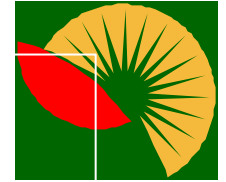




SUNCORP METWAY



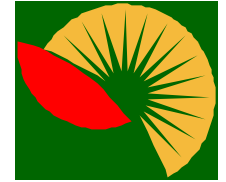
SUNCORP METWAY LTD

Steve Jones
Managing Director

Merrill Lynch Conference

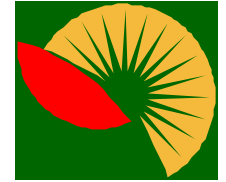
New York, October 11, 2000

Briefing Outline

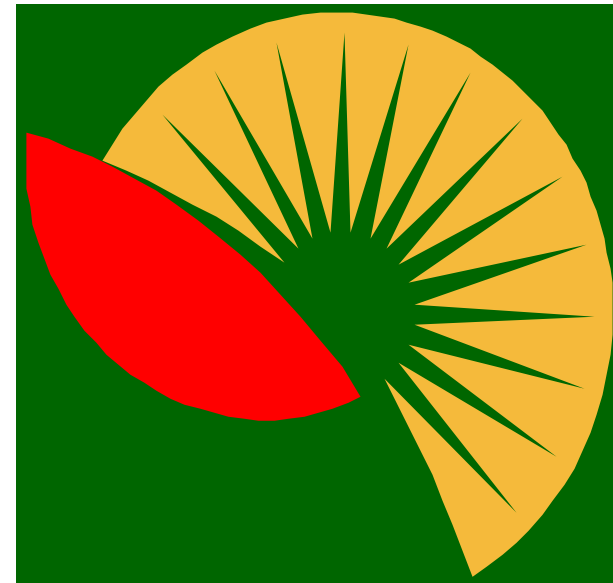
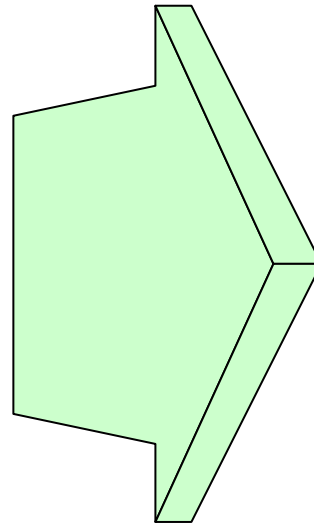


- **Company Profile**
- Performance
- Goals and Strategies
- Q&A

1996 Merger

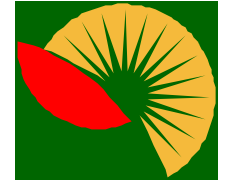


Metway
Bank



SUNCORP METWAY

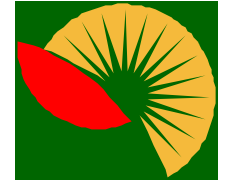
Stockmarket position



- **Included in Morgan Stanley Capital Index, Feb 99**
- **Australian All Ords Index weighting of 0.45%**
- **Market cap of A\$4.1b, ranking 36th***

*Includes EINs that convert to shares in Oct, 2001

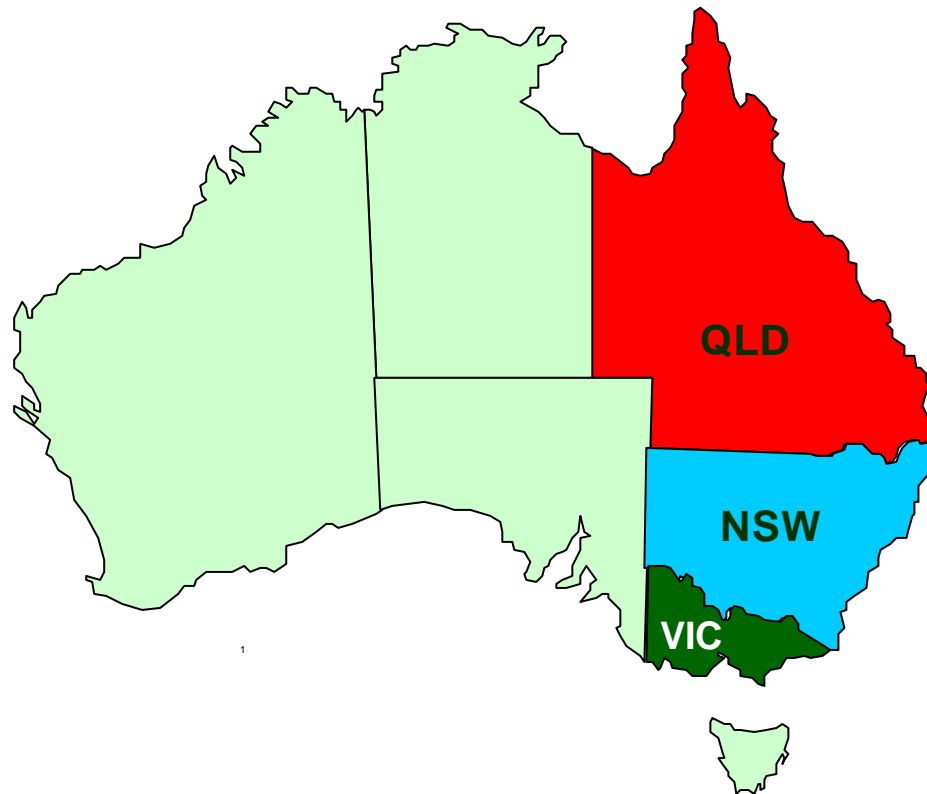
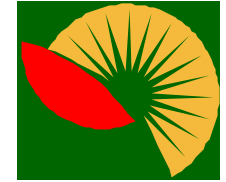
Allfinanz leader in Australia



- **Sixth largest bank**
- **Seventh largest insurance company**
- **Funds under management \$6.6 billion**
- **Total assets of \$23.4 billion***
- **Largest company in Qld**

*Excluding life insurance policyholders' interests

Geographic Coverage



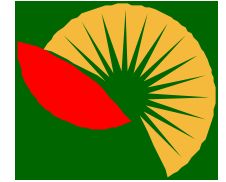
Qld share and rank

- Auto insurance 29%, 1st
- Home insurance 28%, 1st
- Third Party ins 56%, 1st
- Lending 17%, 2nd
- Agri-lending 25%, 2nd
- Deposits 20%, 1st

NSW and Victoria

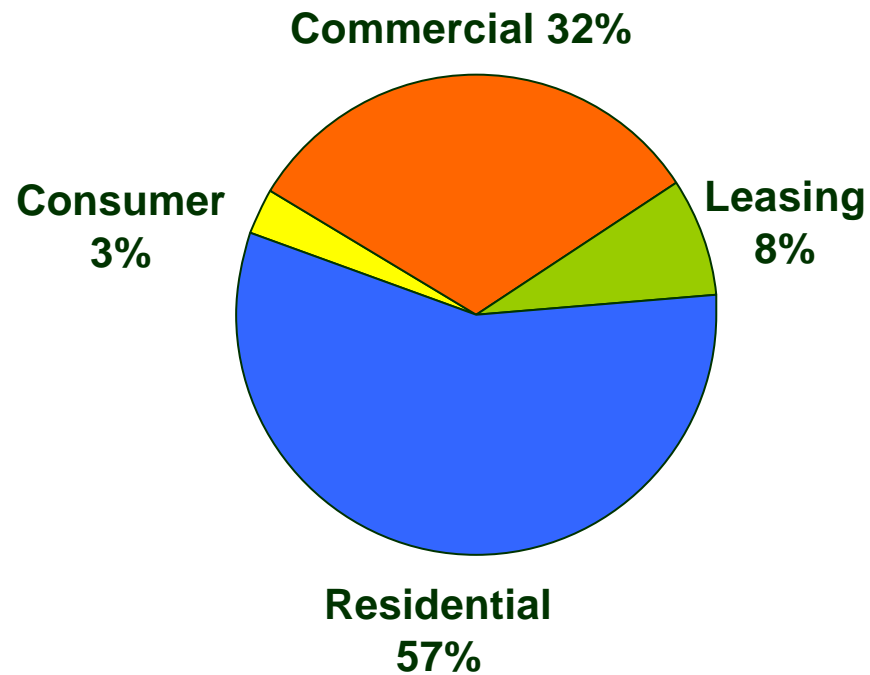
- Beachheads well established
- Interstate provided 38% of 99/00 lending

SML Business Mix



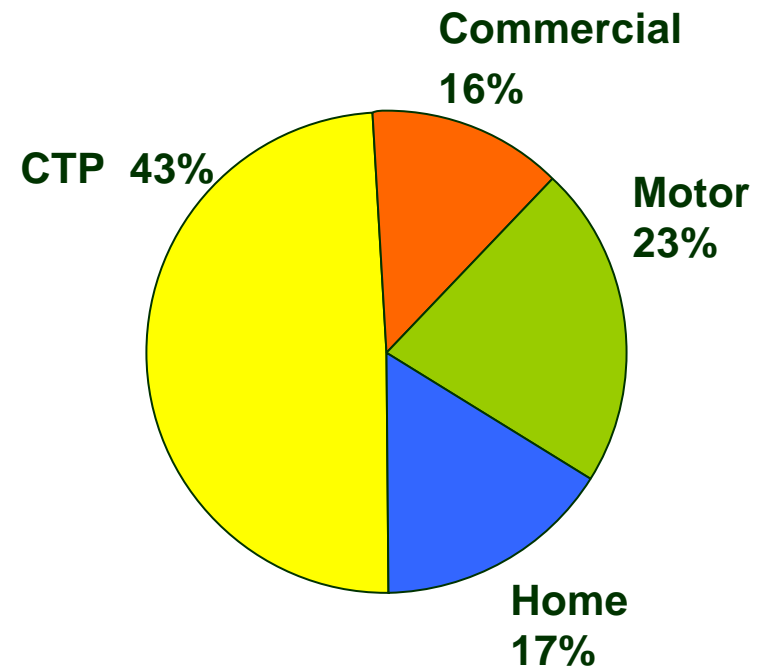
Banking Assets

\$21.2 billion

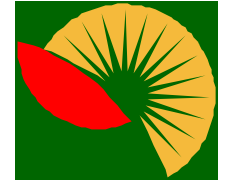


GI Premium

\$739 million



Merger Initiatives: Cutting costs



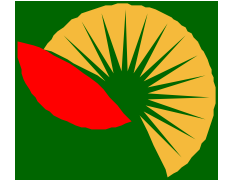
- **1450 ideas in Transformation program**
- **Implemented over six quarters to 1999**
- **\$180m in cost and revenue benefits, 70% from \$590m cost base**
- **Bottom up approach a key to success**

Merger Initiatives: One Brand

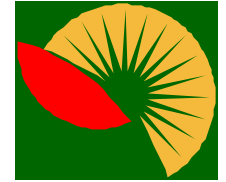
- **One banking system**
- **One product range, reduced 680 to 140**
- **Computer systems converted Easter 1999**
- **One distribution network - retail branches amalgamated from 221 to 133**

New Look and More Locations

(21% more branches than merger partners)



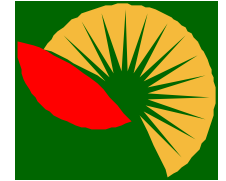
Briefing Outline





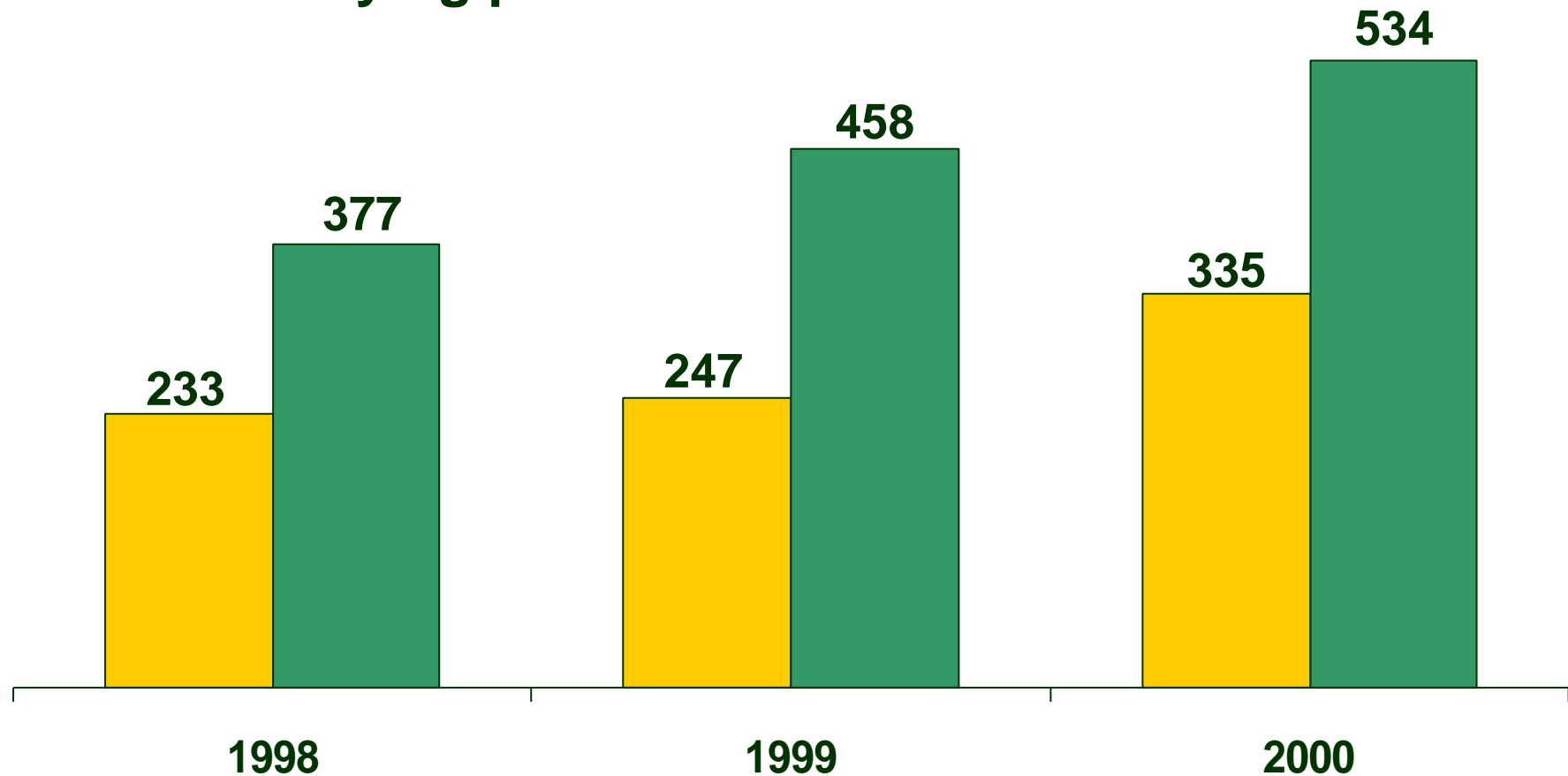
- Company Profile
- **Performance**
- Goals and Strategies
- Q&A

Profit performance

(\$ millions)



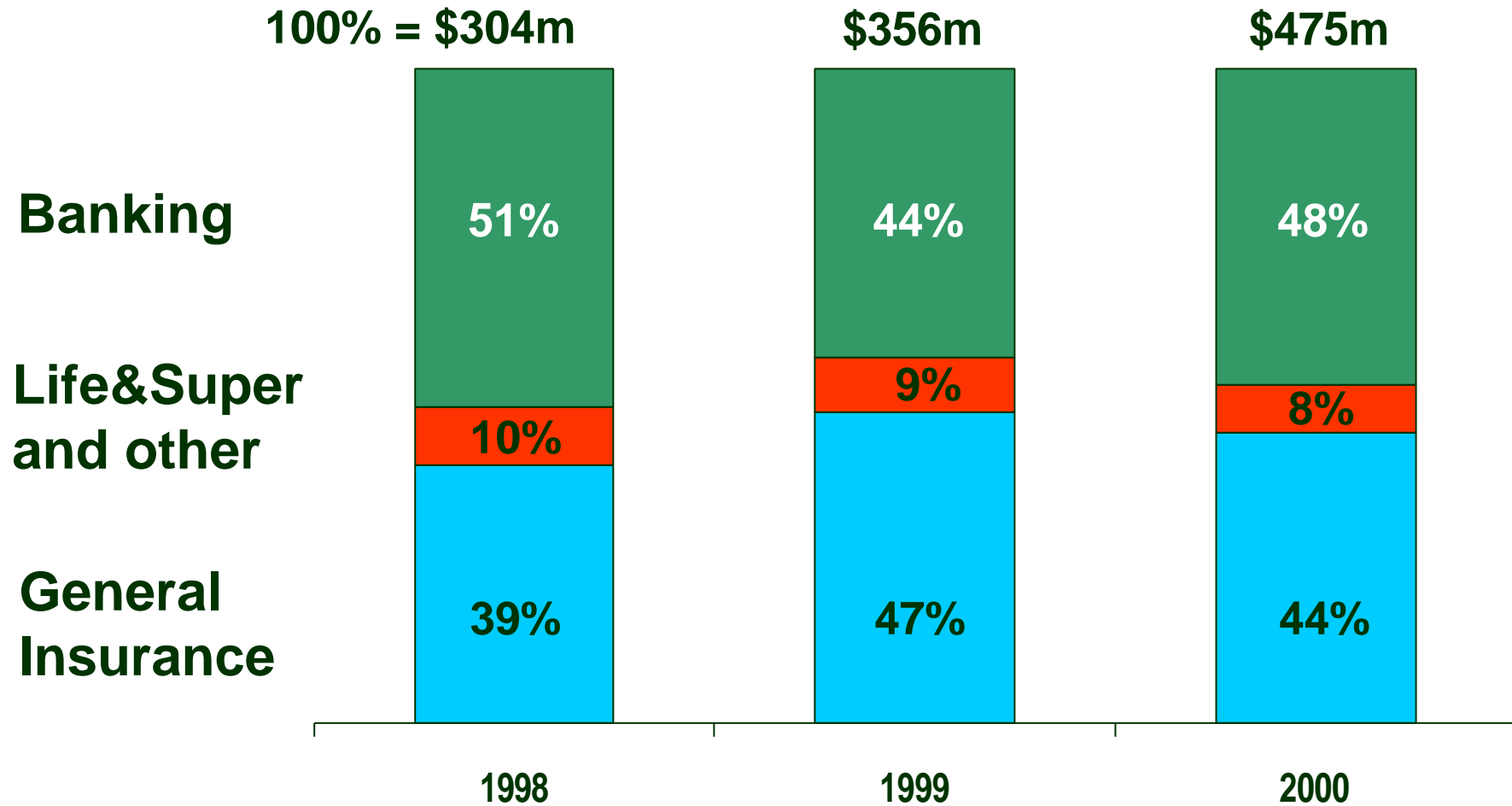
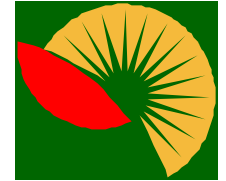
 Statutory NPAT
 Underlying profit*



*Profit before tax, adding back one-off merger related expenses and bad debts

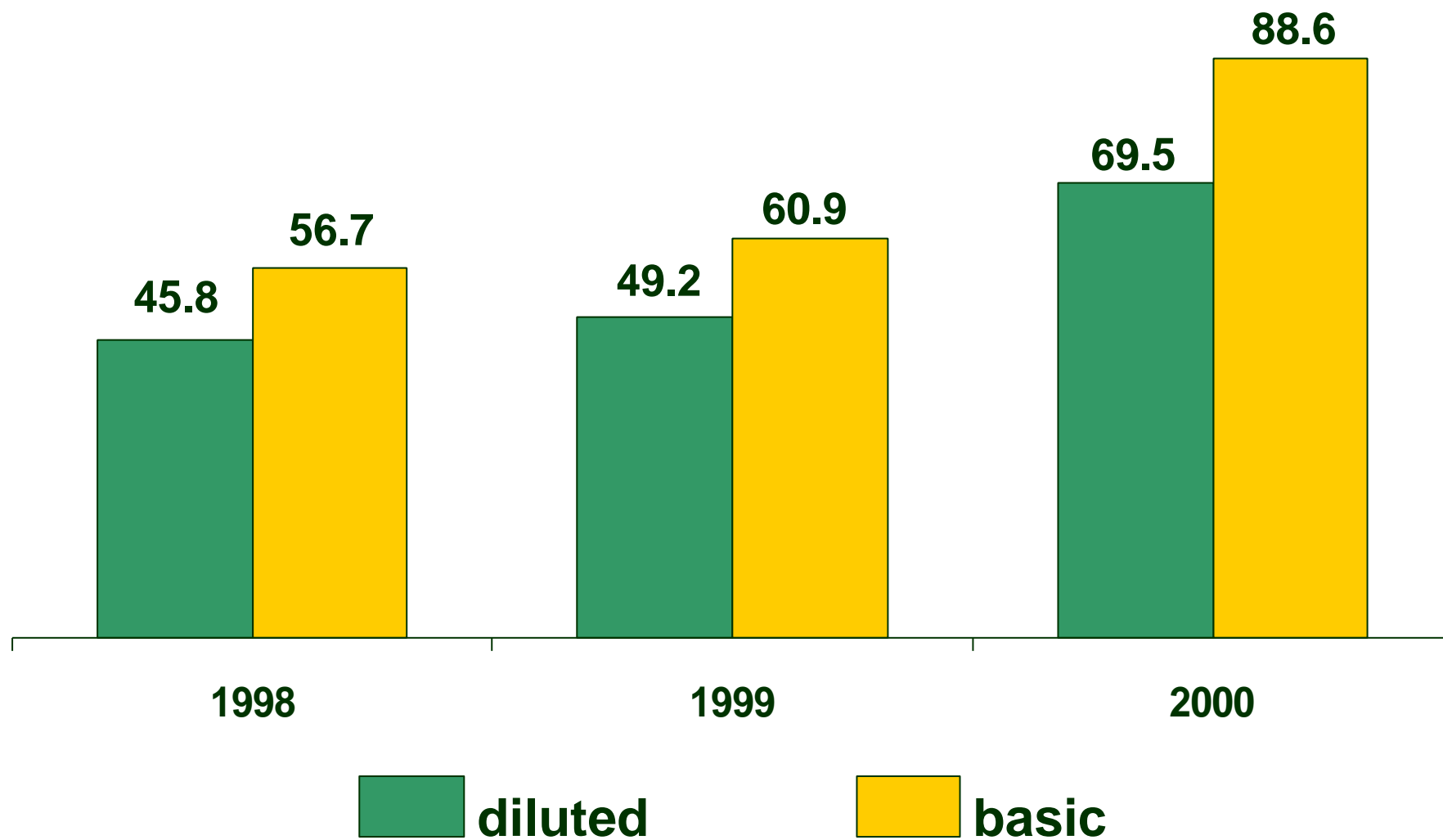
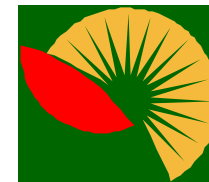
Profit by Segment

(Pre-tax)

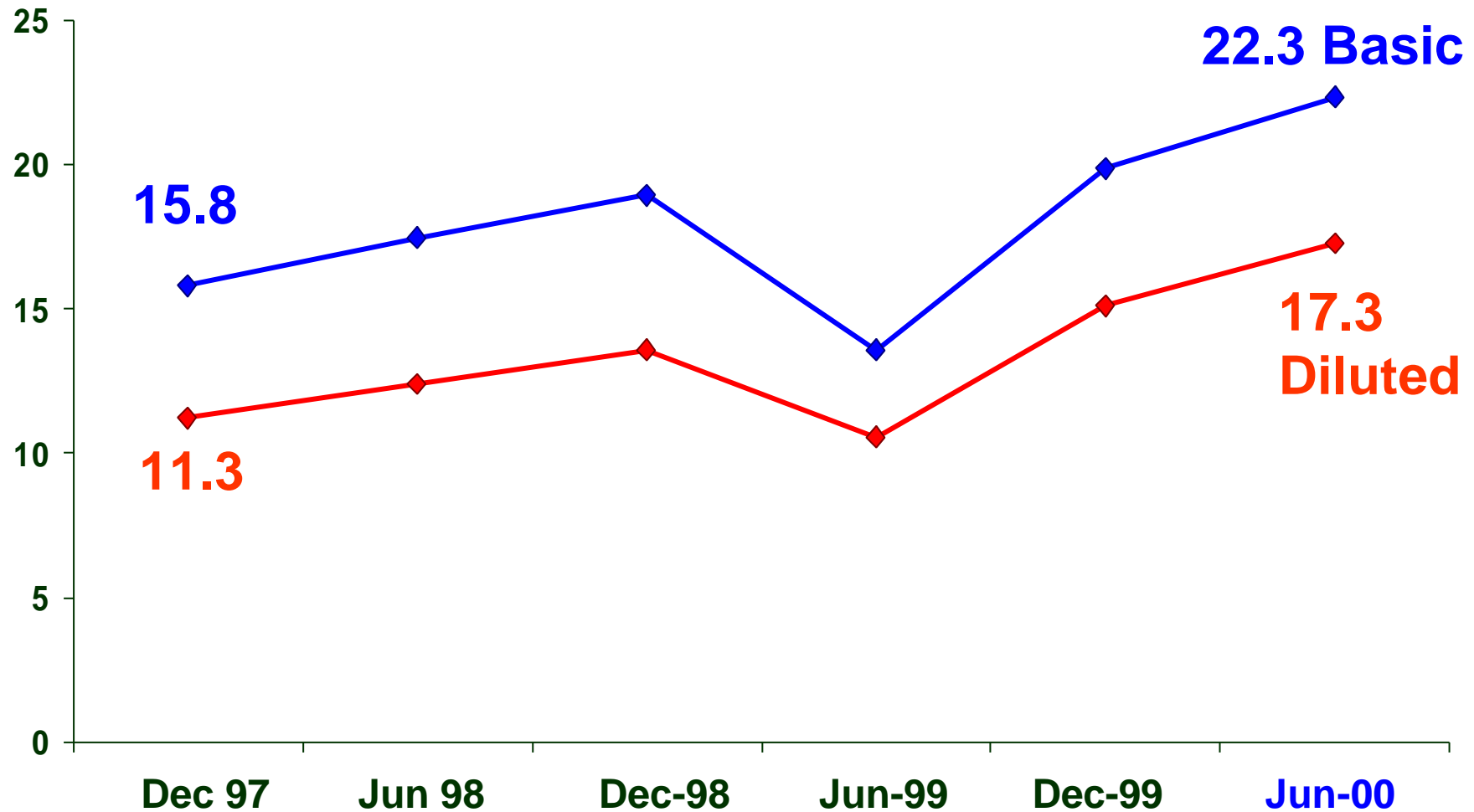
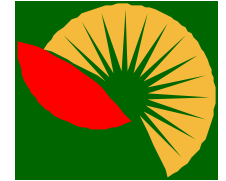


Earnings per share

(cents)

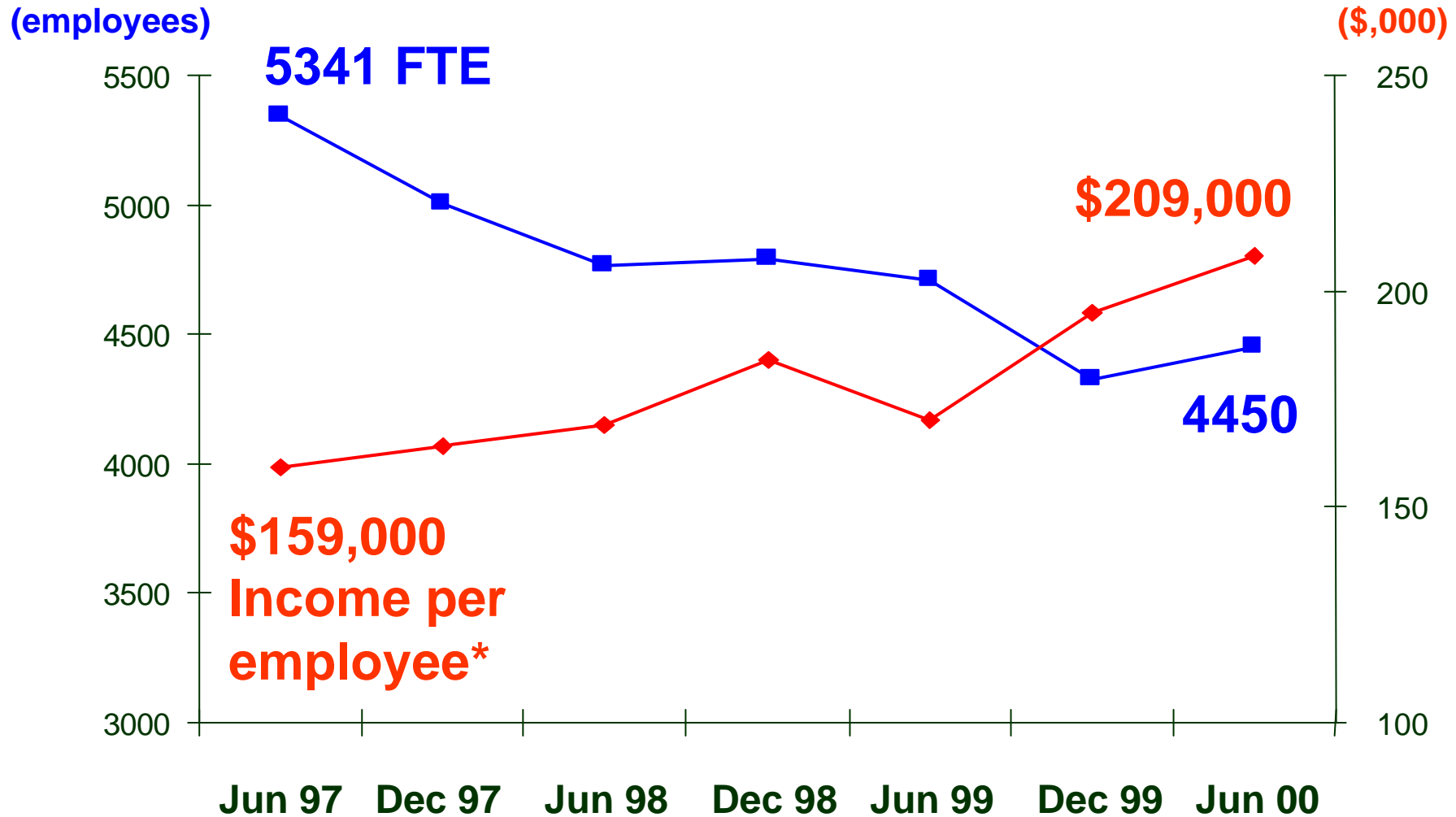
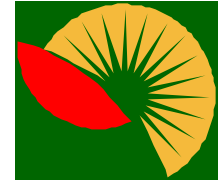


Return on equity (%)

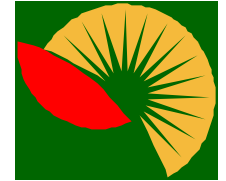


Excluding one-off expenses

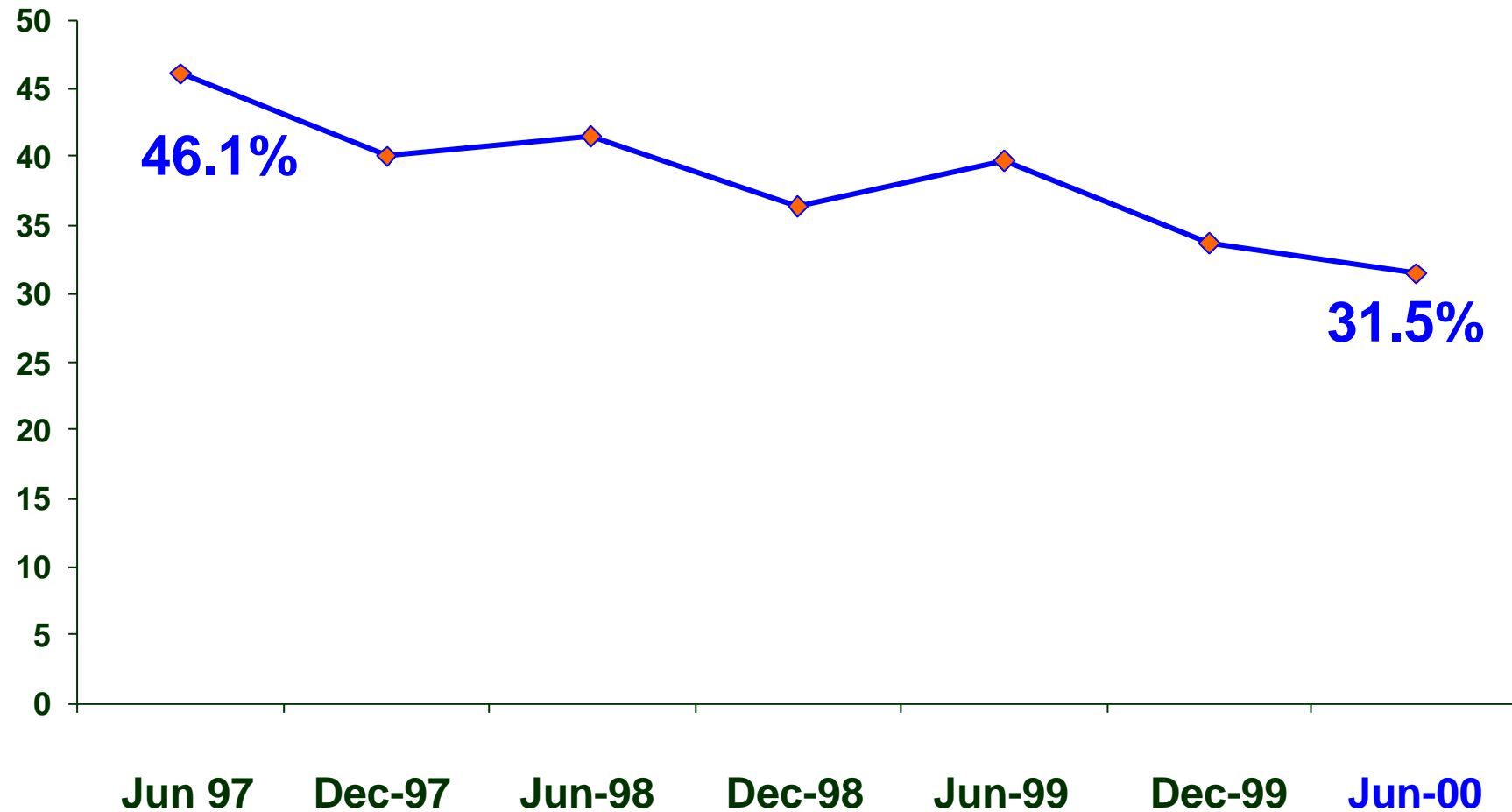
Staff numbers and productivity



*Excluding policyholders funds

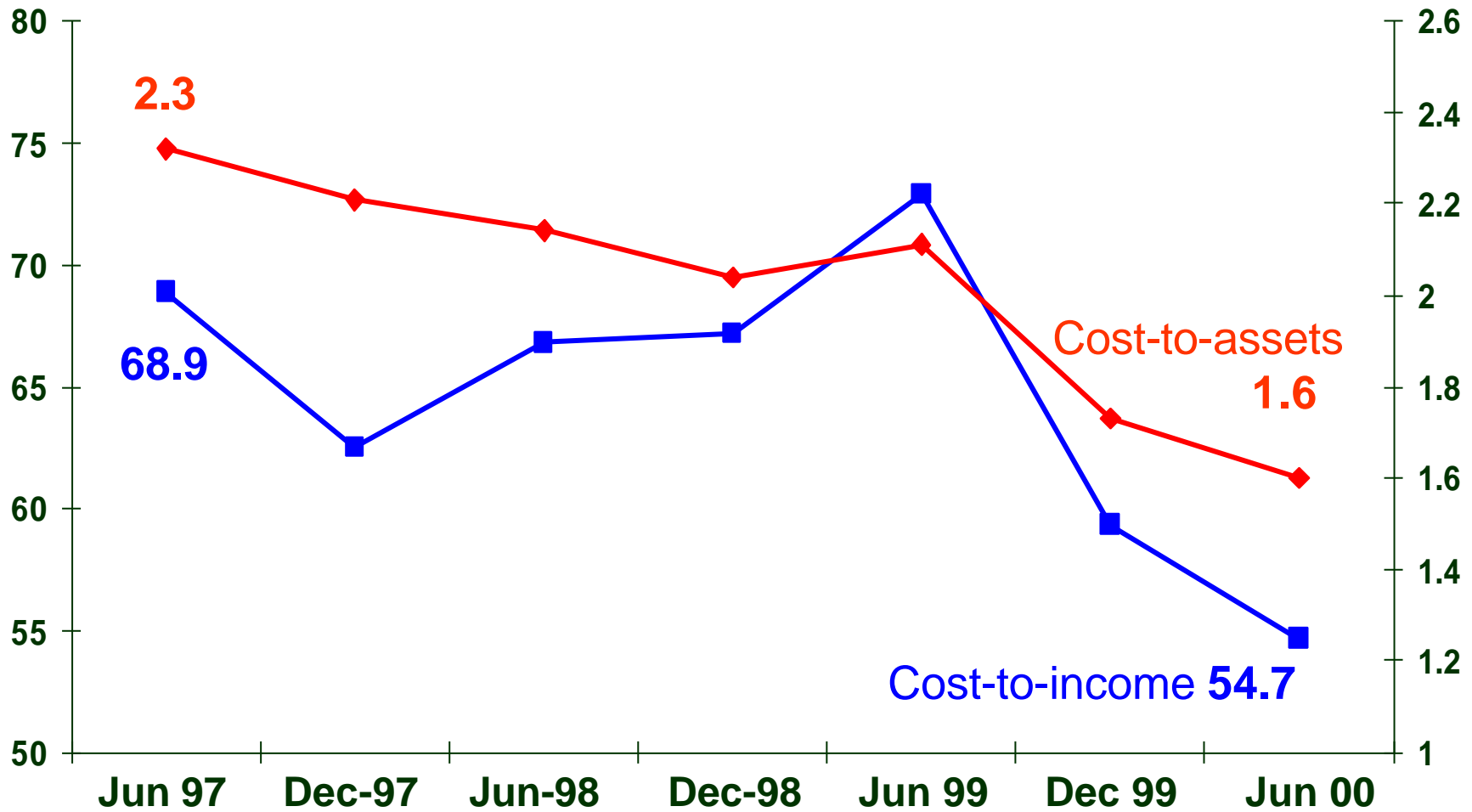
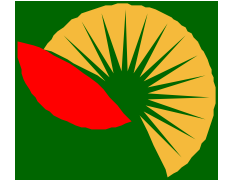


Group efficiency ratio

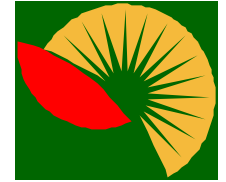


Group efficiency ratio: Operating expenses as % of total operating income, excluding GI investment income on shareholders funds

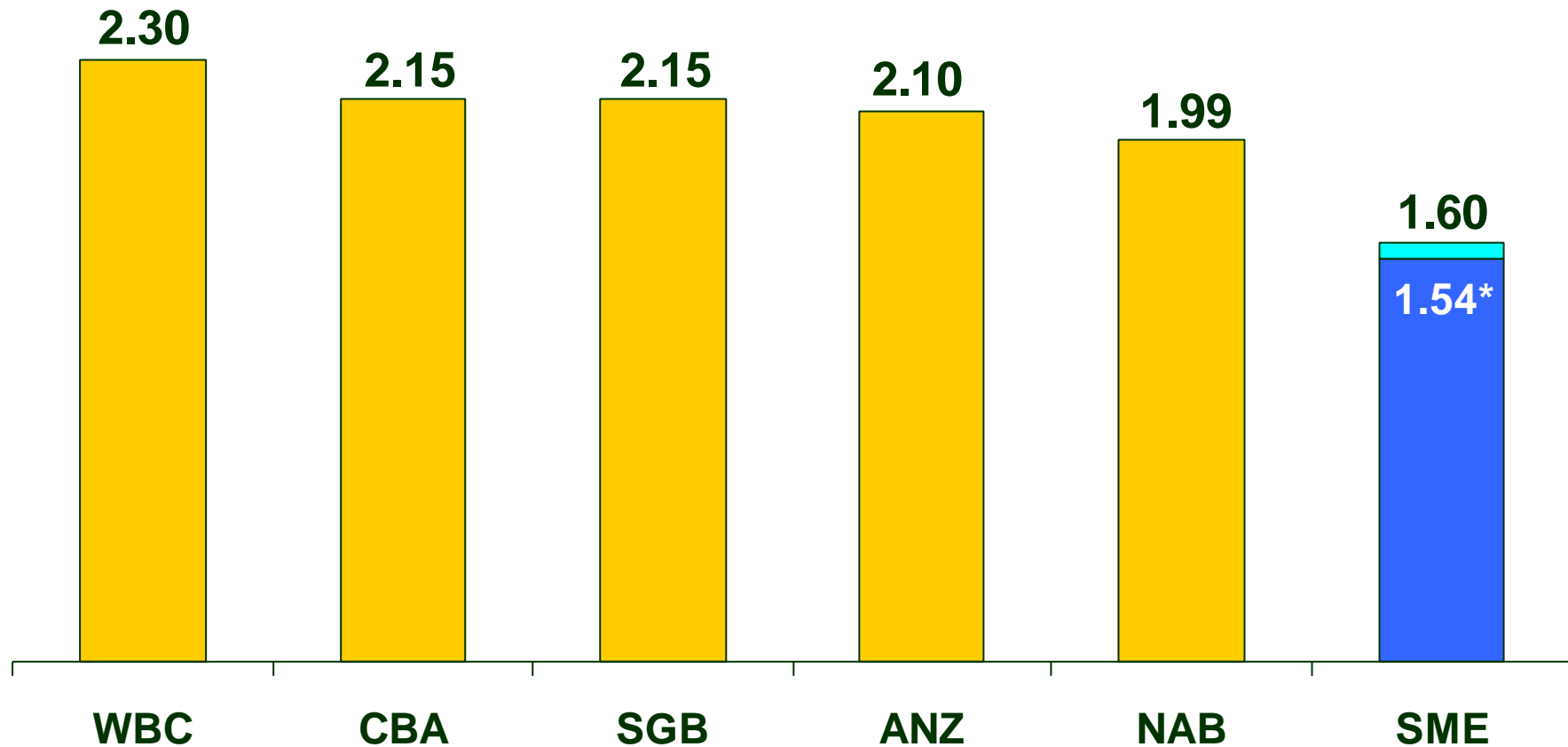
Banking expense ratios (%)



Including one-off expenses



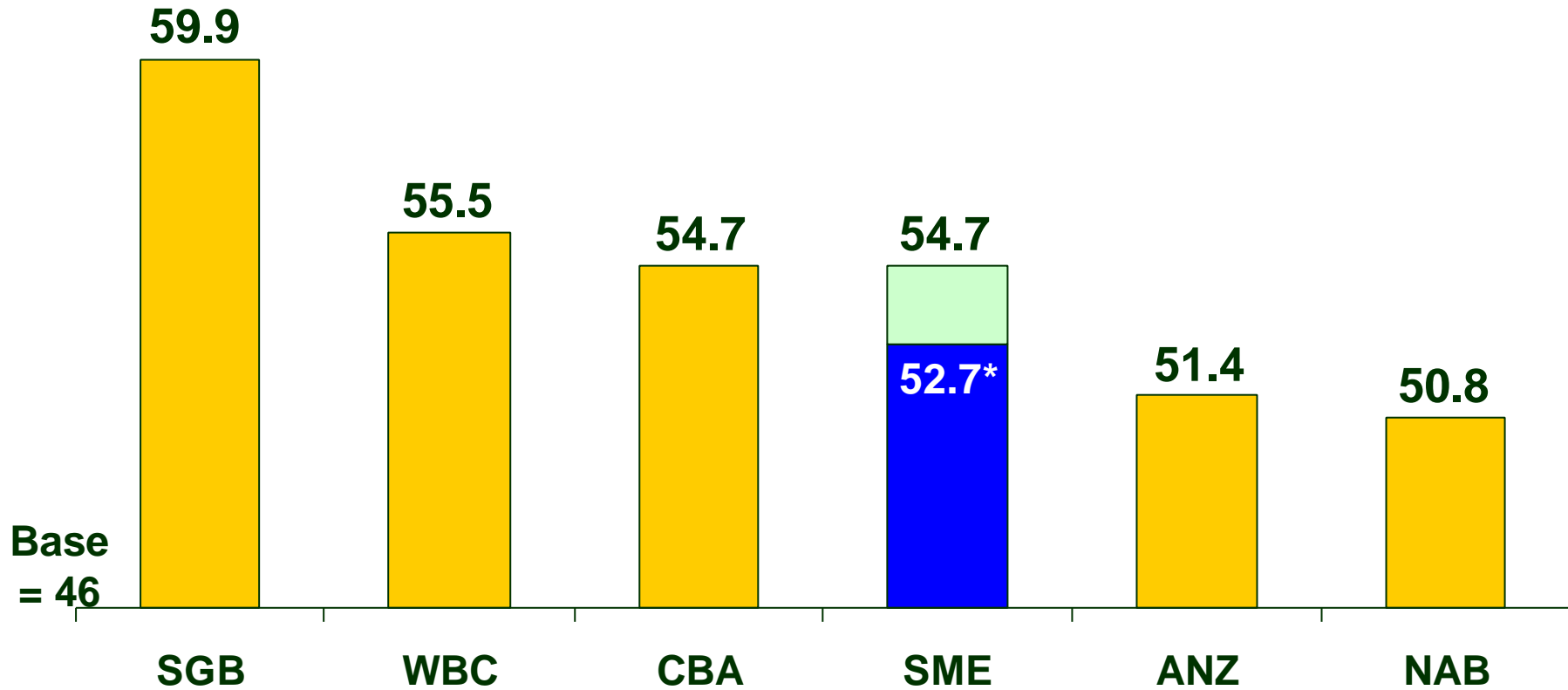
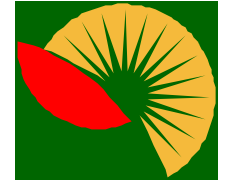
Banking cost-to-assets (%)



(Latest published figures. SME figures are for banking only)

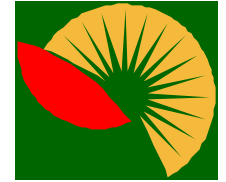
*Excluding one-off expenses

Banking cost-to-income (%)

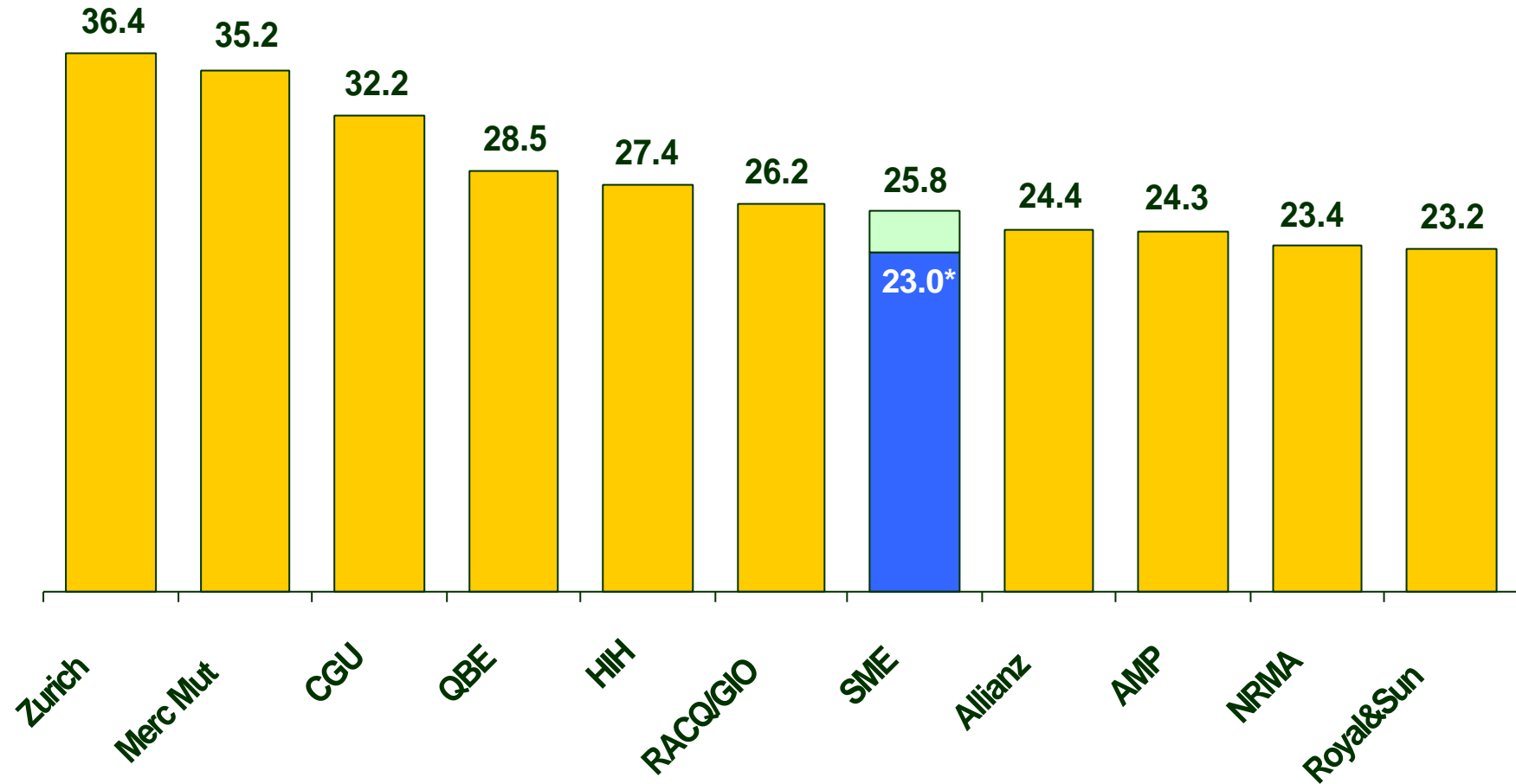


(Latest published figures. SME figures are for banking only)

*Excluding one-off expenses



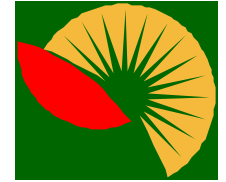
GI expense ratios (%)



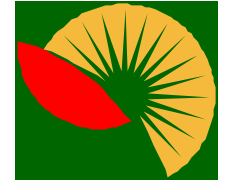
KPMG Insurance Industry Survey 2000. Jun 99 figures.

*Excluding one-off expenses

Briefing Outline



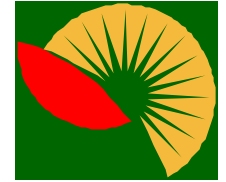
- Company Profile
- Performance
- **Goals and Strategies**
- Q&A



Goals Going Forward

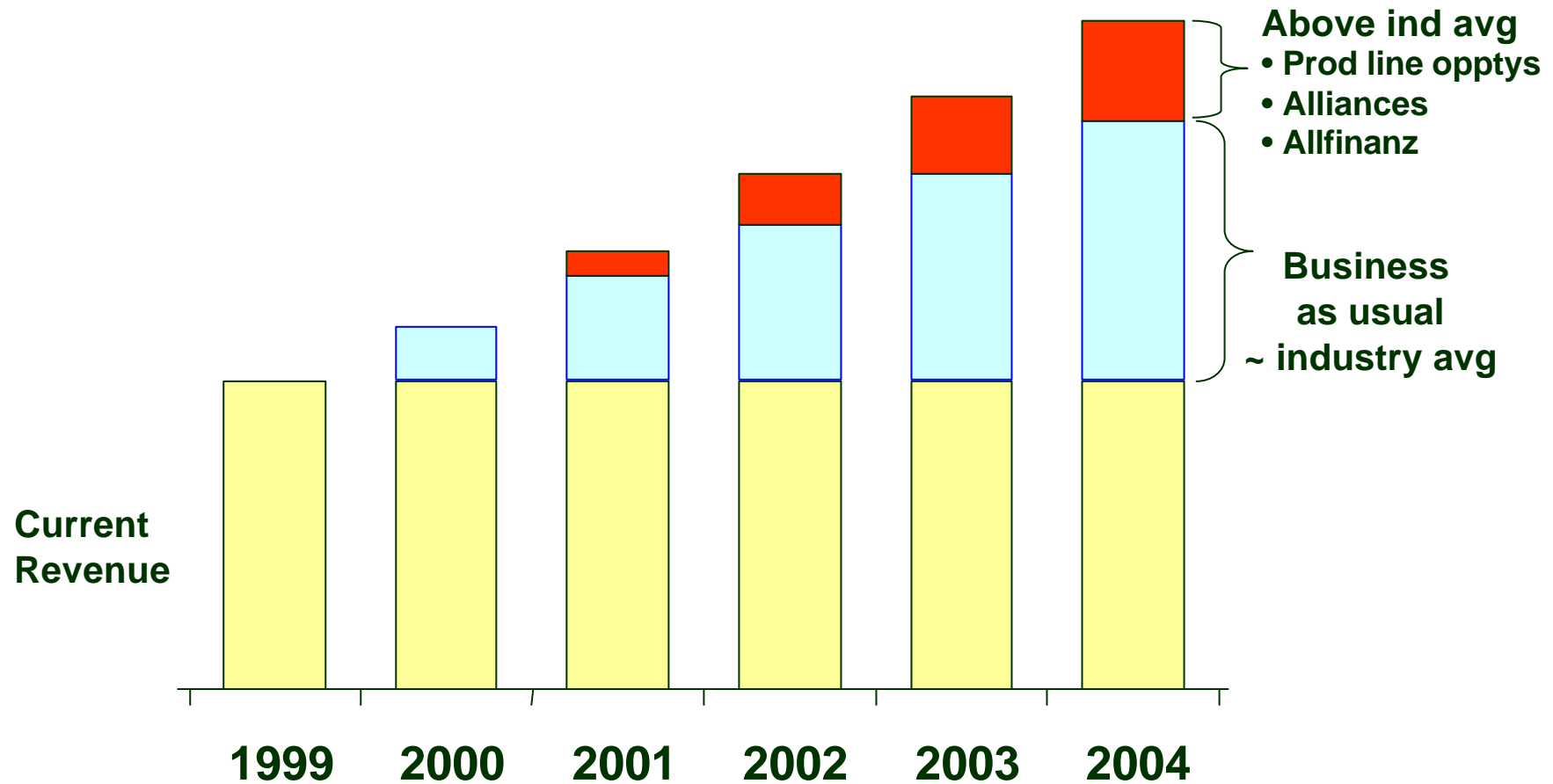
- Grow Revenue faster than industry
 - % will vary by line of business
- #1 in Customer Satisfaction in each LOB
 - killer initiatives & CVA
- Improve Productivity 5~10% p.a.
 - work outs, CI & Six Sigma
- World-Class Employee Satisfaction

ROE and EPS growth in top third of peers



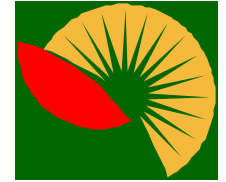
Three Avenues for Extra Growth

(Illustrative)



* Excludes CTP only customers

Avenues for Extra Growth



Product Lines

- Home and auto insurance interstate
- Investment products nationally
- Home lending interstate
- Property finance interstate
- SME banking in Qld

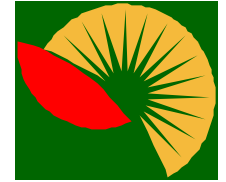
Alliances and Acquisitions

- LJ Hooker
- Pivot and Great Southern Energy
- Ongoing acquisition evaluation in all main product areas

Allfinanz

- Cross sell to 2.3 million existing customers to lift products per household

Is Allfinanz...

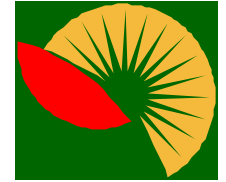


- **A value proposition to customers?**

or

- **✓ A business strategy with competitive advantages**

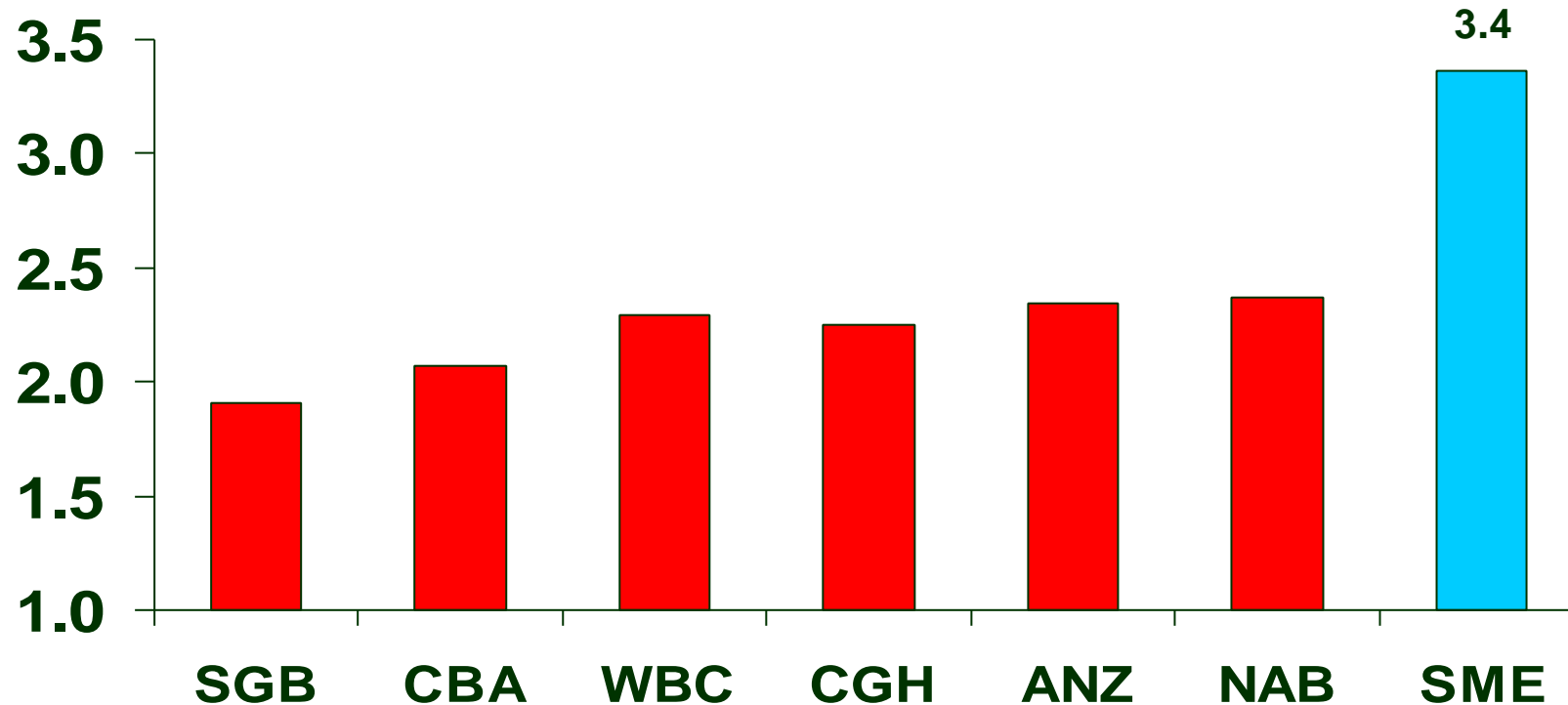
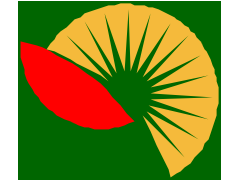
Allfinanz competitive advantage



- **Synergies in operations**
- **Lower cost of new sales**
- **Lower cost for ongoing service**
- **Higher customer retention**

Leader in Cross Selling

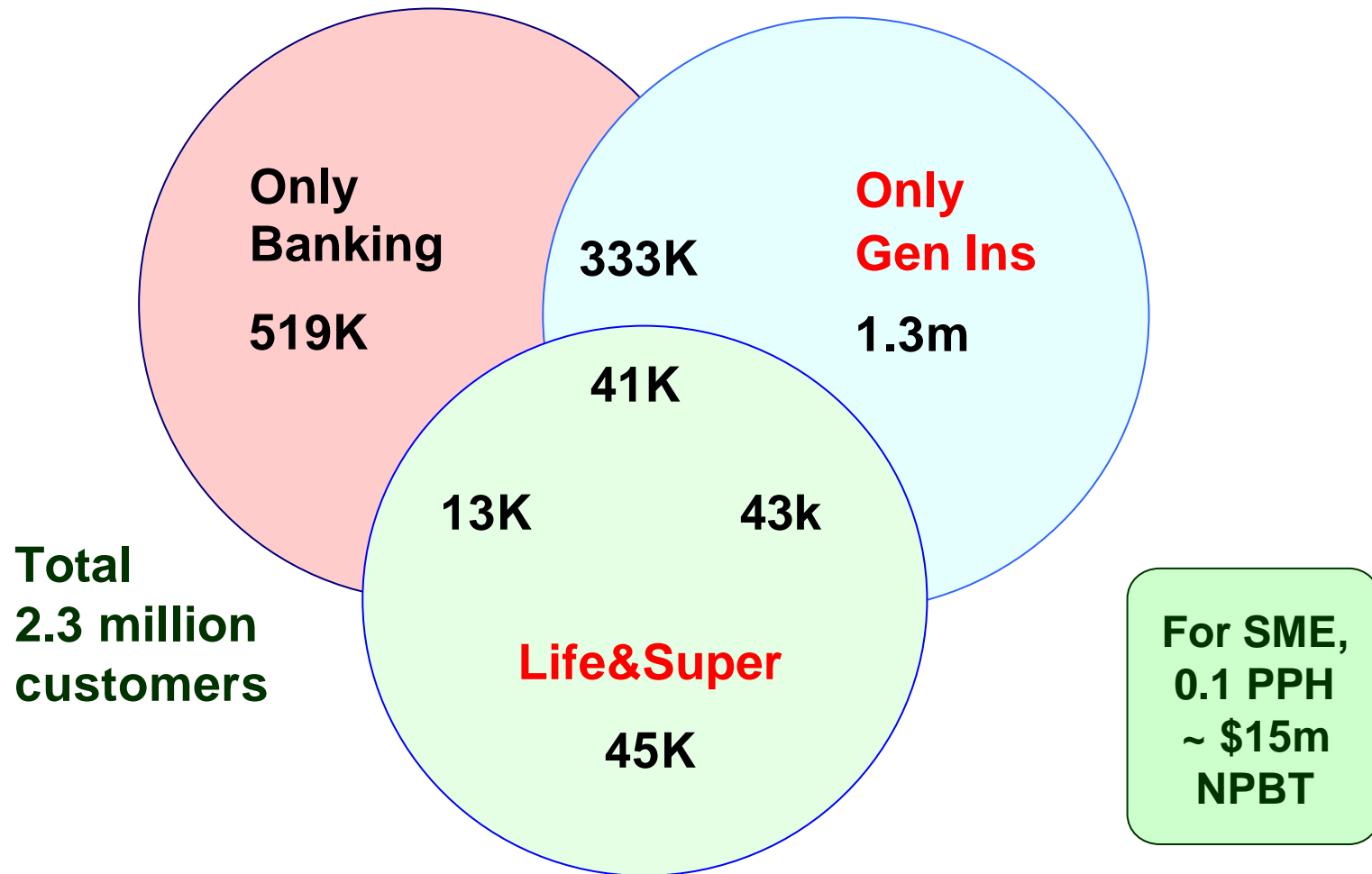
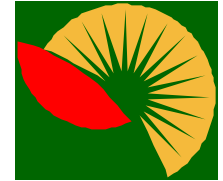
Products per “main bank” customer



*SGB includes Advance, Bank SA; WBC includes Bank of Melb, Challenge, AGC; ANZ includes Town & Country, Esanda; CGH includes Colonial State Bank, First State Funds Management, Prudential, Legal & General, Trust Bank; CBA excludes CGH; NAB excludes MLC.

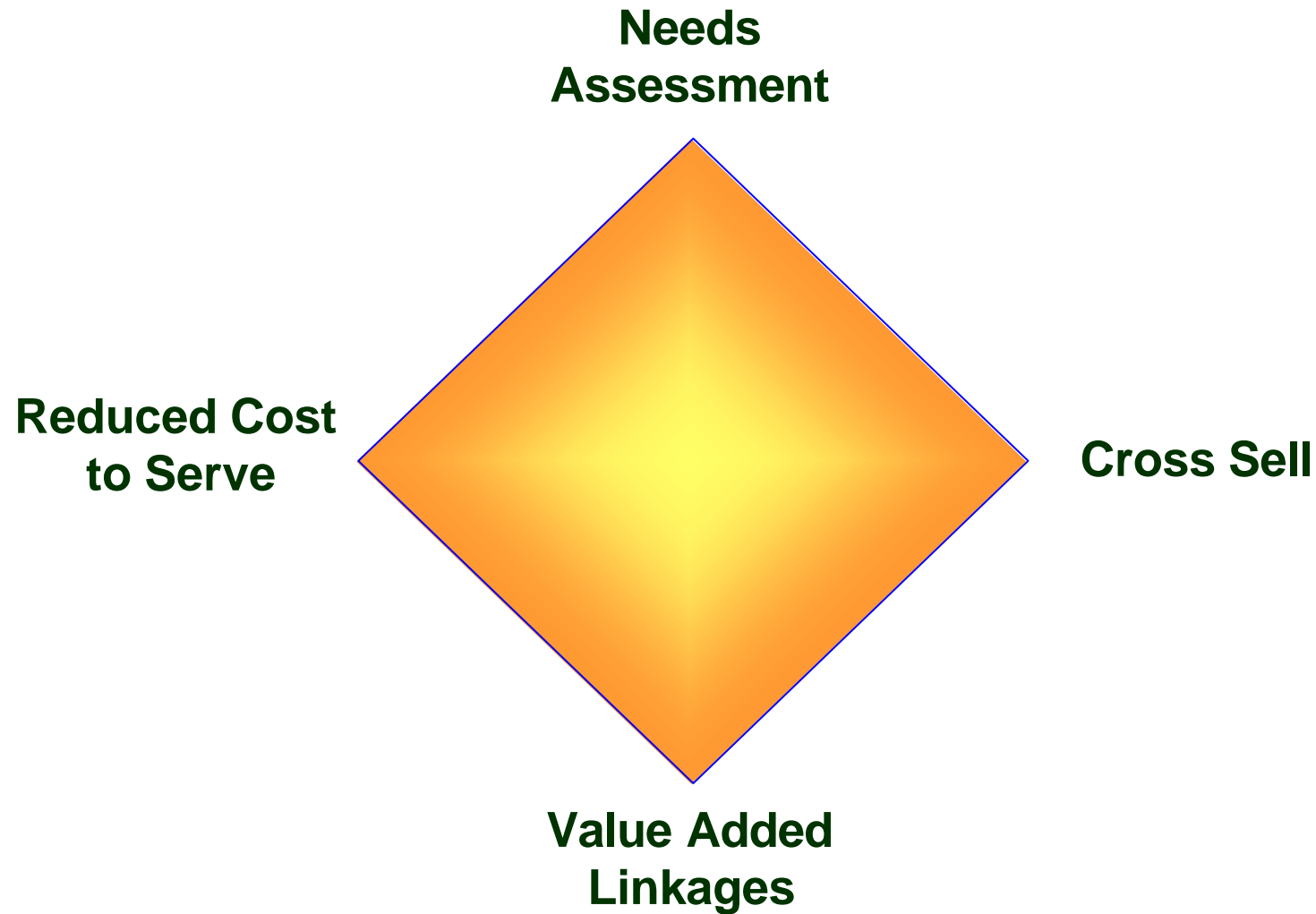
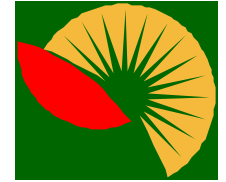
Roy Morgan Research

Cross-sell potential

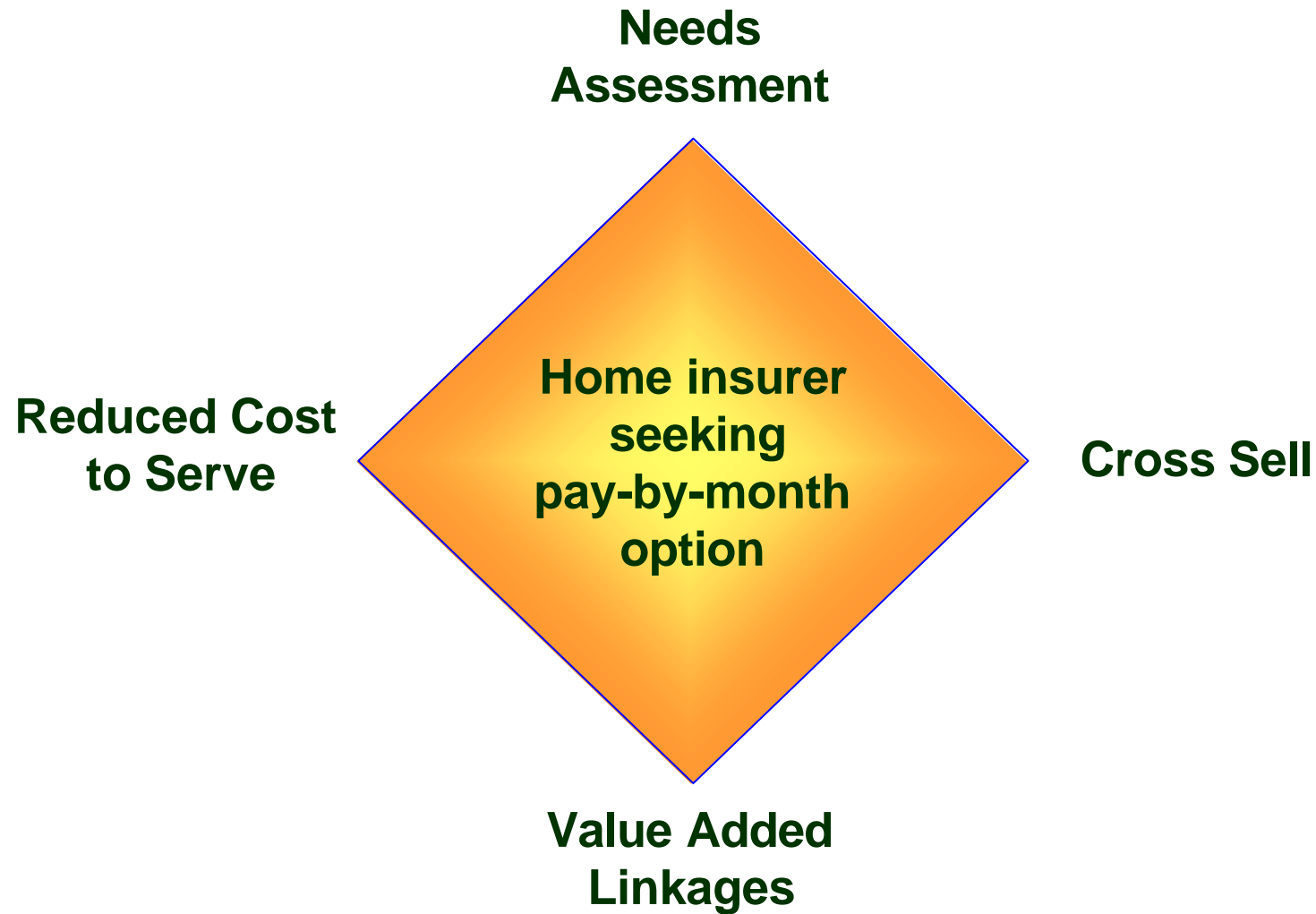
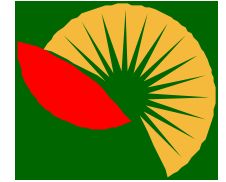


Customers by business line

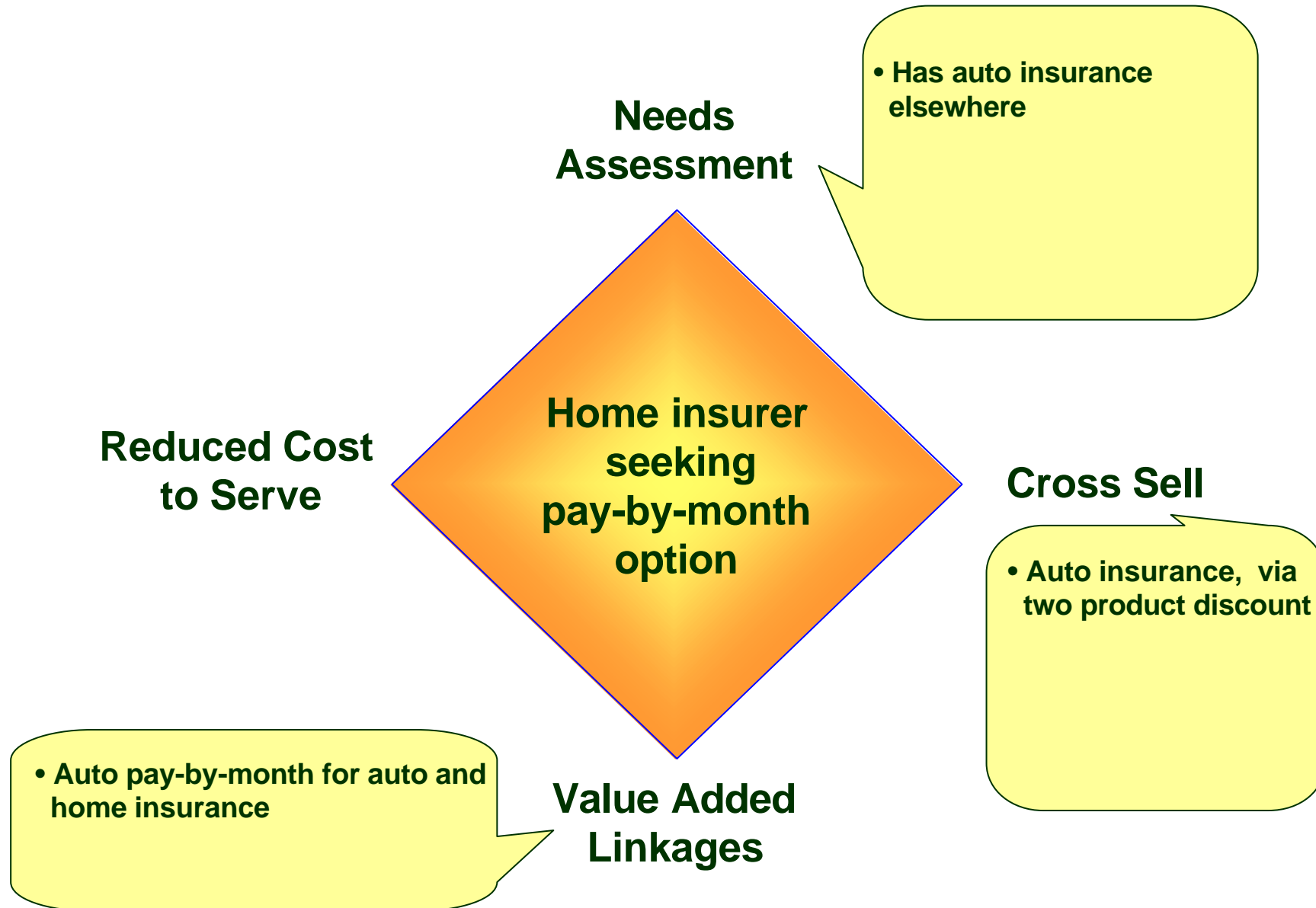
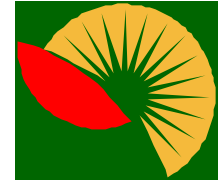
'Diamond Plus' Allfinanz

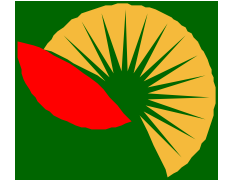


Diamond Example

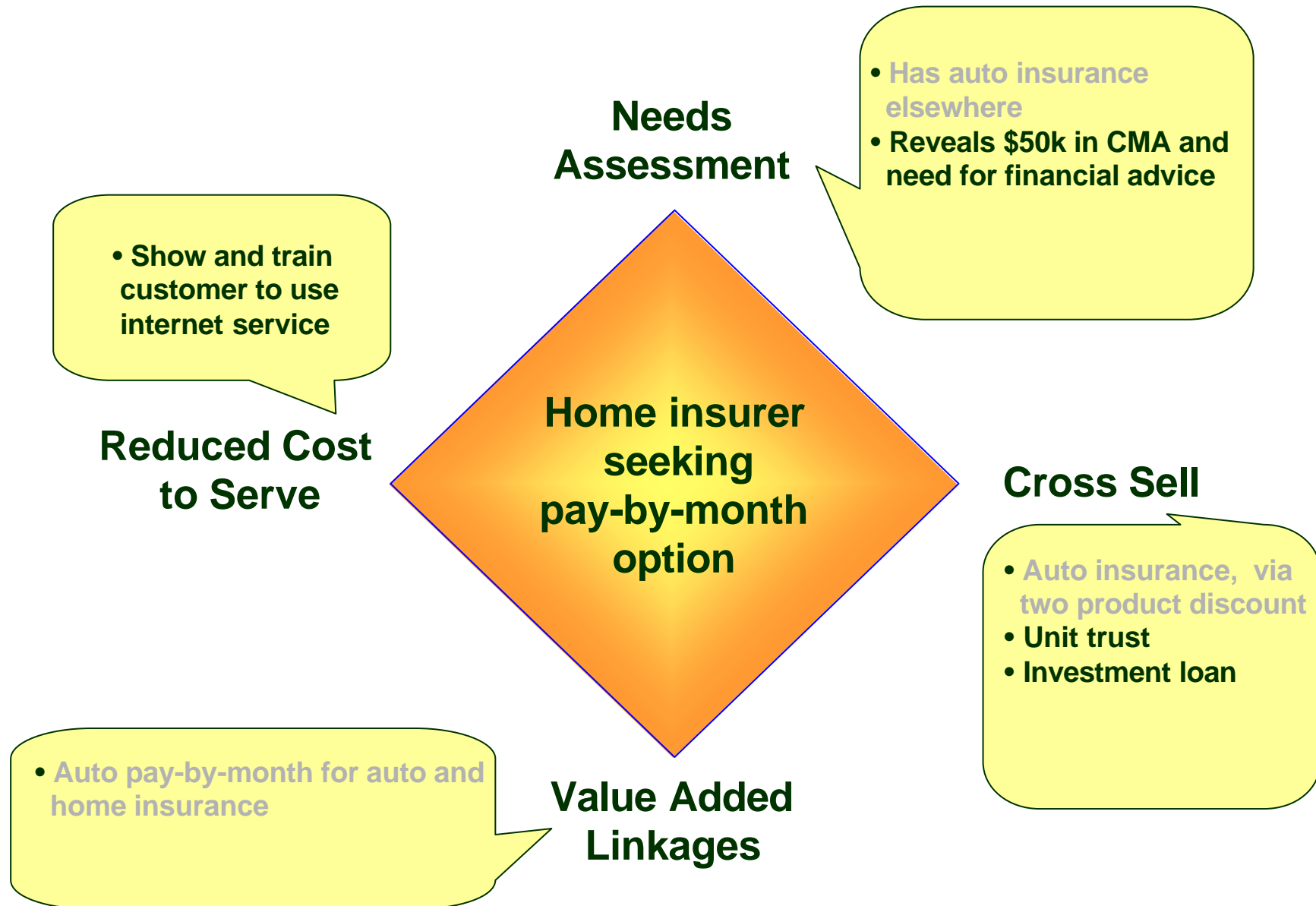


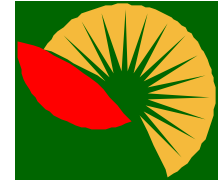
Diamond Example



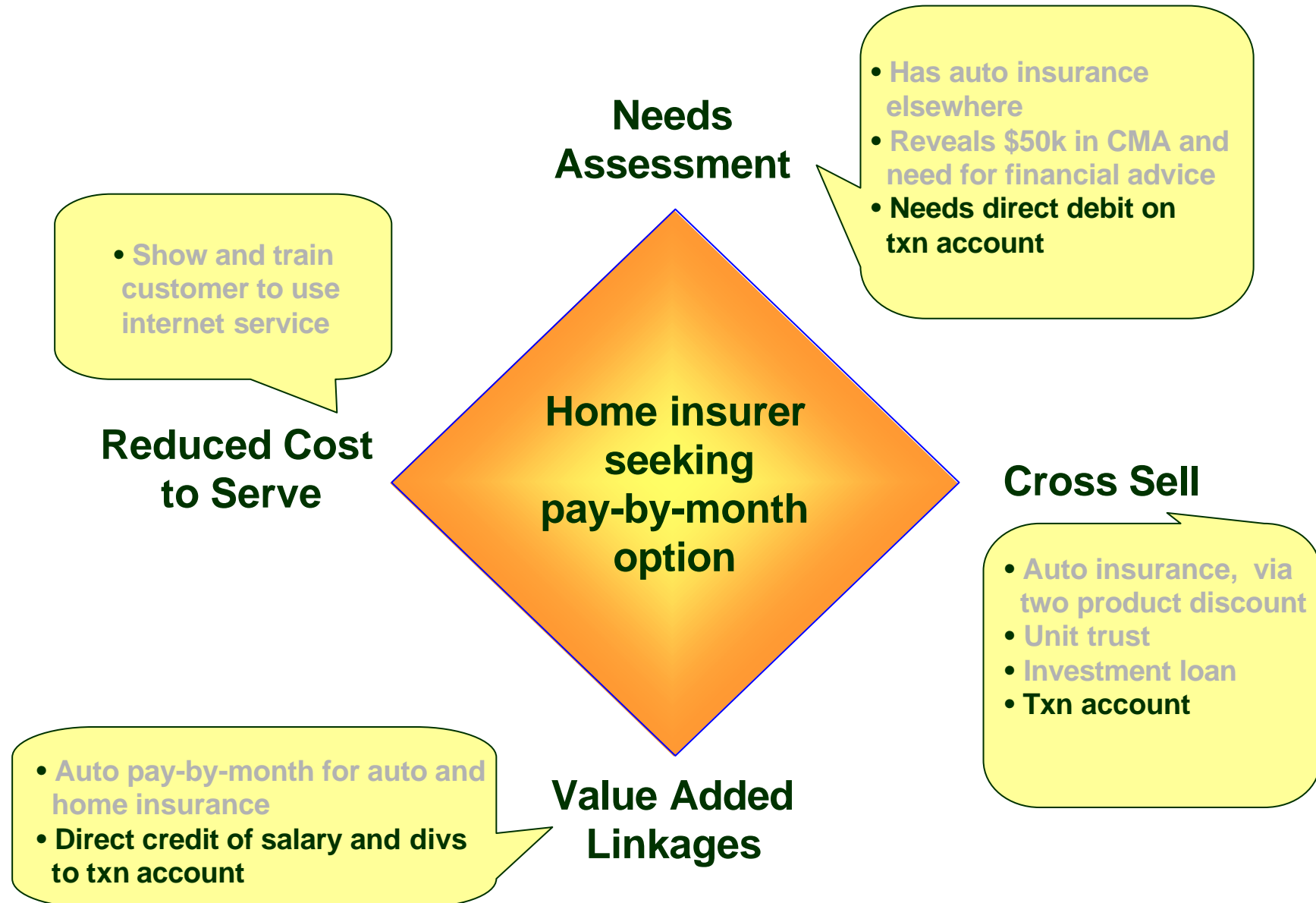


Diamond Example

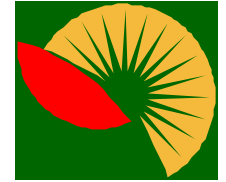




Diamond Example



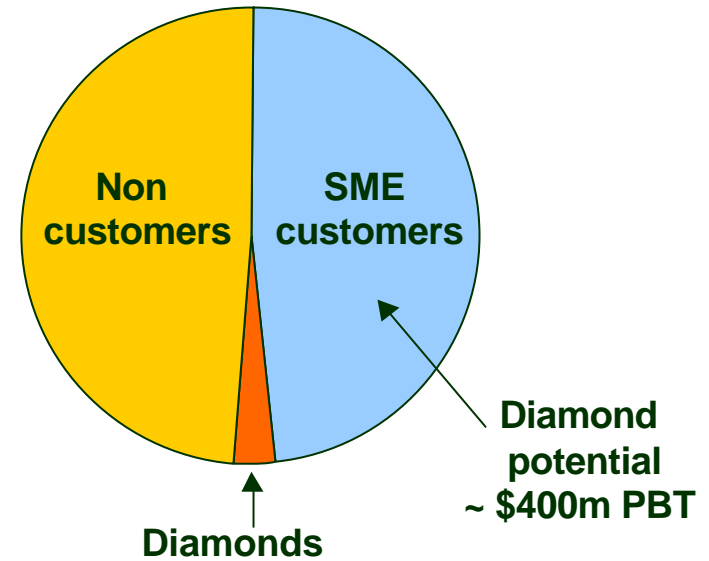
Diamond Opportunities

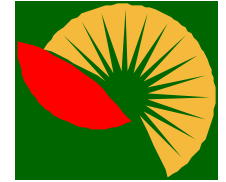


**Customer
product
cycle**



Qld households



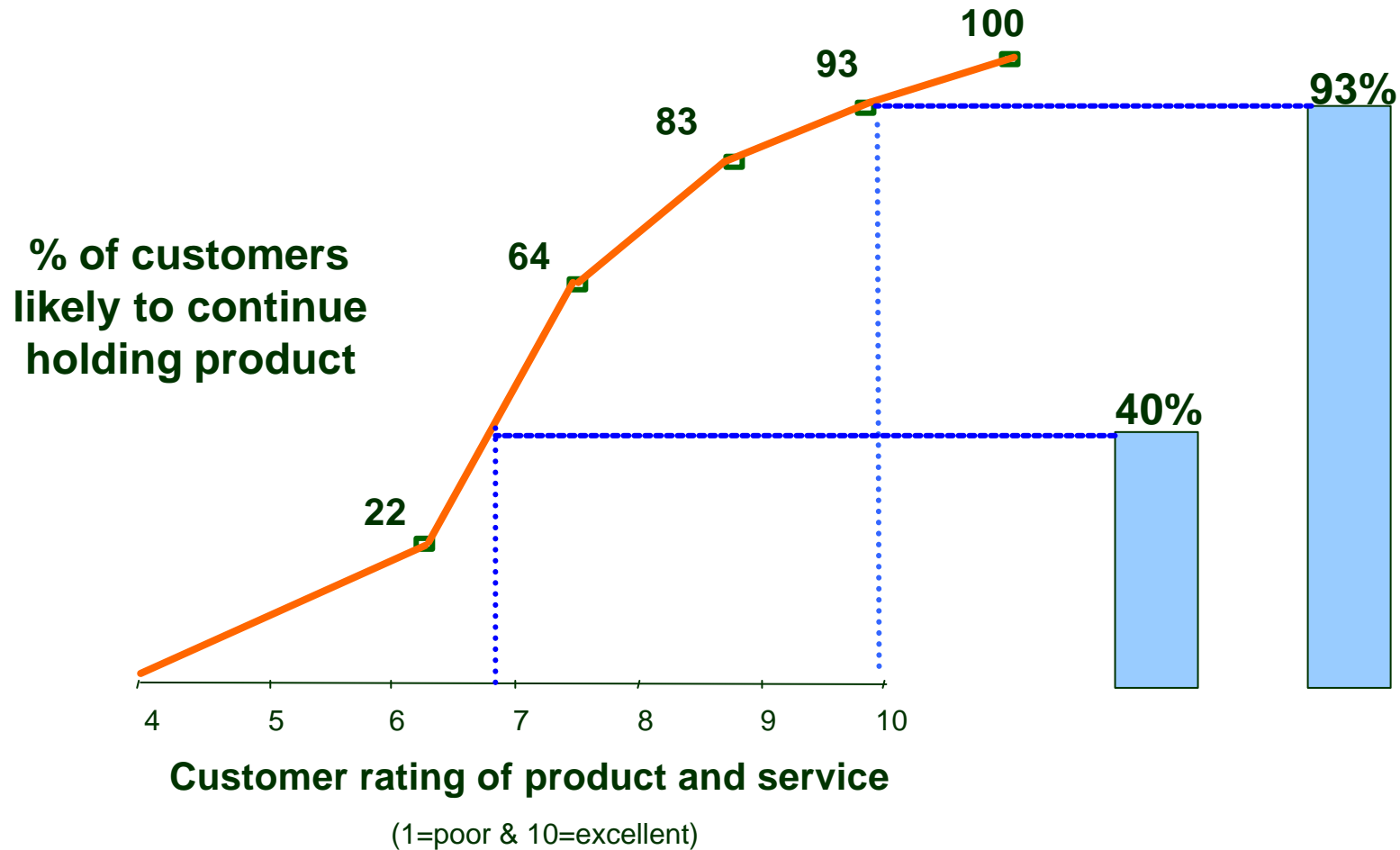
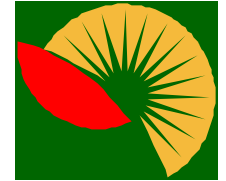


Goals Going Forward

- Grow Revenue faster than industry
 - % will vary by line of business
- **#1 in Customer Satisfaction in each LOB**
 - killer initiatives & CVA
- Improve Productivity 5~10% p.a.
 - work outs, CI & Six Sigma
- World-Class Employee Satisfaction

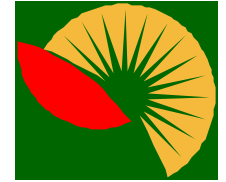
ROE and EPS growth in top third of peers

Customer satisfaction



Source: Survey of Suncorp Metway private motor insurance customers (Sept-Oct 99)

Customer satisfaction

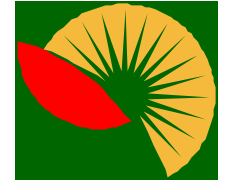


Competitors: ▲▲▲▲

(Illustrative)

	Below Parity	Parity	Above Parity	World Class
Transaction Accounts	▲	▲▲	▲	
Term Deposits	▲	▲	▲▲	
Commercial Lending	▲	▲▲	▲	
Small Business	▲	▲▲	▲	▲
Private Motor Insurance		▲▲	▲▲	
Home Loans	▲	▲▲		▲
Home Insurance	▲	▲▲▲		

Our aim is to be ranked #1 in our main product lines

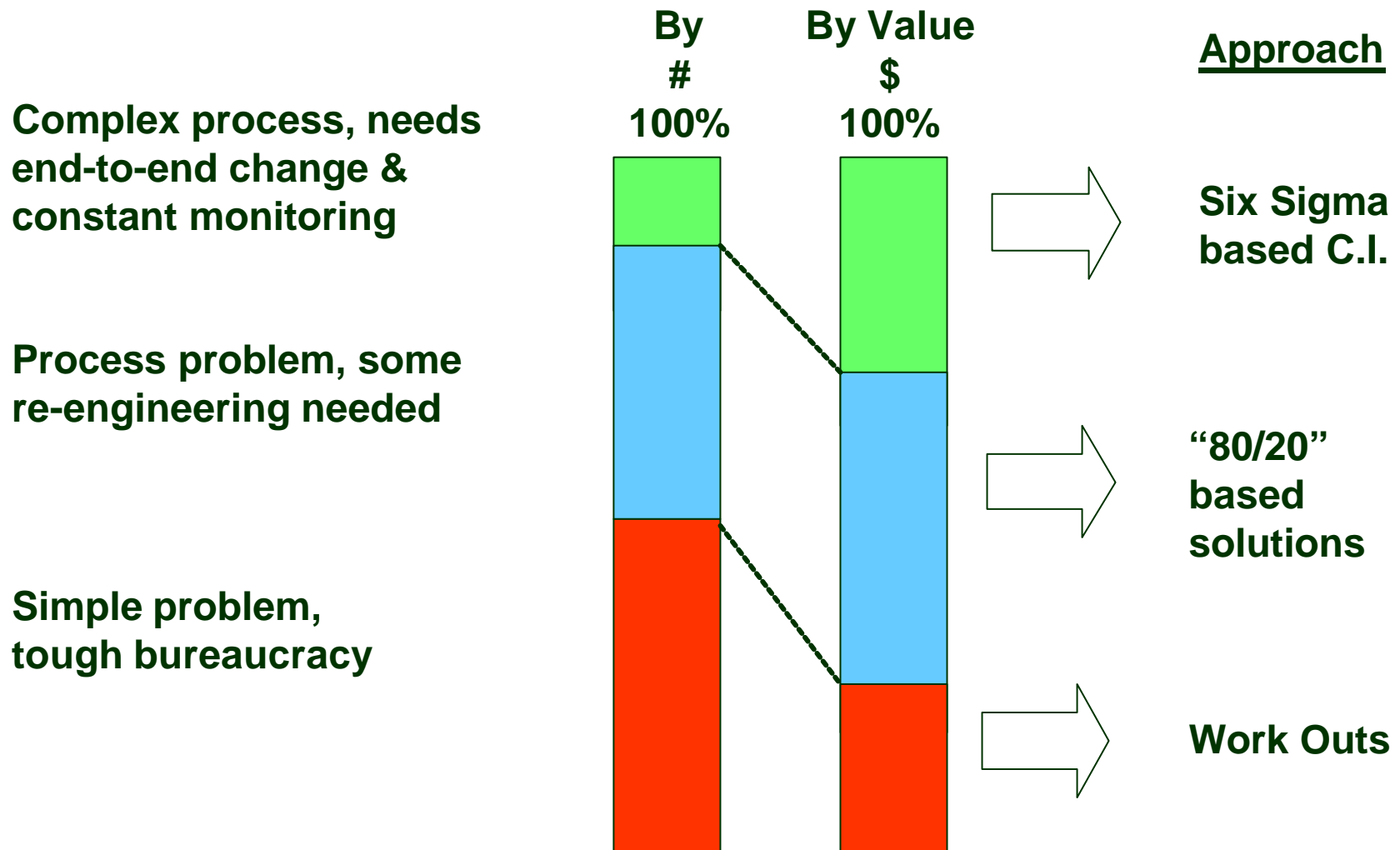
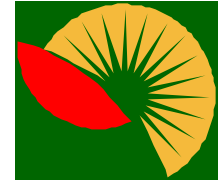


Goals Going Forward

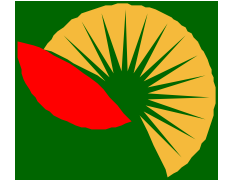
- Grow Revenue faster than industry
 - % will vary by line of business
- #1 in Customer Satisfaction in each LOB
 - killer initiatives & CVA
- **Improve Productivity 5~10% p.a.**
 - work outs, CI & Six Sigma
- World-Class Employee Satisfaction

ROE and EPS growth in top third of peers

Productivity improvement



Changes led by staff - bottom up approach

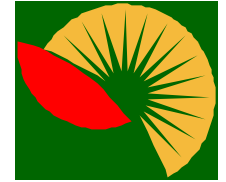


Goals Going Forward

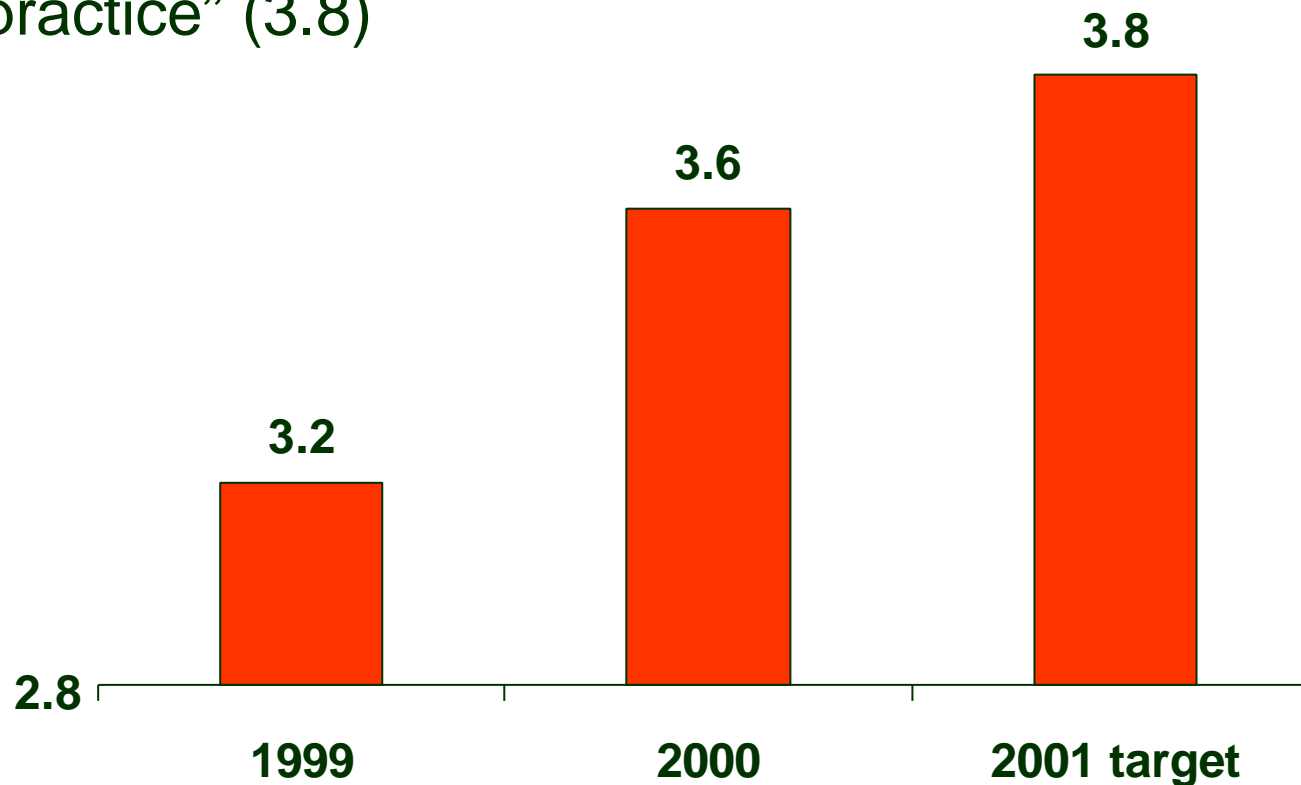
- Grow Revenue faster than industry
 - % will vary by line of business
- #1 in Customer Satisfaction in each LOB
 - killer initiatives & CVA
- Improve Productivity 5~10% p.a.
 - work outs, CI & Six Sigma
- **World-Class Employee Satisfaction**

ROE and EPS growth in top third of peers

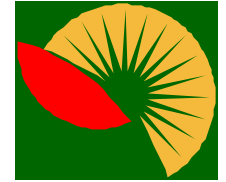
Employee Satisfaction



- Direct link to customer satisfaction
- SME target (3.5) achieved for 2000
- Target for 2001 is Australian “best practice” (3.8)

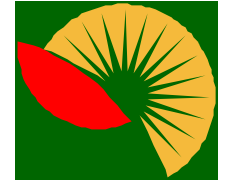


In Closing



- **Successful merger has built a strong base**
- **Significant opportunities for ‘above system’ growth**
- **Key to strategies is the execution, not the idea**
- **Proven approaches from SME merger & industry being applied**

Briefing Outline



- Company Profile
- Performance
- Goals and Strategies
- **Q&A**