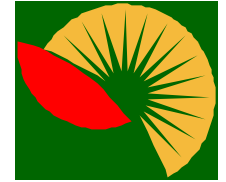


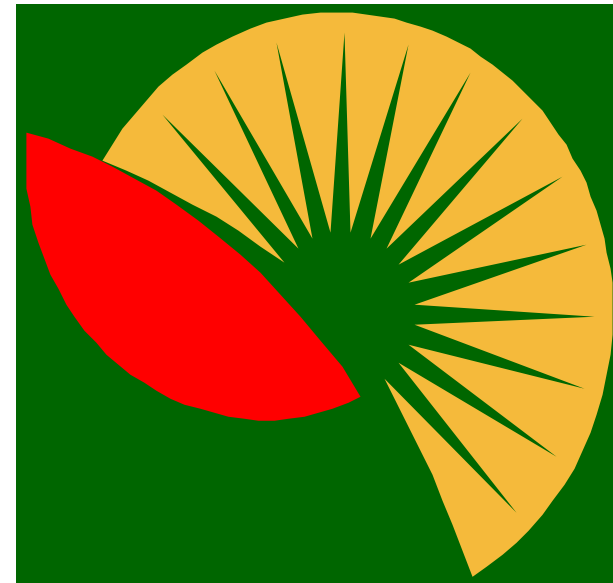
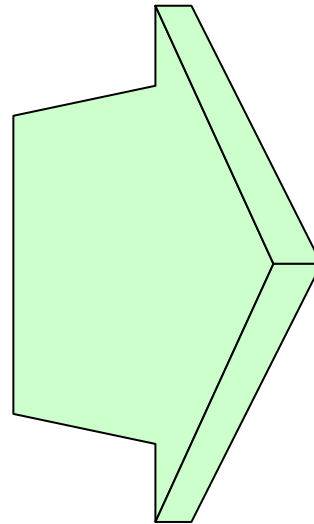
**Daniel Wilkie, CFO**  
**SUNCORP METWAY LTD**

**UBS Warburg**  
**June 6, 2001**

# 1996 Merger

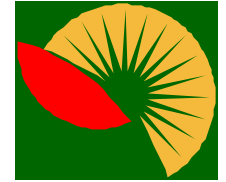


**Metway**  
Bank



**SUNCORP METWAY**

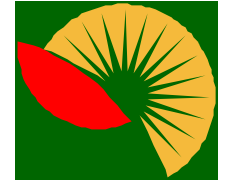
# Stockmarket position



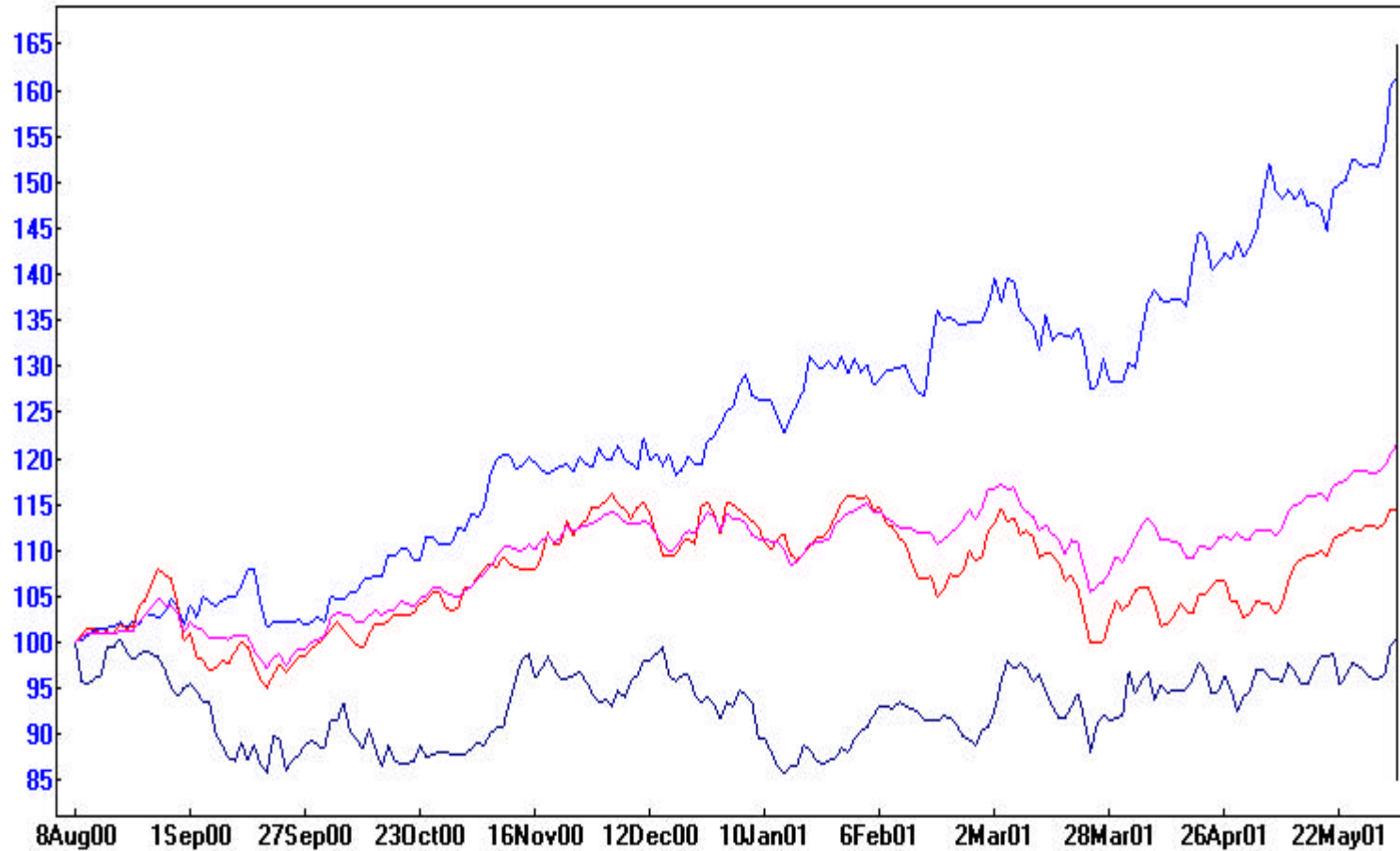
- **Market cap A\$6.2b, ranking 24\***
- **Australian All Ords Index weighting: 0.83%\***
- **MSCI (Australia) weighting: 0.89%**

\*Includes EINs that convert to shares in Oct, 2001

# Stockmarket performance



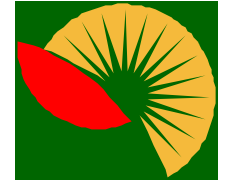
SME-CBA-NRM-BI/P



Daily data

Date=4Jun01 SME=161.353 CBA=114.382 NRM=100.332 BI/P=121.4

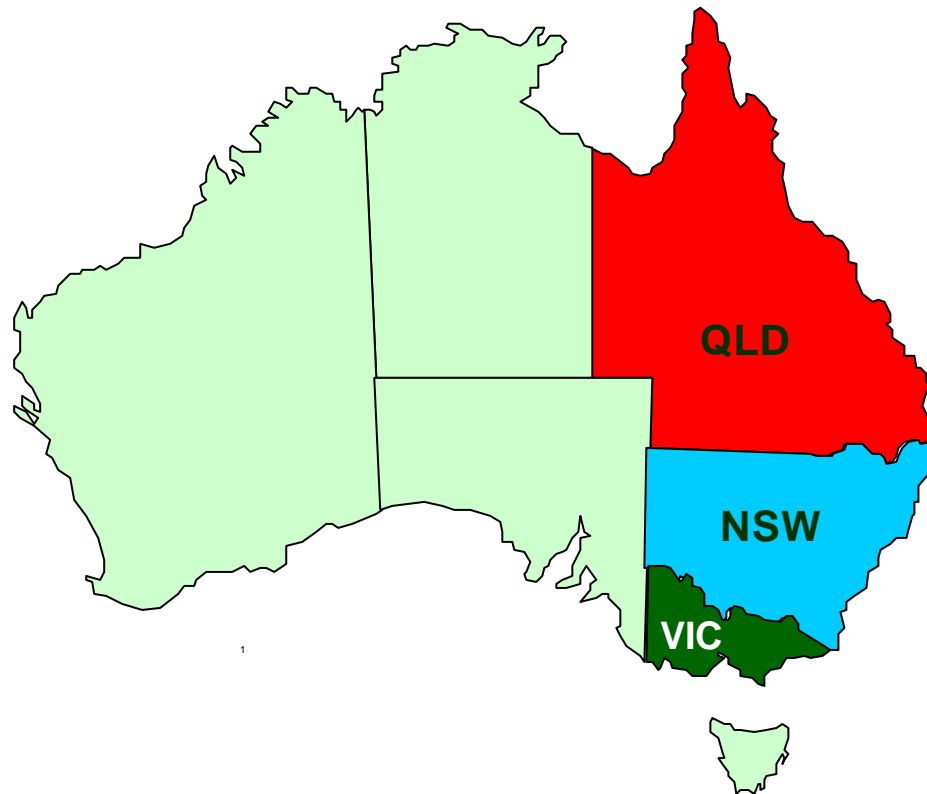
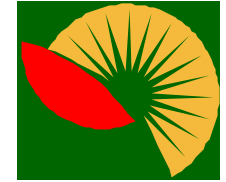
# Allfinanz leader in Australia



- **Sixth largest bank**
- **Seventh largest insurance company**
- **Funds under management \$6.7 billion**
- **Total assets of \$27.7 billion\***
- **Largest company in Qld**

\*Including life insurance policyholders' interests

# Geographic Coverage



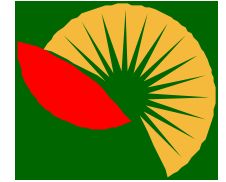
## Qld share and rank

- Auto insurance 28%, 1st
- Home insurance 27%, 1st
- Third Party ins 55%, 1st
- Lending 17%, 3rd
- Agri-lending 25%, 2nd
- Deposits 20%, 1st

## NSW and Victoria

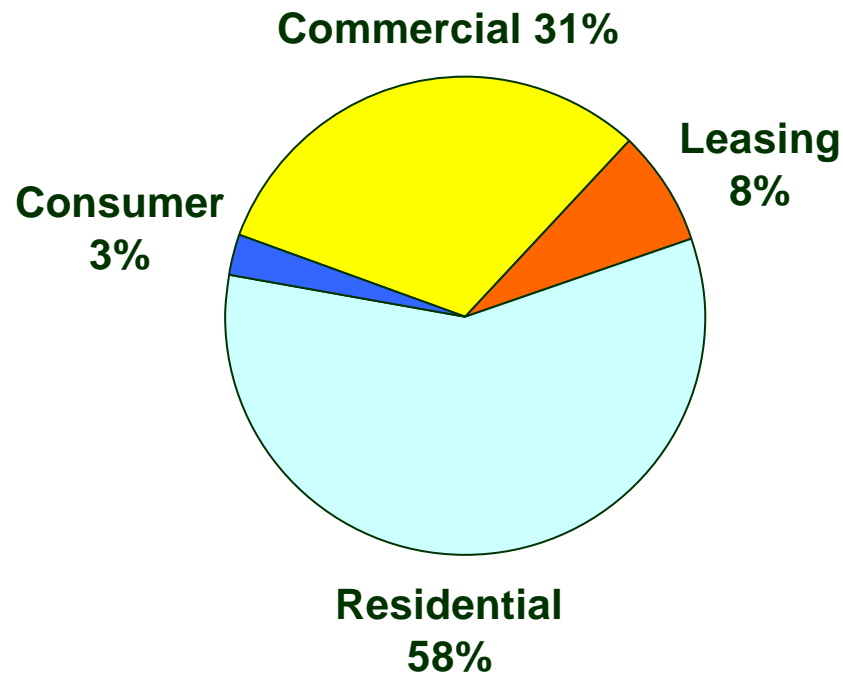
- Operations well established
- Interstate provided 37% of 99/00 lending

# SML Business Mix



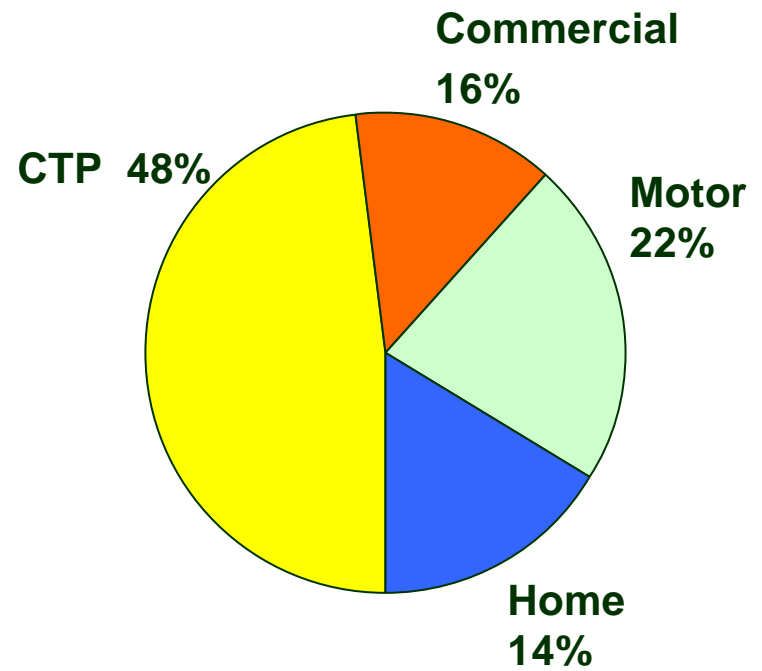
## Bank Loans

\$18.68 billion



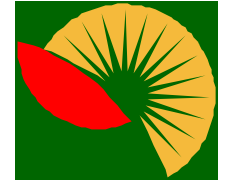
## GI Premium

\$750 million

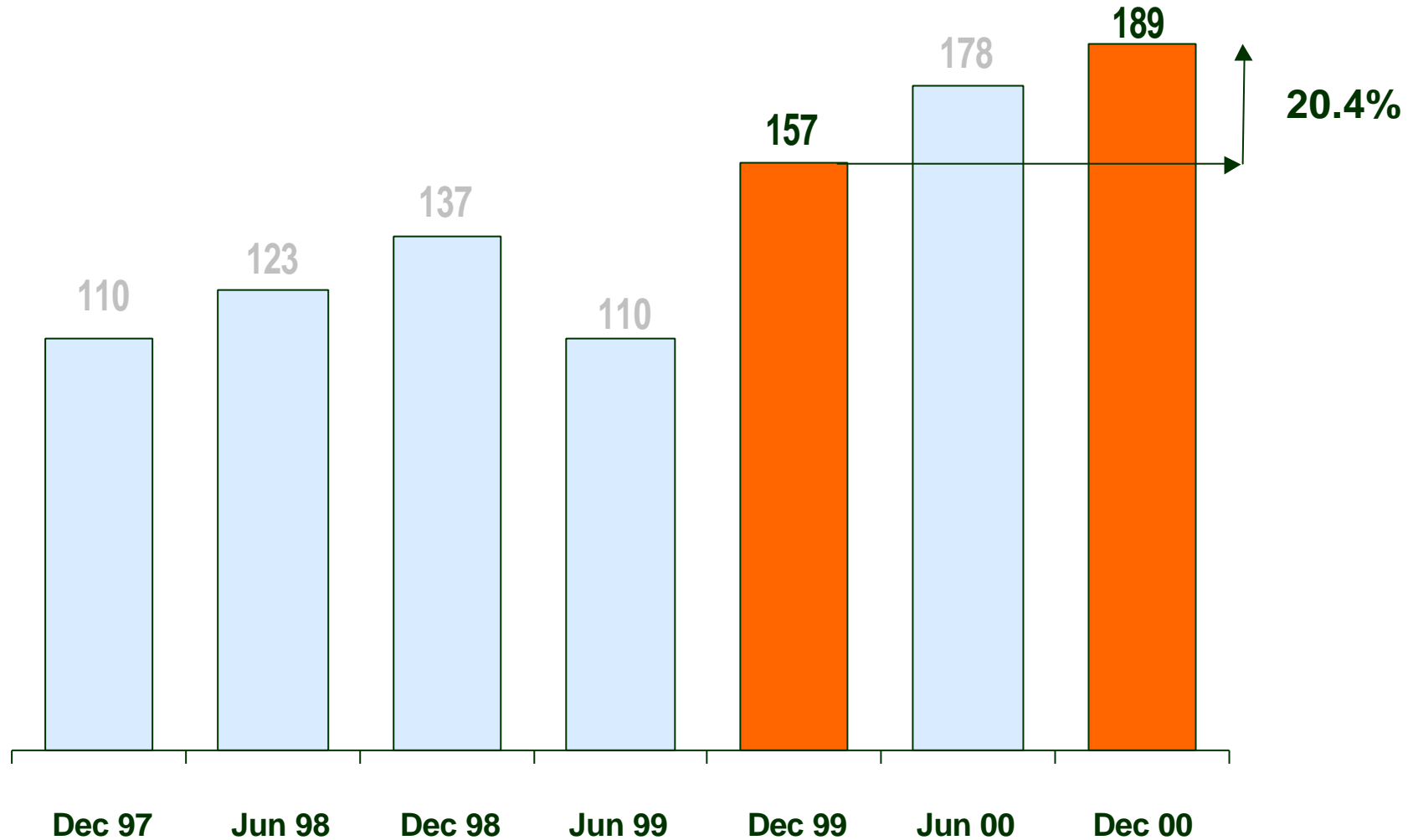




# Profit performance

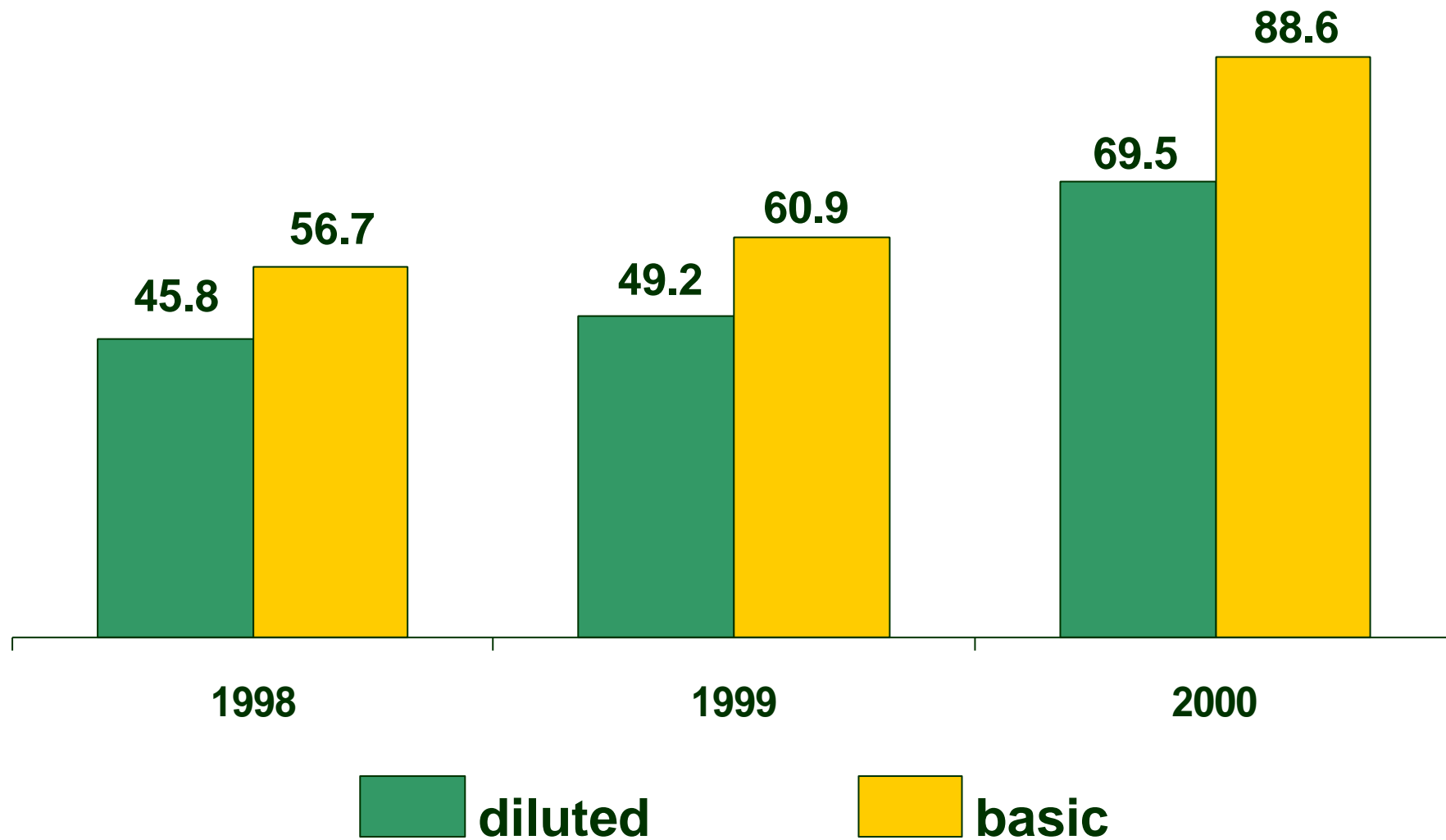
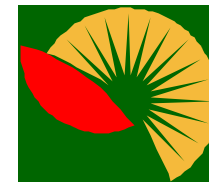


(\$millions)

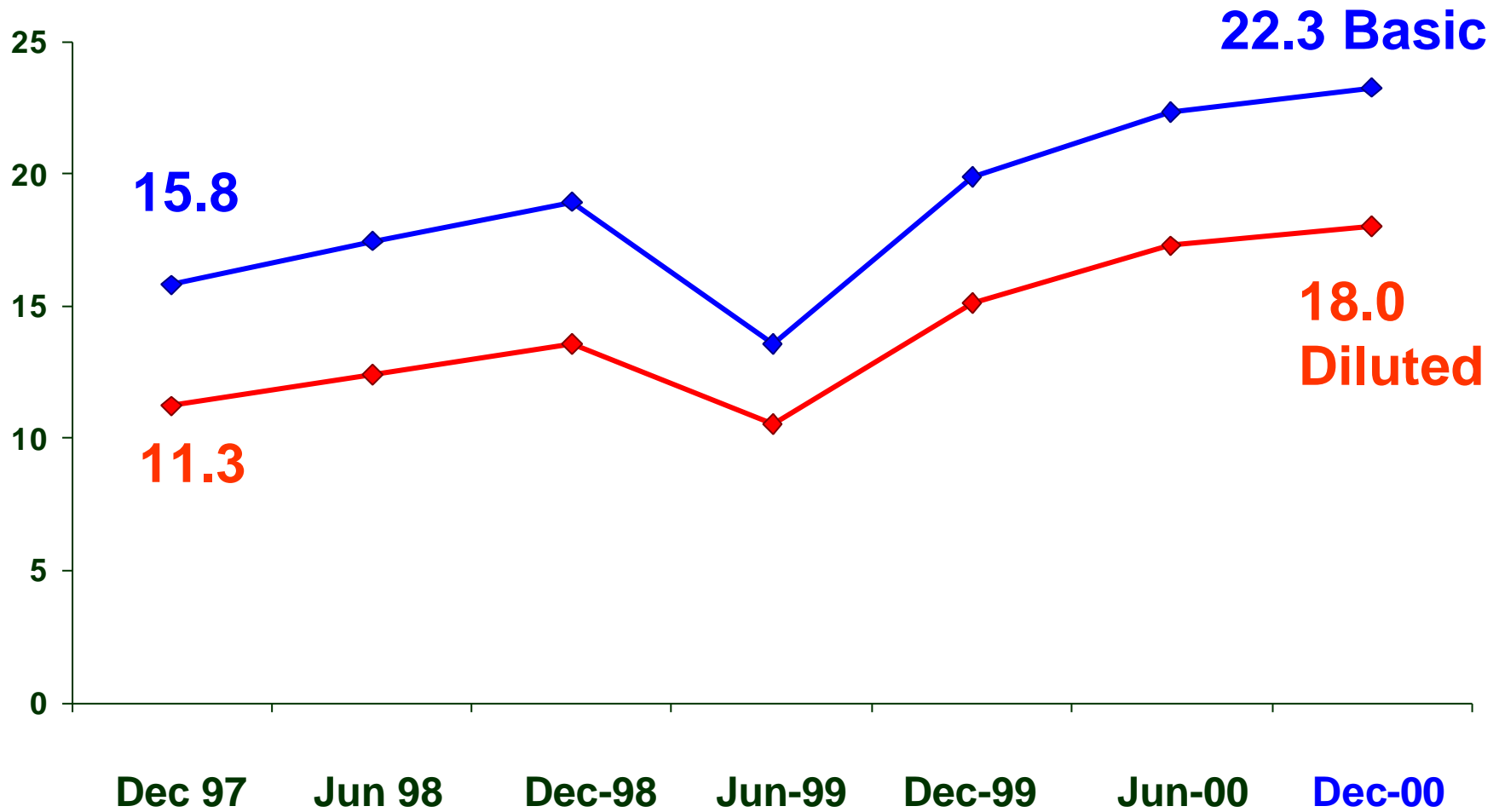
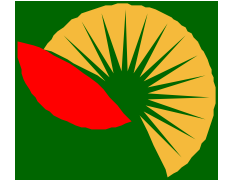


# Earnings per share

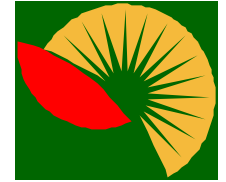
(cents)



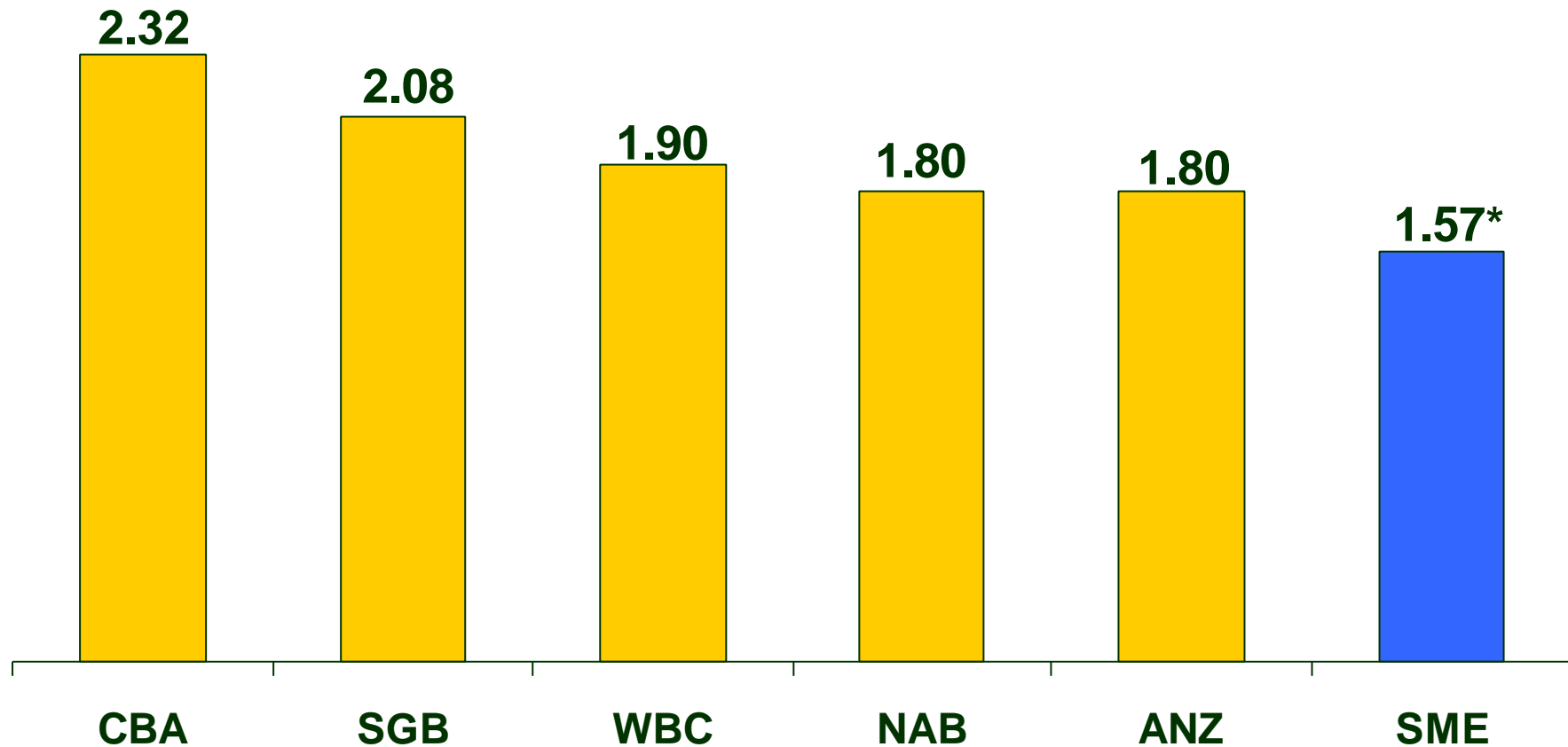
# Return on equity (%)



Excluding one-off expenses



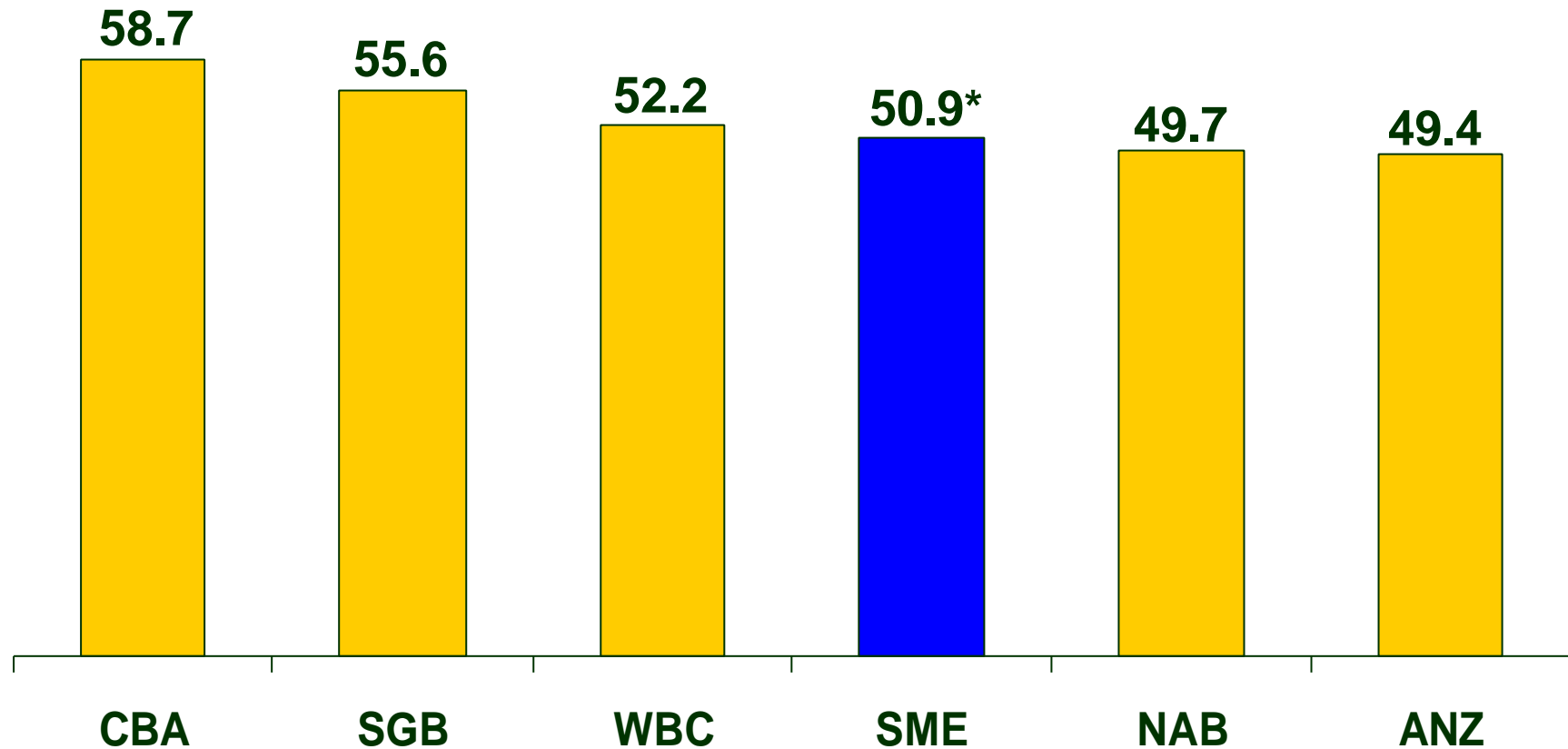
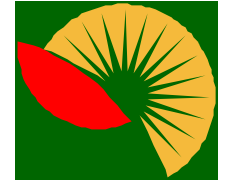
# Banking cost-to-assets (%)



Latest published figures. SME figures are for banking only

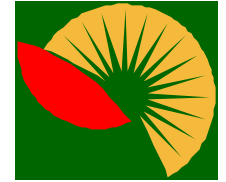
\*Excluding one-off expenses and changes in accounting policies

# Banking cost-to-income (%)

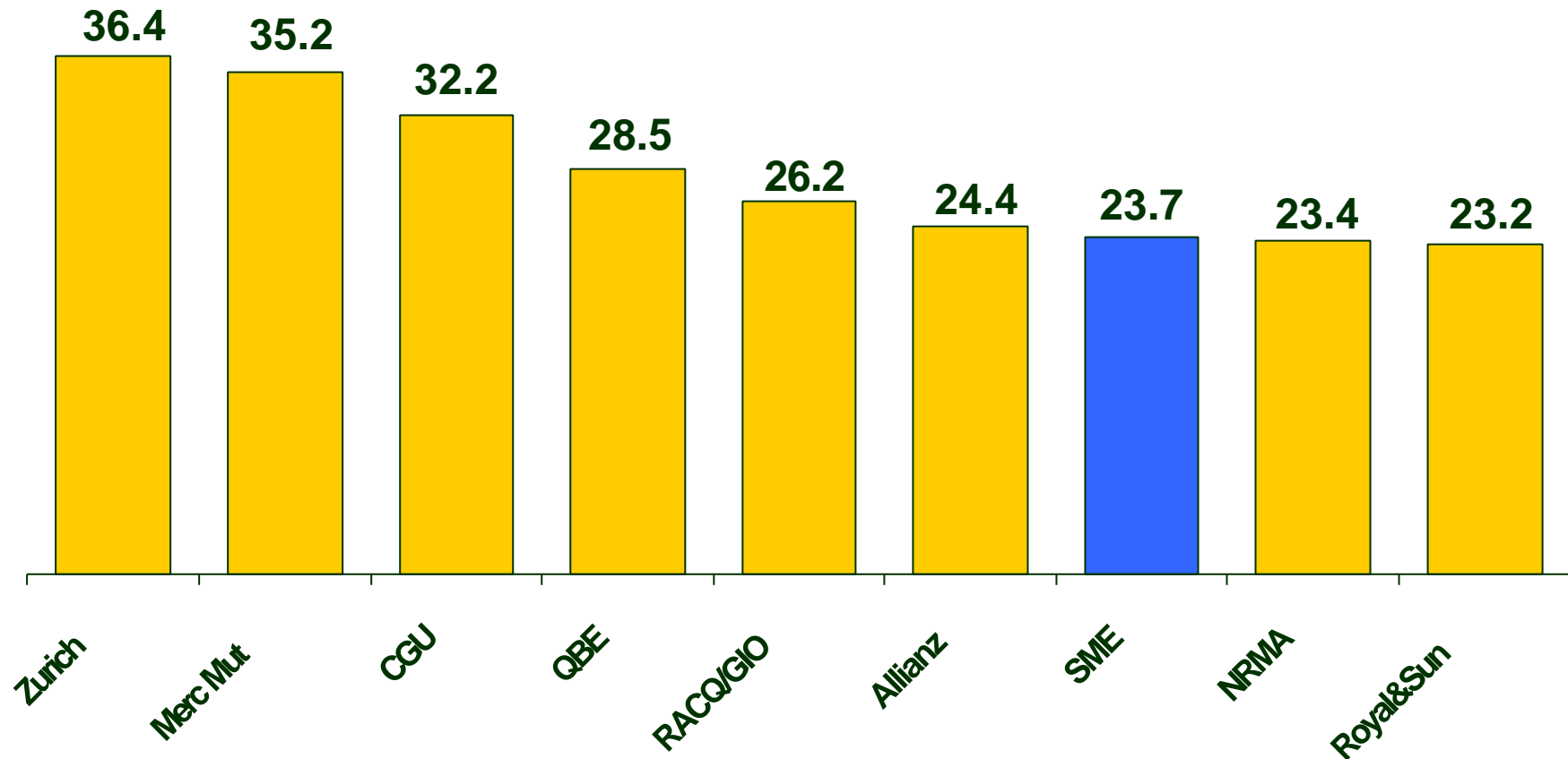


(Latest published accounts. SME figures are for banking only)

\*Excluding one-off expenses and changes in accounting policies

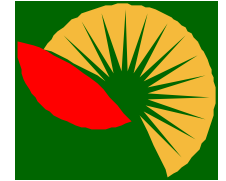


# GI expense ratios (%)

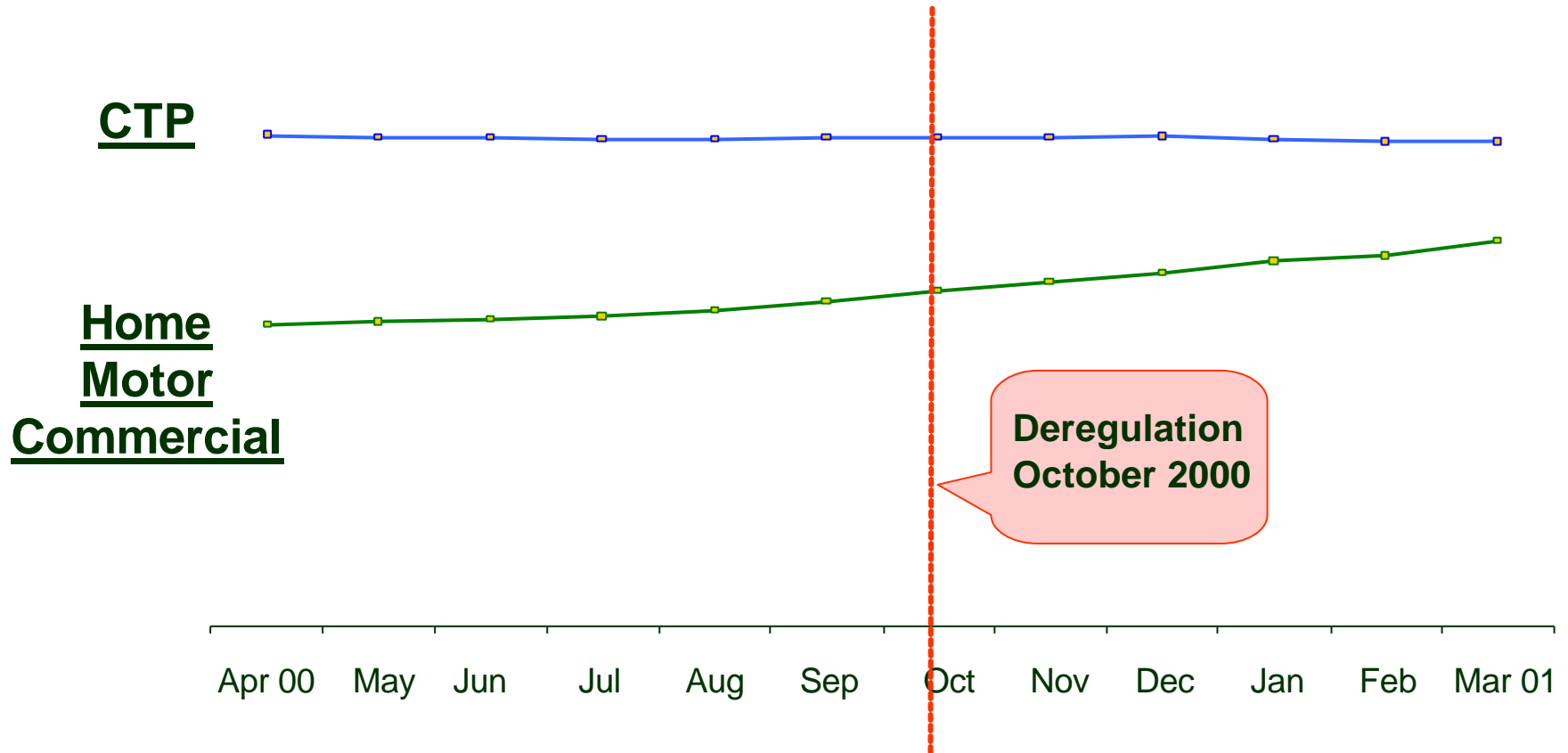


Competitor information source: KPMG Insurance Industry Survey 2000. Jun 99 figures.

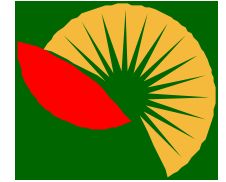
# CTP deregulation



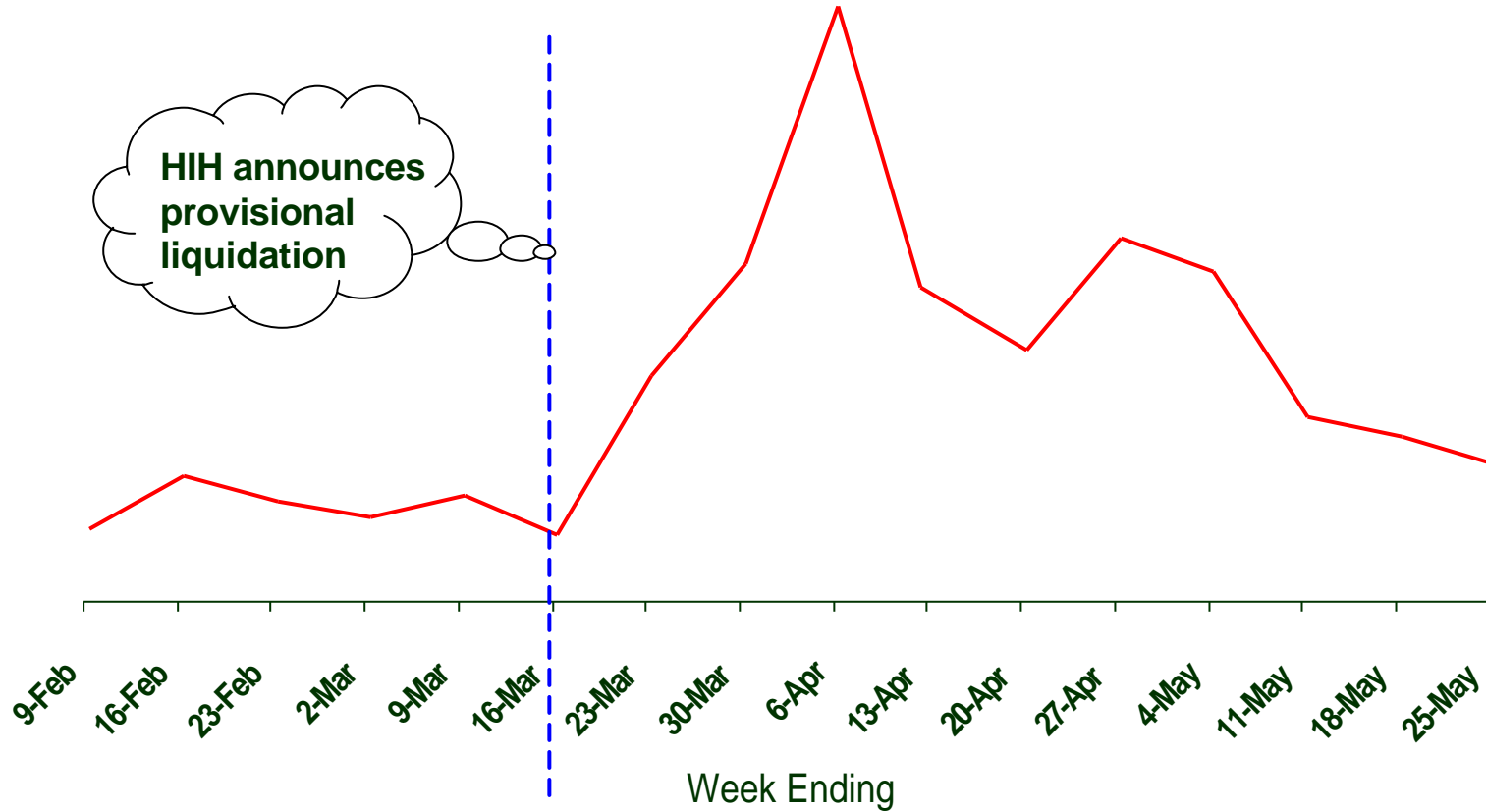
Risks in Force



# HIH fallout



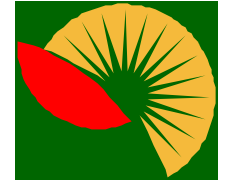
People nominating Suncorp Metway as their CTP provider



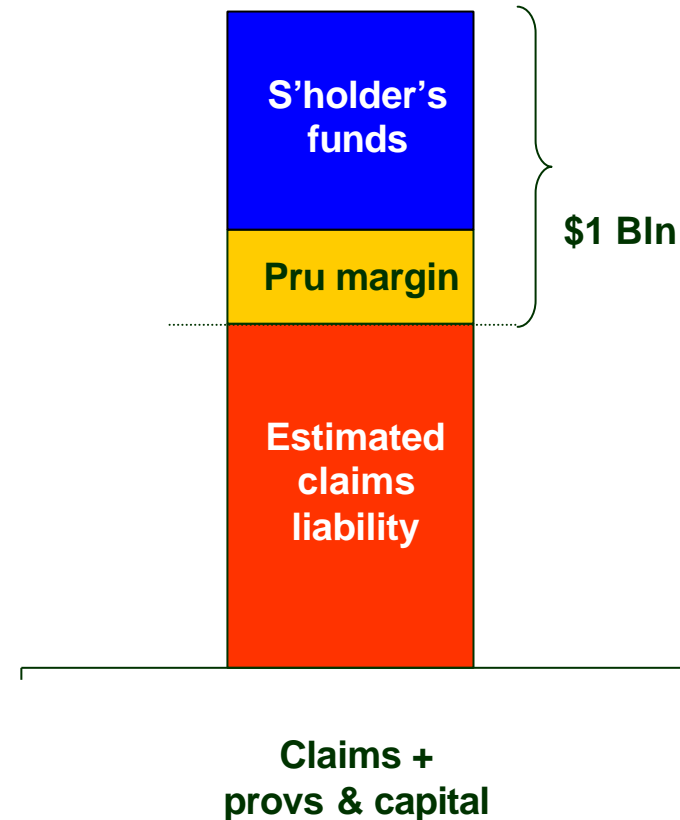
Graph shows people nominating "mid-term " (ie before their registration renewal is received) to switch their CTP to Suncorp Metway. Does not include people who elect to switch at time of renewal.



# Balance sheet strength

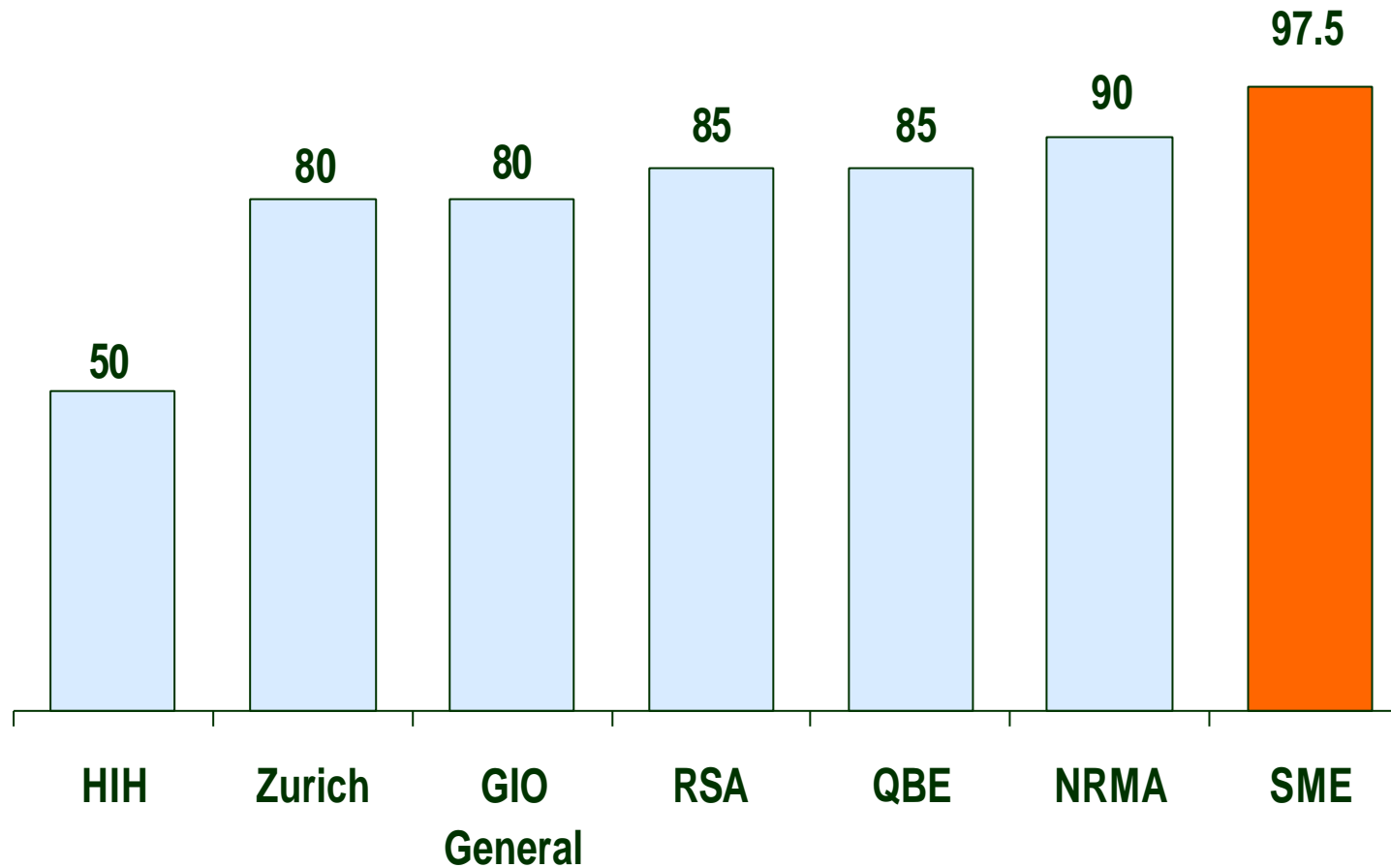
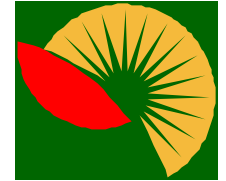


- **Very strong reserves, conservative provisioning**
- **High solvency ratio in general insurance company (2.67 times APRA minimum)**
- **27% prudential margin**

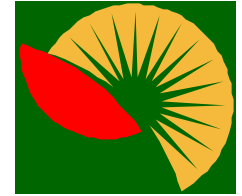


# Confidence Interval

(% probability that reserves are sufficient)



Competitor information source: Macquarie Bank

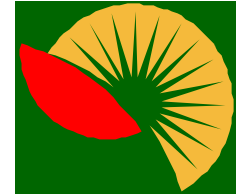


# APRA GI capital review

## Key changes:

- Adoption of risk-based approach
- Minimum capital levels to ensure 75% probability of sufficiency
- Capital charge for future expected claims
- Capital charge for investment assets and derivatives
- Tier One and Tier Two capital categories

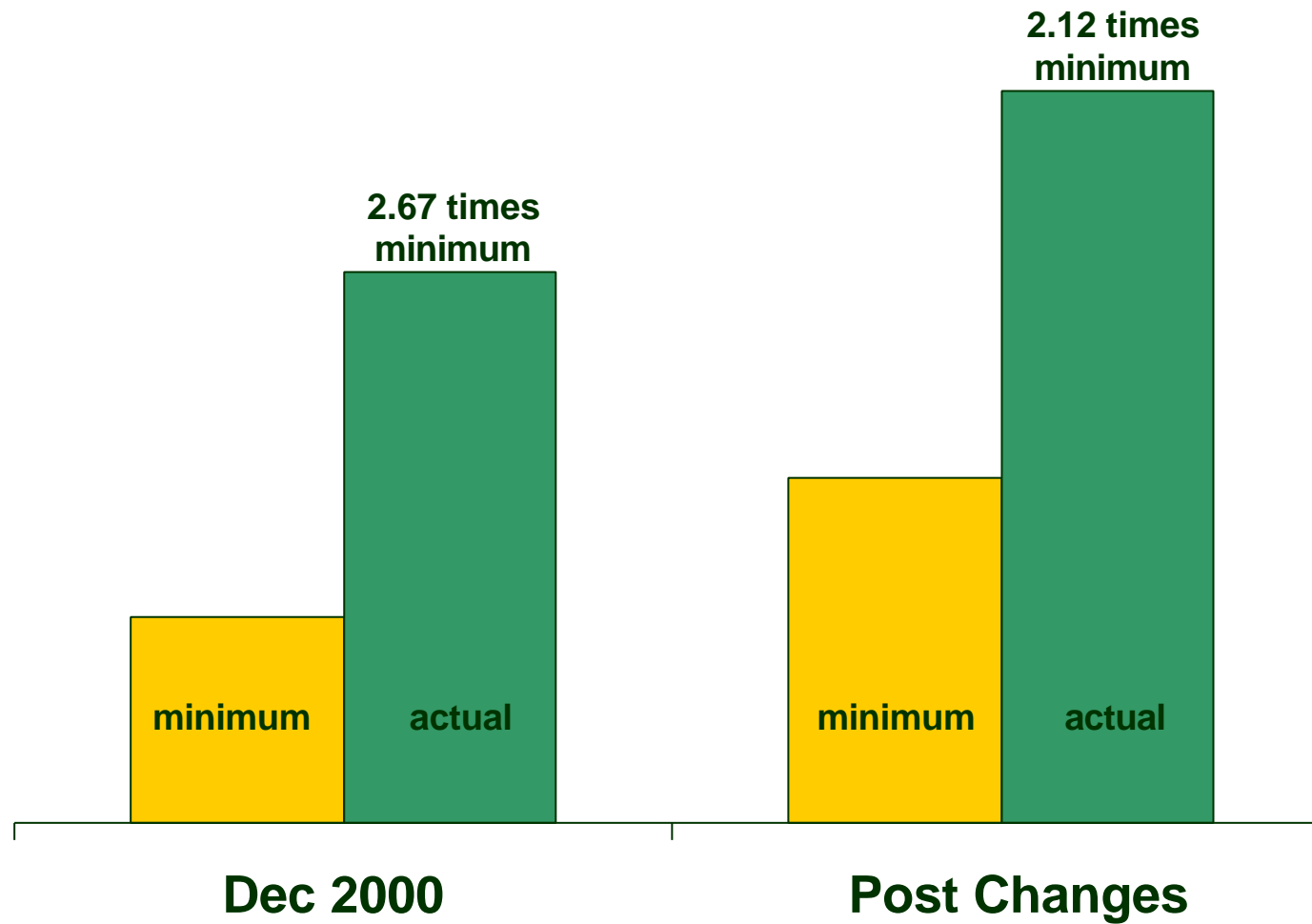
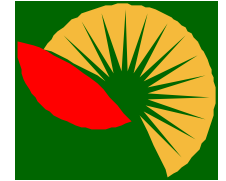
# Prescribed Method

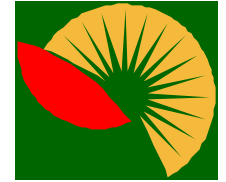


**Minimum capital determined as SUM of capital charges for:**

- **insurance risk**
- **investment risk**
- **concentration risk**
- **derivatives risk**

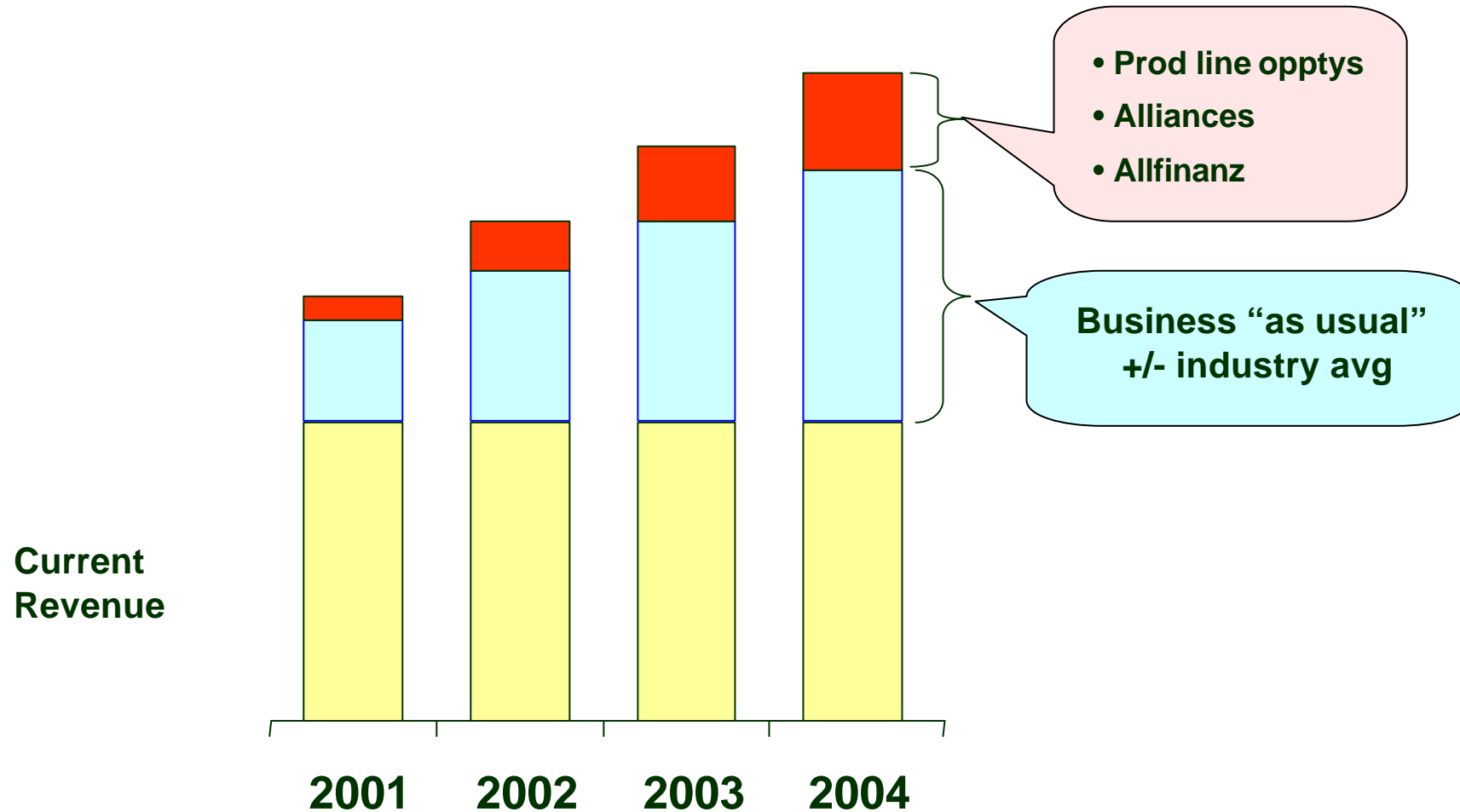
# Impact on solvency



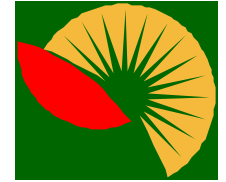


# Three Avenues for Extra Growth

(Illustrative)



# Is Allfinanz...

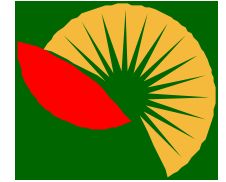


- **A value proposition to customers?**

**or**

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

# Allfinanz competitive advantage

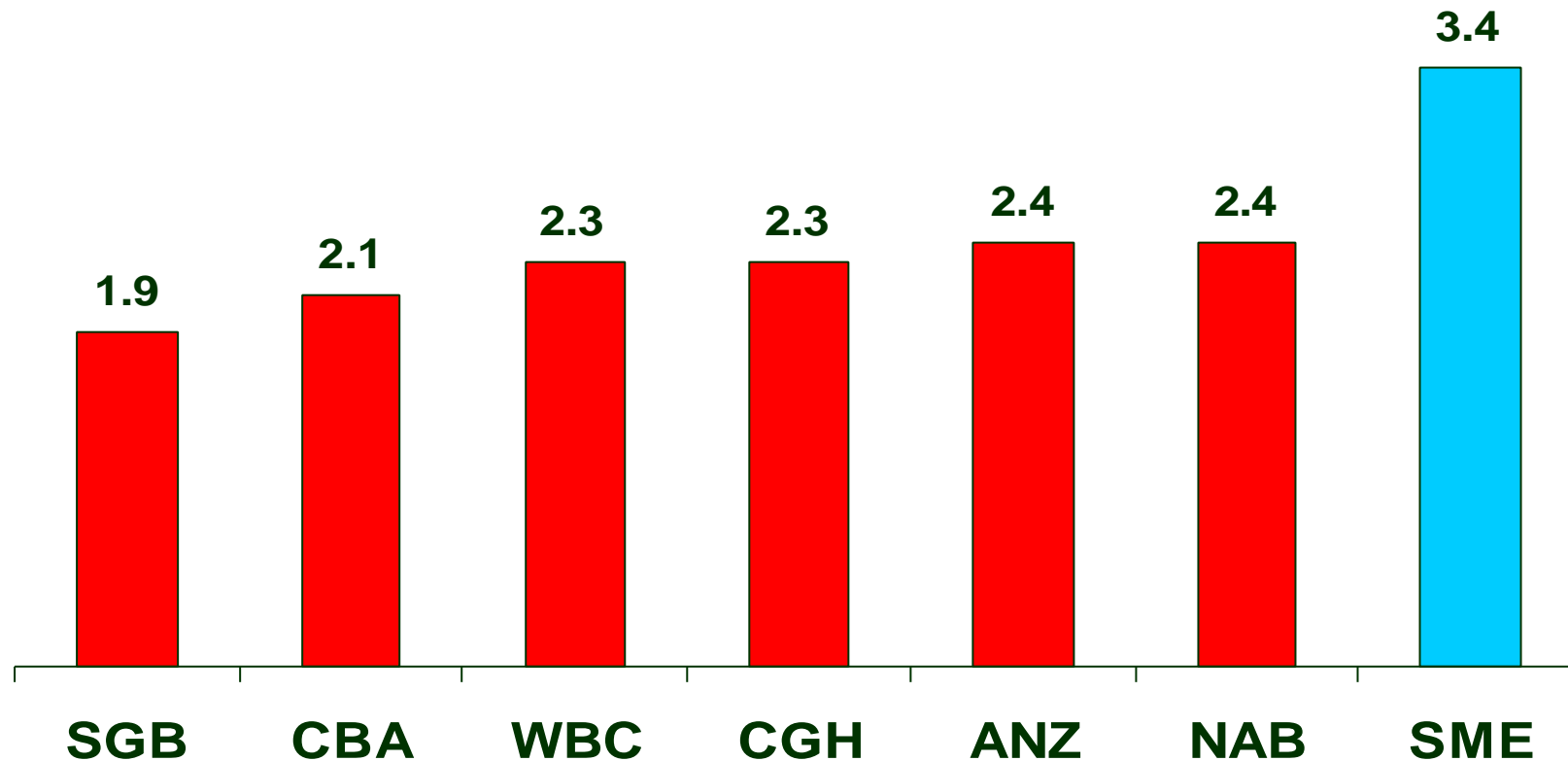
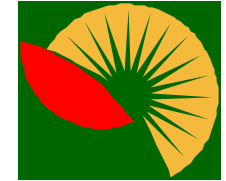


- **Synergies in operations**
- **Lower cost of new sales**
- **Lower cost for ongoing service**
- **Higher customer retention**



# Leader in Cross Selling

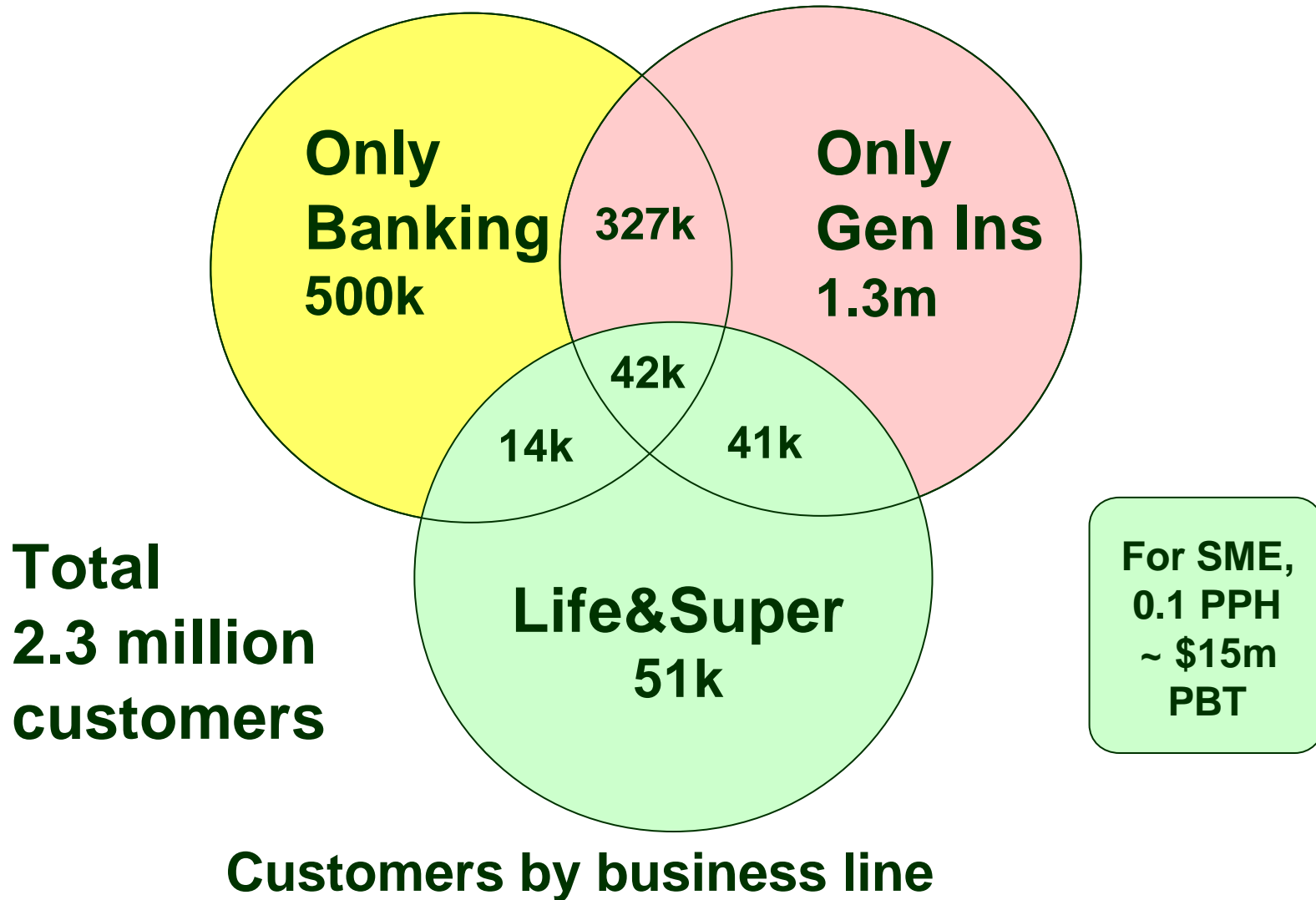
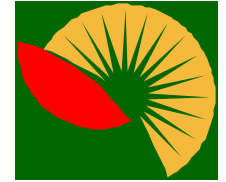
## Products per “main bank” customer



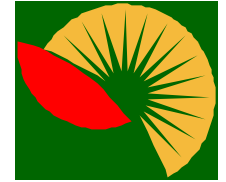
\*SGB includes Advance, Bank SA; WBC includes Bank of Melb, Challenge, AGC; ANZ includes Town & Country, Esanda; CGH includes Colonial State Bank, First State Funds Management, Prudential, Legal & General, Trust Bank; CBA excludes CGH; NAB excludes MLC.

Roy Morgan Research

# Cross-sell potential



# Acquisition criteria



- **Within existing business lines**
- **Must deliver - access to new markets**
  - **economies of scale or skill**
- **Long term ROE ~15%**
- **EPS neutral or positive in year 2**
- **Agreeable to ratings agencies and regulators**
- **No hostile acquisitions**