



SUNCORP



Dream. Build. Protect.

Shareholder Review 2007/08

New look review

Welcome to Suncorp's new shareholder review for the financial year ended June 30 2008. The review provides an overview of the performance of Suncorp-Metway Ltd and its subsidiaries (Suncorp) during the year.

The shareholder review is a shorter and more readable document for shareholders. A brief document with a limited print run is both kinder to the environment and a responsible use of money and resources.

The shareholder review is not a concise report prepared under s314(2) of the Corporations Act. It does not provide as full an understanding of the financial performance, financial position, operating and investment activities of Suncorp as the 2008 annual report.

To assist users in understanding the current period results, comparisons have been made against the prior period 'pro forma' results of the combined Suncorp and Promina businesses, unless otherwise stated.

This review and the 2008 annual report can be downloaded from our website at www.suncorp.com.au or hard copies can be ordered from Suncorp's share registry (details at back).

Purpose

We help people build and protect their dreams.

Vision

To be the most admired financial services organisation in Australia and New Zealand.

Values

Trust Keeping our promises.

Honesty Talking straight, being genuine and ethical.

Caring Listening carefully to others, working together to achieve shared goals.

Respect Treating individuals with dignity.

Fairness Treating people justly and equitably.

Courage Taking accountability for results, being up front about mistakes and taking considered risks.

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Suncorp is part of life
for millions of people.

We help customers build
and protect their dreams,
offering a safe haven
come rain or shine.

During the extreme weather events
and global market uncertainty of the
2008 financial year, Suncorp responded
to a record number of customers.
When people needed us we were
there providing protection and stability
in an unpredictable environment.

Despite the exceptional demands
on our resources in the 2008 financial
year, we achieved profitable results
across all business lines.

Offering protection in a climate of uncertainty

In uncertain times, people can rely on our quality, trusted brands and proven performance, backed by reputable management and solid assets.



228,466¹
shareholders

Profit before tax

\$633 million

Banking

Australia's sixth largest listed bank

Australia



¹ As at 20 August 2008

² By gross written premium (GWP) in Australia

We have built the dreams of 2.8 million households through home lending, bank accounts, insurance and wealth management.

Top 25

Australian company
(by market capitalisation)

81%

employee engagement
(in top quartile worldwide)

18,000

employees (including
2000 in New Zealand)

Profit before tax

General Insurance

Largest general insurance group in Australia²

Australia



AAMI



vero



bingle
.com.au





35%
of Australian households
use our products and services.



\$94.2 billion
assets

\$307 million

Underlying profit after tax \$136 million

Second largest general insurer in New Zealand³

New Zealand



Wealth Management

Australia's seventh largest life insurer

Australia



New Zealand



³ By gross written premium (GWP) in New Zealand

\$100 million
inundation in Mackay, February 2008



Protecting the community in a year of extremes

We responded to over 49,000 insurance claims, helping to rebuild people's dreams in a year of extreme weather conditions.

Event	Time	Claims costs (\$A) \$m
Floods in New Zealand	July 2007	20
Storms in Lismore	October 2007	60
Storms in Sydney	December 2007	170
Earthquake in New Zealand	December 2007	5
Storms in Melbourne	December 2007	25
Inundation in Mackay	February 2008	100 ¹
Wind storms in Melbourne	April 2008	25
Total		\$405

¹ Net of reinsurance reinstatement premiums



\$25 million
wind storms in Melbourne, April 2008



\$60 million
storms in Lismore, October 2007
Jacklyn Wagner, *The Northern Star*



Our General Insurance business protects 31% of Australian households.

The challenges

The 2008 financial year was in many ways an exceptional year for General Insurance.

The climate presented more than its usual share of challenges with seven major weather events wreaking havoc across Australia and New Zealand. Serious storms in Mackay, North Queensland and the North Island in New Zealand, windstorms in Melbourne and hail storms in Sydney and Lismore all brought major loss and hardship.



\$20 million
floods in New Zealand, July 2007
Tania Webb, *The Northern Advocate*

The costs

Suncorp's claims costs associated with weather events were \$405 million which exceeded the normal annual provisioning of \$200 million.

Our response

We have built our reputation on our ability to respond quickly and fairly when the worst happens.

In the past financial year, over 49,000 claims were lodged when extreme weather events destroyed homes, possessions and livelihoods.

We responded to this surge in claims by getting people back on their feet with as little delay as possible.

Our dedicated people gave up weekends and holidays to help process urgent claims. After the hail storms and persistent rain in Sydney over Christmas and New Year, hundreds of Suncorp employees willingly sacrificed their holiday time to manage claims from customers whose homes, businesses and motor vehicles were damaged.

Within four months of claims being lodged after the Sydney storms, Suncorp had replaced the roofs or repaired damaged interiors for over 7,800 homes and repaired or replaced over 16,000 hail damaged motor vehicles.

Although the year made exceptional demands on Suncorp, prudent risk management meant our reinsurance limited the financial impact.

A change to the Suncorp Group's reinsurance in 2008 reduced the cost of claims in the second half.

As a natural consequence of rising claims and inflation affecting all insurers, premiums are expected to increase in the 2009 financial year.

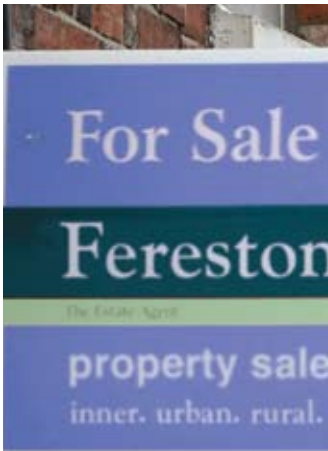


\$170 million
storms in Sydney, December 2007



Consolidating amid global turbulence

Suncorp's diversified businesses, risk management capability and financial strength are helping us minimise the impact of the global credit crunch.



BID	OFFER	LAST	VOL	
0.09	0.10	0.10	0	
0.50	0.75	0.80	0	
0.012	0.013	0.013	5HT	
0.033	0.035	0.033	0	
0.064	0.068	0.064	0	
0.355	0.38	0.38	3T	
135.7	135.9	135.7	79T	
0.027	0.035	0.04	0	
0.96	0.98	0.98	25T	
2.86	2.87	2.86	2HT	
0.55	0.27	0.265	0	
-	-	-	0	
0.049	0.045	0.045	5HT	
0.205	0.175	0	0	
0.35	0.25	0	0	
0.83	0.82	0	0	
1.335	1.335	1.335	18T	
0.49	0.49	1.1T	0	
-	0.485	0	0	
0.415	0.40	0.40	3HT	
0.80	0.79	0	0	
1.335	1.335	1.335	5HT	



What happened

The 2008 financial year saw an unprecedented series of events in global markets and economies. The sub-prime mortgage crisis in the United States (US) has reverberated worldwide. The fallout from the crisis has reduced the money available for lending, driven down the property market in the US and the UK and tested consumer confidence. No financial institution has been immune.

The cost

Suncorp has no direct exposure to sub-prime mortgage bad debts. However, like all financial institutions globally, Suncorp has experienced the tightening in availability and increases in the cost of funding that resulted from the credit crunch. Market uncertainty has also had an impact on share prices globally, with the financial services sector one of the hardest hit. Reduced investor confidence across the board has resulted in lower-than-expected performance across most superannuation and investment portfolios.

Our response

Fortunately, Suncorp's focus on sound business fundamentals and disciplined practices has mitigated the risk to our business from the worst impacts of the challenging financial year. In particular:

- We maintained our responsible credit practices, which include no direct exposure to sub-prime mortgages or related products.
- Our well-secured loan book helped ensure customers could continue to have confidence in building their dreams with Suncorp.
- We mitigated the risk to our business from turbulence in the global money markets by cultivating diverse sources of funding.

- We offered attractive deposit rates to bring in retail and business deposits.
- We developed products to build on the increasing consumer recognition of the value of life insurance.

The diversity of our business has supported Suncorp in a year of extreme weather events and falling markets. These events impacted the insurance and wealth management divisions while the bank performed strongly. International events will continue to influence the Australian market and economy; however, Suncorp remains in a strong position to maintain stability in uncertain times.

ASX

STOCK	BID	OFFER
INTER.EQ	0.015	-
INTER.GOLD	0.385	0.39
INTERMET	0.091	0.15
INTERMIN	0.245	0.255
INTERMOCO	0.013	0.014
INTERRA	-	-
INTERSTAFF	0.25	0.60
INTRAPOWER	0.46	0.54
INTREPID	0.235	0.245
INVENTIS	0.07	0.08
INVOCARE	5.55	5.57
ION LTD	-	-
IOOF	5.78	5.82
PERNICA	0.084	0.09
PGA LTD	0.125	0.145
RESS	6.14	6.15
IRON MOUNT	0.19	0.205
IRON ROAD	0.18	0.24
IONB GOLD	0.28	0.30
IONBARK	0.46	0.47
IONCLAD	0.55	0.63
IONODE	0.55	0.63

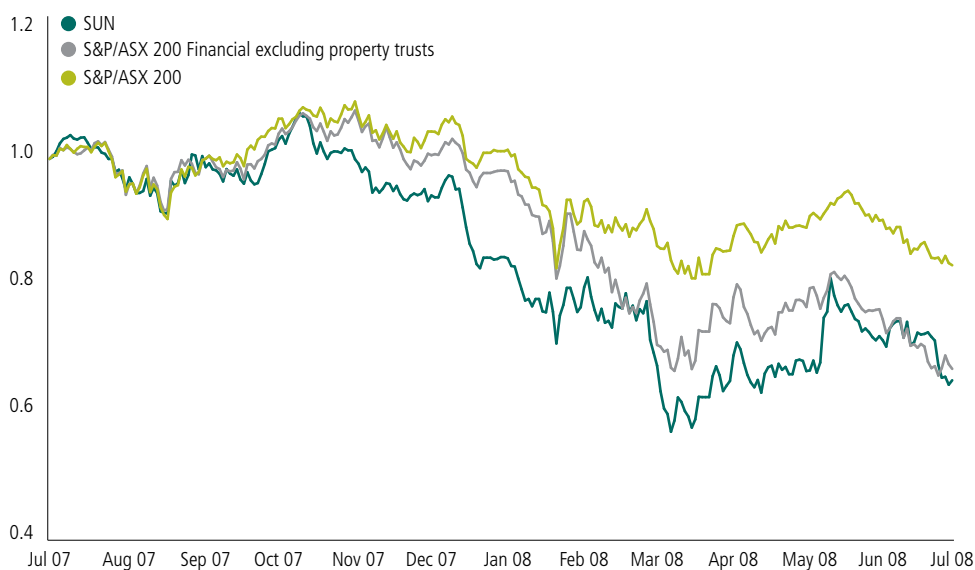


Managing a year of financial climate change

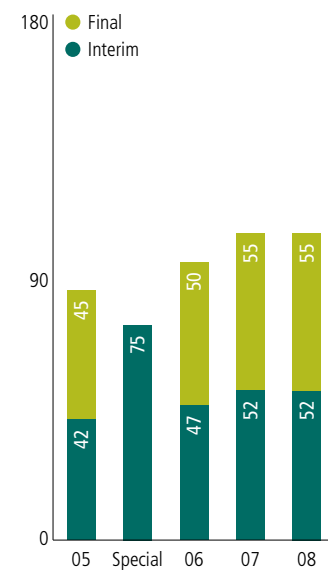
Suncorp has worked hard to endure major shifts in the global economy and extreme weather events this financial year. Our underlying business is growing and we are well placed to ride out the current extremes.



Relative share price performance
1 July 2007–30 June 2008



Dividend – 107c per share
(cents)





Group profit (statutory basis)

\$556 million (NPAT¹)

47.7% decrease

Integration performance

Savings of \$104 million per annum realised

On track to realise \$325 million per annum

Banking

\$633 million (PBT²)

11.2% increase

Strong performance despite increased cost of funds

General Insurance

\$307 million (PBT²)

74.9% decrease

Impacted by extreme weather events and market volatility

Wealth Management

\$136 million (underlying profit after tax)

9.3% decrease

Heavily impacted by market volatility

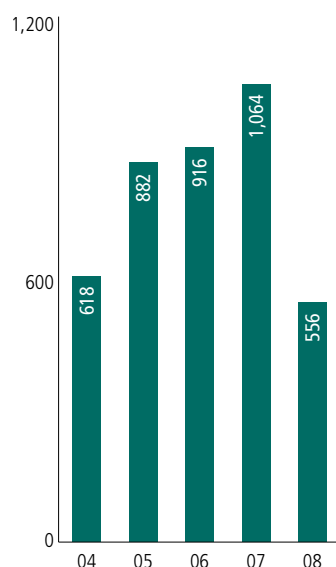
Cash earnings per share

85.3 cents

Dividend (full year)

107 cents

Net profit after tax (statutory basis)
(\$m)



¹ Net profit after tax

² Profit before tax and Promina acquisition items



Integrating for strength saves millions

Since the merger with the Promina Group, Suncorp has become the largest general insurance group in Australia¹.

We have identified how we can save \$325 million each year, following completion of integration.

The merger of the Suncorp and Promina Groups in March 2007 created one of the largest diversified financial services organisations in Australia and New Zealand and transformed the general insurance industry.

The merger significantly strengthened our market position. We can now offer more products and services to more people in more places. It also diversified our revenue streams to create a more stable and dependable earnings profile.

Realising the potential of this merger has called for a comprehensive integration program which has been a major business focus in 2008 and will continue until 2010.



¹ By gross written premium (GWP) in Australia





We have an ambitious portfolio of over 300 initiatives that will improve our combined performance as we learn from each other's strengths. Our approach is simple: we are focusing on sensible changes that fit our business strategy, provide the greatest financial benefit and the lowest risk.

We are very proud that our customer satisfaction levels have remained stable and our businesses have maintained their growth during the integration.

Some of the vital statistics of the merger include:

- To date we have realised savings of \$104 million.

- From June 2010, we expect to save \$325 million every year from integration initiatives – \$100 million per year more than originally estimated.
- We plan to invest \$375 million in initiatives such as new IT systems and streamlined new processes which will improve our performance and maximise savings.

Motor claims

Initiatives in this portfolio are aimed at lowering costs, providing improved customer services and leveraging expertise across the insurance brands. Suncorp has already realised a significant reduction in repair costs through:

- expanded recommended repairer arrangements
- improved IT platforms and capabilities
- Group buying power with respect to glass, hire cars and salvage.

Business technology

We have rolled out the Suncorp network to all Promina sites, consolidated mainframe infrastructure, commenced a desktop rollout program, and reorganised to better support the business using agile development teams. The focus on consolidation and reusable solutions has delivered one platform for Asset Management and is well progressed in delivering significantly simplified systems for workers' compensation claims.

Sourcing

Increased volumes following the merger have enabled us to negotiate better pricing arrangements for travel, advertising, telecommunications, media, consulting and training and development.

Centres of Excellence

We continue to make the most of the talents and expertise of our people by creating Centres of Excellence across Suncorp. We have recently created Centres of Excellence in our Legal, Group Finance, and Commercial Insurance Claims First Response Unit, reducing duplication and enhancing our capability in these areas.





Operating efficiently come rain or shine

In the 2008 financial year, we improved our business while simultaneously providing financial support and service when people needed it most.

We worked hard to keep customers happy

- We helped customers with over 49,000 claims, setting up special response teams for extreme weather events.
- We continued to keep customers satisfied through the Suncorp – Promina merger without significant customer attrition.
- We grew our ATM network by one third reaching over 400 ATMs.
- We grew our Business Banking customer satisfaction results more than any other bank to reach 86.9% (an increase of 13%).

We entered new markets

- Expansion into Western Australia was planned during the year and the first of 14 new branches in the State opened in July 2008.





- GIO General Limited now has a licence to provide workers' compensation cover in the Northern Territory.

We responded to funding and capital challenges

- We raised \$735 million through our Convertible Preference Share issue.
- We grew retail deposits to \$18.9 billion – up 18.3%.

We operated more efficiently

- We sold our credit card portfolio to Citibank, realising a profit on sale of \$20 million.
- We rationalised two fixed interest trading systems into a single system.
- We outsourced back-of-house processing to reduce the cost of our fulfilment capability.

- We started equipping our Commercial Insurance brokers to discuss and sell all of the Commercial Insurance products.
- We merged nine existing superannuation funds on 30 June 2008.

We innovated to improve our range and responses

- We launched Bingle – a new internet insurance brand designed to appeal to price-conscious, internet-savvy customers.
- We automatically included flood cover for Suncorp and GIO home insurance products.
- We developed a First Response Unit providing claims triage and support to all Commercial Insurance customers.

- We introduced a new Professional Indemnity, Directors and Officers solution to be the only Australian provider of liability cover for stockbroking professionals.
- We launched mobile phone banking and eOptions – an online term deposit product for customers.
- We launched insurance for mobile businesses such as tradespeople.

We developed our team strengths

- We achieved strong employee engagement of 81%, as measured by the annual Suncorp employee engagement survey, placing us in the top quartile of finance companies worldwide (Towers Perrin Survey).

- We strengthened our relationships with brokers by putting in place online and simplified approvals processes, establishing a mortgage tracking centre and lifting our broker satisfaction levels from 13th place to 8th overall, as measured by the Mortgage Professionals Australia survey.
- We expanded our small business banking team, introduced a new business call centre and increased specialised presence in branches across Queensland and expanded into Western Australia.



Chairman's Report

Dear shareholder

It's hard to believe that it is just one year since the global credit and equity markets were thrown into turmoil as the first evidence of sub-prime mortgage stress emerged in the United States. There is not a financial services company in the world that has not been tested during this period with many globally recognised 'icons' savagely treated by sceptical and nervous investors. Of course, in addition to the turmoil in financial markets, your Company has had to bear the financial impacts of a succession of severe weather events and natural disasters. It truly has been an eventful year.

These external factors have had a major impact on Suncorp's financial result for the year to June 2008, with net profit falling to \$556 million. All of our businesses were affected. The Bank has had to absorb significant increases in the cost of the funds it sources from domestic and international debt markets. General Insurance has seen the value of the investments it holds on behalf of policyholders decline in line with the overall market. On top of that is the impact of the weather events, which have been more than double what we would normally expect. And in our Wealth Management operation, our profits have been hit by a reduction in the volume of the funds it manages, as customers seek alternative investment strategies in these volatile times. In his Report, our Managing Director John Mulcahy provides further detail about the performance of each of our businesses.

Despite the demonstrable effect of these external factors, I'm aware that many of our shareholders will be particularly disappointed with the headline profit result and the effect this has had on the perception and ultimate value of our Company. The Board and I maintain a healthy dialogue with our large and diverse shareholder base and you can be assured that your concerns and interests were appropriately reflected in our interactions with management throughout the course of the year.

Our assessment is that, outside of external events, Suncorp's underlying business performance throughout the financial year has been solid. Our management team and employees were charged with the task of building business momentum, growing our customer base and delivering a vital and complex integration program. These objectives were achieved and, on behalf of the Board, I would like to pay tribute to all Suncorp people for their collective efforts and level of engagement through a period of intense external and internal change.

It was on this basis that, despite the drop in profits, we declared a final ordinary dividend of 55 cents per share, taking the full year ordinary dividend to 107 cents and matching the full year dividend from the previous financial year. It is also why we anticipate that we will be able to maintain our ordinary dividend at 107 cents per share next year, as profitability is enhanced.

While this varies from our usual practice of providing absolute growth in dividends, I believe shareholders will agree it is a prudent decision in the current environment. Alongside the decision to fully underwrite the final dividend reinvestment plan, it balances our commitment to deliver meaningful dividends to shareholders with the need to support the Group's capital position and provide it with strategic flexibility in the current financial year.

During the course of the year, we provided shareholders with the opportunity to invest in our future growth through an offer of convertible preference shares. The response to this offer, which was heavily oversubscribed, demonstrated the strength of Suncorp's reputation in the market and the confidence that shareholders have in our strategic direction and future prospects.

Last year we agreed that Suncorp's purpose is to help people build and protect their dreams. The events of 2007/08 have allowed our people to give true effect to this statement as we have supported many of our customers through some of the most difficult times they are ever likely to experience. Some commentators forget that financial services companies exist to support customers in difficult times – demonstrating our ability to do so over the past year has helped us forge long term customer relationships that can only benefit the Company in the future.





'Our assessment is that, outside of external events, Suncorp's underlying business performance throughout the financial year has been solid. Our management team and employees were charged with the task of building business momentum, growing our customer base and delivering a vital and complex integration program. These objectives were achieved.'

To further support our organisation-wide objectives, we are building a common cultural framework for all employees, aligning everyone with a single Group vision, purpose and values. At the same time, we will recognise and preserve the unique characteristics of our various brands that have contributed to their long term success.

Suncorp prides itself on working closely with the communities in which it operates, helping to support their economic and social prosperity. This commitment encompasses sponsorship of a broad range of medical, education, culture and the arts, community and sporting activities. Many of these activities involve Suncorp employees making their own contribution through the Group's Volunteer Day program, with Suncorp's participation in volunteer activities again being significantly above the financial services industry average.

Community awareness of the importance of sustainability continues to increase and it is an issue which is of vital importance to Suncorp's business activities, particularly in relation to the impact of climate change on our insurance business. We have established a dedicated team to drive our sustainability strategy and over the coming months will implement a number of pragmatic initiatives in this area. As shareholders you can be assured that the Board continues to be very conscious of its key oversight role in balancing the economic, social and environmental obligations of the business.

In conclusion, there is no doubt that this financial year was extremely challenging. But it was also a year in which considerable progress has been made. For their contributions towards that achievement, I would like to thank my fellow Board members, John Mulcahy and his management team, and all employees throughout Australia and New Zealand. I would also like to thank shareholders for their continuing support.

John Story
Chairman

26 August 2008

Managing Director's Report

Suncorp meets challenges of a difficult year

Dear shareholder

The 2008 financial year was one of the most difficult in recent financial services history and Suncorp, like most of its competitors, was not immune to the global and domestic pressures that emerged.

Australia's financial services sector is one of the strongest and best-regulated in the world but all companies were affected to some degree by the volatility in global credit and equity markets, the subsequent increase in wholesale funding and a slowing domestic economy. On top of this, insurers helped customers recover from an unusually high number of severe weather events and natural disasters in Australia and New Zealand.

For Suncorp, these external events directly and indirectly affected our headline result for the year to 30 June 2008, with net profit falling to \$556 million. This result fell well short of what we ordinarily would have expected to achieve.

Despite the headline result, Suncorp's underlying business performance remained solid throughout the financial year. Our portfolio of leading banking, insurance and wealth management brands continued to grow their customer bases, while integration of the Promina business remains firmly on track.

While our fundamentals are strong, we also appreciate there are lessons to be learned from the past year. We need to prudently manage our way through this challenging operating environment.

That means we will continue to take the external and internal measures that you, our shareholders, and other stakeholders would expect us to take to ensure the long term success of our Company.

2008 Annual Result

Suncorp's net profit after tax for the 2008 financial year was \$556 million, compared with \$1.064 billion (statutory basis) for the previous year. Profit before tax and Promina acquisition items reduced by 41.5% to \$967 million.

Despite the difficult circumstances of the past year, the senior leadership group, their teams and all our people throughout Australia and New Zealand remained focused on meeting shareholder and customer expectations. This commitment is best encapsulated by Suncorp's employee engagement level of 81%, which is well above Australian and global financial services benchmarks.

For their ongoing efforts, I offer all in Suncorp my sincere thanks.

Lines of Business performance

The Bank increased profit before tax by 11.2% to \$633 million for the year, achieving growth in key segments and maintaining disciplined credit practices. This was an extremely strong result given the impact of the global credit crunch and a slowing domestic economy.

Suncorp's banking business differentiates itself through the strength of its direct distribution network and excellence in customer service. These strengths served the



'We cannot expect global or local economies to return to full health for at least the next year. That is why we continue to work on improving the efficiency and cost management of all of our businesses. They need to be acclimatised to operating in a low growth, volatile and highly competitive environment.'

Bank well in the current environment with the branch network underpinning receivables growth in both retail and business lending.

The Bank refreshed its five-year strategy, which has resulted in an expansion of its branch network in high growth corridors in Queensland and Western Australia. Customer satisfaction for retail and business customers remained well above the Australian bank average.

General Insurance was severely affected by the impacts of major weather events and volatile investment markets. Profit before tax was \$307 million compared with \$835 million (statutory basis) for the previous year. While the profit was lower than last year, the underlying business remains strong with good premium growth.

Our portfolio of insurance brands continued to perform well, growing their customer bases. We are starting to see the benefits of premium increases, particularly in personal insurance, flowing through to the bottom line.

The Insurance Trading Ratio (ITR) was 10.3% of net earned premium. This reflected the impact of a number of major weather events, which cost the Group \$405 million compared to provisioning of \$200 million.

Although these weather events had an obvious financial impact on the insurance result, we are mindful that Suncorp, like all insurers, is in the business of helping customers recover from their losses. Major insurance events give us the

opportunity to build long term customer loyalty and I would like to acknowledge the exceptional effort shown by our employees towards achieving this over the course of the year.

The underlying profit of our Wealth Management business decreased 9.3% to \$136 million, which was a disappointing result. The heavy falls in global and local share markets reduced both the returns and demand for investment products.

Plans are underway for a simplification of the Suncorp Wealth Management strategies, structure and operations. We have yet to gain the full potential of the products and distribution channels we have in this business.

Suncorp Promina integration

We are now halfway through integration of the Suncorp and Promina businesses and integration remains firmly on track.

The process has already begun to deliver improved performance to the Group with customer-facing businesses and support infrastructure enhanced with minimal impact on the customer experience.

For the year to 30 June 2008, the benefits realised were \$104 million. We expect to achieve \$241 million of synergy benefits on an annualised basis by the end of 2009 and \$325 million by the target completion date.

Outlook

Suncorp has come through a very difficult year with its businesses achieving growth and maintaining their strong customer appeal. The Group has also successfully progressed a major, complex integration.

We cannot expect global or local economies to return to full health for at least the next year. That is why we continue to work on improving the efficiency and cost management of all of our businesses. They need to be acclimatised to operating in a low growth, volatile and highly competitive environment.

Nonetheless, we remain confident about the year ahead. Suncorp offers a unique mix of banking and financial services brands that will offer real choice to consumers across Australia.

That will continue to provide the basis for Suncorp's long term growth and shareholder returns.



John Mulcahy
Managing Director

26 August 2008

Growing our business, growing Australia's business

Suncorp **Business Banking** provides 68,000 customers in Australia with property finance, corporate banking, commercial lending, business banking accounts and services and agribusiness services.

Financial highlights

Suncorp Business Banking had a record year. A focus on profitable growth in key target markets underpinned quality results.

- Loans by Business Banking grew 29.7% to \$27 billion.
- Business loans outside Queensland grew 41.7% to \$11.7 billion.
- Agribusiness loans grew 11.7% to \$3.6 billion, despite drought affecting parts of Queensland.

Operational highlights

- 85% of new lending went to support existing customers.
- In 2008, Suncorp worked closely with farmers in Queensland, New South Wales and Victoria to develop drought and flood relief packages.

- Commercial Banking, a core strength of Suncorp, invested in growth across all major regions in Queensland, New South Wales and Victoria. Strong returns were generated from lending and deposits.
- The Suncorp Business Bank increased its customer satisfaction rating by more than 13% this year. This reflects the specialist industry knowledge of Suncorp's Business Banking managers who work closely with customers to meet their needs.

Goals for 2009

- Drive profitable growth in specialist segments and regions.
- Continue to maintain a quality credit book and optimise capital returns.

Retail and Business Banking:

Recorded an increase in net profit of 11.2% to \$633 million (before tax)

Loan balances grew 22.1% to \$56 billion

Cost to income ratio across Retail and Business Banking remains very competitive at 44.7%





Banking

Reaching more Australians, reaching record results

Suncorp **Retail Banking** provides 830,000 customers in Australia with home and personal loans, bank accounts, credit and debit cards, margin lending, foreign currency and travel products.

Financial highlights

The Retail Bank is well positioned to maintain profitable growth. Credit quality is sound and the customer base is growing strongly.

- Retail loans grew 13.1% to \$28 billion.
- Core retail deposits grew 18.3% to \$18.9 billion.

Operational highlights

- Almost 70,000 new transaction and savings accounts were opened.
- We lent \$3.4 billion for home loans.
- 15,700 customers built their personal wealth with a new Suncorp term deposit.
- Over 6,000 eOptions accounts were opened since its launch in January 2008, taking more than \$97 million in deposits.
- The small business division was restructured and delivered profitable growth.

Goals for 2009

- Cement a clear brand position in chosen markets and create clear value propositions for key customer segments.
- Continue our expansion in targeted growth corridors.
- Respond quickly to market changes.
- Become the clear leader in the regional banking market providing customer-focused solutions and great service.



Protecting people's dreams

The **Personal Insurance** business provides home, motor, caravan, motorcycle, compulsory third party and travel insurance for customers in Australia through well-known brands.

Financial highlights

The 2008 financial year was a challenging one for the Personal Insurance business. A number of extreme weather events during the year caused a surge in claims and claim-related costs that adversely affected our results. Despite these extraordinary events, the underlying business continued to perform strongly.

- Premium income (GWP) grew 3.7% to \$4.3 billion.
- AAMI and Suncorp home insurance brands achieved premium growth of 14.1% and 8.5% respectively.
- AAMI and Suncorp motor insurance brands achieved premium growth of 6.9% and 6% respectively.
- Niche brands Shannons and Just Car continued to grow in the enthusiast and non-standard motor insurance markets.
- Insurance Trading Result fell 56.6% to \$161 million, following severe weather events.
- CTP GWP reduced 11.1% to \$674 million, due to regulator-imposed premium reductions.
- Total operating expense ratio remained steady at 25.4%.

Operational highlights

- In 2007/08 Suncorp managed 49,000 storm-related claims in Australia.
- We improved operational efficiencies while handling significantly increased claims volumes and delivering integration benefits.

- We maintained our market share through strong gross written premium growth and high customer retention.
- We achieved strong customer satisfaction results despite the adverse weather events.
- We launched Bingle, a new internet insurance brand designed to appeal to price-conscious, internet-savvy customers.
- We continue to grow InsureMyRide, a recently-launched internet-based brand for motorcycle insurance.
- We automatically included flood cover for Suncorp and GIO home insurance products.
- We grew the penetration of Deposit Power – providing fast and affordable guarantees and bonds – to 84% in its target market.

Goals for 2009

- Focus on restoring profitability and consolidating investor confidence.
- Delivering on our strategic intent of achieving margin over volume.
- Continue to build our underlying capabilities to improve management of claims and operational efficiencies.
- Continue to achieve integration targets while maintaining industry-leading customer satisfaction levels.

General Insurance:

Gross Written Premium up 2.9% to \$6.4 billion

Total operating expenses up 2.3% to \$1.6 billion

Profit fell 74.9% to \$307 million (PBT)

Net incurred claims up 11.8% to \$4.1 billion

Insurance Trading Result fell 31% to \$607 million

Suncorp's dominant market position is underpinned by a strong market portfolio of well-known **general insurance** brands including Suncorp, AAMI, Apia, Vero, GIO, Shannons and Just Car Insurance in Australia and Vero and AA Insurance in New Zealand. We provide personal, commercial, CTP and workers' compensation insurance.





General Insurance

Covering wider needs, reaching higher standards

The Vero, GIO and Suncorp brands make up our **Commercial Insurance** business with specialised insurance solutions such as marine, aviation, construction, small business and workers' compensation for customers in Australia.

Financial highlights

Improved risk selection, claims-cost reduction, product innovation and the benefits of tort law reform have contributed to solid financial results.

- Premium income (GWP) grew 2.9% to \$1.5 billion.
- Insurance Trading Result fell 16% to \$372 million.
- Commercial Insurance performed well relative to the market adhering to technical pricing levels in order to ensure profitability.
- Strong performance in Workers' Compensation and Commercial portfolios despite soft market conditions driving down industry premium rates in some classes.
- Operating expenses remained stable at \$431 million.

Operational highlights

- Our efficient, large-scale response gave prompt and practical help to victims of the Mackay storms.
- We introduced Mobile Business Policy to insure tradespeople and emerging mobile businesses such as computer trouble-shooters and hairdressers.
- Our First Response Unit introduced more efficient claims triage and support to all Commercial Insurance customers.
- We redesigned and launched a new online system making it easier to process and manage claims.

- We introduced a new broker service model equipping brokers to discuss and sell all of the Suncorp commercial insurance products.
- Our new Professional Indemnity, Directors and Officers insurance made us the only Australian provider of liability cover for stockbroking professionals in Australia.
- We¹ were granted a licence to provide workers' compensation cover in the Northern Territory.
- We launched a new online quoting system for small and medium enterprises which has increased our share of new business in this segment by 21% with a GWP of over \$1 million.

Goals for 2009

- Develop a strategy to position Commercial Insurance as the key insurer for brokers/intermediaries.
- Roll out a new strategic direction for employees to align our culture and values with our plans for growth.
- Introduce new, innovative products.
- Increase our online capabilities.
- Deliver an outstanding claims experience for our customers and intermediaries.



¹ GIO General Limited

Protecting New Zealand, building a solid result

Vero¹ is **New Zealand's** second largest General Insurer, providing security and certainty to over 80,000 businesses and 200,000 families.



Financial highlights

The New Zealand insurance operations have produced a strong result for the year despite a very challenging New Zealand market, stable premium growth and two large weather and earthquake events.

- Gross Written Premium stable at \$652 million.
- Insurance Trading Result grew 15.6% to \$74 million.
- Underwriting result grew 32.6% to \$57 million.
- Net claims incurred stable at \$358 million.
- Total operating expenses grew 3.4% to \$184 million.

Operational highlights

- Our emphasis has remained on writing profitable business at sustainable price levels.
- We restructured our general insurance business into specific customer-focused business segments.
- We launched a new claims process following North Island winter weather events.
- We established a joint venture with Quotable Value to address the issue of underinsurance.

Goals for 2009

- Anticipate, respond to and take advantage of our changing environment.
- Continue to build a diversified, long term, sustainable business that dominates in our chosen markets and achieves world class results.
- Identify, attract and retain people who live our values and behaviours and can successfully deliver our vision.
- Deliver a superior customer experience to our intermediaries and end-customers.
- Become the first choice insurer in all our chosen markets by further structural optimisation where possible.
- Embed, in a world class way, the personal lines and rural insurance business of the customers of our new banking partner.
- Obtain World Class certification under the demanding Baldrige Criteria.



¹ Vero Insurance New Zealand Limited



Wealth Management

Investing for the long term

Suncorp **Wealth Management** includes the Suncorp, Asteron, Tyndall and Guardian Financial Planning brands and provides advice, superannuation, investment and life risk products to more than 570,000 customers in Australia and New Zealand.

Financial highlights

The last half of the 2007/08 financial year was characterised by share market volatility and Suncorp Wealth Management's investment returns, like those of other wealth managers, were disappointing.

- Wealth Management's underlying profit after tax fell 9% to \$136 million.
- The net investment loss on shareholder assets was \$25 million.
- Direct expenses in Australia and New Zealand were contained.
- Retail investment new business (superannuation, pension and other investment products) fell 10.3% to \$954 million.
- Life risk new business grew 19.6% to \$110 million.
- In-force annual premiums grew 11.4% to \$683 million.

Operational highlights

- A new Group Executive, Geoff Summerhayes, was appointed to lead Suncorp Wealth Management.
- We relaunched our life risk offer 'Lifeguard', bringing together the best features of the Suncorp life risk range with the existing Asteron Lifeguard product suite.
- We launched Suncorp Lifeguard on sale through the Suncorp retail bank financial planners, advisers and corporate agents.
- We merged nine existing superannuation funds and consolidated two trustees into one to deliver cost and synergy benefits.

- We relocated key asset management operations to a single site, achieving both operational efficiencies and cost savings.

Goals for 2009

- Deliver a new business model designed to focus on three areas of accountability: customer, product and support.
- Realign our business to work with our customers including our independent and aligned financial advisers and, in the Bank, financial planners, advisers and corporate agents.
- Undertake a simplification programme focussed on simplifying our processes, products and technology.
- Maximise sales opportunities working with the Bank.
- Improve the customer and advisor experience through electronic delivery and straight-through processing of policy approvals and claims.
- Enhance our superannuation offer to the Australian market.
- Accelerate integration initiatives which are expected to deliver \$22 million (before tax) of annual benefits.
- Leverage our market-leading position in the Life Risk market in New Zealand.

Supporting the community

Suncorp has a long history of supporting the community and in the 2008 financial year continued that tradition with the organisation and employees providing significant financial and in-kind contributions for community health, cultural enrichment and well-being.

Our passionate community work takes many forms from corporate sponsorships to partnerships with not-for-profit groups, from medical research and prevention to grass-roots programs to support local and regional communities.

Suncorp Volunteer Day

Our Volunteer Day Program is well-known throughout the community. In 2008, 4,831 employees volunteered to help 57 charities and contributed \$1,135,285, in non-monetary support.

Suncorp SunWise Skin Cancer Program

2008 marked the fifth year of Suncorp's SunWise, a not-for-profit, skin-cancer prevention initiative promoting sun-safety awareness.

We have helped raise more than \$1 million to date for research and prevention.

Working with our major partner, Queensland Institute of Medical Research (QIMR), our multi-faceted community program undertook practical and educational initiatives including:

- The SunWise Shade Grant Scheme awarded 20 community groups across Queensland \$80,000 in shade.
- 5,600 bottles of sunscreen were sold to customers in Suncorp branches raising more than \$56,000 for QIMR.
- We launched a marquee lending program in the Brisbane and Gold Coast regions to provide portable shade for community events.

- 2,000 shade trees were planted in 'shade hungry' parks throughout south east Queensland.
- Over 600 Suncorp staff volunteered throughout the summer to provide the community with sunscreen, shade and skin cancer prevention messages.
- We launched our new educational and interactive website www.suncorp.com.au/sunwise.

Hear and Say Centre

Suncorp has supported the Centre since the early 1990s, helping to raise over \$1 million via annual donations and the Hear and Say Butterfly Appeal. Our support has helped more than 100 hearing-impaired children graduate from the Centre's world class program.

The Sunday Mail Suncorp Bridge to Brisbane

Since the event's inception in 1997, *The Sunday Mail* Suncorp Bridge to Brisbane fun run has raised more than \$2 million for various Queensland charities. In the 2008 financial year, it raised over \$224,000 for Surf Lifesaving Queensland.

Suncorp Queenslander of the Year Awards

Suncorp is proud to support the Queenslander of the Year Awards, which recognise significant contributions and achievements in the arts, business, community, sport, science, education, medicine and charity fields.

Youngcare

Since 2006, Suncorp and its CTP Insurance Team have helped raise over \$1.2 million towards Youngcare.



This important initiative provides apartments for young people with high-care needs who have previously often been housed in aged care facilities. The first apartments opened in Brisbane in December 2007 and Suncorp will continue its support to help Youngcare expand nationally.

Sport sponsorship and participation

Suncorp supports sport from the elite to grass-roots level, contributing to the health and leisure enjoyment of the community. Our national and state sporting programs and venue partnerships reach millions of people. This year, Suncorp announced a further three-year national partnership with the Wallabies, continued its support of Australian schools rugby and its 18-year commitment to the development of cricket across Queensland. Vero New Zealand announced a further sponsorship of the New Zealand Rugby Union provincial championship referees.

We welcomed some 950,000 patrons to 37 sporting events at Suncorp Stadium, Queensland's home of sport.

Sydney Theatre and Auckland Philharmonia Orchestra

In December 2007, GIO launched a major partnership with the Sydney Theatre. The three-year sponsorship demonstrates GIO's commitment to supporting the arts in the New South Wales community. Vero New Zealand is in its fourteenth year of sponsoring the Auckland Philharmonia Orchestra and donates insurance for the Colin McCahon Trust supporting New Zealand artists.

Victoria SES

Since 2002, AAMI has donated over \$2.7 million to Victoria SES for rescue equipment, protective clothing, promotional trailers and other expenses. The Victoria SES assists the Victorian community during natural disasters, road accidents and search and rescue activities. Both the SES and AAMI have been kept busy this year with a severe windstorm and torrential rain and storms in Victoria.



SUNsustainability. Protecting tomorrow's world

We have developed a 'Sustainability Commitment', which explains our approach to sustainability and our public obligations.



Integrating sustainability into every aspect of our lives and business operations is a huge task. It is a task that is made more complicated by the fact that nobody yet has all the answers on the best choices and how they interrelate in a complex, multi-faceted world.

Despite the complexity, Suncorp is working hard to find solutions for our workplaces and respond to climate change impacts and government policies.

As an insurance company, we see the significant implications of climate change. As a commercial organisation, we see the huge economic impacts. As a community organisation, we see the far-reaching effects on people, on our lifestyles, on our well-being and on our future.

In the 2008 financial year, we have taken major steps to strengthen our sustainability initiatives:

- We have established a Sustainability Council made up of senior leaders from across the Group. The charter for this Council is to guide and coordinate the Group's Sustainability Strategy.
- In February 2008, we asked our employees about sustainability priorities for them and for our Company. We received overwhelming support for taking a stronger position on the environment and helping our people to become more sustainable in their day-to-day lives.
- We have started to measure our environmental impacts (tabled adjacent) and will continue to report these annually to demonstrate our improved performance.

- We have developed a 'Sustainability Commitment', which explains, in detail, our approach to sustainability and our public obligations (set out below). This will be communicated to our employees, customers, shareholders and business partners and will be released on our website.
- We introduced a fleet of Prius cars for our mobile bankers to reduce our carbon emissions.
- We replaced cathode ray tube (CRT) computer screens with low emission CRT screens and introduced recycling of old IT equipment.

Goals for 2009

- We will continue to develop, refine and formalise sustainability indicators to underpin measurable goals for the entire organisation.
- We have also set a target of a 10% reduction in five years for our CO₂ emissions¹. We will revise our target annually to ensure it remains tough but achievable for our business. Our Sustainability Council will further develop our priorities and strategies to underpin sustainable business in a carbon-aware economy and will assess emerging issues from the *Garnaut Climate Change Review Report* and government policy.
- In the next year we look forward to reporting on our sustainability impacts and informing our stakeholders on the progress we've made and how we are responding to the challenges.

Indicator	Consumption
Electricity	3.51 CO ₂ /FTE
Fuel	0.36 CO ₂ /FTE
Paper	0.06 CO ₂ /FTE
Air travel	0.57 CO ₂ /FTE
Total CO₂ per FTE	4.50 Tonnes

Figures are for Australia only. In 2008/09 full operations will be reported on.

¹ Per full-time equivalent employee (FTE)

Group Executives

Roger Bell

ANZIIF (Fellow), CIP

Group Executive, Vero New Zealand

Roger Bell was appointed to his Group Executive position following the Suncorp Promina merger in 2007. He was previously Chief Executive, Intermediated General Insurance New Zealand and responsible for the strategy and operational delivery of all Promina's intermediated general insurance operations in New Zealand since 2003. Roger had been with the Promina Group for 33 years, during which time he held numerous senior executive roles and demonstrated strong strategic and operational leadership of Promina's New Zealand-based businesses.

Robert Belleville

MBA

Group Executive, Personal Insurance

Robert Belleville was appointed to Group Executive, Personal Insurance following the Suncorp Promina merger in 2007. He had previously been Chief Executive, Direct General Insurance at Promina since July 2005, where he was responsible for brands such as AAMI, Apia, Just Car Insurance, Shannons and Automobile Association Insurance of New Zealand. He began his career with AAMI in 1970 and was appointed Chief Executive Officer in May 2002.

Robert will retire from Suncorp in November 2008.

Mark Blucher

AFin

Group Executive, Integration

Mark Blucher was most recently Suncorp's Group Executive for Personal Lines Insurance and has played a key role in integration planning since the Suncorp Promina merger was announced. Since joining Suncorp from ANZ in New Zealand in 1997, Mark has held a number of senior executive positions including Group Executive Retail Banking, Group General Manager Retail Distribution and General Manager Human Resources.

Mark's understanding of Suncorp's banking and insurance businesses and his past integration experience makes him uniquely suited to driving the Suncorp Promina integration process.

David Foster

BSc, MBA

Group Executive, Retail Banking

David was appointed to his current position following Suncorp's merger with Promina in 2007. He was previously Group Executive, Strategy having been appointed to that role in 2006.

In his five years with Suncorp, David Foster has led Suncorp's strategy functions and held senior executive roles within the Retail Bank. He joined Suncorp after 14 years in a number of senior roles at Westpac in Queensland and New South Wales.

In August 2008, David was appointed Group Executive, Banking which encompasses both Retail and Business Banking.

Bernadette Inglis

BBus (Mktg), MBA

Group Executive, Strategy, People and Corporate Services

Bernadette Inglis was appointed to this position following the Suncorp Promina merger earlier in 2007. She has over 20 years' experience in the financial services sector including Suncorp's combined Retail Bank and Wealth Management businesses. She has held senior executive roles in strategy, retail banking and marketing both at Suncorp since 2003 and the Commonwealth Bank for nine years prior.

Following Robert Belleville's retirement, Bernadette has been appointed Group Executive, Personal Insurance.

Stuart McDonald

B.Comm (U.Qld), M.App.Fin (Macq)

Group Executive, Business Banking

Stuart McDonald was appointed Group Executive, Business Banking in 2005. He is responsible for commercial banking, agribusiness, property finance, equipment finance, corporate and trade finance. Stuart was recruited to QIDC in 1995 and played a major role in the integration of Suncorp, Metway Bank and QIDC in 1996. He has held senior executive roles in strategy and business banking at Suncorp.

Following the recent restructure, Stuart has been appointed Group Executive, Strategy, People and Corporate Services.



This page, left to right:
John F Mulcahy, Chris Skilton
Stuart McDonald, Mark Blucher,
and Robert Belleville.

Next page, left to right:
David Foster, Jeff Smith,
Geoff Summerhayes, Mark Milliner,
Bernadette Inglis, and Roger Bell.

Mark Milliner

BComm, MBA

Group Executive, Commercial Insurance

Mark Milliner has been the Group Executive responsible for Suncorp's Commercial Insurance business since July 2006. Mark has held numerous senior executive positions within Suncorp's commercial business including responsibility for property claims and workers' compensation. In his 13 years with Suncorp, Mark has worked on several major strategic change management projects including the merger of Suncorp, Metway Bank and QIDC in 1996 and the integration of Suncorp and GIO in 2001.

John F Mulcahy

PhD (Civil Engineering), BE (First Class Hons)

Chief Executive Officer, Executive Director

Director since joining Suncorp in January 2003 as Chief Executive Officer. John Mulcahy is President of the Insurance Council of Australia, a member of the Business Council of Australia, the Australian Bankers Association Council and the Future Fund Board of Guardians.

He is also a director of the Great Barrier Reef Research Foundation.

Mr Mulcahy previously held a number of executive roles at the Commonwealth Bank since 1995 and ranks as one of the most widely-experienced financial services

executives in Australia. He also has broad management experience, having served as Chief Executive of Lend Lease Property Investment Services and Chief Executive of Civil & Civic prior to 1995.

Chris Skilton

BSc (Econ) (Hons), ACA (Eng & Wales)

Chief Financial Officer and Executive Director

Chris Skilton joined Suncorp in July 2001 as Chief Financial Officer (CFO). As CFO of the Group, he is responsible for finance, treasury, risk, compliance and regulatory affairs, company secretarial, legal and investor relations.

He was previously with Westpac where his final position was Group Executive, New Zealand and the Pacific Islands and prior to that Deputy Chief Financial Officer. Prior to Westpac, Chris was Managing Director and CEO of AIDC Ltd. While still employed with AIDC Chris did a stint as acting CEO of the Australian Submarine Corporation, one of Australia's largest and most complex engineering projects. (AIDC was a major shareholder in ASC). His wide professional experience also includes executive positions with Security Pacific Australia and the Barclays Group of Companies. He has over 20 years' direct experience in various senior roles in the finance sector.

Jeff Smith

BS Applied Science, MBA

Group Executive, Business Technology

Jeff Smith was appointed to the role of Group Executive, Business Technology following the Suncorp Promina merger in 2007.

He has 22 years experience in the IT industry, with the last 12 years spent as Chief Information Officer or equivalent for a range of companies in the USA and Australia. His previous roles include CIO for Telstra Corporation, where he led the transformation and integration of that company's IT systems and generated dramatic improvements in quality, cycle time and cost reduction.

Jeff has also held leadership positions in a number of world class companies including Honeywell, Toyota and Charles Schwab.

Geoff Summerhayes

B.Bus GMQ

Group Executive, Wealth Management

Geoff Summerhayes joined Suncorp in May 2008 as Group Executive, Wealth Management. Geoff has 19 years' experience in banking and wealth management, holding senior executive roles with NAB, MLC and Lend Lease. His previous roles include NAB Specialised Regional General

Manager, MLC CEO Retail Investments, which included \$40 billion of MLC Superannuation and Investments platforms, and NAB's General Manager, Strategy and Business Development, Australia Region.

Geoff has held directorships of many companies including MLC Limited, National Australia Financial Management Ltd, MLC Hong Kong and Chairman of National Online Trading.

Dennis Fox

BA (Actuarial Sciences), FIA FIAA

Group Executive, Wealth Management

Dennis Fox was appointed to the Group Executive position following the Suncorp Promina merger. He was previously responsible for the profitable management and growth of Promina's financial services division, including Asteron and Tyndall in Australia and New Zealand, as well as Guardian, Guardian Trust and Cameron Walshe. Dennis has over 35 years' experience in financial services and since joining Tyndall Australia in 1991, has held a wide range of senior management positions including Chief Executive Officer of Royal & Sun Alliance Financial Services in Australia.

Dennis Fox retired in July 2008.



Board of Directors

William J Bartlett Age 59
FCA, CPA, FCMA, CA (SA)

Non-executive Director

Director since 1 July 2003. Mr Bartlett is a director of Reinsurance Group of America Inc., GWA International Limited and Abacus Property Group. He has 35 years' experience in accounting and was a partner of Ernst & Young in Australia for 23 years, retiring on 30 June 2003.

Mr Bartlett also has extensive experience in the actuarial, insurance and financial services sectors through membership of many industry and regulatory advisory bodies including the Life Insurance Actuarial Standards Board (1994–2007). He holds an honorary position on the board of the Bradman Foundation and the Bradman Museum.

Ian D Blackburne Age 62
MBA, PhD, BSc (First Class Hons)

Non-executive Director

Director since August 2000. Dr Blackburne is Chairman of CSR Limited and a director of Teekay Corporation. He was formerly Chairman of the Australian Nuclear Science and Technology Organisation (July 2001–June 2006) and was formerly Managing Director of Caltex Australia Limited having spent 25 years in the petroleum industry.

Paula J Dwyer Age 47
BComm, FCA, FAICD, FFin

Non-executive Director

Director since April 2007. Ms Dwyer was a director and chairman of the audit, risk and compliance committee of Promgroup Limited (formerly Promina Group) at the date of merging with Suncorp. She is also a director of TABCORP Holdings Limited, where she is chairman of the audit committee and of Babcock & Brown Japan Property Management Limited where she is chairman of the audit, risk and compliance committee. Ms Dwyer is a member of the ASIC Business Consultative Panel (Melbourne Chapter), Vice President of the Baker Heart Research Institute and was appointed a member of the Federal Government's Takeovers Panel in May 2008.

Ms Dwyer is a chartered accountant by profession and during her 20-year executive career held senior positions in the securities, investment management and investment banking sectors. She was formerly a director of David Jones Limited.

Cherrell Hirst AO Age 63
MBBS, BEdSt, DUniv (Hon), FAICD

Non-executive Director

Director since February 2002. Dr Hirst is a medical doctor and was a leading practitioner in the area of breast cancer diagnosis. She is Deputy Chairman of Queensland BioCapital

Funds Pty Ltd, a director of Peplin Inc., Avant Insurance Ltd and Avant Mutual, Impedimed Limited, Xenome Limited and Opera Queensland Limited.

Dr Hirst was a director of Metway Bank from July 1995 to December 1996 and was Chancellor of Queensland University of Technology from 1994 to 2004.

Martin D E Kriewaldt Age 58
BA, LLB (Hons), FAICD

Non-executive Director

Director since 1 December 1996, Mr Kriewaldt was also a director of the Suncorp Group from 1990 and Chairman at the time of the merger that formed the Suncorp-Metway Limited Group in 1996. He is Chairman of Opera Queensland Limited and a director of Impedimed Limited, Campbell Brothers Limited, GWA International Limited and Oil Search Limited.

Mr Kriewaldt also provides advice to Allens Arthur Robinson and Aon Holdings Australia Limited.

Ewoud J Kulk Age 62
BEcon

Non-executive Director

Director since March 2007. Mr Kulk was a director of Promgroup Limited at the date of the merger with Suncorp. He was Managing Director of the Australian General Insurance Group (1994–1998) and was appointed Group Director Asia Pacific for



This page, left to right:
William Bartlett, Zygmunt Switkowski,
Ian Blackburne, Cherrell Hirst and
Geoffrey Ricketts.

Next page, left to right:
Leo Tutt, Paula Dwyer, Ewoud Kulk,
Chris Skilton, John Mulcahy,
John Story and Martin Kriewaldt.

Royal & Sun Alliance Insurance Group plc in March 1998. He continued in that role until his retirement in September 2003.

Mr Kulk is also a past president of the Insurance Council of Australia and has over 25 years' experience in the insurance industry.

John F Mulcahy Age 58
PhD (Civil Engineering), BE (First Class Hons)

**Executive Director,
Chief Executive Officer**

Director since joining Suncorp in January 2003 as Chief Executive Officer. John Mulcahy is President of the Insurance Council of Australia, a member of the Business Council of Australia, the Australian Bankers Association Council and the Future Fund Board of Guardians.

He is also a director of the Great Barrier Reef Research Foundation.

Mr Mulcahy previously held a number of executive roles at the Commonwealth Bank since 1995 and ranks as one of the most widely-experienced financial services executives in Australia. He also has broad management experience, having served as Chief Executive of Lend Lease Property Investment Services and Chief Executive of Civil & Civic prior to 1995.

Geoffrey T Ricketts Age 62
LLB (Hons)

Non-executive Director

Director since March 2007. Mr Ricketts was a director of Promgroup Limited at the date of the merger with Suncorp. He is Chairman of Lion Nathan Limited and a non-executive director of Spotless Group Limited, Taylors Group Limited (NZ), Todd Corporation Limited and Southern Cross Building Society (NZ). Mr Ricketts is also a director of the Centre for Independent Studies Limited. He is a lawyer and a consultant for Russell McVeagh, Solicitors (NZ) and was a partner in that firm from 1973 until 2000.

He was formerly Chairman of Royal & Sun Alliance's New Zealand (R&SA NZ) operations having been a non-executive director of R&SA NZ for over ten years.

Chris Skilton Age 54
BSc (Econ) (Hons), ACA (Eng & Wales)

**Chief Financial Officer and
Executive Director**

Director since November 2002. Chris Skilton joined Suncorp in July 2001 as Chief Financial Officer (CFO). As CFO of the Group, he is responsible for finance, treasury, risk, compliance, regulatory affairs, company secretarial, legal and investor relations. He was previously with Westpac where his final position was Group Executive, New Zealand and the Pacific Islands

and prior to that Deputy Chief Financial Officer. Prior to Westpac, Chris was Managing Director and CEO of AIDC Ltd. While still employed with AIDC, Chris did a stint as acting Chief Executive Officer of the Australian Submarine Corporation, one of Australia's largest and most complex engineering projects. (AIDC was a major shareholder in ASC). His wide, professional experience also includes executive positions with Security Pacific Australia and the Barclays Group of Companies. He has over 25 years' direct experience in various senior roles in the finance sector.

John D Story Age 62
BA, LLB, FAICD

Chairman, Non-executive Director

Director since January 1995, Deputy Chairman since June 2002 and Chairman since March 2003. Mr Story was a partner of the national law firm Corrs Chambers Westgarth for 36 years, retiring on 30 June 2006. He practised in the areas of corporate and commercial law and served as Queensland Managing Partner and National Chairman.

He is Chairman of TABCORP Holdings Limited and the Australian Institute of Company Directors, a director of CSR Limited, a Member of the Senate of the University of Queensland and a Commissioner of the Public Service Commission (Queensland).

Zygmunt E Switkowski Age 60
BSc (Hons), PhD, FAICD

Non-executive Director

Director since September 2005, Dr Switkowski is Chairman of the Australian Nuclear Science and Technology Organisation, a director of Healthscope Limited, TABCORP Holdings Limited and Opera Australia. He was previously CEO of Telstra Corporation Limited, Optus Communications Ltd and Kodak Australasia Pty Ltd.

Leo E Tutt Age 70
FCA, FAIM, FAICD

Non-executive Director

Director since March 2007. Mr Tutt was Chairman of Promina Group Limited (now Promgroup Limited) at the date of merger with Suncorp and was a non-executive director of Promina Group since February 1994. He has over 32 years' experience in the insurance sector as a non-executive director or Chairman of Phoenix Assurance Company Australia Limited (1974–1982), Friends Provident Life Assurance Co Ltd (1984–1994) and a non-executive director of Friends Life Office (UK) (1987–1993).

He was Chairman of MIM Holdings Limited until 2003 and was a director of Metway Bank Limited (1992–1996). He is also Chairman of Crane Group Limited.



Remuneration overview

Remuneration designed to reward fairly

Suncorp aims to attract and retain talented executives, directors and employees. Our remuneration policy is a key element in ensuring our business success. It rewards capable executives for their achievements in a complex industry. It protects Suncorp from executive drain when times are tough and when people are working with demanding change, such as the current Suncorp-Promina integration. It also wards off

competitors, who are always ready to head-hunt skilled executives for their valuable experience.

Suncorp's remuneration is consistent with market rates and demonstrates a clear relationship between performance and rewards. It is designed to focus leaders on long term business growth and recognises those who achieve it.

Executive – remuneration table

		Short term				Post Employment	Termination	Long term	Equity settled share-based payments	Total	Performance related
		Salary and fees \$	STI bonus \$	Non-monetary benefits ¹ \$	Other ² \$	Super-annuation benefits \$	Severance pay \$	Other ³ \$	Shares ⁴ \$	\$	%
Executive directors											
J F Mulcahy	2008	1,900,000	1,200,000	337	29,444	100,000	–	173,622	2,786,448	6,189,851	64.4
	2007	1,694,887	2,000,000	2,907	6,530	105,113	–	–	1,525,635	5,335,072	66.1
C Skilton	2008	986,871	500,000	337	276,580	13,129	–	16,487	855,605	2,649,009	51.2
	2007	854,814	780,000	2,223	490,111	12,686	–	85,577	828,131	3,053,542	52.7
Executives											
R Bell ⁷	2008	450,654	325,000	43,924	149,536	88,073	–	–	180,383	1,237,570	40.8
	2007	166,483	280,000	13,826	349,460	32,284	–	–	27,171	869,224	35.3
R Belleville ⁷	2008	687,876	400,000	21,046	206,506	112,558	–	11,799	222,015	1,661,799	37.4
	2007	173,953	360,000	31,481	415,469	18,294	–	3,351	33,442	1,035,990	38.0
M Blucher	2008	750,000	400,000	337	179,836	50,000	–	12,531	645,300	2,038,004	51.3
	2007	623,110	530,000	337	388,010	39,390	–	10,383	645,415	2,236,645	52.6
D Foster	2008	596,330	325,000	52,642	199,970	53,670	–	–	252,171	1,479,783	39.0
	2007	488,003	420,000	33,201	302,949	43,920	–	–	179,168	1,467,241	40.8
D Fox ⁵	2008	686,871	420,000	64,467	102,994	13,129	1,050,000	2,960	706,394	3,046,815	37.0
	2007	178,847	330,000	86	363,667	3,448	–	2,960	29,261	908,269	39.6
B Inglis	2008	786,871	400,000	337	193,983	13,129	–	68,619	645,312	2,108,251	49.6
	2007	644,108	530,000	814	417,332	12,594	–	–	642,944	2,247,792	52.2
S McDonald	2008	686,871	350,000	25,792	194,214	13,129	–	17,825	402,610	1,690,441	44.5
	2007	599,814	500,000	27,234	323,448	12,686	–	15,668	282,477	1,761,327	44.4
M Milliner	2008	642,202	350,000	22,276	177,622	57,798	–	11,097	228,840	1,489,835	38.9
	2007	475,035	410,000	14,486	365,062	42,753	–	8,153	139,576	1,455,065	37.8
J Smith ⁷	2008	700,000	425,000	337	37,748	50,000	–	–	82,732	1,295,817	39.2
	2007	164,961	220,000	86	3,226	14,847	–	–	–	403,120	54.6
G Summerhayes ⁶	2008	62,578	–	337	4,682	1,343	–	–	–	68,940	0.0
	2007	–	–	–	–	–	–	–	–	–	–

¹ 'Non-monetary benefits' includes the cost to the Company of providing certain fringe benefits. Where those costs represent fringe benefits for motor vehicle leases, those costs are met by the employee through salary sacrifice.

² Includes benefits paid to secure the retention of key executives during the critical period following the announcement of the Promina transaction together with annual leave accrued or utilised during the financial year.

³ Long service leave accrued or utilised during the year.

⁴ Performance shares issued as long term incentives to executives and executive directors are expensed to the Income Statement based on their fair value over the period from offer date to vesting date. At vesting date, the difference between the purchase price and fair value is also expensed to the Income Statement. The fair value was assessed using a Monte-Carlo model and reflects the fact that an executive's entitlement to the shares is dependent on meeting performance hurdles based on Total Shareholder Return. No options were granted as compensation during or since the current financial year. All options vested and were exercised prior to the start of the current financial year.

⁵ D Fox, who was appointed to the Group Executive team on 30 March 2007, retired effective 31 July 2008. As the contractual arrangements of his departure had been finalised prior to 30 June 2008 the termination payment has been accrued in full in the current period, and the remaining fair value of his outstanding Executive Performance Share Plan entitlements will be fully amortised by 31 July 2008.

⁶ G Summerhayes was appointed on 26 May 2008, and has been considered a Key Management Personnel from that date.

⁷ R Bell, R Belleville and J Smith were appointed to the Group Executive team on 30 March 2007.

Non-executive – remuneration table

Non-executive	Year	Short term		Post employment		Equity settled share-based payments	Total ⁶
		Salary and fees \$	Non-monetary benefits \$	Superannuation \$	Retirement benefits ¹ \$	Shares ² \$	
Non-executive directors							
W J Bartlett	2008	265,000	337	23,850	–	–	289,187
	2007	90,332	337	105,113	–	46,875	242,657
Dr I D Blackburne	2008	240,000	337	21,600	(32,892)	–	229,045
	2007	166,562	337	18,591	(41,312)	40,000	184,178
P J Dwyer ³	2008	220,000	337	19,800	–	–	240,137
	2007	51,591	61	4,643	–	–	56,295
Dr C Hirst AO	2008	155,000	337	20,700	–	75,000	251,037
	2007	157,050	337	16,341	–	24,512	198,240
J J Kennedy ⁵	2008	–	–	–	–	–	–
	2007	95,375	337	–	(19,075)	–	76,637
M D E Kriewaldt	2008	194,614	337	61,109	(46,908)	–	209,152
	2007	133,562	337	64,341	(36,312)	–	161,928
E Kulk ⁴	2008	139,800	337	100,000	–	–	240,137
	2007	31,977	95	24,257	–	–	56,329
G T Ricketts ⁴	2008	220,000	337	19,800	–	–	240,137
	2007	51,591	95	4,643	–	–	56,329
J D Story	2008	450,000	337	49,500	(90,108)	100,000	509,729
	2007	282,850	337	101,178	(88,812)	100,000	395,553
Dr Z E Switkowski	2008	175,833	337	81,225	–	–	257,395
	2007	181,562	337	16,341	–	–	198,240
L E Tutt ⁴	2008	230,000	337	20,700	–	–	251,037
	2007	51,591	95	4,643	–	–	56,329

¹ The retirement benefits arrangements for directors are being phased out and individual benefit entitlements are being reduced over the period directors remain in office.

² The shares were acquired under the non-executive directors' Share Plan and funded by pre-tax remuneration. No performance criteria are attached to these shares.

³ Appointed 26 April 2007.

⁴ Appointed 20 March 2007.

⁵ Retired 31 December 2006 and received a retirement benefit payment of \$190,424 (less tax) in that financial year.

⁶ None of the remuneration paid to individual non-executive directors is performance-based.

Forecast for the 2009 financial year

The uncertain economic climate is expected to continue into the 2009 financial year but Suncorp remains well placed to weather these tough economic times.



For our shareholders and customers, we will continue to be a trusted name in uncertain times. Our strong portfolio of brands will appeal across the generations offering many ways to help people build and protect their dreams.

The Suncorp-Promina integration will remain on course to deliver business improvements and savings and help offset any further economic downturn.

The Bank

The focus for the 2009 financial year will be managing increased funding costs and minimising the effects of the potential slowdown in the Australian economy.

Tight monetary policy has had the effect of dampening economic growth and consumer confidence.

In 2009, we expect the impact of increased interest rates on retail and business customers to moderate lending growth. For the year to June 2009, lending growth is likely to be near market levels – which we currently anticipate will be in the 8% to 10% range.

We expect the international debt markets – where the majority of Australian and New Zealand banks source their funds – will remain volatile in the short term. However, Suncorp has a diverse range of funding options including access to domestic wholesale funds and a growing retail deposit base.

Overall, Suncorp forecasts high single digit growth in bank profit before tax and bad debts compared to the 2007/08 result.

General Insurance

We expect Suncorp's stable of market-leading insurance brands to perform well in the 2009 financial year.

General Insurance premium increases, which have been necessary due to the increasing frequency of severe weather events and inflation, will ensure continued top line growth. Offsetting this will be some moderation in new business as customers respond to premium increases and reduced household disposable income. As a result, we expect growth in GWP in the range of 4% to 6% for the year to June 2009.

For the year to June 2009, Suncorp forecasts an Insurance Trading Ratio in the 10% to 12% range, including the benefits of integration. This assumes weather events remain within our normal provisioning and there are no further widening of credit spreads across the Group's technical reserves portfolio and no material structural releases.

Suncorp will continue to work with the Insurance Council to explore the impact of climate change and its future effects on the industry.

Wealth Management

Conditions are expected to remain challenging as investment market volatility continues.

Suncorp's newly-appointed group executive, Geoff Summerhayes, has initiated a comprehensive program of work designed to simplify the Wealth business model, structure, processes and products. Underlying profit after tax for the year to June 2009 is expected to be similar to that reported in 2007/08.



Shareholder Review

Recent changes to the Corporations Act allow companies to provide their annual reports to shareholders on the internet rather than in hard copy. A copy of Suncorp's shareholder review or annual report is available to all shareholders upon request to our share registry without charge.

Contacts

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Share registry

Shareholders can obtain information about their shareholding by contacting Suncorp's share registry:

Link Market Services Limited

Level 12, 300 Queen Street
Brisbane QLD 4000
PO Box A50
Sydney South NSW 1235
Ph 1300 882 012 (inside Australia)
+61 2 8280 7450 (outside Australia)
Fax 02 9287 0303
suncorp@linkmarketservices.com.au
www.linkmarketservices.com.au

Annual General Meeting

2.30pm, Tuesday 28 October 2008

Ballroom, Level 2
Sofitel Hotel
249 Turbot Street
Brisbane QLD 4000

Key dates ¹	Date
2008 Final dividend payment	1 October 2008
Half-year results	24 February 2009
2009 Interim dividend payment	1 April 2009
Annual results	25 August 2009
2009 Final dividend payment	1 October 2009
Annual General Meeting 2009	28 October 2009

Listed securities

Suncorp securities listed on the Australian Securities Exchange are:

Ordinary shares	(SUN)
Floating rate capital notes	(SUNHB)
Reset preference shares	(SUNPA)
Convertible preference shares	(SUNPB)

¹ Dates may be subject to change



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