

Good Year but Why No Vote on Bank Divestment?

ASX code	SUN
Meeting date	27 September 2023
Type of meeting	Hybrid
Monitor	John Whittington, assisted by Steve Mabb and David Loosemore
Pre AGM-meeting	Yes, with Chair Christine McLouglin, and director Duncan West

Meeting Statistics

Number of holdings represented by ASA	258
Number of shares represented by ASA	1,155,990
Value of shares represented by ASA	\$16.4m
Total number attending meeting	479 in person, 692 in total
Market capitalisation	\$18 billion
ASA open proxies voted	ASA voted in favour of all the resolutions

The Suncorp AGM was a well-attended hybrid meeting which started with a relatively brief but informative welcome to country which included some singing. The Chair then introduced each director and outlined what they bring to the board – a welcome addition to just naming them. The Chair and CEO gave [comprehensive presentations](#) on the company’s performance and the challenges of more natural disasters and rising reinsurance rates. In particular they highlighted the problems of allowing housing in high-risk areas which may be uninsurable at affordable rates.

ASA opened the questions from the floor expressing our disappointment that the company did not present the divestment of Suncorp Bank to a shareholder vote and asking that details of the auditor’s tenure be explained to the meeting and published in future annual reports. We also asked for better disclosure of payment to political parties (about \$100,000 this financial year) in the annual report.

There were many comments against the divestment of the bank, most from a group of “bank warriors” with a few asking questions about specific aspects of it, and what would happen if the sale did not go through. The Chair would not be drawn on that last point indicating that the company was fully behind the sale.

Other areas covered in the numerous questions were:

- Coal and “sensitive sector” (eg fracking) funding. The company does not support companies that get more than 10% of their income from thermal coal (this excludes support businesses such as local businesses and engineering firms).
- The Voice. Suncorp has not provided funds to either campaign and encourages people to make their own decision.
- Branch closures. Suncorp is committed not to close branches whilst the Government inquiry is underway. They also indicated that there is a minimum number of staff required to operate a branch.

- The likelihood of a new enterprise agreement.
- The risks of digital scams and if Suncorp is going to go cashless like some other banks. The Chair indicated that Suncorp cannot stem the tide of the move to digital.

On the remuneration report, ASA complemented the clarity of the report and asked if the sale of the bank proceeds, resulting in a smaller and less complex company, whether shareholders could expect director's fees to be reduced. The Chair indicated that the board will review fees at that time. Some shareholders indicated that they had no issues with the remuneration report but were voting against it due to the bank divestment process. The report was passed 92% to 8%.

Regarding the grant of performance rights to the CEO, ASA also asked for better transparency of the new non-financial metrics used in the long-term incentives paid to the CEO and other senior executives. The Chair indicated they would be included in next year's remuneration report. This item was passed 99% to 1%.

The two directors up for re-election spoke well to their re-election and were applauded by the audience. They were both elected with around 95% support.

The meeting concluded after 2¾ hours and the food and refreshments were excellent. However, the directors did not seem to stay long to mingle with shareholders.

Suncorp have made the video of the meeting available to shareholders [on this link](#).

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