

# UBS Australian Financial Services Conference

23 June 2004

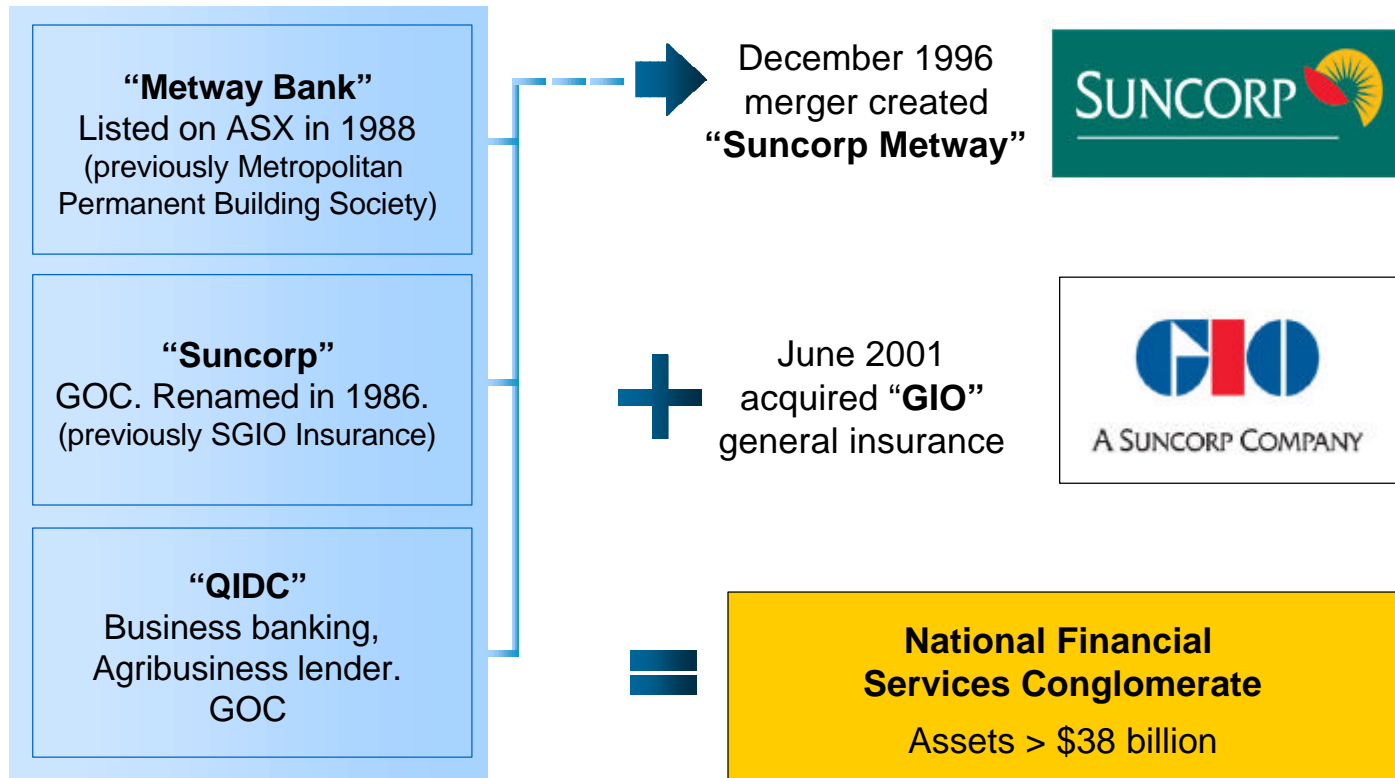


# Agenda



- **Key Success Drivers**
  - **Unique Business Model**
  - **Diversified Financial Services Strategy**
  - **Proven Execution Capability**
  - **Performance Culture**
- **The Future**
- **Questions**

# Our history



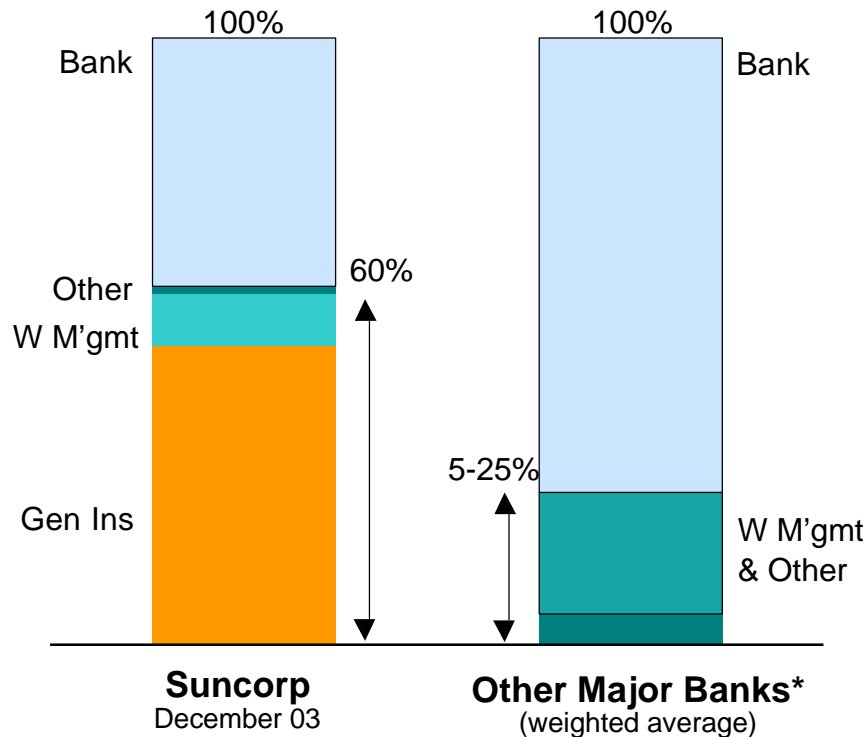
GOC - Government Owned Corporation

# Unique business mix



## Non-Banking Profit

(% of profit before tax & goodwill)



## Non GI / Wealth Profit

- No other major Australian Insurers have a significant non insurance / wealth business

**Suncorp is the most diversified of the major financial services companies in Australia – making us distinct as a ‘financial services conglomerate’**

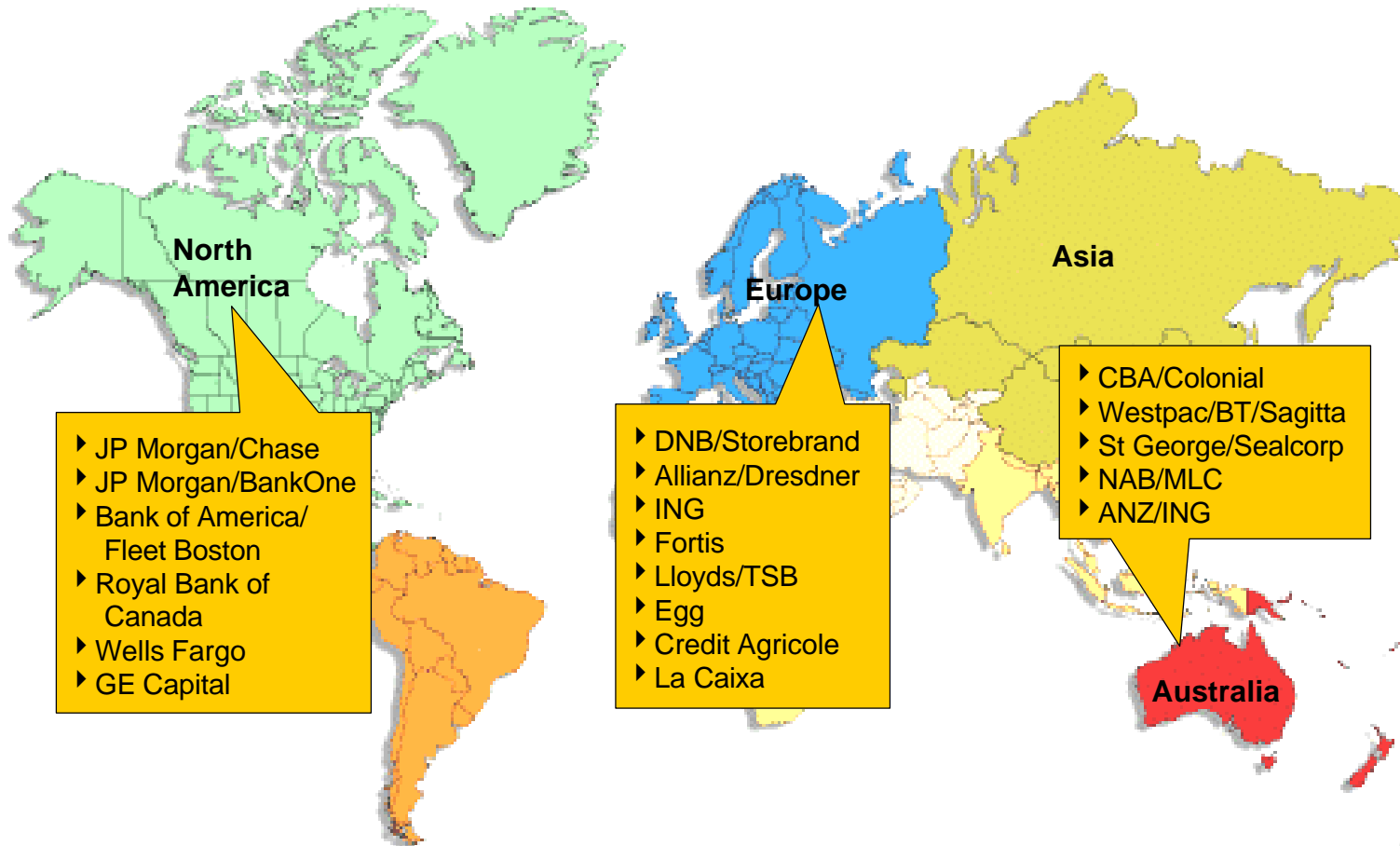
\*from latest published accounts

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# Global financial aggregation



# What is driving aggregation

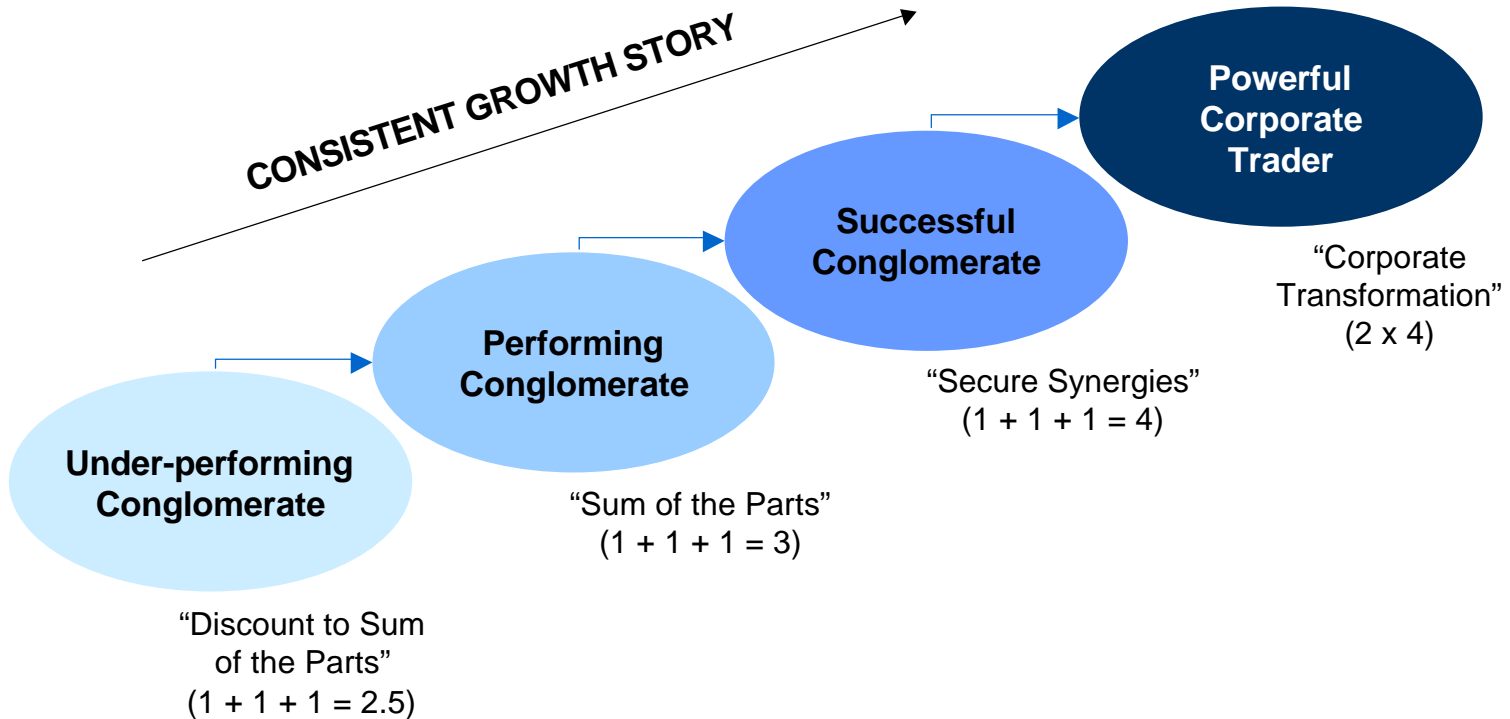


- **Financial deregulation**
- **Banking businesses under siege**
- **Leveraging customer base**
- **Scale efficiencies & leveraging infrastructure**

# Strategy



Australia's most successful financial services conglomerate





# Agenda

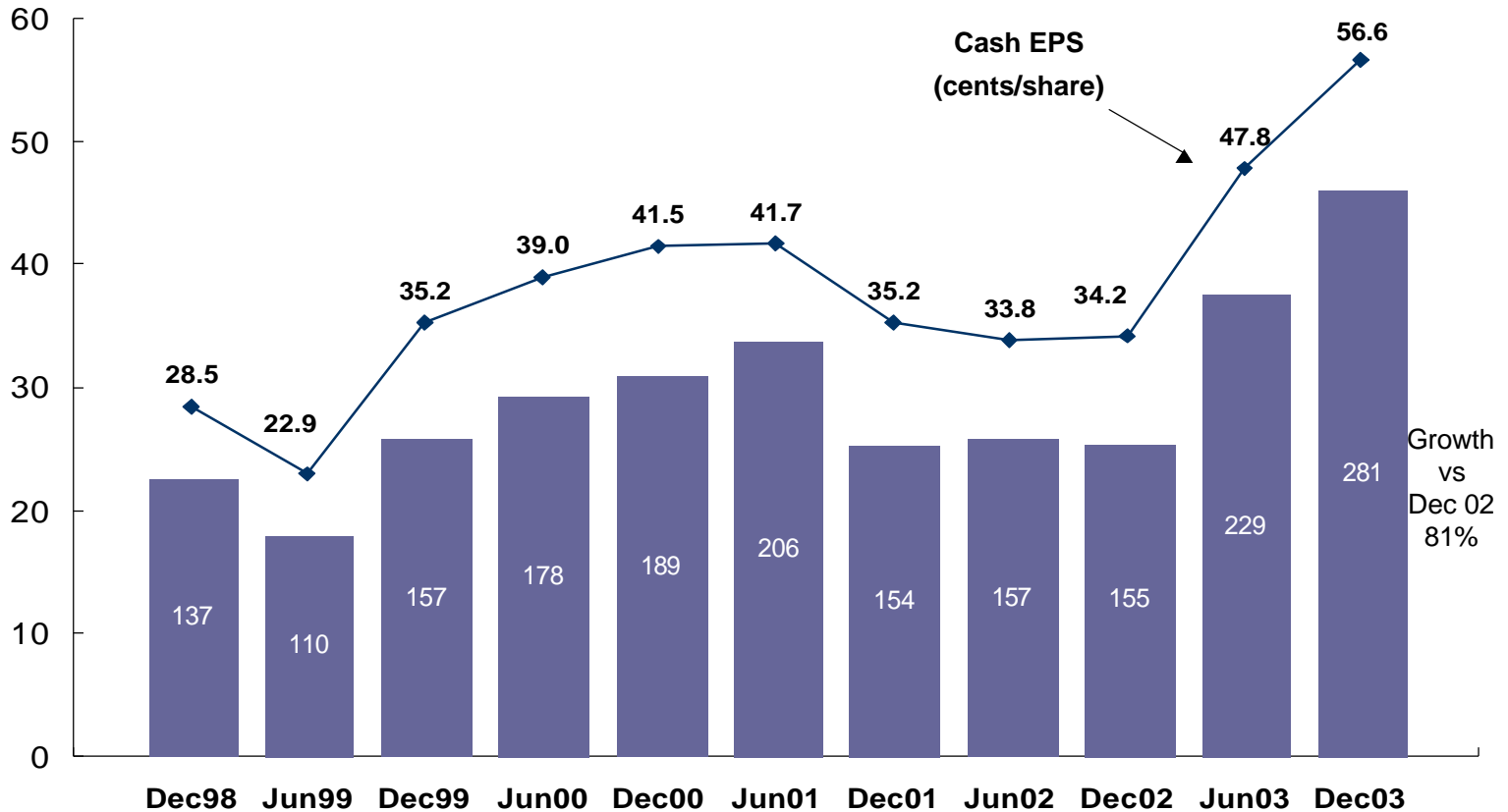


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# Dramatically increased profitability



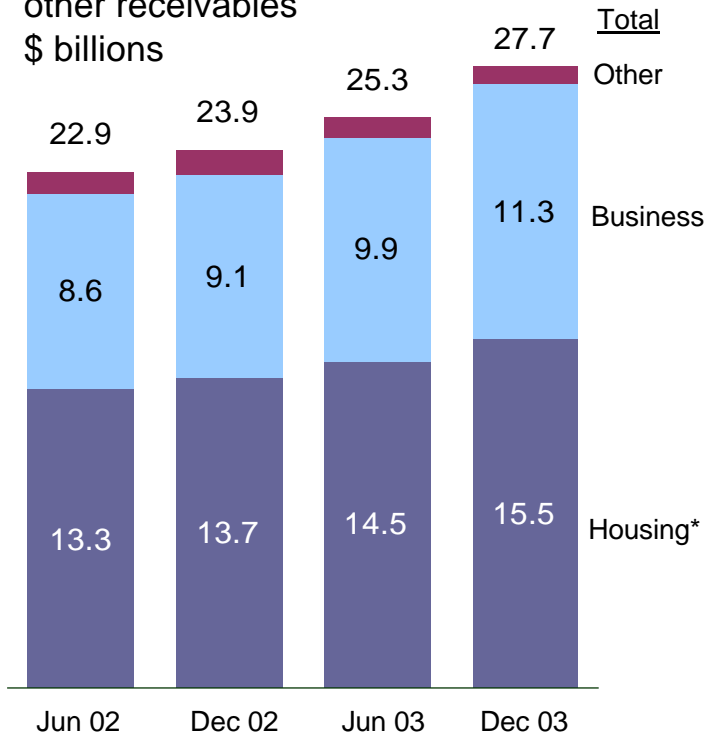
Group NPAT, \$ millions



# Banking growth

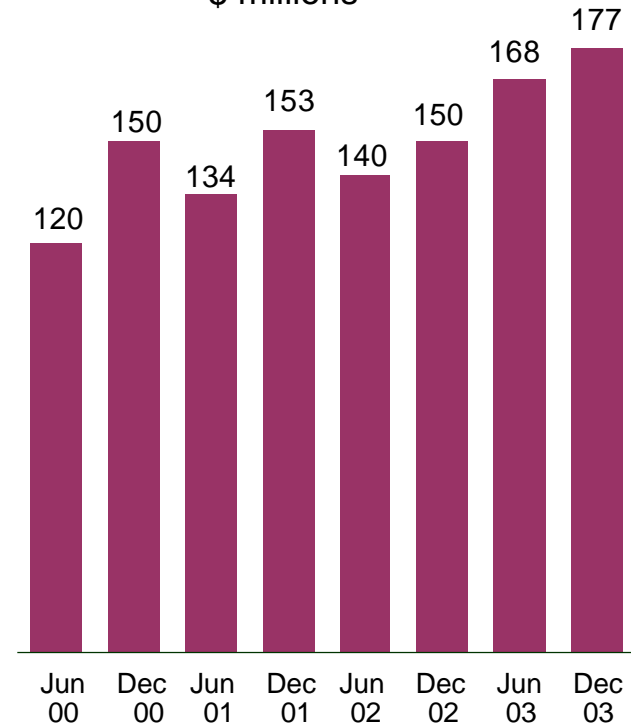


Loans, advances & other receivables  
\$ billions



\*Includes securitised assets

Profit before tax  
\$ millions

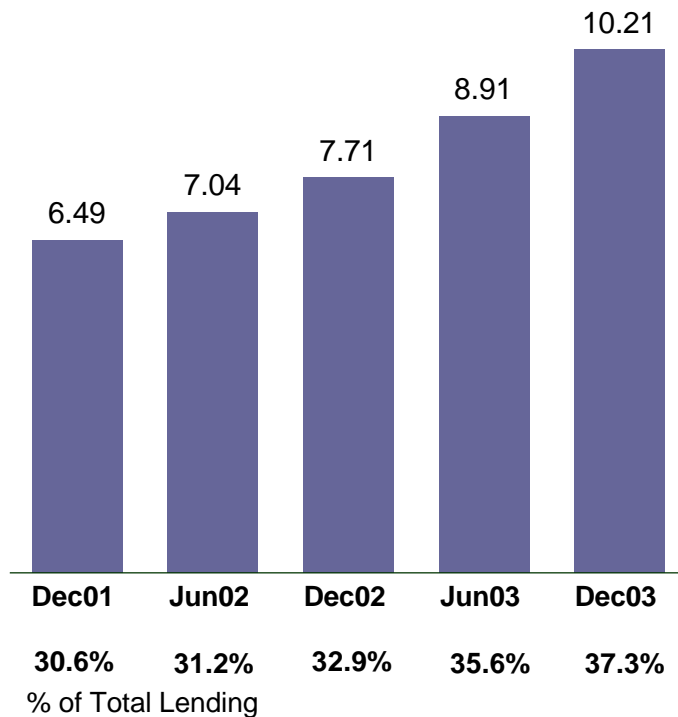


# Regional banking advantages



## Lending assets outside Queensland

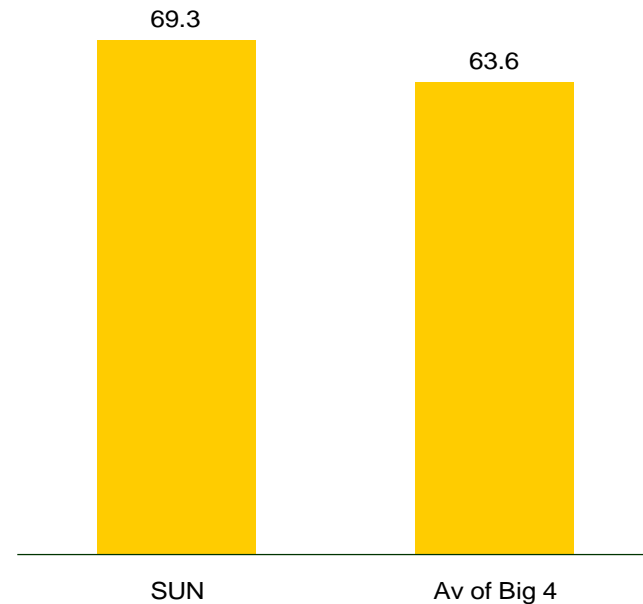
Half year (\$billions)



## Customer Satisfaction vs

### Average of the "Big4"

(12mth average, Mar04, %)

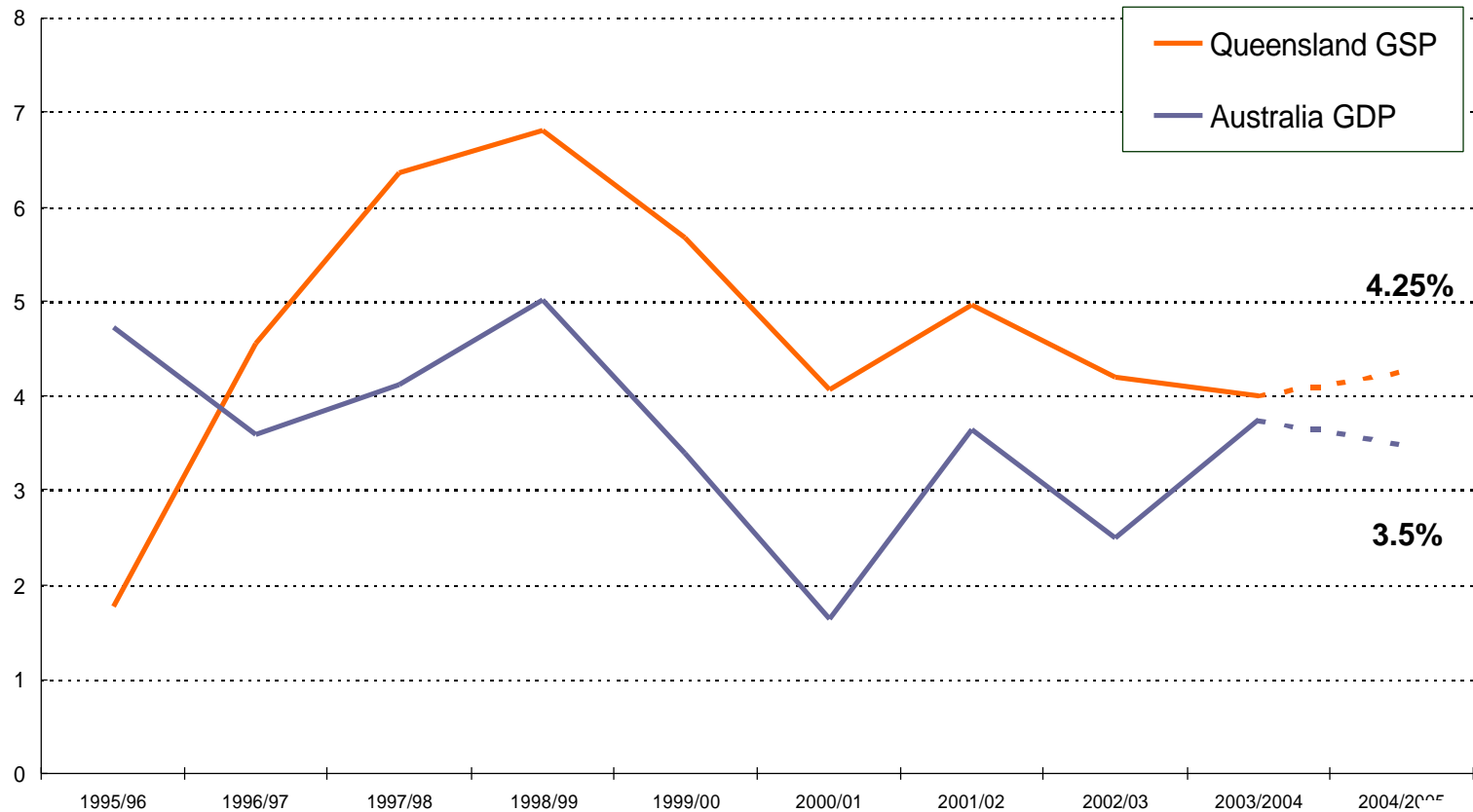


\* Source : Roy Morgan Research. Queensland only, 14+ with transaction account.

# Qld growth outpaces Australia



Gross State/Domestic Product Growth, %



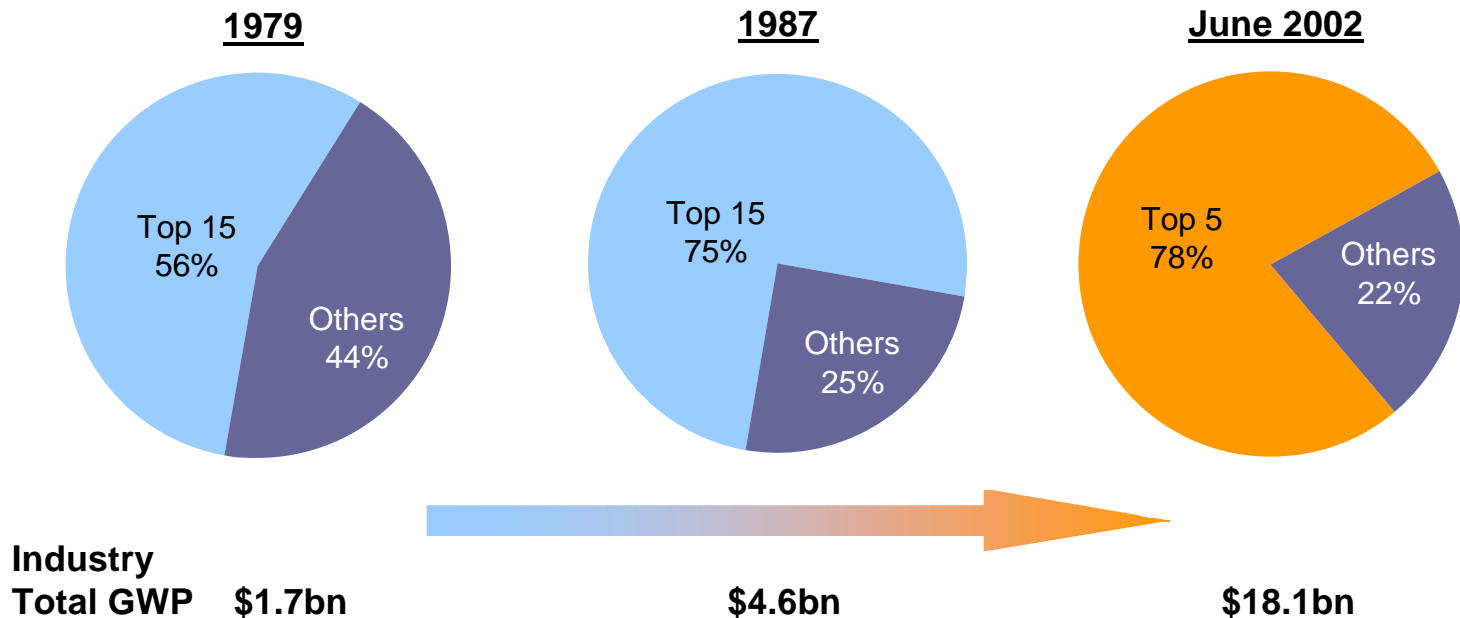
\* Source: QLD Treasury. Financial year growth rate.

# GI external environment



## INDUSTRY CONSOLIDATION

Premium share (GWP): Private sector direct underwriters

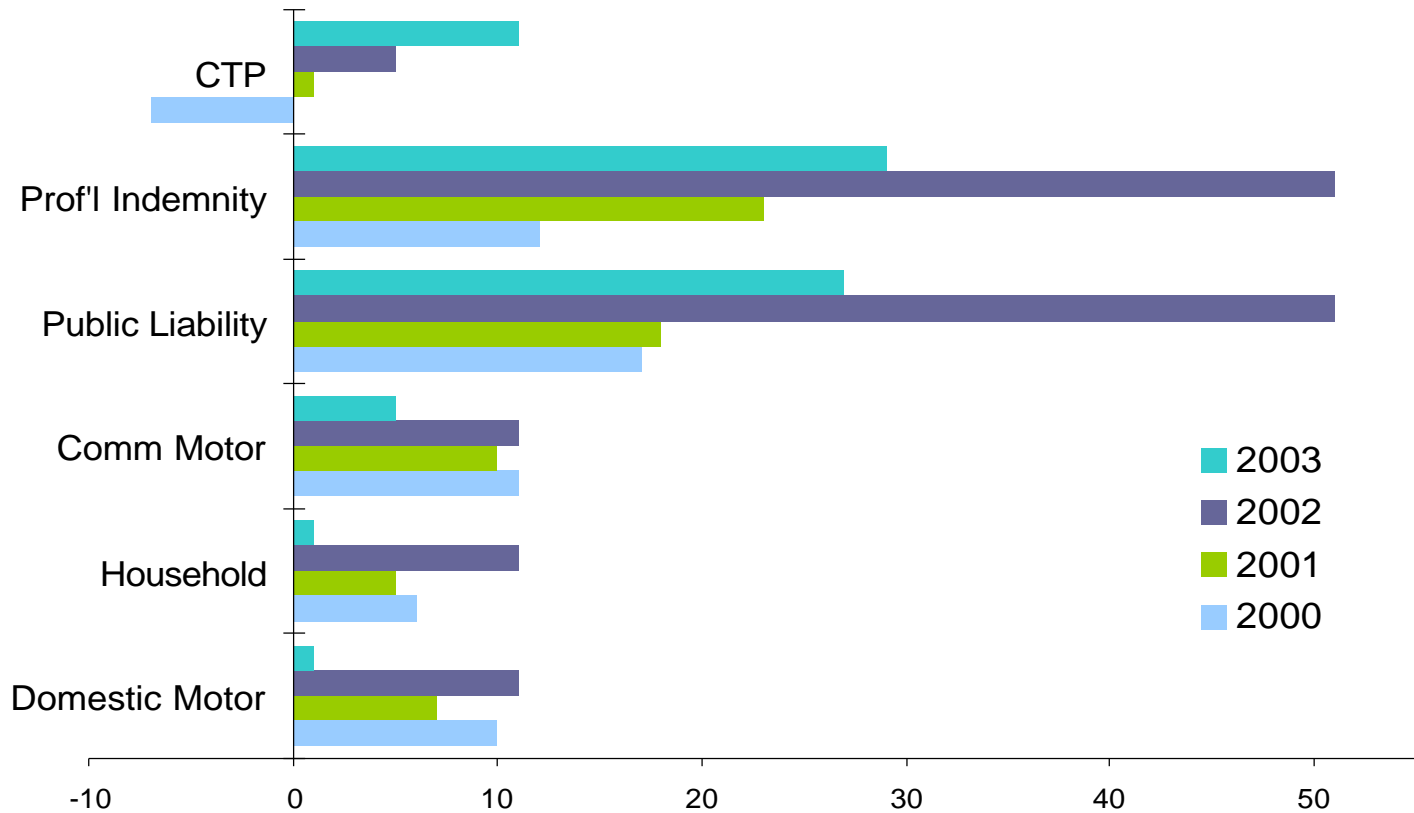


Source: APRA, Deloitte Trowbridge, JP Morgan, KPMG

# Sustained price recovery



Annual price increase, %

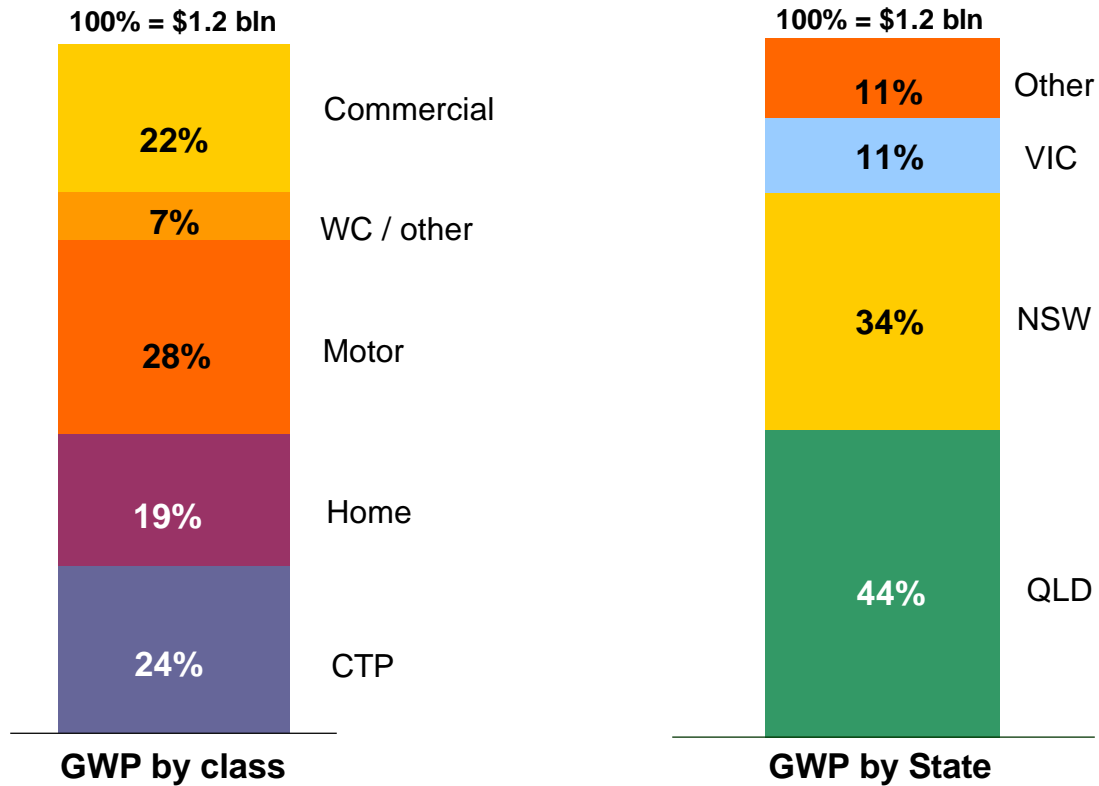


Source: JP Morgan, General Insurance Surveys

# GI premium diversity



Gross Written Premium at December 2003, %

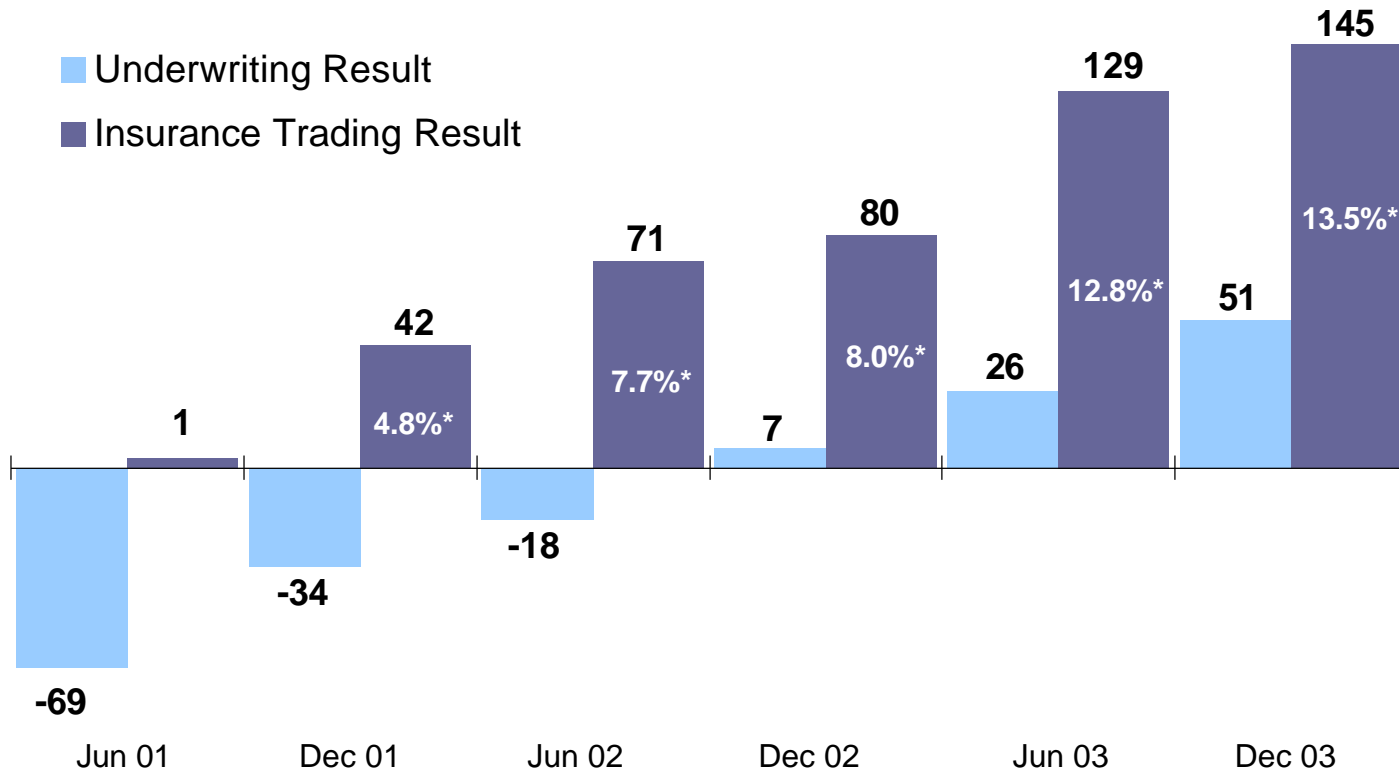




# Strong GI profit trend



Half-year, \$ millions



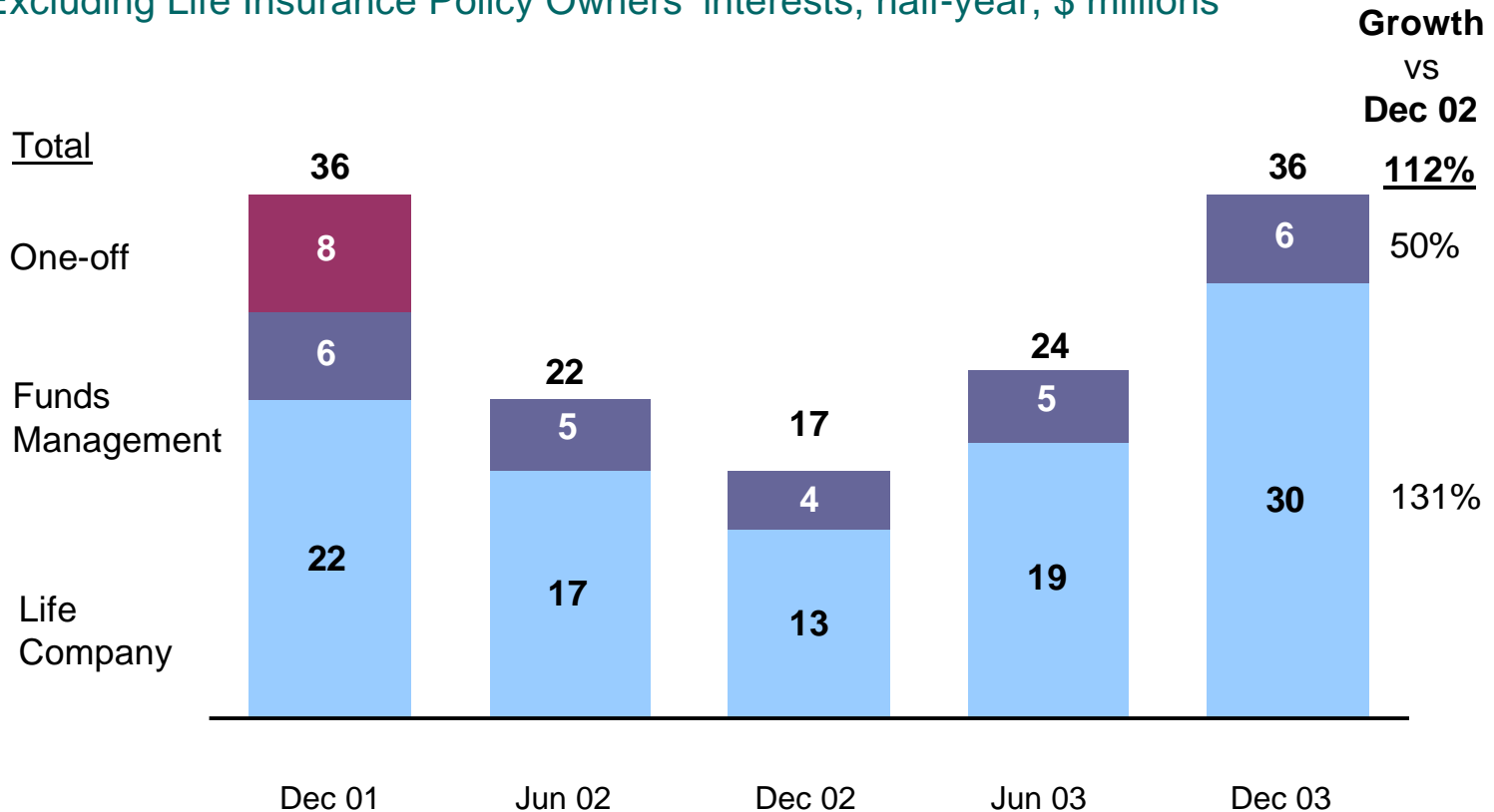
Excluding discount rate adjustment

\* Insurance Margin

# Wealth Management profit



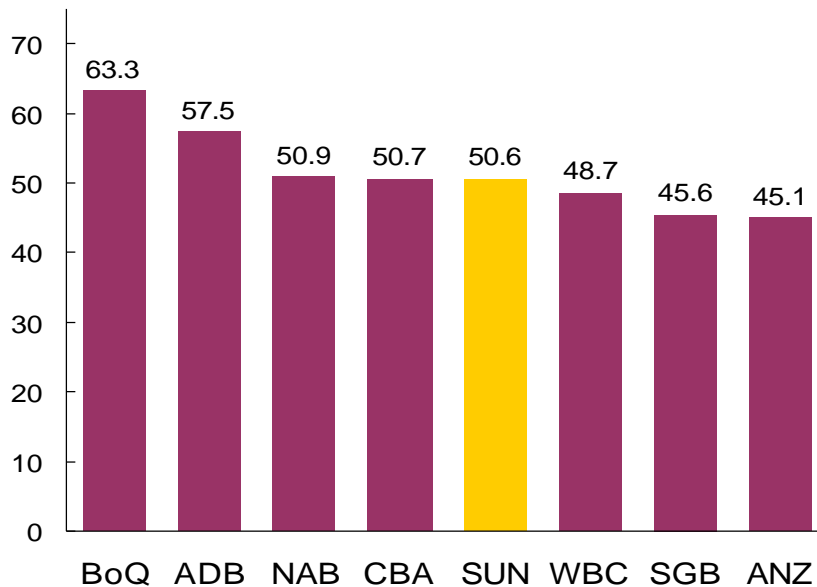
Excluding Life Insurance Policy Owners' interests, half-year, \$ millions



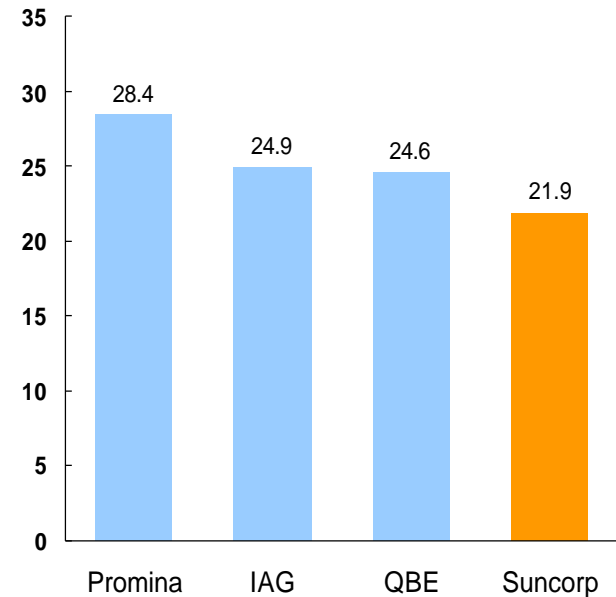
# Demonstrated cost synergies



Banking Cost to Income ratio, %



GI Expense ratio, %



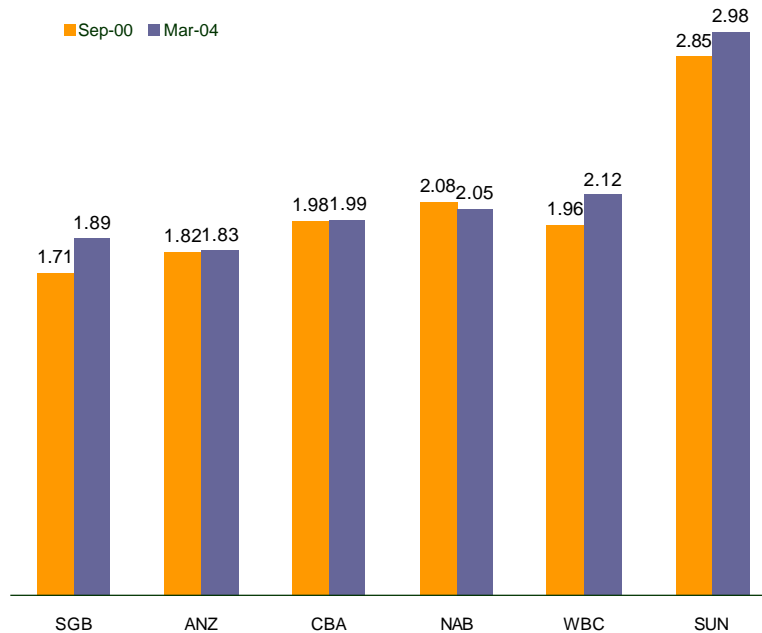
\*QBE's Australian operations only

Source: Latest Annual/Half-Year Accounts, Annual Reports, and Analyst Presentations

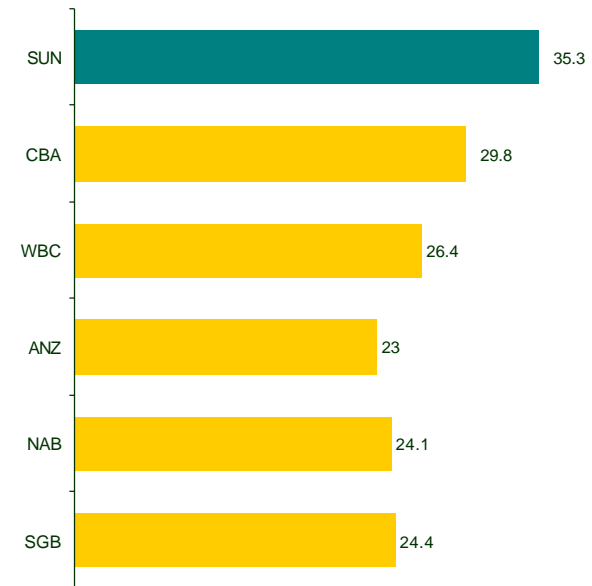
# Superior cross sell capability



**Products per Customer\***  
(# products)



**Share of products per customer^**  
Mar 2004 (%)



**Roy Morgan Research**

\* Number of individual products held by a customer and proportion of a customer's total financial products held at a financial institution. (Products: savings and transaction accounts, loans, cards, managed investments (excluding work-based superannuation) and insurance) Multiples of the same product count as one. Products per customer: 6 months Sept 03 compared to 6 months to March 04.

^The proportion of a customer's total financial products held at a financial institution (products as above, time period: 6 months to March04).

SGB St George, Advance, Bank SA; WBC Westpac, Bank Melbourne, Challenge, AGC; ANZ ANZ Bank, Town & Country, Esanda; CBA Group Commonwealth Bank of Australia; S&P Bank of Queensland; NAB Group National Australia Bank, Bank of NZ, MLC

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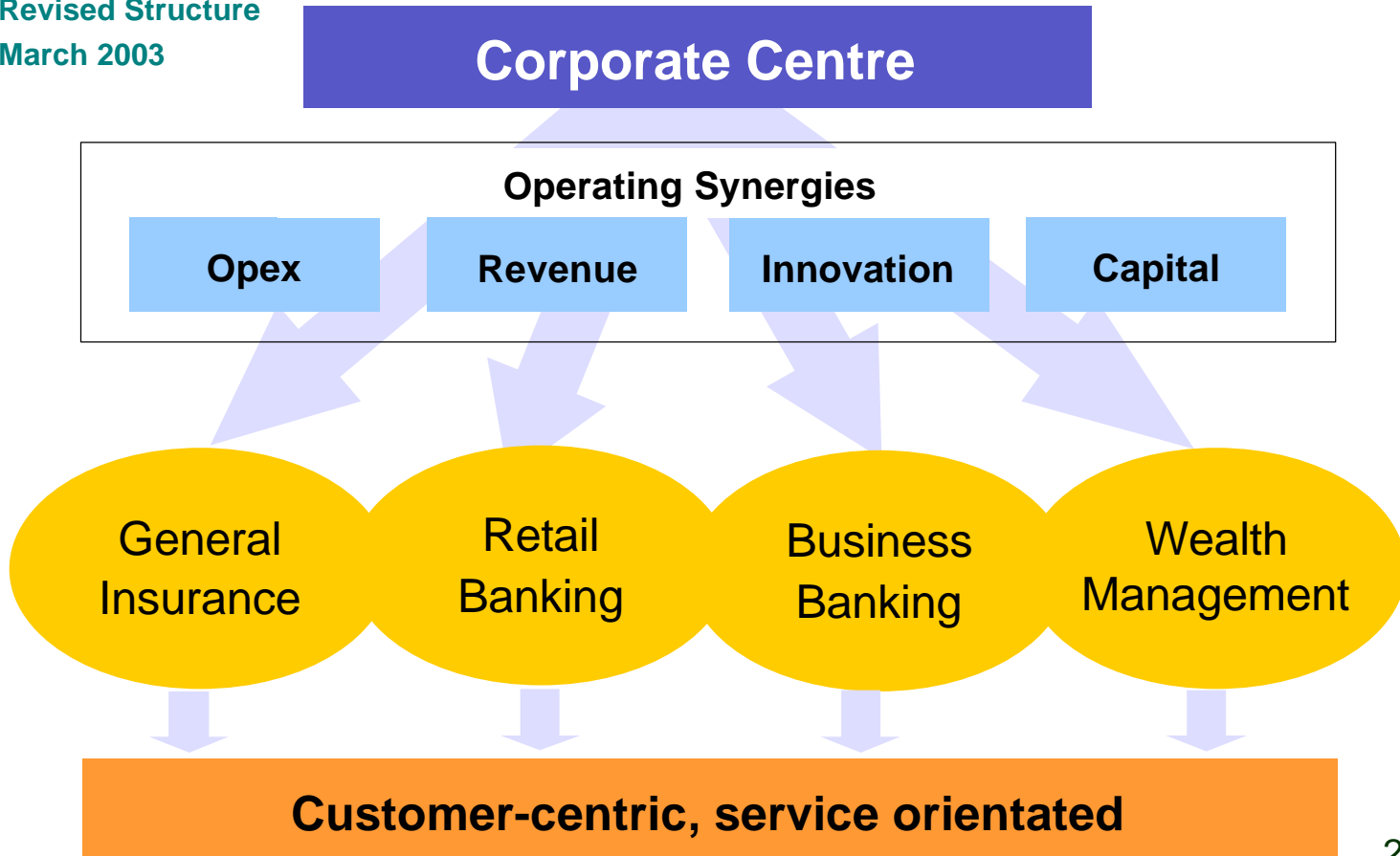


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# Organisational restructure



Revised Structure  
March 2003



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# Fundamentals remain strong



- **Economic growth remains robust**
- **Housing to moderate, but growth to continue**
- **Credit quality remains healthy**
- **Improved GI environment is sustainable. Structural reforms create a solid platform for growth**
- **Wealth Management conditions favourable due to renewed investor confidence**