

## **MEDIA RELEASE**

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### **LGIAsuper to buy Suncorp's superannuation business**

LGIAsuper members will benefit from increased size, scale and, ultimately, reduced costs with the acquisition of Suncorp's superannuation business (Suncorp Portfolio Services Limited) in 2022.

The transaction, announced today, will see LGIAsuper add Suncorp's 137,000 superannuation members and \$6.4 billion in funds under management (as of 31 December 2020) to its portfolio, cementing its focus on Queensland and its position as a sustainable, mid-sized fund.

The total consideration for the acquisition is estimated at \$45 million. This includes a fixed amount of \$26.6 million, plus regulatory reserves.

The expected completion date for the transaction is the second half of the 2021/22 financial year, nearly 12 months after LGIAsuper's planned merger with Energy Super on July 1, 2021.

The two transactions will see a combined fund size of around \$28 billion and a membership of approximately 250,000 at completion.

LGIAsuper CEO Kate Farrar said an extensive due diligence process, regulatory consultation, and analysis of member benefits had concluded that the Suncorp acquisition would ultimately provide significant advantages to current and future members of LGIAsuper, Energy Super and Suncorp's superannuation business.

"This acquisition, combined with the Energy Super merger, will achieve an ideal, sustainable fund size, while maintaining our status as a boutique and personal superannuation provider," Ms Farrar said.

"With the superannuation industry consolidating rapidly, we want to see our Queensland-based funds thrive in an increasingly complex and competitive national market, and the best way to do that is together."

Suncorp Bank CEO Clive van Horen said: "After extensive engagement with potential buyers, we believe that LGIAsuper is best placed to deliver sustainable member outcomes.

"The values and purpose of LGIAsuper align closely with those of Suncorp and this transaction will enable the combined organisation to take advantage of scale benefits in the future."

Ms Farrar said as part of an entity with greater scale, all members could expect to see reduced fees as integration benefits were realised, with enhanced products, services and personalised workplace support programs being some of the planned acquisition outcomes.

"As a circa \$28 billion fund, we will have increased access to high-performing mid-market investments, with a focus on assets that build communities and support our members where they live and work."

LGIAsuper's current investment portfolio includes Queensland assets, including the Gold Coast Light Rail, North Queensland Gas Pipeline, the Central Queensland Livestock Exchange, and the Sunshine Coast Airport.

Ms Farrar said LGIAsuper planned to keep the Suncorp fund operating as a standalone entity under the Suncorp brand initially, with its own trustee board, management and team.

"Suncorp's superannuation members will not see any short-term changes to their fund or the team members who support them," she said.

“In the medium term, we plan to mutualise and put the ownership of the fund in the hands of all members.”

Ms Farrar said the investment from LGIAsuper’s general reserves was expected to be recouped by members within five years and, in addition, would deliver medium-term fee benefits.

**ENDS**

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**About LGIAsuper:** LGIAsuper is a Queensland-based super fund that has provided trusted and reliable investment, advice, and insurance solutions for more than 50 years. It looks after over \$13 billion in retirement savings for around 73,000 members (as of December 31 2020). For more information on LGIAsuper’s investment strategy, call 1800 444 396 or visit [www.lgiasuper.com.au](http://www.lgiasuper.com.au).

**About Suncorp:** Suncorp Group is a top ASX-listed financial services company which operates across Australia and New Zealand. Suncorp builds and protects the assets and livelihoods of its customers and their communities through providing home, motor, commercial and personal injury insurance, as well as retail and business banking products. Suncorp Portfolio Services Limited is a wholly owned subsidiary of Suncorp Group Limited, which has been delivering superannuation and retirement products for more than 20 years. As at 31 December 2020 around 137,000 customers held super and retirement products under the Suncorp brand.