strong earnings outlook, we have an OUTPERFORM rating.

**Risk:** The key risks to our A\$13.95 SUN target price and OUTPERFORM rating are: (1) elevated weather claims and reinsurance expenses; (2) claims inflation leading to insurance margin contraction; (3) increased spend profile with intended efficiencies not realised; and (4) investment portfolio losses.

### Companies Mentioned (Price as of 31-Mar-2023)

**ANZ Banking Group** (ANZ.AX, A\$22.92)

**Bank of Queensland** (BOQ.AX, A\$6.53)

**Bendigo and Adelaide Bank** (BEN.AX, A\$8.72)

**Commonwealth Bank Australia** (CBA.AX, A\$98.22)

**Judo Capital Holdings Limited** (JDO.AX, A\$1.1875)

**Macquarie Group** (MQG.AX, A\$174.5)

**National Australia Bank** (NAB.AX, A\$27.57)

**Suncorp** (SUN.AX, A\$12.17, OUTPERFORM, TP A\$13.95)

**Westpac** (WBC.AX, A\$21.68)

## Disclosure Appendix

### Analyst Certification

I, Doron Kur, CFA, certify that (1) the views expressed in this report accurately reflect my personal views about all of the subject companies and securities and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

### 3-Year Price and Rating History for Suncorp (SUN.AX)

| SUN.AX    | Closing Price | Target Price |        |
|-----------|---------------|--------------|--------|
| Date      | (A\$)         | (A\$)        | Rating |
| 11-May-20 | 9.22          | 9.59         | N      |
| 01-Jul-20 | 8.79          | 8.70         | U      |
| 21-Aug-20 | 9.59          | 9.89         | N      |
| 23-Sep-20 | 8.51          |              | NC     |
| 22-Mar-21 | 9.86          | 11.33        | O *    |
| 31-Mar-21 | 9.84          | 11.18        |        |
| 15-Jun-21 | 11.13         | 11.18        | N      |
| 08-Jul-21 | 11.29         | 11.88        |        |
| 28-Jul-21 | 11.49         | 12.12        |        |
| 09-Aug-21 | 12.71         | 13.91        | O      |
| 04-Nov-21 | 11.60         | 13.60        |        |
| 17-Jan-22 | 11.70         | 14.00        |        |
| 16-Mar-22 | 11.12         | 13.90        |        |
| 12-Apr-22 | 11.00         | 15.10        |        |
| 12-May-22 | 11.61         | 14.04        |        |
| 11-Jul-22 | 11.25         | 14.09        |        |
| 08-Aug-22 | 11.11         | 13.70        |        |
| 26-Oct-22 | 10.99         | 13.90        |        |
| 09-Jan-23 | 12.02         | 13.16        |        |
| 12-Jan-23 | 11.67         | 13.34        |        |
| 08-Feb-23 | 13.04         | 13.95        |        |

\* Asterisk signifies initiation or assumption of coverage.

Effective July 3, 2016, NC denotes termination of coverage.



As of December 10, 2012 Analysts' stock rating are defined as follows:

**Outperform (O)** : The stock's total return is expected to outperform the relevant benchmark\* over the next 12 months.

**Neutral (N)** : The stock's total return is expected to be in line with the relevant benchmark\* over the next 12 months.

**Underperform (U)** : The stock's total return is expected to underperform the relevant benchmark\* over the next 12 months.

## Tab 56 of Non-confidential Exhibit SJ-4

*\*Relevant benchmark by region: As of 10th December 2012, Japanese ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. As of 2nd October 2012, U.S. and Canadian as well as European (excluding Turkey) ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. For Latin America, Turkey and Asia (excluding Japan and Australia), stock ratings are based on a stock's total return relative to the average total return of the relevant country or regional benchmark (India - S&P BSE Sensex Index); for China A share the relevant index is the Shanghai Shenzhen CSI 300 (CSI300); prior to 2nd October 2012 U.S. and Canadian ratings were based on (1) a stock's absolute total return potential to its current share price and (2) the relative attractiveness of a stock's total return potential within an analyst's coverage universe. For Australian and New Zealand stocks, the expected total return (ETR) calculation includes 12-month rolling dividend yield. An Outperform rating is assigned where an ETR is greater than or equal to 7.5%; Underperform where an ETR less than or equal to 5%. A Neutral may be assigned where the ETR is between -5% and 15%. The overlapping rating range allows analysts to assign a rating that puts ETR in the context of associated risks. Prior to 18 May 2015, ETR ranges for Outperform and Underperform ratings did not overlap with Neutral thresholds between 15% and 7.5%, which was in operation from 7 July 2011.*

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**Market Weight** : The analyst's expectation for the sector's fundamentals and/or valuation is neutral over the next 12 months.

**Underweight** : The analyst's expectation for the sector's fundamentals and/or valuation is cautious over the next 12 months.

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| Rating             | Versus universe (%) | Of which banking clients (%) |
|--------------------|---------------------|------------------------------|
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| Neutral/Hold*      | 36%                 | (22% banking clients)        |
| Underperform/Sell* | 10%                 | (21% banking clients)        |
| Restricted         | 1%                  |                              |

Please click [here](#) to view the MAR quarterly recommendations and investment services report for fundamental research recommendations.

*\*For purposes of the NYSE and FINRA ratings distribution disclosure requirements, our stock ratings of Outperform, Neutral, and Underperform most closely correspond to Buy, Hold, and Sell, respectively; however, the meanings are not the same, as our stock ratings are determined on a relative basis. (Please refer to definitions above.) An investor's decision to buy or sell a security should be based on investment objectives, current holdings, and other individual factors.*

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Doron Kur, CFA ; Lachlan O'Rourke

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Research Bulletin

**Suncorp** (SUN.AX)

**APRA banking stats March2023 - Second consecutive below-system mortgage growth (0.14x system)**

- APRA's March2023 Monthly Banking Statistics indicate mortgage growth for SUN continued below system at 0.1% during the month from -0.2% in February and 0.5% in January.
- The year-on-year growth trend remains strong at 10.6% vs. 11.4% in February, however, has decelerated notably from recent peak levels seen in December of 12.4%.
- SUN's market share was 2.4%, in line with December. SUN grew 0.1% during the month, while system growth was 0.4% (0.3% in January).
- As already published in a note by our Australian Banks Team, the charts below provide further detail on SUN's mortgage book volumes.

|                              |            |
|------------------------------|------------|
| Company Code                 | SUN.AX     |
| Rating                       | OUTPERFORM |
| Price (28-Apr,A\$)           | 12.51      |
| Target Price (A\$)           | 13.95      |
| Market cap (A\$m)            | 15,838.1   |
| Yr avg. mthly trading (A\$m) | 788.9      |
| Projected return:            |            |
| Capital gain (%)             | 11.6       |
| Dividend yield (net %)       | 6.1        |
| Total return (%)             | 17.7       |

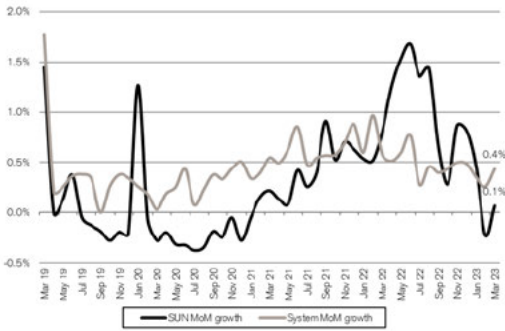
Target price is for 12 months.

Research Analysts

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 doron.kur@credit-suisse.com

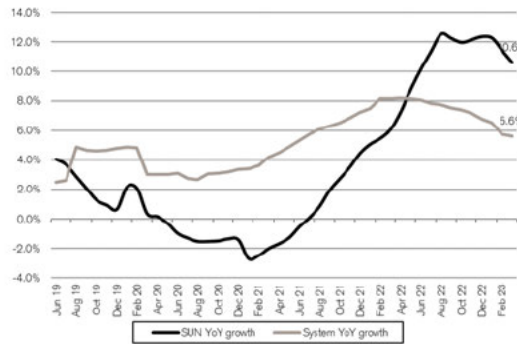
**Lachlan O'Rourke** / 61 2 8205 4065  
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Figure 1: SUN Mortgage Growth % - Month on Month



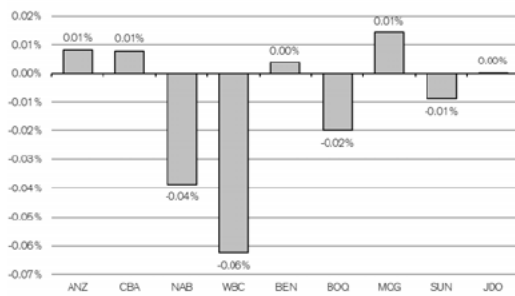
Source: Credit Suisse estimates, APRA

Figure 2: SUN Mortgage Growth % - Year on Year



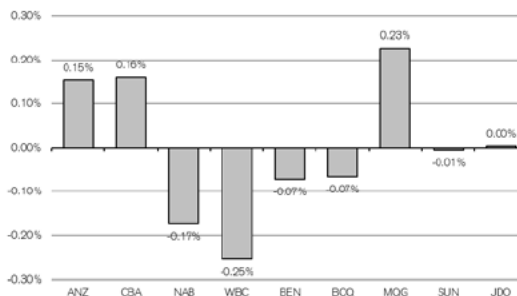
Source: Credit Suisse estimates, APRA

Figure 3: SUN Mortgages Market Share Change - One Month



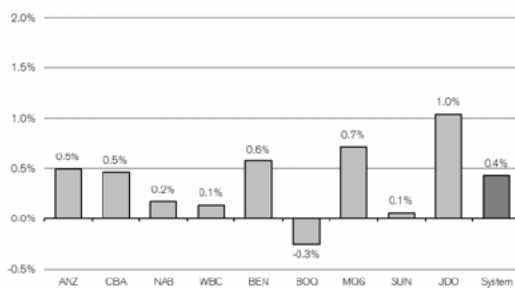
Source: Credit Suisse estimates, APRA

Figure 4: SUN Mortgages Market Share Change - Six Months



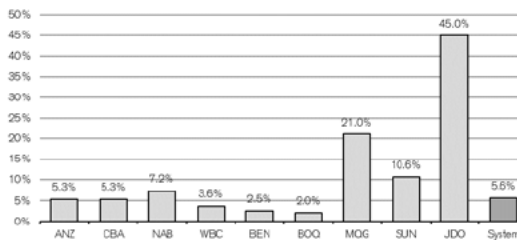
Source: Credit Suisse estimates, APRA

Figure 5: Mortgages - Month on Month Growth



Source: Credit Suisse estimates, APRA

Figure 6: Mortgages - Year on Year Growth



Source: Credit Suisse estimates, APRA





## Valuation Methodology and Risks

### Target Price and Rating

Valuation Methodology and Risks: (12 months) for Suncorp (SUN.AX)

**Method:** Our A\$13.95 target price for SUN is based on Sum of the Parts valuation with bank earnings valued at 1x and assuming the bank is sold in FY24 for \$3.21 a share. We value the remaining insurance business on ~15x earnings, in-line with peer multiples. Given an attractive valuation and strong earnings outlook, we have an OUTPERFORM rating.

**Risk:** The key risks to our A\$13.95 SUN target price and OUTPERFORM rating are: (1) elevated weather claims and reinsurance expenses; (2) claims inflation leading to insurance margin contraction; (3) increased spend profile with intended efficiencies not realised; and (4) investment portfolio losses.

### Companies Mentioned (Price as of 28-Apr-2023)

**ANZ Banking Group** (ANZ.AX, A\$24.38)

**Bank of Queensland** (BOQ.AX, A\$5.82)

**Bendigo and Adelaide Bank** (BEN.AX, A\$8.68)

**Commonwealth Bank Australia** (CBA.AX, A\$99.8)

**Judo Capital Holdings Limited** (JDO.AX, A\$1.245)

**Macquarie Group** (MQG.AX, A\$182.34)

**National Australia Bank** (NAB.AX, A\$28.92)

**Suncorp** (SUN.AX, A\$12.51, OUTPERFORM, TP A\$13.95)

**Westpac** (WBC.AX, A\$22.505)

## Disclosure Appendix

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### 3-Year Price and Rating History for Suncorp (SUN.AX)

| SUN.AX    | Closing Price | Target Price |        |
|-----------|---------------|--------------|--------|
| Date      | (A\$)         | (A\$)        | Rating |
| 11-May-20 | 9.22          | 9.59         | N      |
| 01-Jul-20 | 8.79          | 8.70         | U      |
| 21-Aug-20 | 9.59          | 9.89         | N      |
| 23-Sep-20 | 8.51          |              | NC     |
| 22-Mar-21 | 9.86          | 11.33        | O *    |
| 31-Mar-21 | 9.84          | 11.18        |        |
| 15-Jun-21 | 11.13         | 11.18        | N      |
| 08-Jul-21 | 11.29         | 11.88        |        |
| 28-Jul-21 | 11.49         | 12.12        |        |
| 09-Aug-21 | 12.71         | 13.91        | O      |
| 04-Nov-21 | 11.60         | 13.60        |        |
| 17-Jan-22 | 11.70         | 14.00        |        |
| 16-Mar-22 | 11.12         | 13.90        |        |
| 12-Apr-22 | 11.00         | 15.10        |        |
| 12-May-22 | 11.61         | 14.04        |        |
| 11-Jul-22 | 11.25         | 14.09        |        |
| 08-Aug-22 | 11.11         | 13.70        |        |
| 26-Oct-22 | 10.99         | 13.90        |        |
| 09-Jan-23 | 12.02         | 13.16        |        |
| 12-Jan-23 | 11.67         | 13.34        |        |
| 08-Feb-23 | 13.04         | 13.95        |        |

\* Asterisk signifies initiation or assumption of coverage.

Effective July 3, 2016, NC denotes termination of coverage.



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**Neutral (N)** : The stock's total return is expected to be in line with the relevant benchmark\* over the next 12 months.

**Underperform (U)** : The stock's total return is expected to underperform the relevant benchmark\* over the next 12 months.

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|--------------------|---------------------|------------------------------|
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| Underperform/Sell* | 10%                 | (20% banking clients)        |
| Restricted         | 1%                  |                              |

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Credit Suisse Equities (Australia) Limited

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