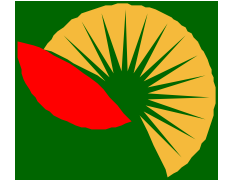




SUNCORP METWAY

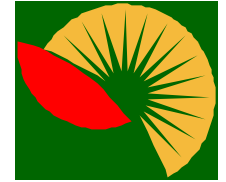


SUNCORP METWAY LTD

Managing Director
Steve Jones

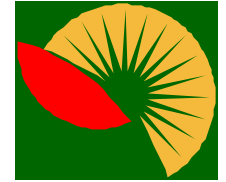
JP Morgan, Singapore
October 2, 2001

Briefing Outline

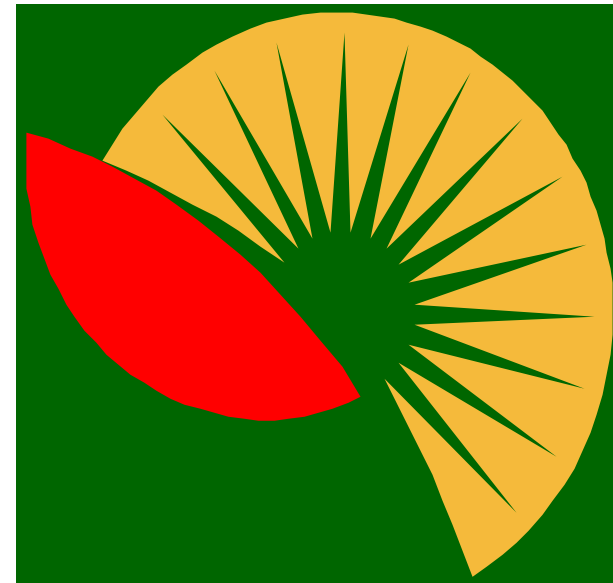
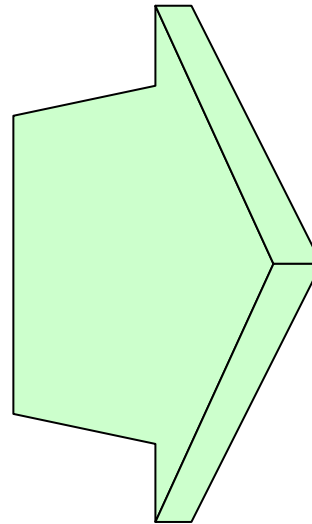


- **Company profile**
- Financial progress
- The current phase - GIO
- Longer term growth
- Q&A

1996 Merger

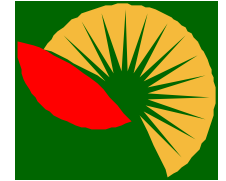


Metway
Bank

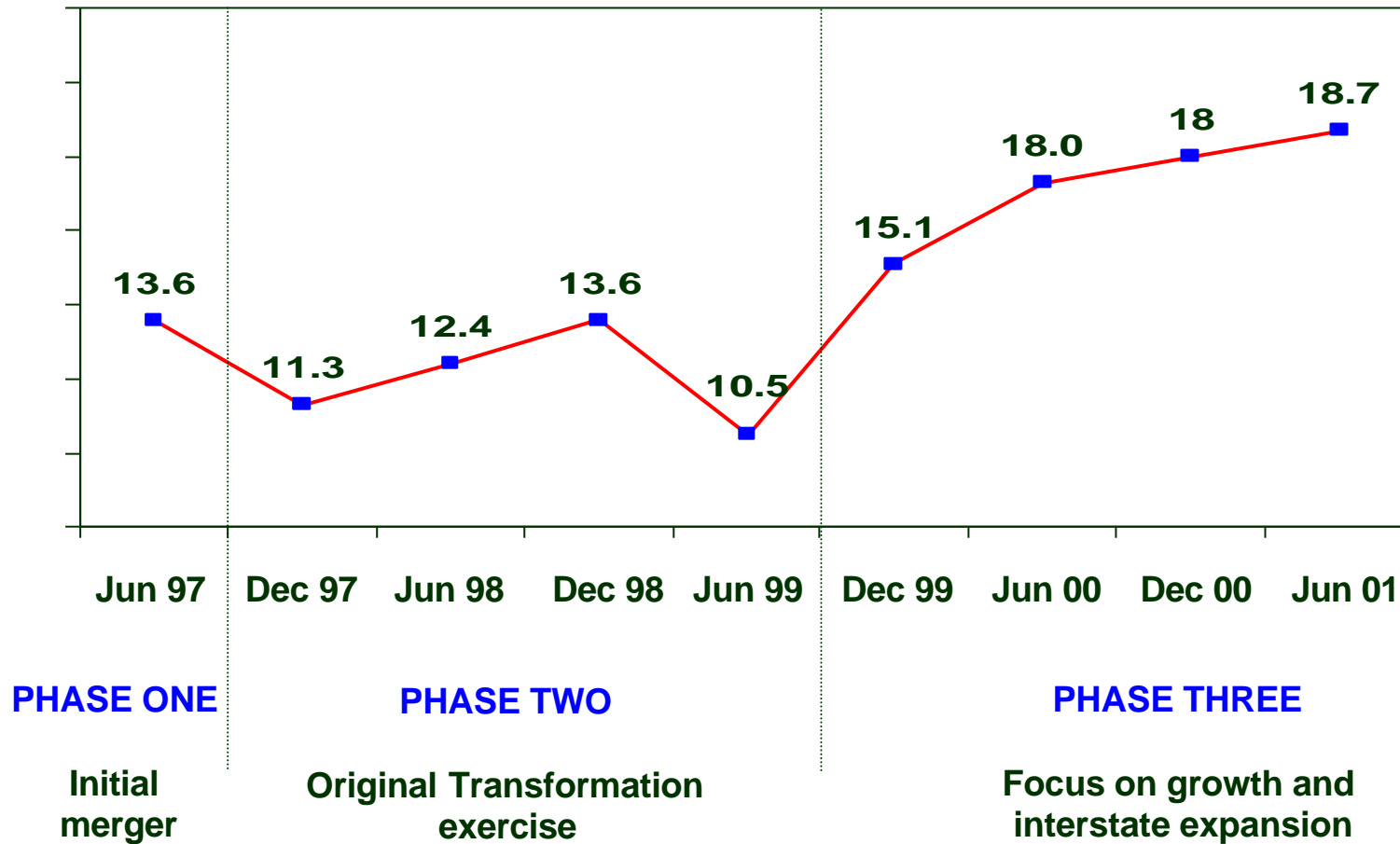


SUNCORP METWAY

Building shareholder value

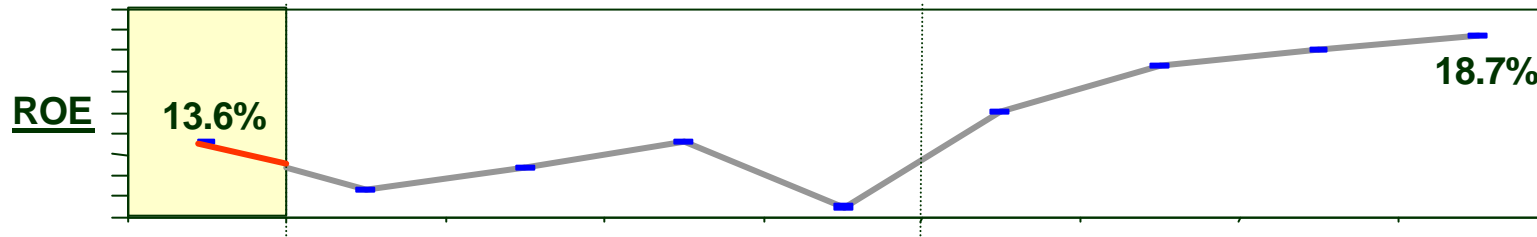
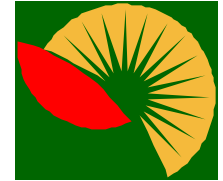


ROE, Diluted (%)



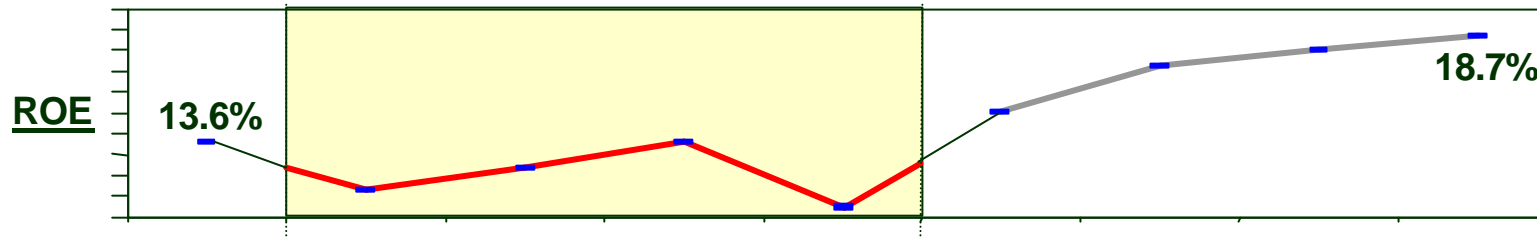
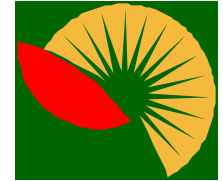
NB: 18.7% at June 01 is weighted average equity, including \$638 million in new equity issued in June.

Phase 1: Initial Merger



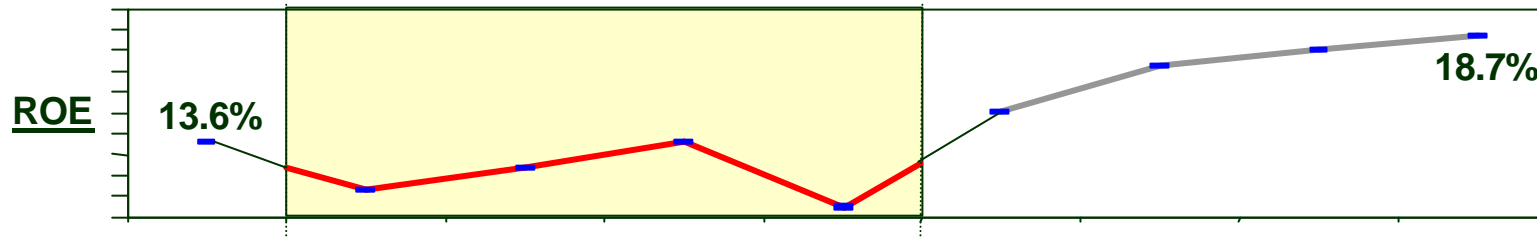
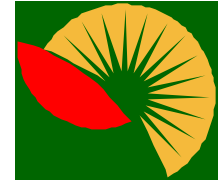
- **Created Australia's sixth largest bank**
- **Seventh largest insurance company**
- **Funds under management \$6.8 billion**
- **Strong franchise with diversified income streams**
- **Largest company in Qld (\$29.7 bln assets at June 01)**

Phase 2: Reducing Costs



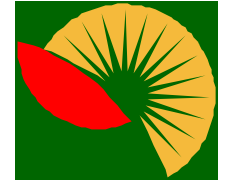
- **1450 ideas in Transformation program**
- **Implemented over six quarters to Sept 1999**
- **\$180m in cost and revenue benefits,
70% from \$590m cost base**
- **Bottom up approach a key to success**

Phase 2: One Brand

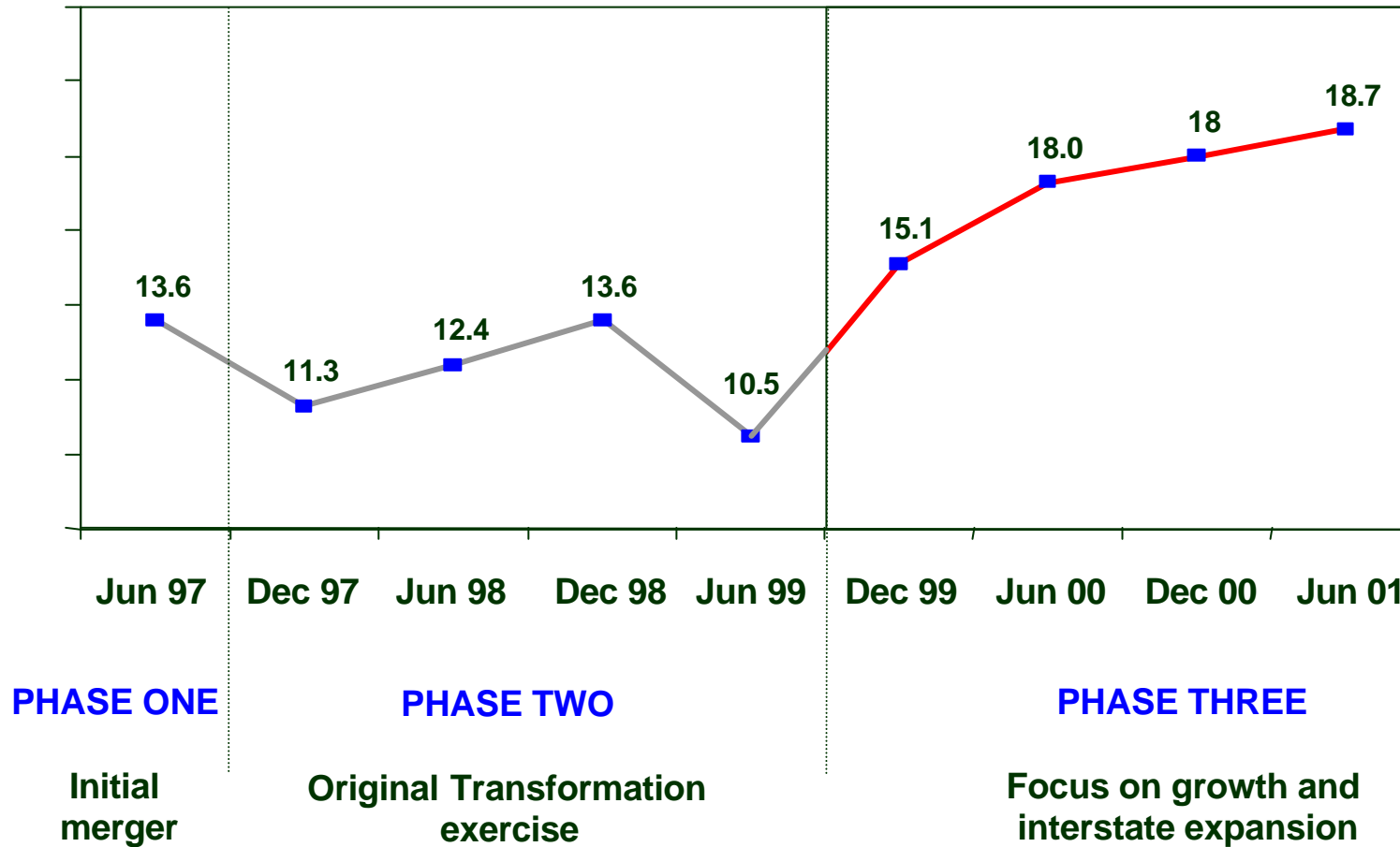


- **One product range, reduced 680 to 140**
- **One distribution network - retail branches amalgamated from 221 to 133**
- **One banking system**
- **Computer systems converted Easter 1999**

Building shareholder value

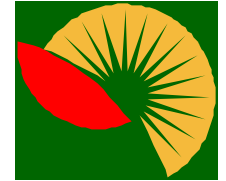


ROE, Diluted (%)

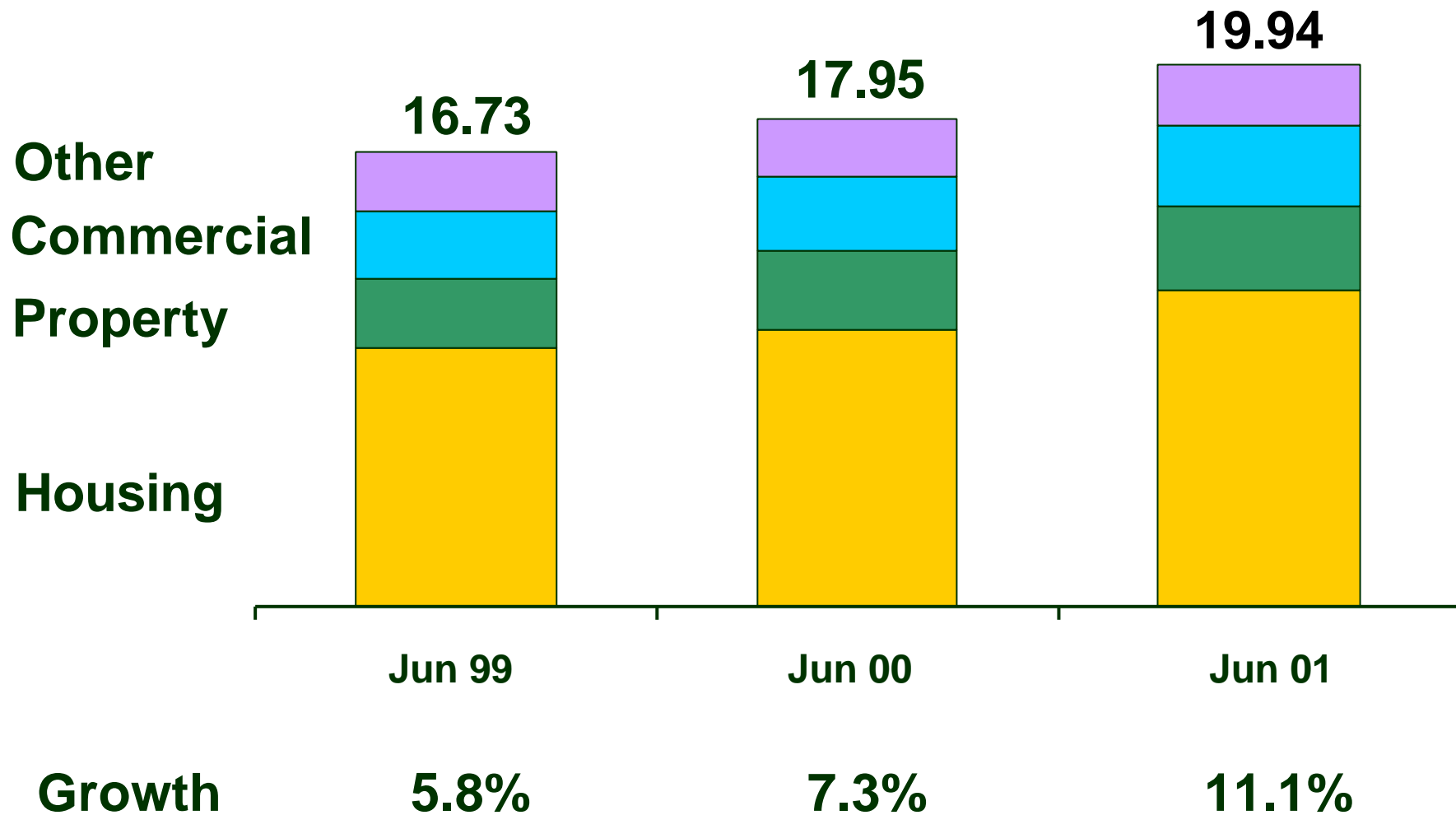


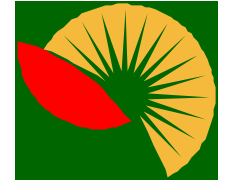
NB: 18.7% at June 01 is weighted average equity, including \$638 million in new equity issued in June.

Phase 3: Banking Growth



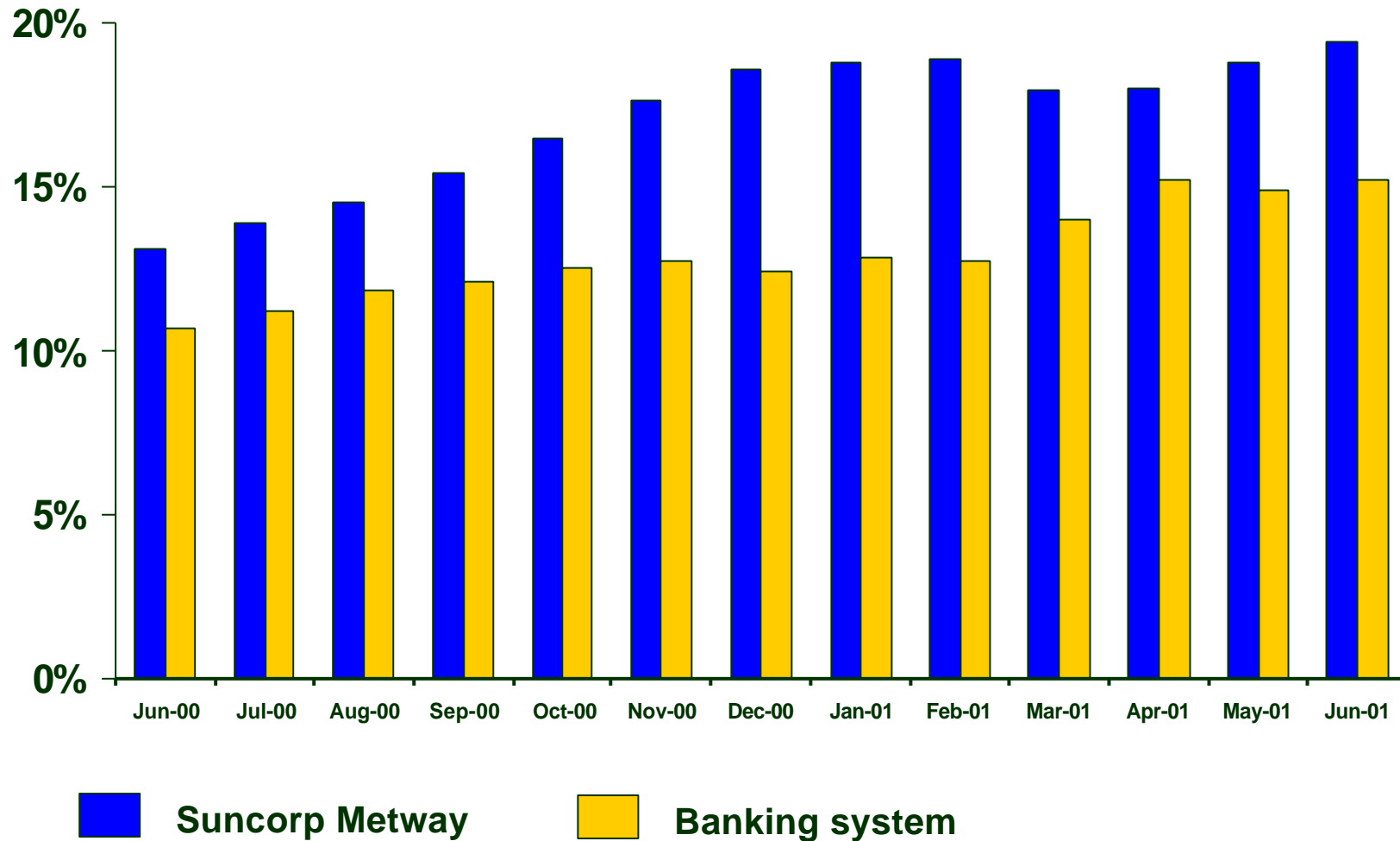
(Loan portfolio, \$billions)





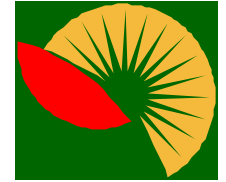
Phase 3: Home loan growth

(Annual growth in o/occupied home loan assets %)

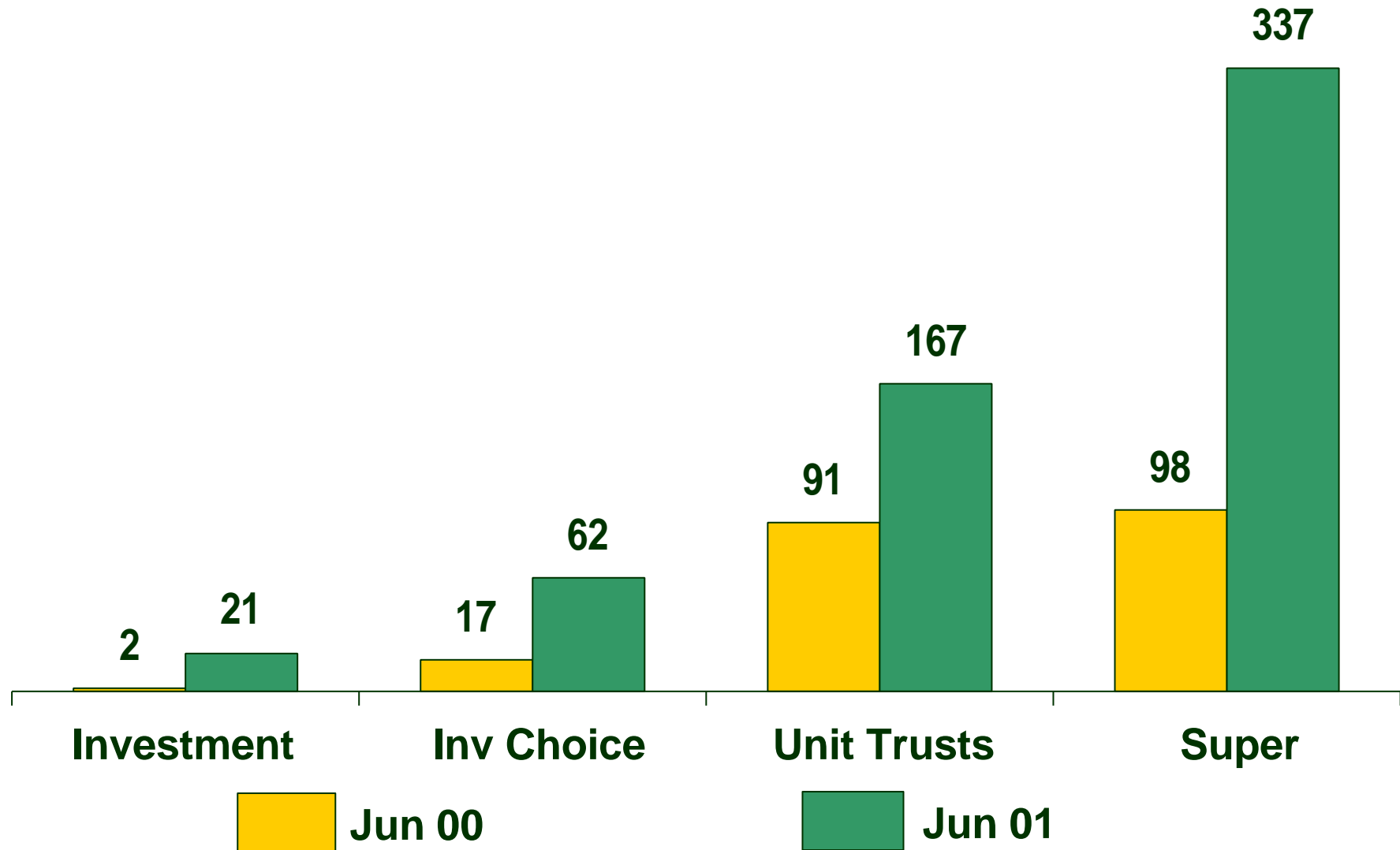


Source: APRA

Phase 3: Wealth product growth

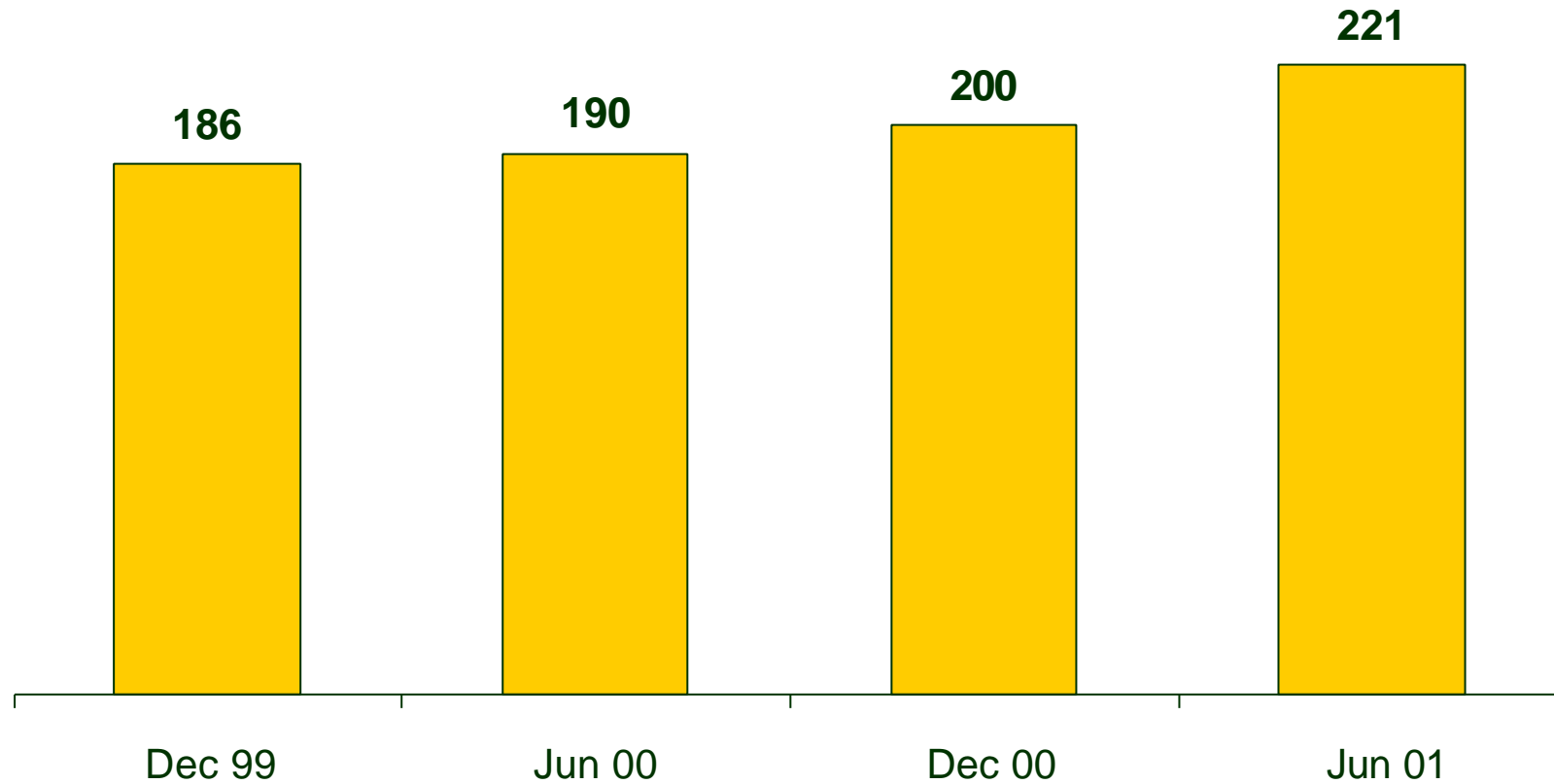
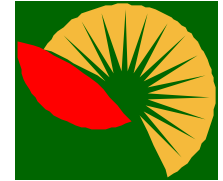


(Sales, \$millions)

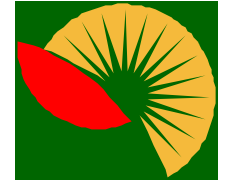


Phase 3: GI Revenue Growth

(Premium, \$m, Home, Motor, Commercial)



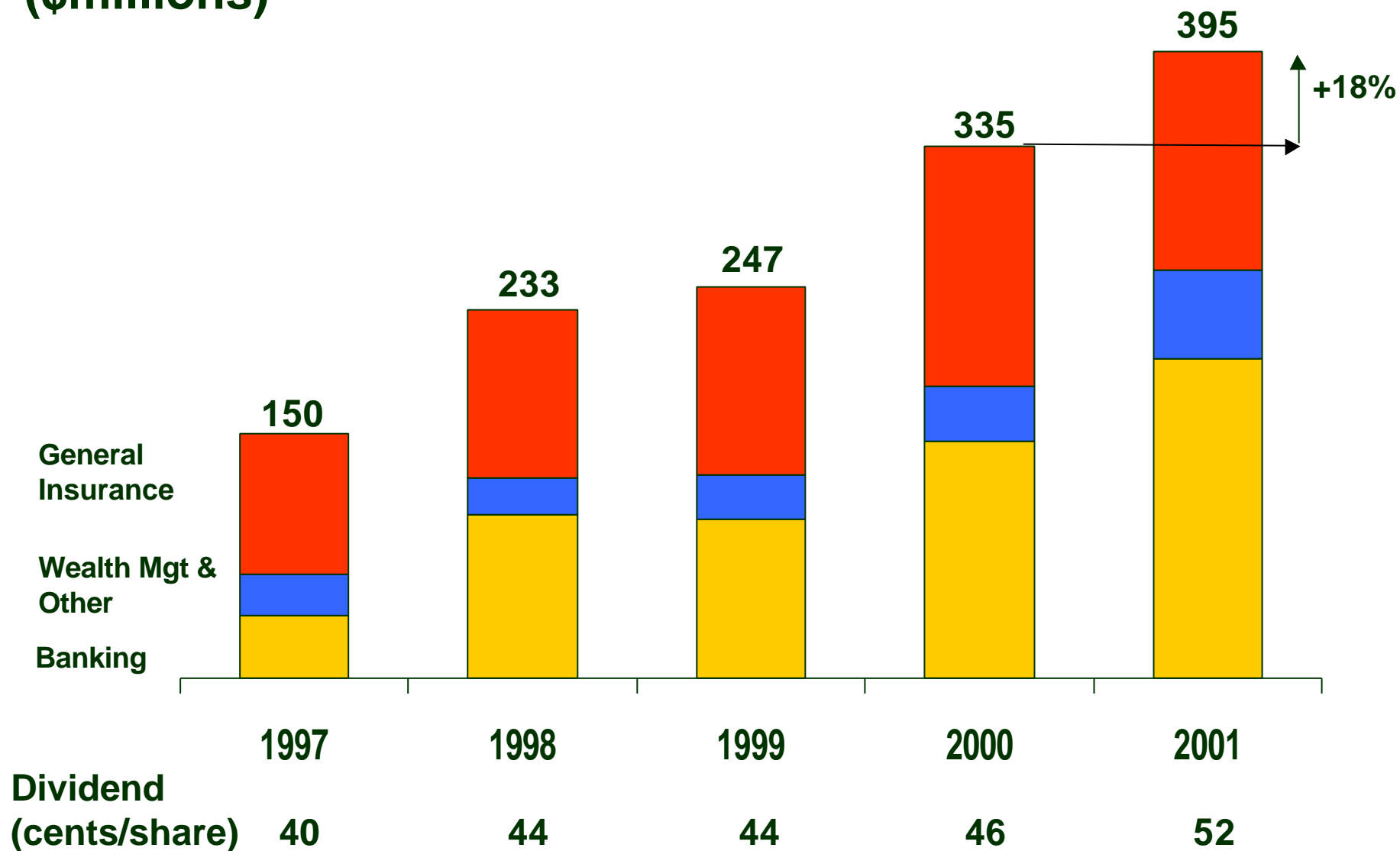
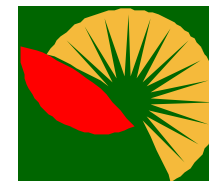
Briefing Outline



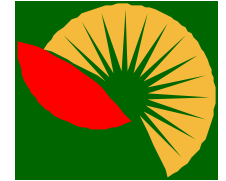
- Company profile
- **Financial progress**
- The current phase - GIO
- Longer term growth
- Q&A

Profit growth

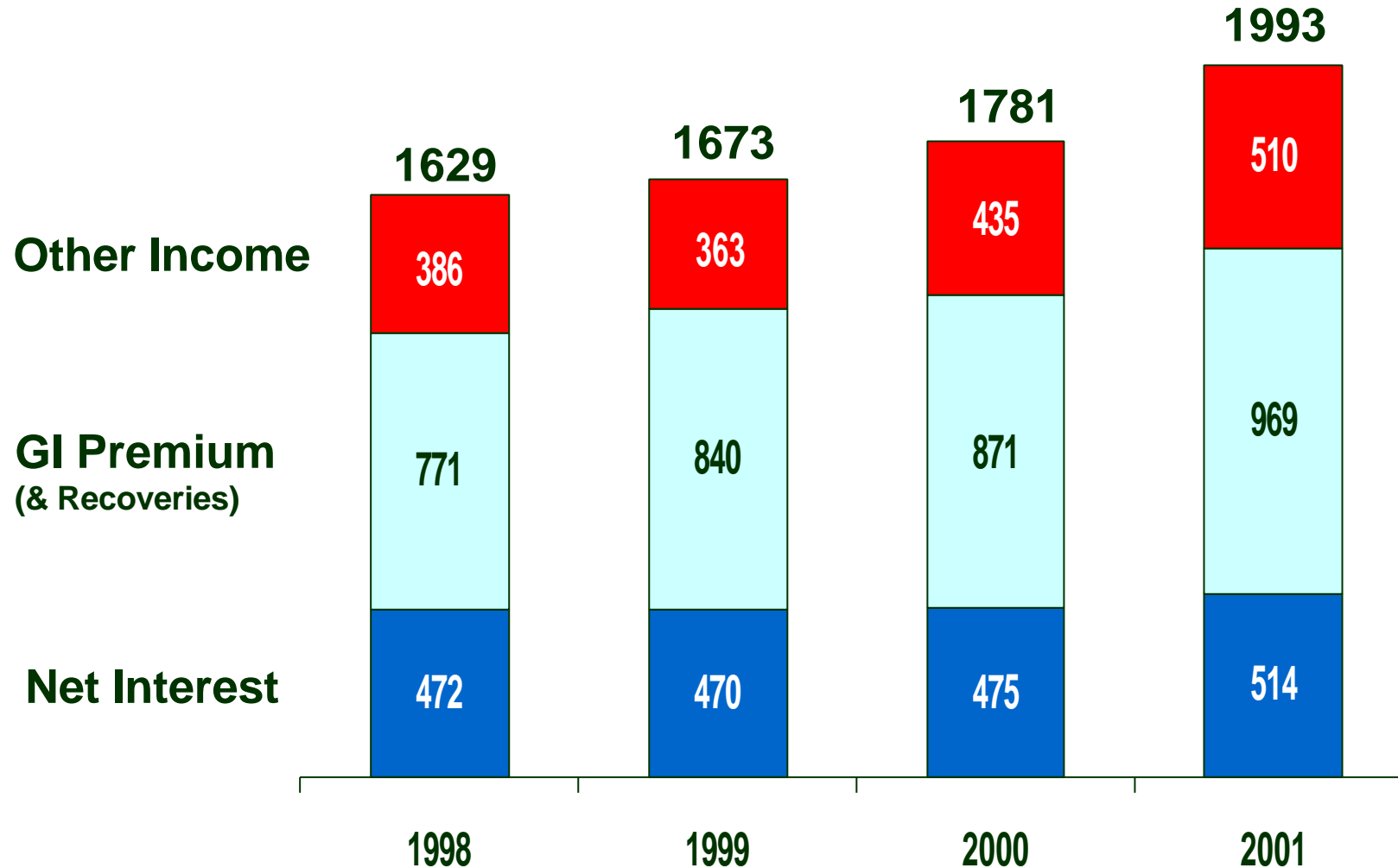
(\$millions)



Operating income*

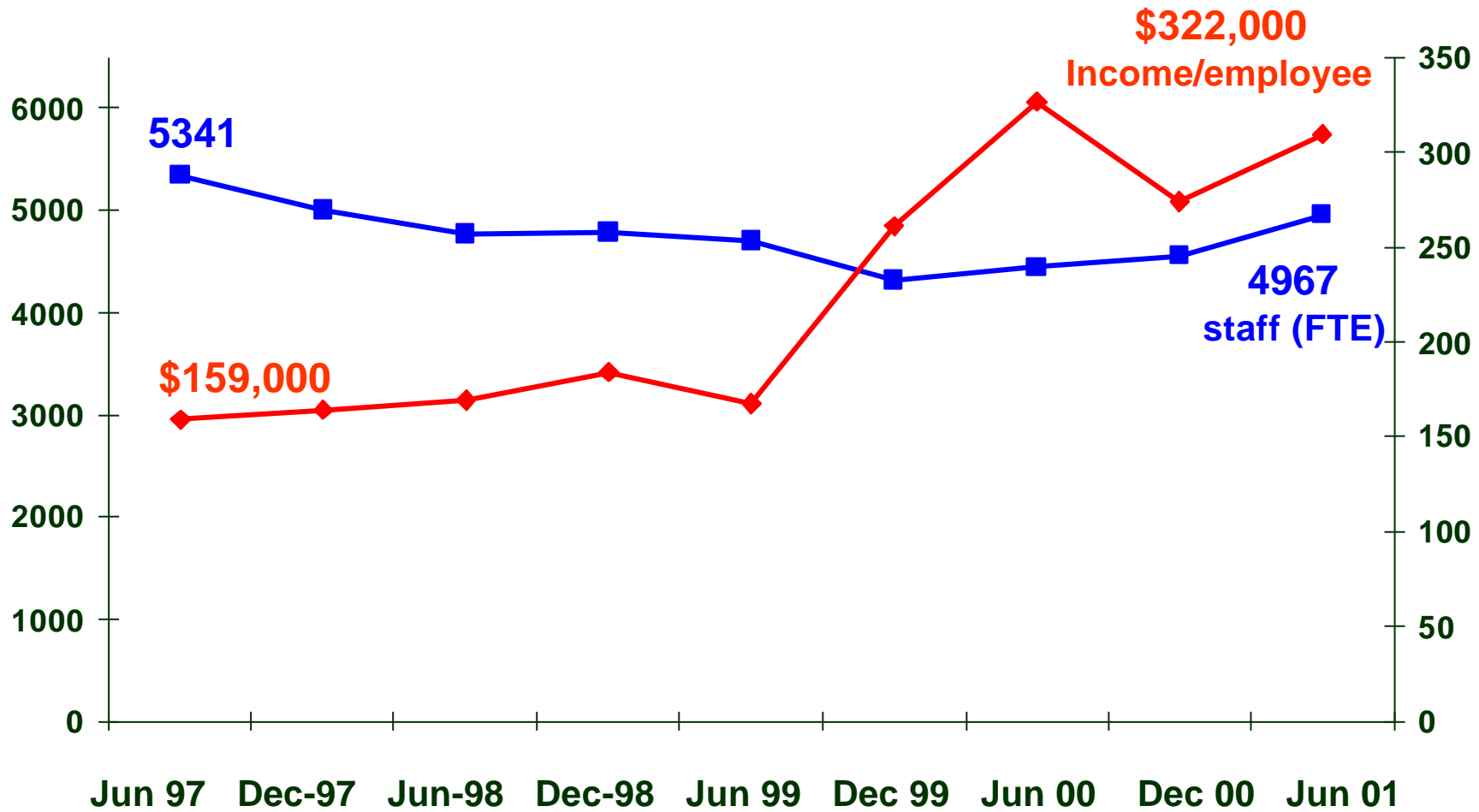
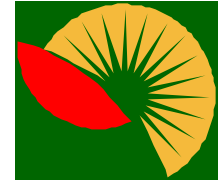


(\$millions)

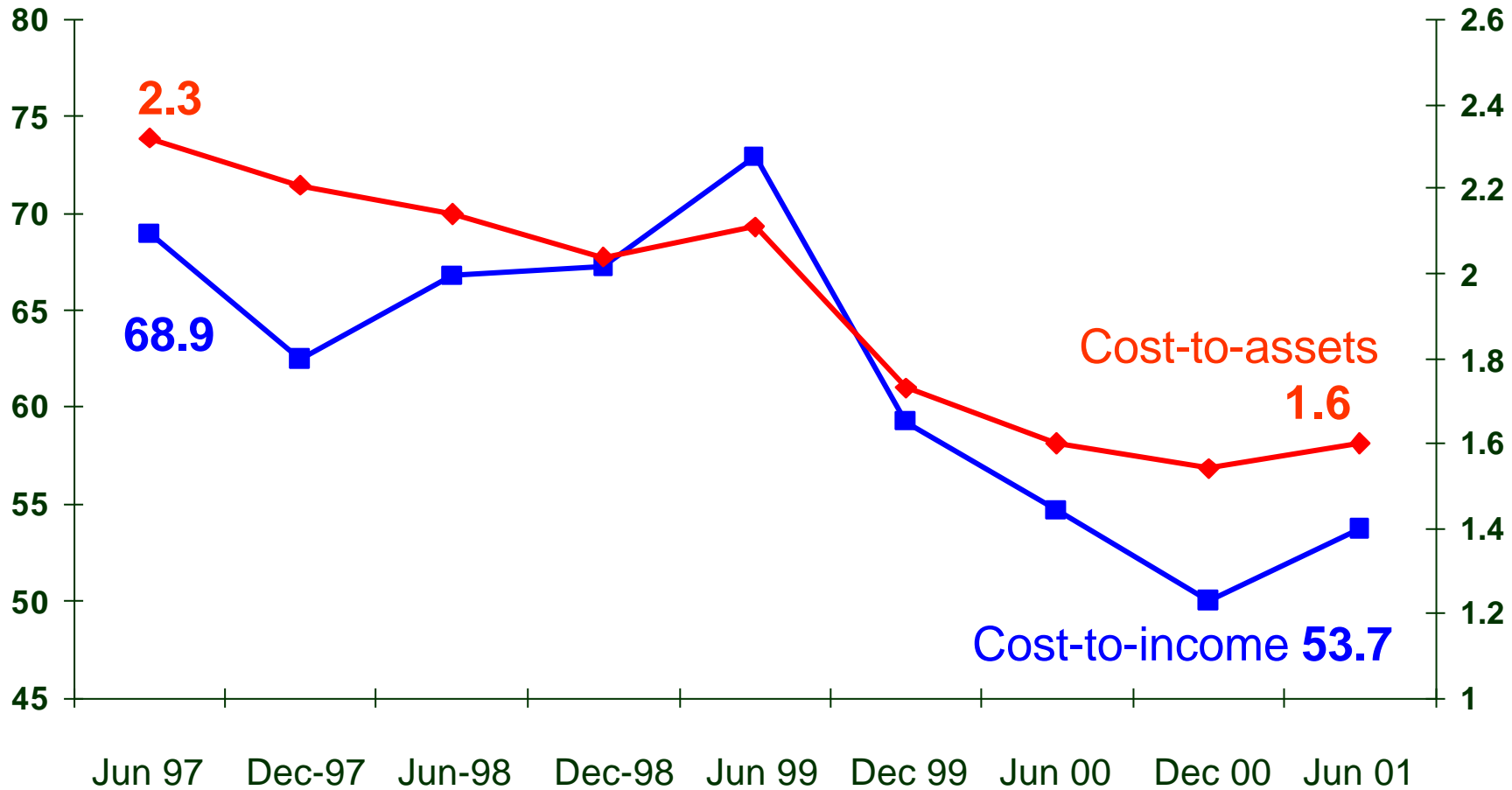
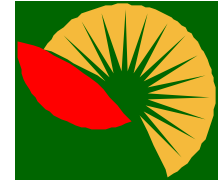


*Excluding policyholders' interests

Productivity

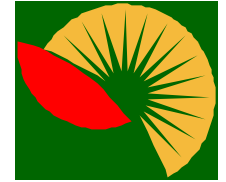


Banking expense ratios (%)



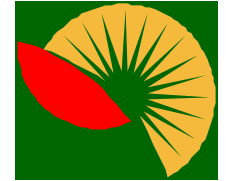
Including one-off expenses

Briefing Outline

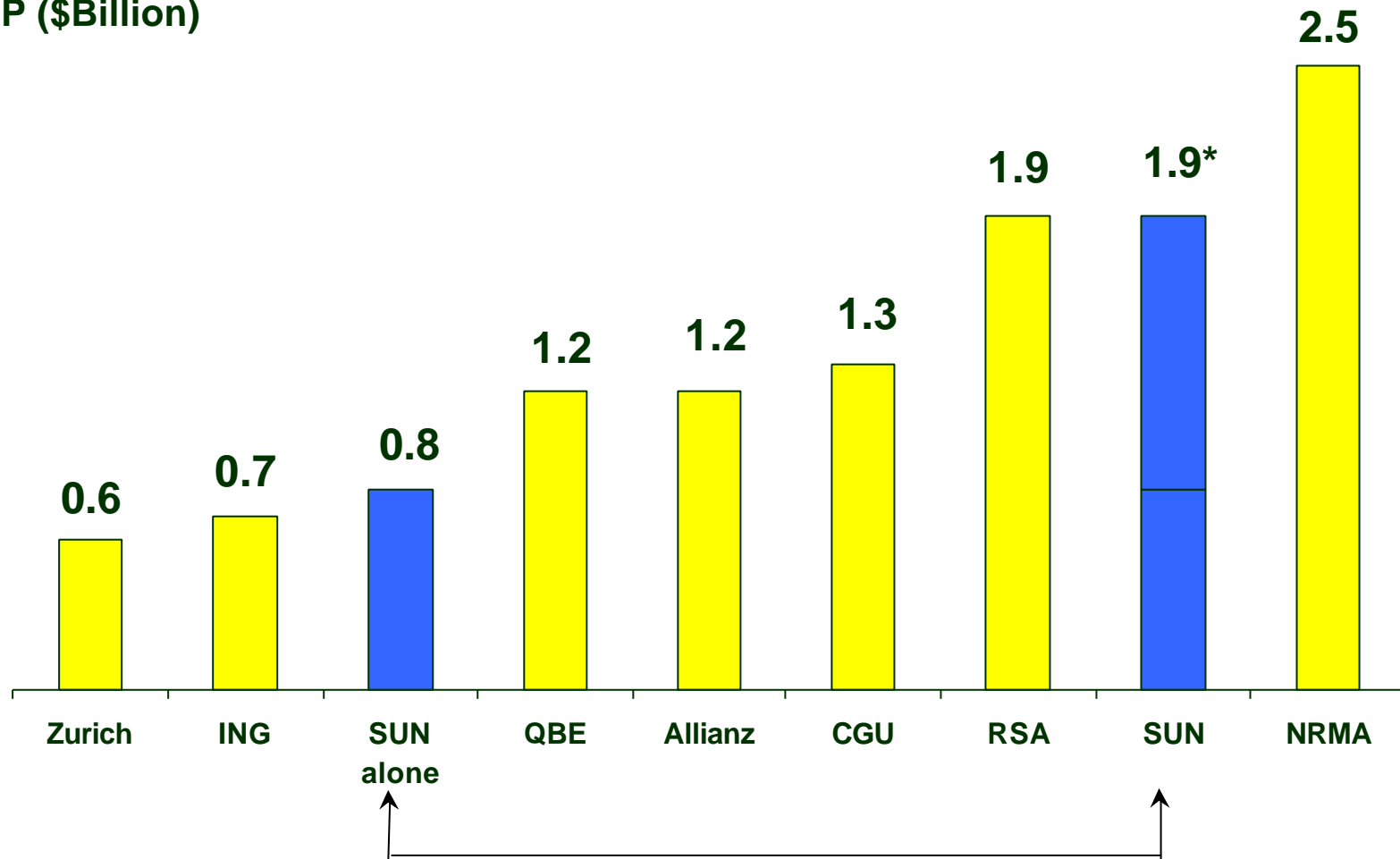


- Company profile
- Financial progress
- **The current phase - GIO**
- Longer term growth
- Q&A

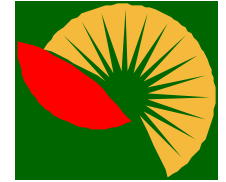
Current Phase - GIO



GWP (\$Billion)

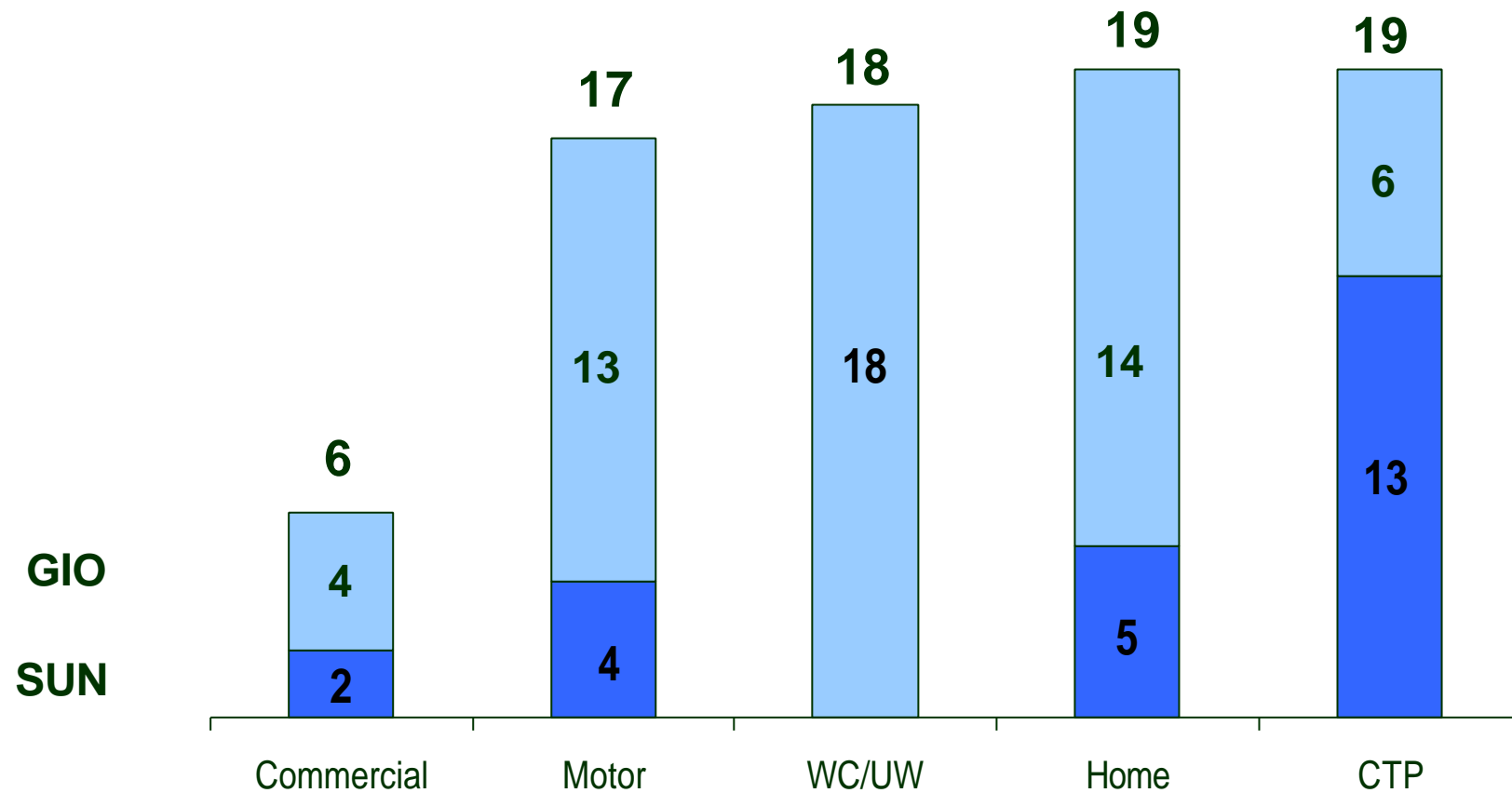


Source: APRA. December 1999 figures. The figures exclude HIH premium revenues which have been redistributed. Figures exclude joint venture business



Major market shares

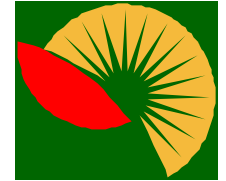
Combined SUN/GIO national market shares %



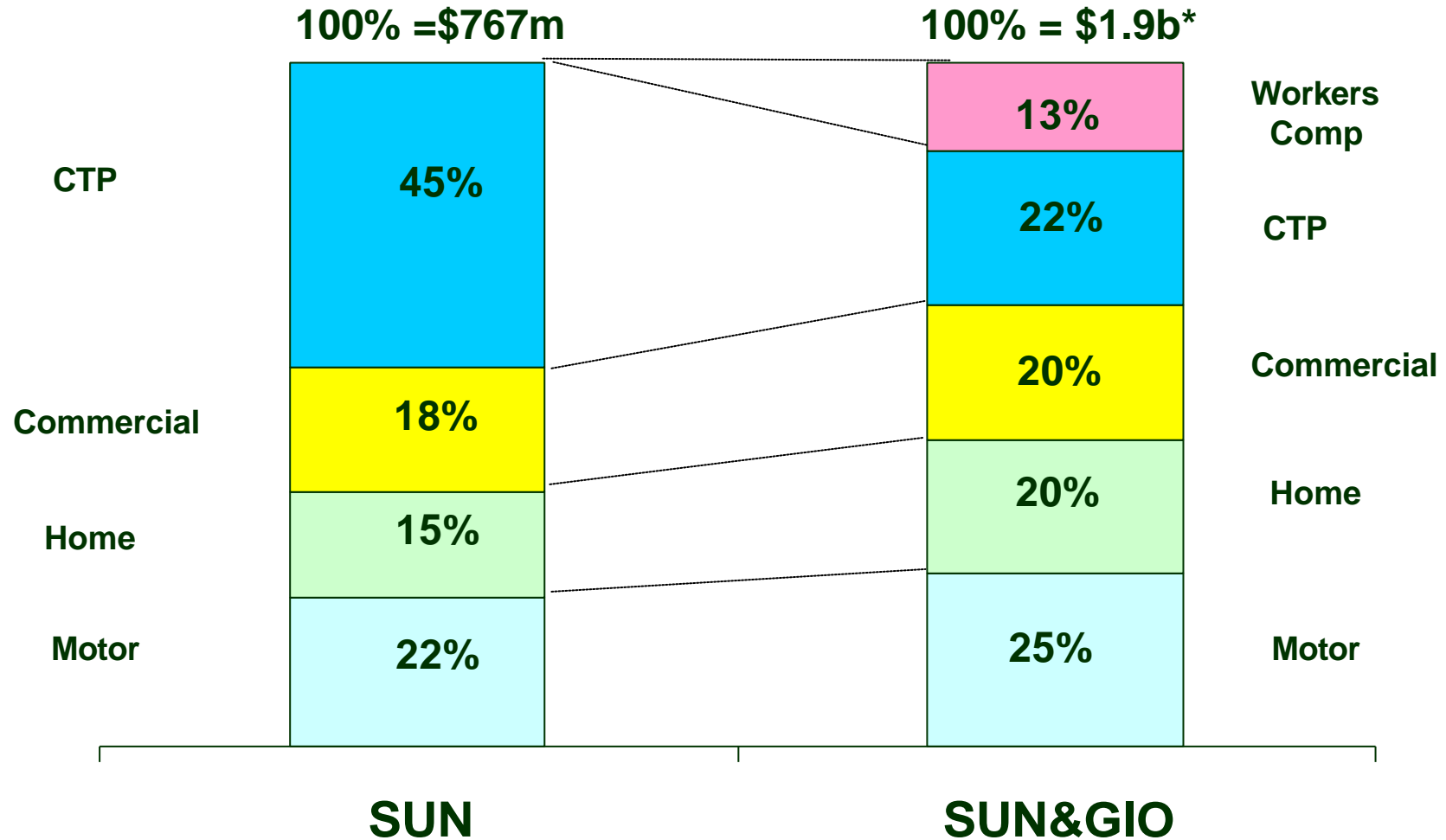
Source: Roy Morgan, APRA, AMP/GIO, 1999

Figures exclude JVs

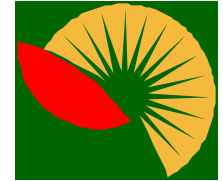
Product Diversification



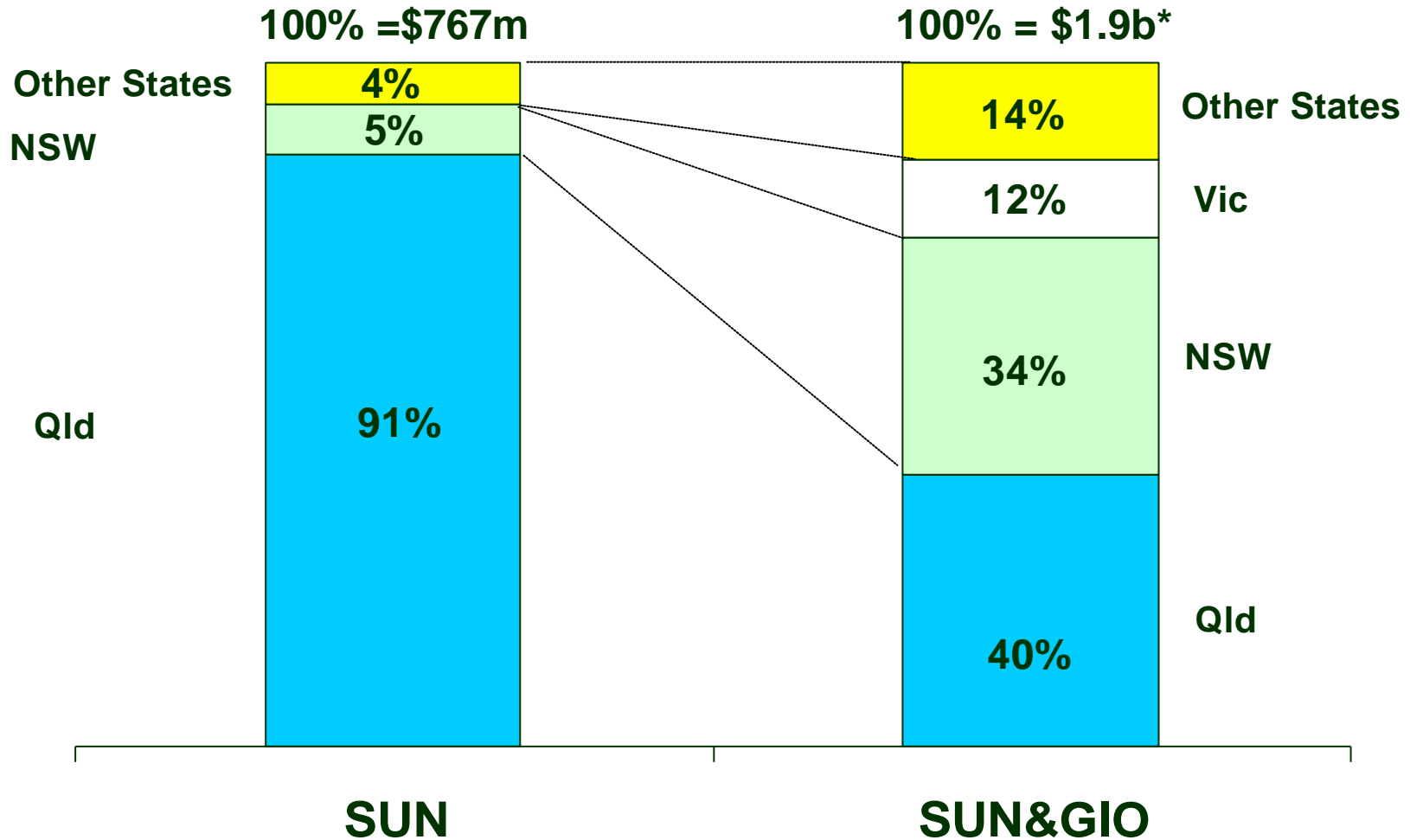
Gross Written Premium



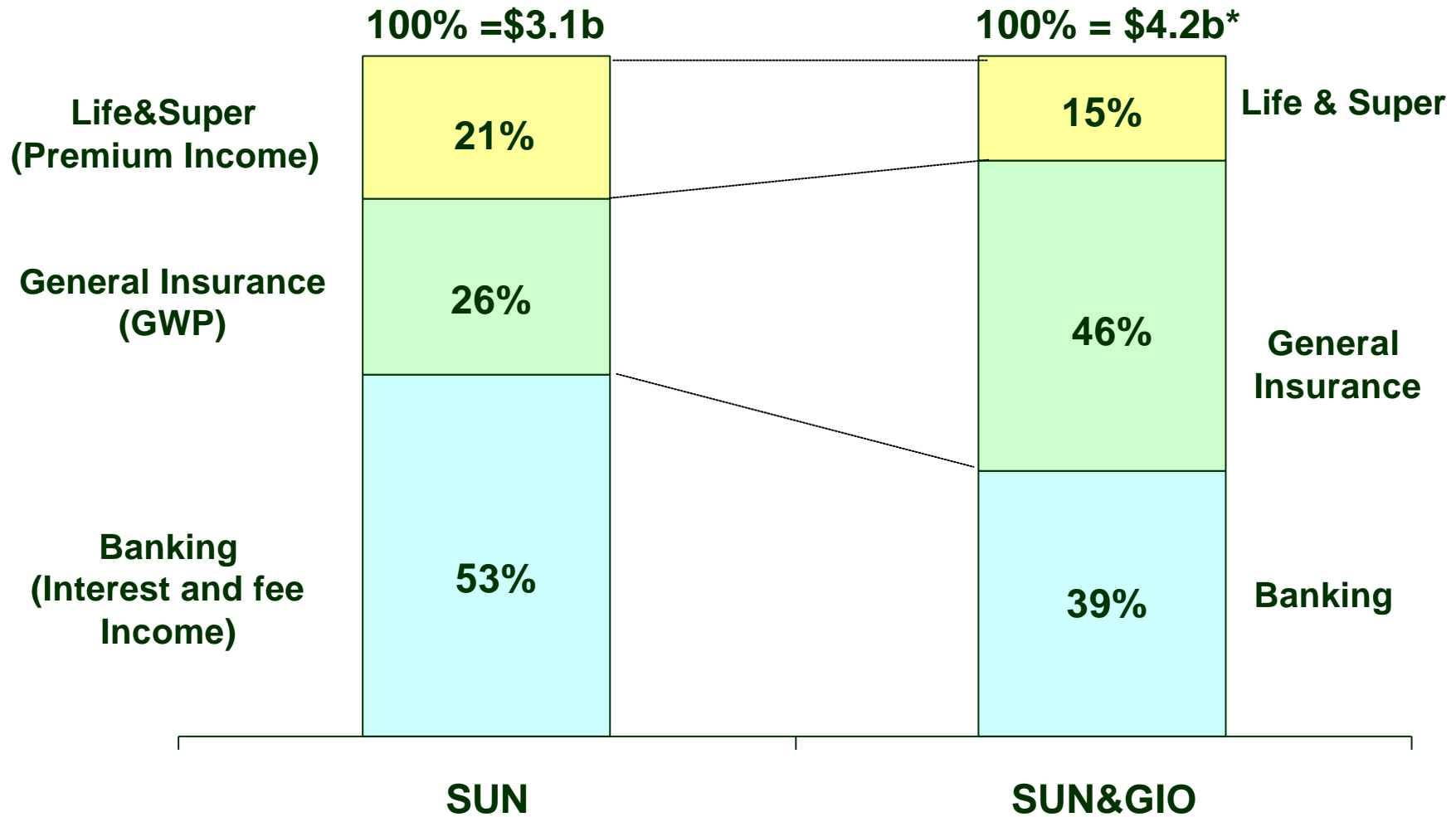
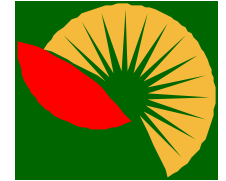
Geographic Diversification



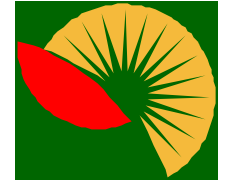
Gross Written Premium



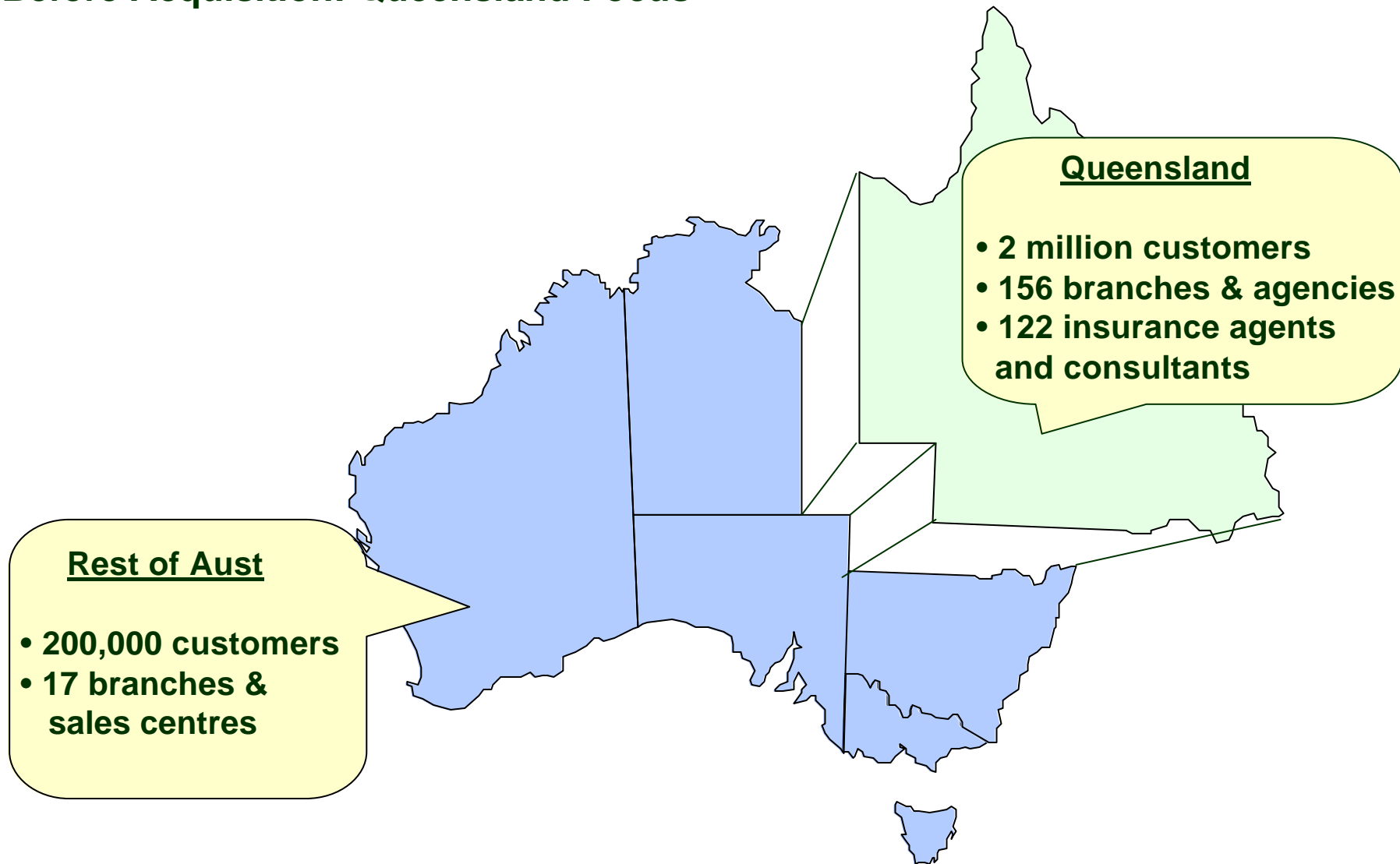
Group Revenue Mix



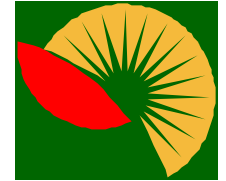
Creating National Network



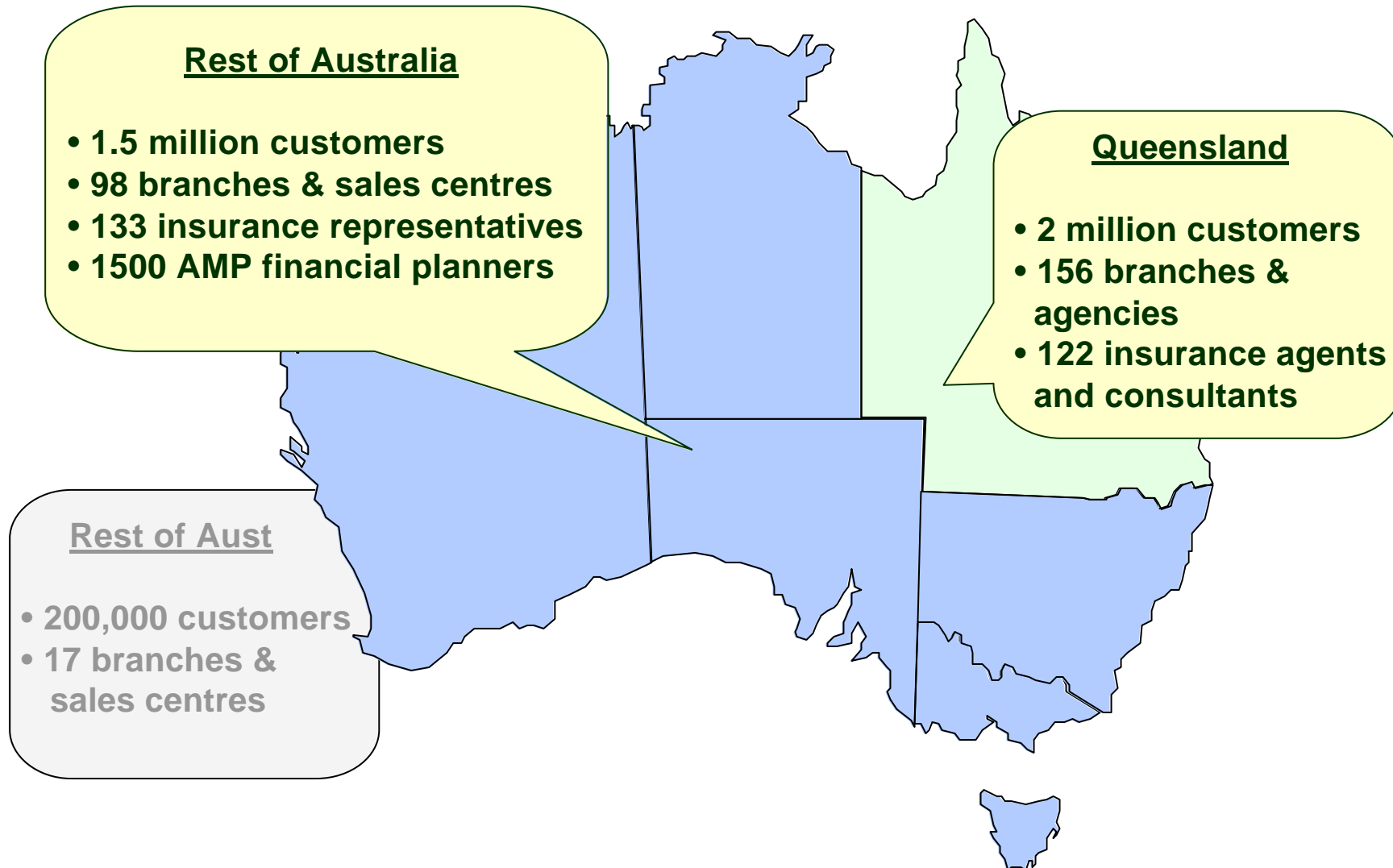
Before Acquisition: Queensland Focus



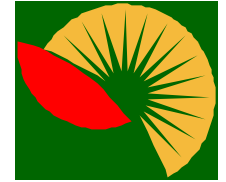
Creating National Network



After Acquisition: National footprint

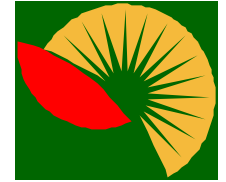


Shareholder Returns



- **Value for shareholders - ROE of acquisition expected to be 14%+ in Yr 3**
- **Cash EPS neutral in Yr 1, positive in Yr 2 (relative to market consensus forecasts)**
- **Primary drivers are operating & claims costs \$80m+ pre-tax savings by Yr 3**
- **Projected GWP growth broadly 5% p.a.**

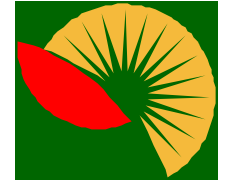
Figures exclude motoring club joint venture business



Group-wide Synergies

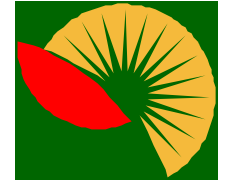
- **Cost synergies from combined cost base - approximately 30% sourced from SUN**
- **Key areas of savings:**
 - **Reduced distribution expenses**
 - **Claims costs, procurement and claims handling**
 - **HR and allocated overhead**
 - **Systems integration**
 - **Investment management**
- **IT, support service and distribution savings total approximately 80% of estimated synergies**
- **No revenue synergies assumed**

Integration Approach

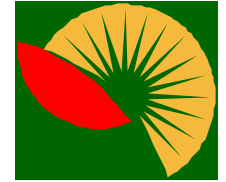


- **Retain and build GIO brand**
- **Use proven “Transformation” integration approach**
- **Quarterly implementation from January**
- **Estimated total integration costs more than \$150 mln including \$129 mln in restructure provision**

Briefing Outline



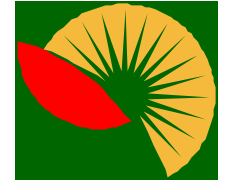
- Company profile
- Financial progress
- The current phase - GIO
- **Longer term growth**
- Q&A



Goals Going Forward

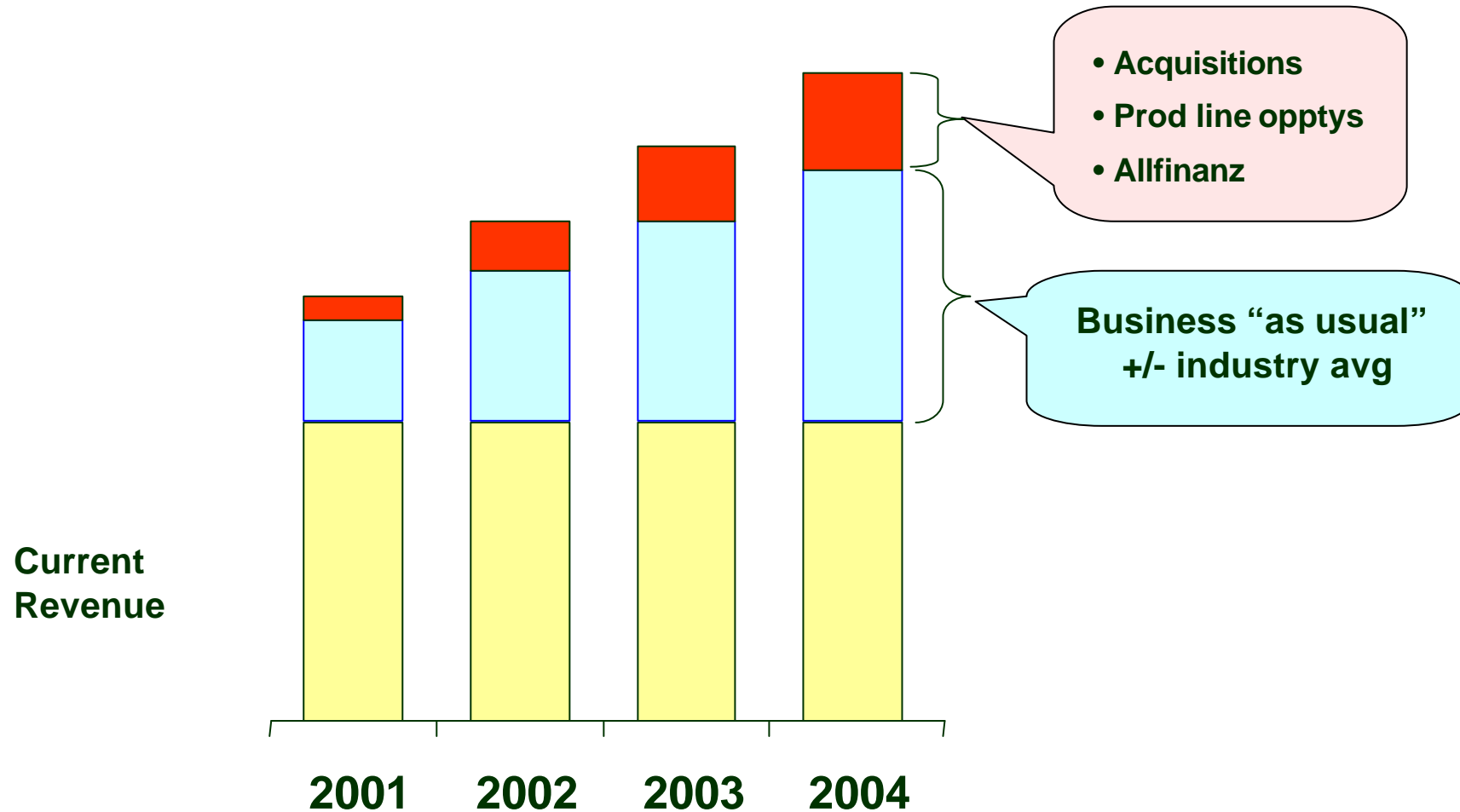
- Grow Revenue faster than industry
 - % will vary by line of business
- #1 in Customer Satisfaction in each LOB
 - killer initiatives & CVA
- Improve Productivity 5~10% p.a.
 - work outs, CI & Six Sigma
- World-Class Employee Satisfaction

ROE and EPS growth in top third of peers

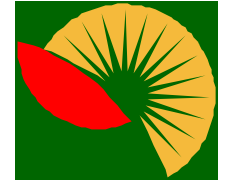


Three Avenues for Extra Growth

(Illustrative)



Is Allfinanz...

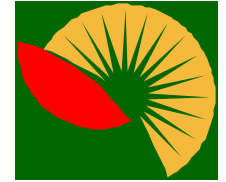


- **A value proposition to customers?**

or

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

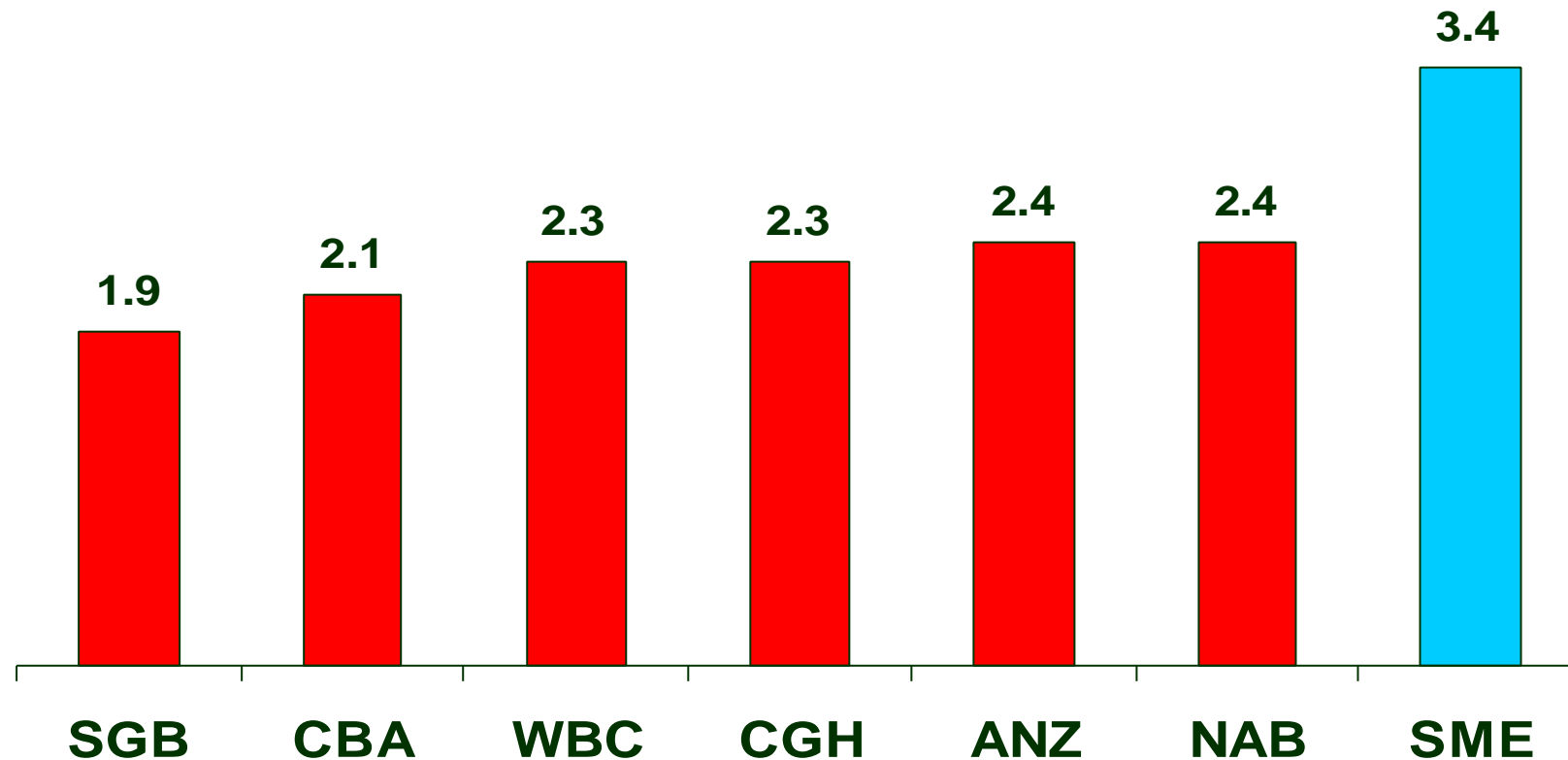
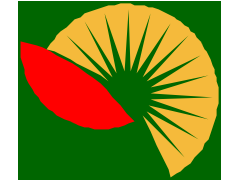
Allfinanz competitive advantage



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

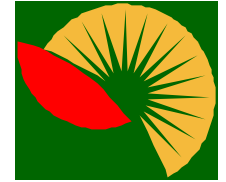
Leader in Cross Selling

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

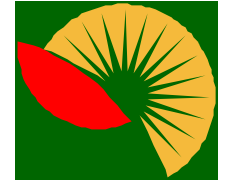


Goals Going Forward

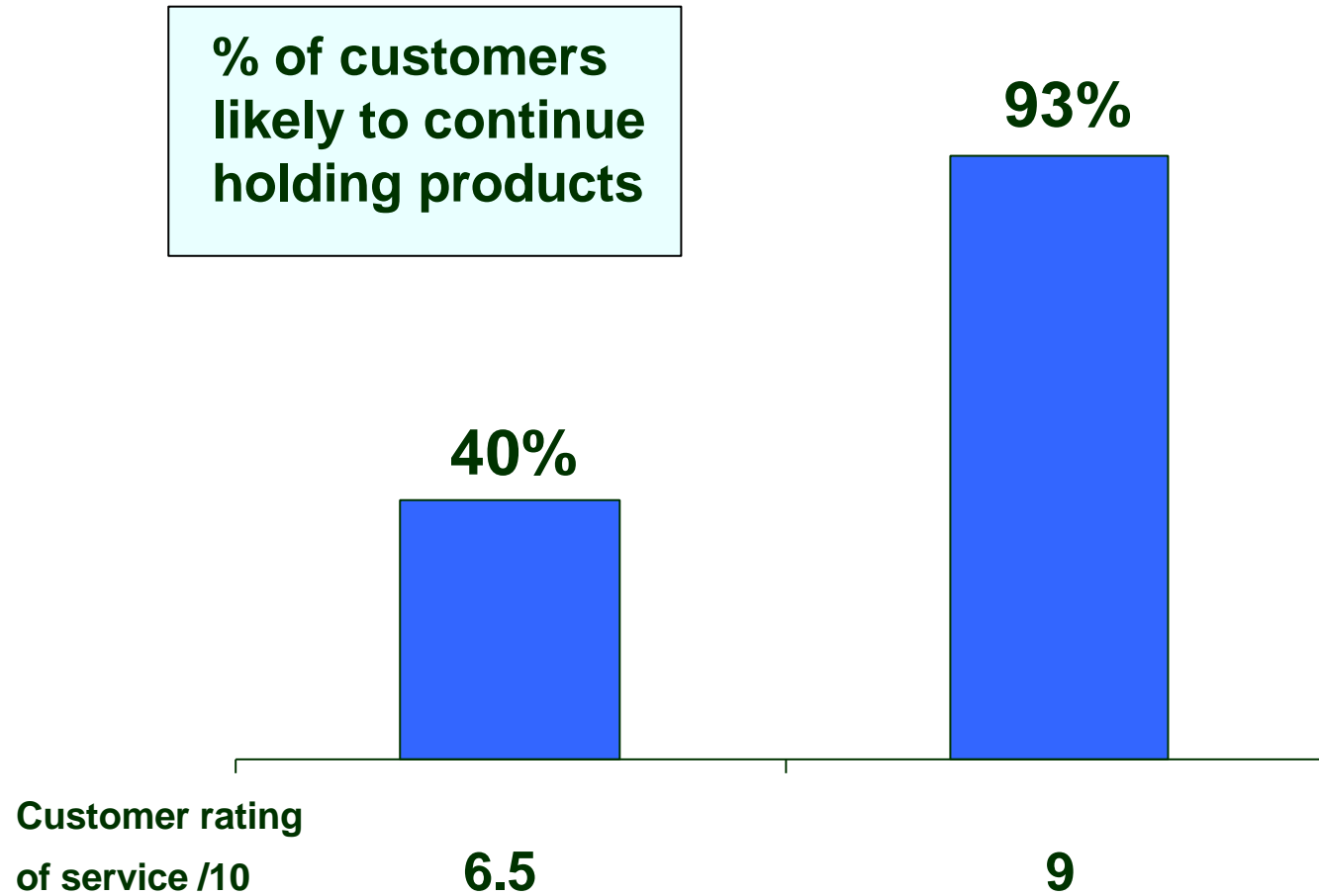
- Grow Revenue faster than industry
 - % will vary by line of business
- **#1 in Customer Satisfaction in each LOB**
 - killer initiatives & CVA
- Improve Productivity 5~10% p.a.
 - work outs, CI & Six Sigma
- World-Class Employee Satisfaction

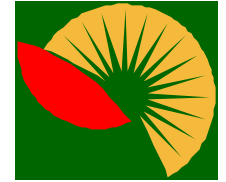
ROE and EPS growth in top third of peers

Customer satisfaction



Car Insurance example



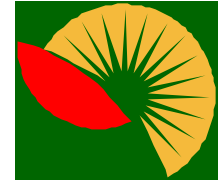


Goals Going Forward

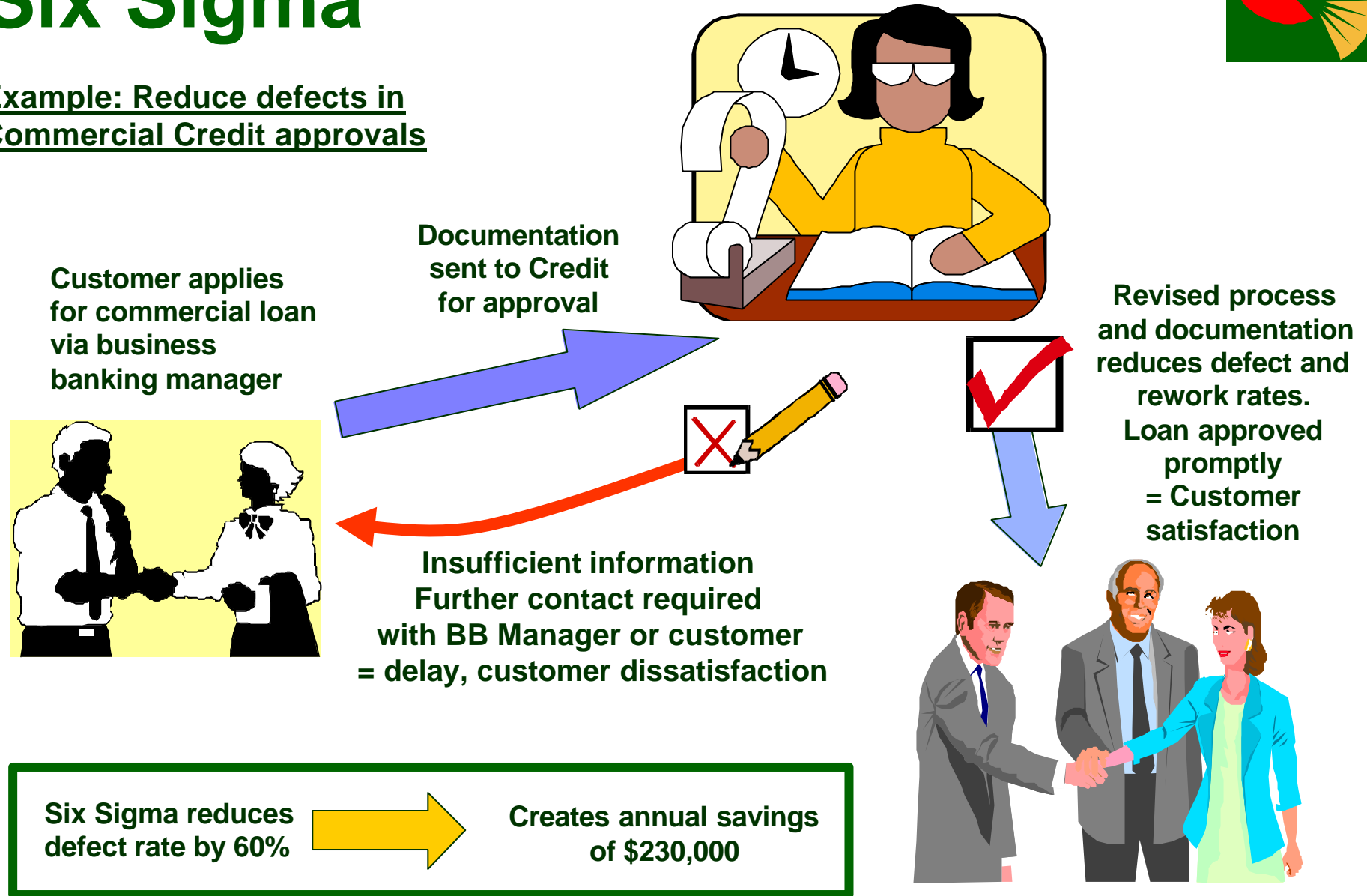
- Grow Revenue faster than industry
 - % will vary by line of business
- #1 in Customer Satisfaction in each LOB
 - killer initiatives & CVA
- **Improve Productivity 5~10% p.a.**
 - work outs, CI & Six Sigma
- World-Class Employee Satisfaction

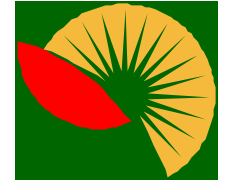
ROE and EPS growth in top third of peers

Six Sigma



Example: Reduce defects in Commercial Credit approvals





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

Survey results

