

'We can never replace the memorabilia we lost but we get a fresh new start.'

His fire truck and James Bond number plates were the only things that survived when Peter Driscoll's Hazeldene home burned down in the Victorian bushfires.

Peter Driscoll, Apia customer



Dream. Build. Protect.



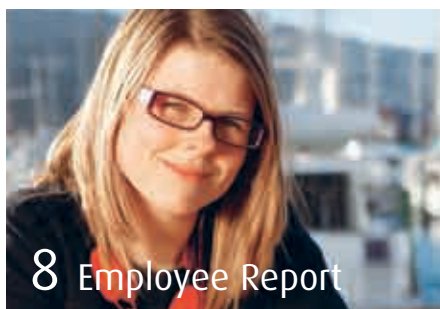
The 2008/09 financial year was extremely challenging for all financial services companies. Not only did Suncorp confront the global financial crisis but we also responded to a series of major natural hazards such as the Victorian bushfires.

Our stakeholders – customers, employees, community partners and a shareholder – report on our performance in 2008/09.



'What we like about Suncorp is they've got an agricultural side – they're not just a straight out bank.'

Carmelito Lenzo, Suncorp Bank agribusiness customer



'Nothing beats knowing you're helping someone when they really need it, giving them peace of mind when they have no security.'

Katherine Joseph, Asteron employee



'Personally, what we've achieved is beyond my wildest dreams. Hundreds and hundreds of children can listen and speak because of Suncorp's contribution.'

Dimity Dornan, Founder, Hear and Say Centre

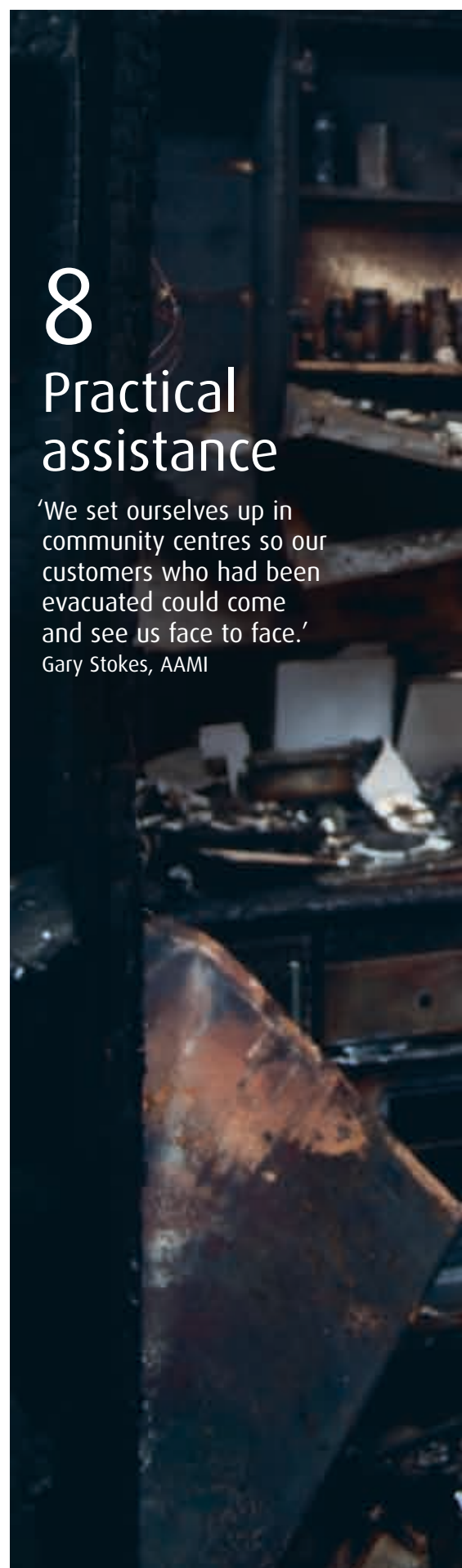


'There are things that, with the benefit of hindsight, we could have done better. I am confident that some of the very difficult decisions we made – such as refocusing the Bank's business model and strategy – will help restore profitability.'

John Story, Suncorp Chairman

Events of 2008/09	2	Board of Directors	16
Customer Report	4	Group Executives	17
Employee Report	8	Remuneration Summary	18
Community Report	10	Our heritage	20
Financial Results Summary 2008/09	12	Our strong, trusted brands	IBC
Shareholder Report	13	Shareholder information	IBC
Chairman's Report	14		

Suncorp-Metway Ltd and its subsidiaries (Suncorp) is a diversified financial services group of companies with three core lines of business – Suncorp Bank, General Insurance and the Suncorp Life business (previously known as Suncorp Wealth Management).







## Strong in tough times

Suncorp touches millions of lives every day, helping to build and protect people's dreams. Here are some of our stories for 2008/09.



## Global

### July 08

Concern about bad debts from sub-prime crisis erodes global investor confidence. Financial Times Stock Exchange falls 20% and US forced to shore up Fannie Mae and Freddie Mac – who own or guarantee US\$5 trillion of mortgages.

### September 08

Bankruptcy of Lehman Brothers and AIG bailout causes inter-bank lending to freeze as confidence falls and institutions hoard cash. Trading halted on Russian and Austrian stock exchanges.

## Australia

### August 08

Reporting season wipes more than A\$12 billion off the sharemarket value of Australian listed companies.

### September–October 08

Regulators increase focus on liquidity and capital across finance industry.

## Suncorp

### September–October 08

Suncorp Bank experienced deposit outflows in September as investors shifted funds from regional banks and credit unions to AA-rated banks. Record numbers of shareholders attend AGM to understand ramifications of global financial crisis for Suncorp.

### November 08

Suncorp Bank decides to run off non-core business banking segments as part of de-risking strategy. General Insurance receives 13,000 claims costing A\$135 million following South East Queensland storms.

## Perseverance, customer service and community spirit

We are all coming to terms with the events of a turbulent year which included the global financial crisis, the Victorian bushfires and violent and damaging storms. We navigated a collapsing sharemarket, closed credit markets and the rising costs of natural disasters. Suncorp's General Insurance divisions have paid out \$5.6 billion in customer claims this year<sup>1</sup>. And we significantly reshaped our businesses to survive the vastly changed economic and financial landscape.



### September–October 08

Action by UK, European and US governments needed to rescue Royal Bank of Scotland, HBOS, Fortis, Citigroup, Fannie Mae and Freddie Mac. Dow Jones falls 20%.

### October–November 08

G7 nations announce five-point plan to unfreeze credit markets. US and China announce US\$700 billion and US\$586 billion stimulus packages respectively.

### November 08–January 09

Recession confirmed in UK, US, Japan and Eurozone. International Labour Organization predicts worldwide job losses of 51 million. International Monetary Fund forecasts global write downs of US\$4 trillion dollars.

### February–June 09

Ten biggest US banks fail stress testing and US announces banking reform. US banks report a return to profitability and in the global sharemarket recovery signs appear.

### September 08 onwards

RBA reduces cash rate from 7% to 3.25% to stimulate economy.

### October 08

Federal Government announces bank deposit and wholesale funding guarantee.

### December 08 and February 09

Federal Government announces stimulus packages totalling A\$52 billion.

### January 09

Personal wealth in Australia estimated to have fallen by 10%.

### March–April 09

Australian shares at lowest level in 5.5 years but bounce back to close down 24.2% for the year.

### February 09

Suncorp announces significant increase in bad debt exposure following collapse of Babcock & Brown, Raptis and other property developers. Suncorp CEO commences transition.

### February–March 09

Claims costing A\$165 million pour in following Victorian bushfires and Ingham floods. Suncorp raises more than A\$1 billion in capital.

### April 09

Suncorp appoints Chief Risk Officer.

### July 08–June 09

Suncorp share price falls by 49% for 2008/09 year but Suncorp remains a top 25 company in ASX. Suncorp's General Insurance division claims expense for major weather events totals A\$345 million for 2008/09 year.

1 July 09 Suncorp appoints Patrick Snowball as new CEO effective 1 September 09.



# Suncorp's portfolio of trusted brands help our customers build and protect their dreams

We asked seven customers to contribute to this report, giving their views on how Suncorp has performed for them this year.



'We can never replace the memorabilia we lost but we get a fresh new start.'

**Peter Driscoll** (left) survivor of 2009 Victorian bushfires and Apia customer, with **Craig White**, Apia client relationship manager, Vic

## Fresh start

### Apia customer Peter Driscoll is getting a fresh start following the Victorian bushfires.

His fire truck and James Bond number plates were the only things that survived when Peter's Hazeldene home burned down in the Victorian bushfires. But the former firefighter and his wife Carol, who have been insured with Apia for fourteen years, received the total settlement for their house and contents within fourteen days and have just poured the slab on their new home.

'We heard that the fires were at Kinglake and over the other side at Whittlesea. My son started panicking but I really didn't take much notice of him until we could see the smoke in the background.

Within ten minutes he came running in, yelling at me and Carol to get out.

I looked outside and the fire was coming over red raw. I started the truck up, Carol grabbed some family photos and we left with the two dogs.

About four kilometres down the road the convoy stopped and a car pulled up and said 'are you the guy with the fire truck? Your house has gone completely.'

Carol and I slept on grass for two days, we had no blankets, nothing. We couldn't get in the car because we were using it to contain our dogs so they wouldn't run away.

When we came back (to the house), there was a pile of tin, twisted like spaghetti and the rest was basically powder. We were worried about how we were going to start again.

I reported to Apia that we'd lost our house in the fire about three or four days later and we made arrangements to meet up with the building assessor. I said to my wife 'here we go, we're going to get ripped off here'. I couldn't have been more wrong.

We could plan straight away because we knew how much money we had. I've heard from other people who are still having trouble with other insurers with their claims.

We can never replace the memorabilia we lost but we get a fresh new start.'



Apia client relationship manager Craig White, whose family survived the 1983 Ash Wednesday bushfire, says 'It was a matter of making sure our customers understood everything they were entitled to as part of their insurance, really giving them the time and explanations to find out whether they did want to rebuild or take the total loss settlement.'

## Key facts and figures

**Apia** is the most recommended insurance company in Australia<sup>1</sup>

**13,000** claims made by customers following South East Queensland storms

**32.3%** Suncorp Group's home insurance market share



**Carmelito Lenzo** (right) Suncorp Bank agribusiness customer, with **Patrick Russell**, Suncorp Bank agribusiness manager, Innisfail, Qld

‘What we like about Suncorp is they’ve got an agricultural side – they’re not just a straight out bank.’

### Ongoing support

Cane farmer Carmelito Lenzo has a family tradition with Suncorp’s agribusiness banking.

Since the 1960s, the Lenzo family has been involved in the North Queensland cane industry. After taking over from their parents in the mid-1980s, today four Lenzo brothers continue the agricultural tradition in Ingham. Carmelito sheds light on how Suncorp helps his family with their business.

‘We have a long history with the agricultural side of banking. For a long time my father was with QIDC<sup>1</sup> – we were the first in Ingham to have a chequebook account with them. We continued with them when QIDC merged with Suncorp and Metway.

What we like about Suncorp is they’ve got an agricultural side – they’re not just a straight out bank.

At regular times, they come out and see us in the fields, they do twelve-monthly reviews to see how we’re travelling, and we also arrange monthly meetings to keep track of everything. One or two days a week, we’re usually in at the branch too, just doing basic trading on our accounts and income deposits.

The only little issue that I see, and have seen for years, is that our bank managers tend to shift around a lot. I understand they have to move around, but sometimes there are little pockets of time where we just have a fill-in manager until the next one arrives. Sometimes you get to know one and then they’re gone again.

We’ve had a very tough year, with high fuel and high fertiliser prices – they’re some of our major inputs. Where we had high inputs, we had to finance some of those expenses. Suncorp was very understanding and helped us through that. Recently, we’ve seen some record prices for sugar on the world market, so that’s very good news for us as growers.’

### SUNCORP BANK

Suncorp Bank has over 850,000 core business customers. During the year Suncorp Bank amalgamated the retail and business banking divisions, exited funding-intensive, high-end corporate and property banking, and renewed its focus on core business (personal, small business, commercial and agribusiness).



**Ben Nursoo, Lionel Lee and Phil Moujaes** Bing Lee’s management team, GIO customers, NSW

### Competitive pricing

Bing Lee Electrics choose GIO to fit with their family-orientated business.

Ben Nursoo, Bing Lee’s Franchise and Property Manager, talks about the company’s dealings with GIO.

‘Our relationship with GIO started in 2002 and has gone from strength to strength. GIO is a good match for our style of business. GIO provides competitive pricing, timely reports and they process our claims very quickly. All issues are handled with little inconvenience

to the business and it’s largely because of this that we’ve now been with them for seven years. Being a family-owned, private company we like to see all our business partners as members of our family. That’s certainly how we see GIO.’



GIO is part of the Suncorp commercial insurance business. At GIO, it’s our business to help keep our customers in business. We will help customers avoid the risks of underinsurance and provide prompt, personalised service and a speedy claims process.

**\$3.3bn**

Personal insurance net incurred claims in Australia

**\$1.0bn**

Commercial insurance net incurred claims in Australia

**\$21.4bn**

Bank deposits increase by 13%

**74.8%**

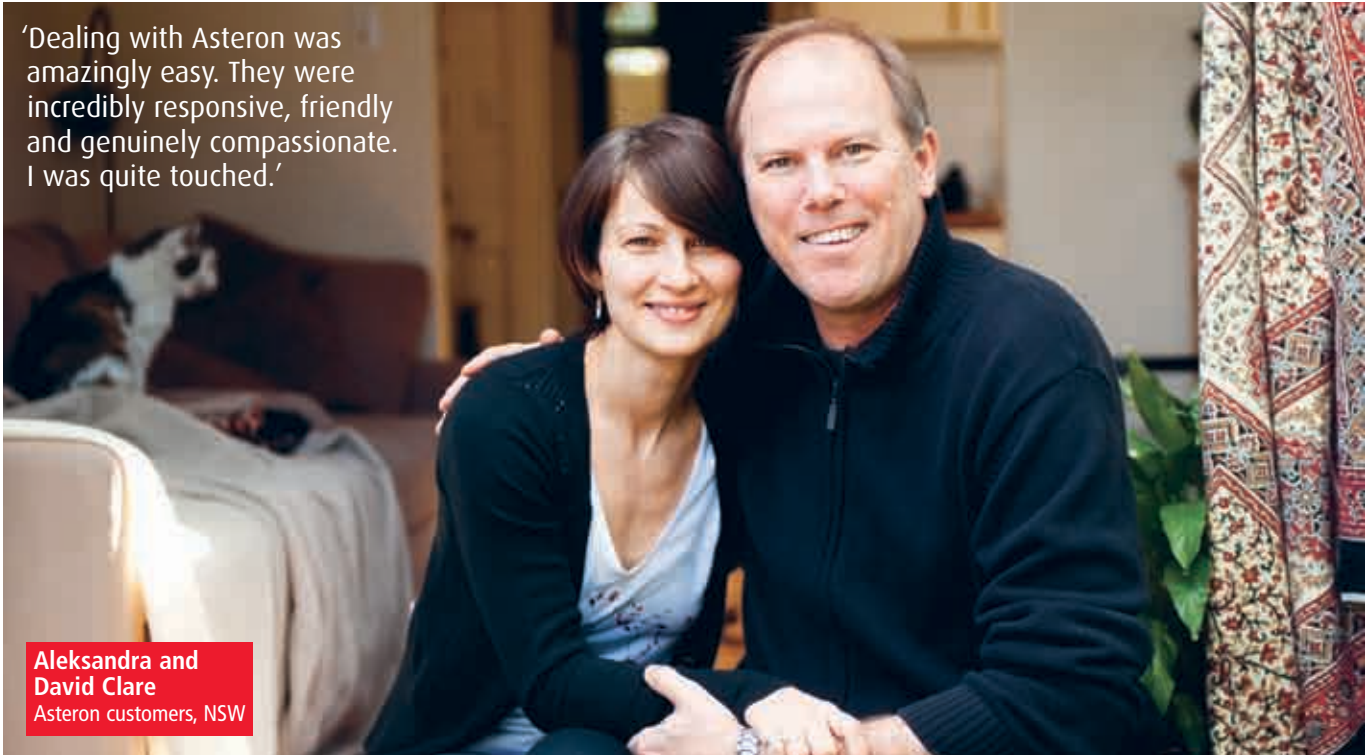
Suncorp Bank retail customer satisfaction – higher rating than the major banks<sup>2</sup>

<sup>1</sup> Queensland Industry Development Corporation

<sup>2</sup> Roy Morgan National Customer Satisfaction Report May 2009



## Customer Report (continued)



'Dealing with Asteron was amazingly easy. They were incredibly responsive, friendly and genuinely compassionate. I was quite touched.'

**Aleksandra and David Clare**  
Asteron customers, NSW

### Income security Two years of income protection insurance was a lifesaver for photographer David Clare.

David discovered life behind the lens in the 1980s. Acting on a friend's advice, he took out Asteron income protection insurance and, after a life-changing incident in 2005, he's very glad he did.

'I had a motorcycle accident...I wasn't going very fast but my ankle was badly injured. I needed several operations and for two years I couldn't put any weight on it.

Photographers take pride on being there in the moment. I used to capture about thirty weddings a year, and big conferences, but this injury really affected my ability to do that. But since 2007, I've been putting things back together.

Dealing with Asteron was amazingly easy. They were incredibly responsive, friendly and genuinely compassionate. I was quite touched.

Asteron immediately started paying me about \$1,000 a week which covered rent, my car and some bills; it took a load off my mind. With hindsight, the biggest problem was I hadn't organised to receive the money already taxed, like normal income.

A lot of people have since asked me about the accident, and how I got through it. I say I wouldn't have been able to maintain everything without Asteron's income protection insurance – it was a lifesaver.'



Suncorp Life's core brands of Suncorp and Asteron provide a full suite of life protection products. Asteron is the 2008 Plan for Life, Life Company of the Year. Suncorp Life products include the Lifeguard life insurance suite which has attracted 22 industry awards since its launch in 2007.



**Robert Kelly**  
Executive Chairman,  
Steadfast Group, NSW

### Tailored insurance solutions Robert Kelly of Steadfast Group is enthusiastic about Vero's tailored insurance solutions.

'Vero is extremely interactive and we have a true partnership style relationship. Their sales with our organisation have been on an upward trend because of product innovation, excellent claims service and the ability to write an above-average policy wording with economic pricing.

Vero's desire to be the number one in claims settlement is a hard task for any modern insurer

to undertake. They've been hit by many natural disasters recently, but their reaction to that has been exemplary. They are an honourable, trustworthy insurer.'



Vero is part of the Suncorp commercial insurance business. Business through brokers was 6% ahead of budget for the year; growth in this market was 10%. Vero is focusing on partnership growth with the major broker cluster groups such as Steadfast.

## Key facts and figures

**First**  
Vero ranked first in JP Morgan survey of commercial insurance companies in Australia

**Gold**  
Vero New Zealand received a gold 'world class' award from New Zealand Business Excellence Foundation

**33.2%**  
Suncorp Group's motor insurance market share





**Adam Adamczewski**  
MacDow's Project  
Manager, Water Delivery  
Alliance, NSW

## Global coverage

The Vero National Marine team is used to interesting insurance challenges from McConnell Dowell (MacDow).

Most recently Vero insured the \$35 million *Nebula* pipelaying barge, brought out from Malaysia by the Water Delivery Alliance to lay twin pipelines across Botany Bay. The pipelines will deliver water from Sydney Water's desalination plant at Kurnell to the main water network at Erskineville. Samantha Johnson of MacDow talks about their affiliation with Vero.

'We have an excellent relationship with Vero; they are an essential part of our insurance framework. Without marine and transit insurance cover, we would have difficulty undertaking many projects. Our civil and marine projects involve many marine vessels. As well as providing the insurance for the hull and machinery, Vero also arranges insurance for the tows. The *Nebula* was insured as cargo on a semi-submersible ship for its trip to Botany Bay, and then the hull and machinery were insured while the *Nebula* worked on Sydney's desalination project.

Insurance is vital for this specialist barge and its essential work on the desalination project.

We often put forward interesting insurance challenges to the Vero team – both in the nature of the cover we require and the timeframe to provide it.

The Vero team always provides the cover required at a competitive rate. They really are superb and provide a service second to none.'



Vero National Marine insures a range of multinational companies such as MacDow, who are sophisticated insurance buyers valuing specialist industry knowledge, experience, competitive pricing and solid reputation.

Vero's commercial clients include Foster's Group, Billabong, Murray Goulburn, Ansell and Incitec Pivot. Our partnerships with RSA Group (formerly Royal Sun Alliance) and the International Network of Insurance enable us to deliver global programs to multinational companies.

'Suncorp Insurance people were wonderful to deal with. An assessor came out straight away, and she was really efficient.'

**Shirley Burnett**  
Suncorp Insurance and  
Suncorp Bank customer, Qld



## Fast service

Seamstress, grandmother and Ingham stalwart, Shirley Burnett, was glad to get 'back to normal' after February's Ingham floods.

Shirley is used to mending for other people, but earlier this year she called on Suncorp Insurance<sup>1</sup> for repairs after the February floods damaged her family home. A Suncorp Bank customer of over forty years since the Metway days, Shirley also chooses the Suncorp Group for her home insurance needs. Shirley's home endured similar flood damage back in 1977.

'This year the flood damaged windows and parts of my house downstairs, and there were leaks in the roof and ceiling. Once things subsided, I went to see the local Suncorp branch people – I know everyone there.

Suncorp Insurance people were wonderful to deal with. An assessor came out straight away, and she was really efficient.

Tradesmen then repaired everything and repainted. I was one of the first to have my home repaired and I was so happy. Six months later, some of my neighbours (who are not insured with Suncorp) are still waiting to get their homes fixed.

I would definitely recommend Suncorp to my friends and family.

All my repairs have been done and my house is back to normal, thanks to Suncorp Insurance. For as long as I own my home, I'll remain a loyal Suncorp customer.'



The North Queensland floods in February 2009 resulted in \$15 million paid out in claims by General Insurance. This year Suncorp and GIO introduced automatic flood cover as standard on all home insurance policies.

**182,000**  
customers acquired  
through our Vero corporate  
partners channel

**\$6.8bn**  
gross written premium  
increases by 6%

General Insurance premium  
income continues to grow (\$m)



**16 awards**  
for our life insurance  
product Lifeguard this year

<sup>1</sup> Suncorp Metway Insurance Ltd



# The experience and dedication of our employees lie at the heart of our business

We asked three employees about their year, and how they helped build and protect our customers' dreams.



'We set ourselves up in community centres so our customers who had been evacuated could come and see us face to face.'

**Gary Stokes**  
Assessing supervisor,  
AAMI, Melbourne, Vic

## Practical assistance

Assessing supervisor Gary Stokes was proud to work for AAMI in the aftermath of the Victorian bushfires.

Gary was out assessing a bushfire claim when he heard that his own family and home were under threat.

'I was with a customer at the time who had lost everything and I got a call from a friend of mine who said 'are you all right with the fires in your area?' I said 'what fires?' and he said 'I hate to alarm you but there's a massive fire.'

I rang my wife who had managed to get to the kindergarten and pick up our daughter but hadn't yet managed to pick up our son and she was in tears. Here am I, two and a half hours away from home and they're getting evacuated from the area. I said to my wife 'just make sure you get the kids and go, don't attempt to save anything.'

Gary was lucky, but around 600 AAMI customers have lodged claims since the February tragedy.

'We set ourselves up in community centres so our customers who had been evacuated could come and see us face to face.'

We'd armed ourselves with cash. A lot of customers didn't know whether their house was still standing and they were asking us what we could do for them at that stage.

Not only had they lost everything but to lose loved ones on top of that, you can imagine the state of mind they were in.

It becomes more than a job in that situation. In a lot of cases we saw the damage to a customer's home at the same time as they did. Everybody was so emotional.

Some people have a negative view of insurance companies. AAMI certainly isn't like that. You can always improve but I think we do it really well.'

## AAMI

Gary is one of over 220 AAMI employees who assess customer claims. These dedicated teams work tirelessly during bushfire season and at other times, turning up with cash and emergency supplies for customers who have lost their homes.

### Key facts and figures

**\$60,000**  
donated to 38 community groups nominated by AAMI employees

**\$141,000**  
raised for charity by AAMI employees

**\$500,000**  
donated by Suncorp to the Victorian bushfire appeal



'Nothing beats knowing you're helping someone when they really need it, giving them peace of mind when they have no security.'

**Katherine Joseph**  
Case manager, Asteron,  
Wellington, New Zealand

## Peace of mind

Asteron New Zealand case manager Katherine Joseph brings peace of mind to customers facing an uncertain future.

'My portfolio covers a mix of people – some with major health problems needing one-off benefit assessments, people who have monthly assessments for income protection, as well as people with terminal illness.

There's one particular customer we've been paying an income protection claim to over the last couple of years. Her claim with Asteron

started when she'd just lost her business because of her illness. In the past twelve months, however, her condition has worsened significantly and now we are also assessing her life insurance for early payment due to terminal illness. At the time when she took out her insurance she never really thought she'd need it, but now that she's claiming with us she's just so grateful for it.

Nothing beats knowing you're helping someone when they really need it, giving them peace of mind when they have no security.

I know Suncorp has been challenged this year, particularly with the natural disasters in Australia. At Asteron New Zealand, we are pulling together,

making sure we're not driven by the economy. We're getting very positive feedback from our clients and I think that's a good indication that things are going well.'



Asteron products form part of the Suncorp Life business. We distribute products and services through a network of 3,500 independent financial advisers and 377 aligned advisers across Australia and New Zealand. Our focus on our core business of life insurance resulted in an increase in life risk profit this year of 13%.



**Kevin Poole**  
Suncorp Bank manager,  
Lismore, NSW

## Personal touch

Suncorp Bank manager Kevin Poole says his branch has performed well despite the economic challenges.

Kevin, who has worked for the Bank for fifteen years, is involved in the community through his membership with Rotary and as a rural fire brigade volunteer. Over the years, he has got to know many of his customers well and has a great understanding and appreciation of their needs.

'We've had a good productive year here at Lismore. We've achieved or exceeded most of our goals and targets, and customers have given us an 89% satisfaction rating.

Customers enjoy the personal touch we provide. We take the time to get to know them and have a good rapport with them. Although the last twelve months have been good for us, like everyone, we've still had to overcome a number of challenges. I think we need the tough times to appreciate the

good times and, in this current economic climate, it's important to stick with it, because everything goes in cycles.

For me, it's the people who make working at Suncorp special. From the motivated staff at my branch to those in the support areas who are always willing to help, the people are the real heart of the Bank.'



Suncorp Bank opened seven new branches and installed 160 new ATMs this year. Customers opened 78,600 new accounts and customer deposits grew by 13%. The brand proved resilient during challenging times for regional banks. Customers remained loyal, showing an appetite for an alternative to the major banks. Consumer research<sup>1</sup> shows Suncorp Bank's business customers are more satisfied than business customers of the major banks.

**\$50,000**  
donated by Suncorp  
to the Queensland Premier's  
Disaster Relief Appeal

**4,700**  
employees volunteered  
with local organisations,  
representing \$1,150,684  
of benefits in kind

**\$100,000+**  
raised via Suncorp Bank  
BPAY to bushfire and  
storm appeals

**16,867**  
employees in Australia  
and New Zealand

<sup>1</sup> source: Roy Morgan National Customer Satisfaction Report May 2009



# Suncorp is a loyal and long-term supporter of its community partners

We have worked alongside our community partners – through our ongoing sponsorship agreements – to build long-term, sustainable programs. We asked four of our community partners to tell you about how we have performed for them.



‘Personally, what we’ve achieved is beyond my wildest dreams. Hundreds and hundreds of children can listen and speak because of Suncorp’s contribution.’

**Dimity Dornan**  
Founder, Hear and Say Centre with Zoe (left) and Lucy (right), Brisbane, Qld

## Teams of volunteers

### Hear and Say Founder Dimity Dornan is using her Suncorp support to make a difference for deaf children.

Using nothing more than a camping table, her children’s old toys and her own skills and determination, Dimity founded the Hear and Say Centre. In the seventeen years since, Dimity and her team have provided new hope for many deaf children and their families.

‘I started Hear and Say because there was a need for deaf children to be able to listen and speak, without using sign language. I purposefully set out to get a Churchill Fellowship, took myself off to the States to do some training, and came back to set up Hear and Say as a not-for-profit program.

We’ve grown very quickly and today we work in three areas: children’s services, global professional training – which is called Hear and Say WorldWide – and I HEAR Innovation, which is our research and development program. We now have six regional centres around Queensland and we run a large telemedicine program for children who live in areas between our centres.

We wouldn’t have been able to achieve this growth without Suncorp. They’ve allowed us to expand from a small boutique business into a big business. They send teams of volunteers, including the CEO, and do everything from gardening to painting, cleaning and sanitising toys.

Our annual Butterfly Appeal has been going for many years and the Suncorp branches are just amazing. They decorate all of the offices with butterflies – because butterflies are deaf – and

Suncorp has whole teams of volunteers out fundraising on the streets. I think that has done more to get our name out there than anything else. You can’t put a price on that.

Personally, what we’ve achieved is beyond my wildest dreams. Hundreds and hundreds of children can listen and speak because of Suncorp’s contribution.

Children who’ve been part of our program are able to tell me what it means to them to be able to listen and speak, and that’s magic stuff.’

**Suncorp, our customers and our employees contributed more than \$180,000 during the 2009 Hear and Say Butterfly Appeal, which will provide places for eighteen hearing impaired and deaf children for one year at the Centre.**

## Key facts and figures

**\$438,590**  
raised for Queensland charities by 11th Bridge to Brisbane

**20 years**  
of supporting Suncorp Queenslander of the Year

**\$200,000**  
GIO’s three-year sponsorship of Spinal Cord Injuries Australia



**Simon Lockyer**  
Non-executive director,  
Youngcare, Brisbane, Qld

## Suncorp believed in our cause Youngcare saw a need for alternatives to aged nursing homes for young Australians and Suncorp got behind their fledgling idea.

Formed in 2005, Youngcare aims to provide relevant, dignified lifestyles for young Australians who need full-time care. Soon after its launch, Suncorp backed the organisation and, as Simon Lockyer explains, this partnership has played a big part in Youngcare's growth.

'If you're a young person in Australia today who needs care 24/7, there are very limited care options available. The only option if you can't stay at home is in an aged care nursing home, and we just found this situation unbelievable. How could such a blind spot exist in our healthcare system? Initially, we set out to build Australia's first nursing home for young people with full-time care needs. By the end of 2007, we opened the Youngcare apartments. On their own they are not the solution, but a part of the solution. What really needs to be looked at is what we call a continuum of care. We need a number of options for people to pick and choose from to suit their needs, their life stage and their care requirements.

Our focus now is twofold: to go national – and take the issue outside of Queensland – and to really deliver solutions in this continuum of care, providing people with options and choice.

The greatest thing Suncorp did is they took us on as a partner when we were really just an idea. We were newly formed, we had one volunteer and half a full-time employee, but when we went in and spoke with Suncorp they just got it straight away.

Suncorp supported us initially through the first Youngcare Benefit Concert. They believed in the cause and said they were willing to help promote it and spread the word, so that did a number of things for us.

For a cause that was only about six months old, we had one of Australia's largest companies as a partner, and that gave other organisations confidence in us, gave credibility to our cause and really helped us take it forward.

Suncorp should be congratulated for seeing the need so early and for having the courage to get behind us.'

**A staggering 36,949 people participated in the 11th annual *Sunday Mail/Suncorp Bridge to Brisbane*, raising more than \$306,664 for the principal beneficiary, Youngcare.**



**Ruby Haouchar**  
Victorian SES volunteer

## Funding

**AAMI's backing helped the Footscray SES unit buy fully-kitted harness backpacks, traffic wands and first-aid kits this year.**

A forensic technician with the Victorian Institute of Forensic Medicine, Ruby Haouchar spends her spare time as an SES volunteer, fighting to keep people alive. Along with her fellow volunteers from the Footscray SES unit, Ruby helped battle the recent Victorian bushfires – something she said would not have been possible without AAMI's sponsorship.

'The support from AAMI over the years has bought us a huge amount of things. Recently, we've been able to buy four fully-kitted harness backpacks, traffic wands and a first-aid kit for the office – all the stuff we desperately needed they were able to provide. And it would have cost us a lot of money. Without their backing, we couldn't have helped with the bushfires in the way we did.'

**Since 2002, AAMI has donated \$3.1 million to the Victorian SES for rescue equipment, protective clothing, promotional trailers and other expenses. The volunteers were busy this year with the February bushfires.**

## Vital research

**Suncorp's skin cancer awareness campaign helps highlight the link between skin cancer and sun exposure.**

### David Whiteman

Scientist, Queensland Institute of Medical Research says:

'Suncorp has helped Queensland Institute of Medical Research since 2004 in the area of skin cancer research. Suncorp's substantial contribution allows us to keep working in areas that we might otherwise have had to abandon.'

**Last year was the fifth year of Suncorp's support for skin cancer prevention and education. In that time more than \$1.2 million has been raised for groundbreaking research at Queensland Institute of Medical Research.**

**We also spread the prevention message to an audience of more than 1.5 million throughout Queensland and 1.2 million people in Western Australia.**

**\$80,000**

worth of portable shade tents donated in WA

**\$1.2m**

for 5,177 young drivers to attend the AAMI Skilled Drivers course

**15 years**

of supporting the Hear and Say Centre

Suncorp community investment is now evaluated using the London Benchmarking Group's model for rigour



# A challenging year

Suncorp acknowledges the potential of our business was not reached in 2008/09. We are adapting our business to the vastly changed economic and financial landscape.

Suncorp is one of the largest general insurance groups<sup>1</sup> and fifth largest bank in Australia. We offer competitive banking, insurance, superannuation and investment products through our portfolio of well-known, trusted brands: Suncorp Insurance, AAMI, Suncorp Bank, GIO, Apia, Vero, Shannons, Just Car Insurance, Asteron and Tyndall.

## Summary

The 2008/09 financial year coincided with possibly the most volatile period in Australian financial services history and each of Suncorp's businesses faced unfavourable elements.

For the year ended 30 June 2009, Suncorp reported a net profit after tax (NPAT) and minority interests of \$348 million which was down 40% on 2008 (\$583 million).

Suncorp will pay an ordinary final dividend of 20 cents per share fully franked, taking the full year dividend to 40 cents per share (down from 107 cents in 2008).

Suncorp raised more than \$1 billion of new equity in February. Since then, capital ratios have remained relatively stable and well above internal and regulatory targets. This enabled Suncorp to take advantage of the market conditions to buy back subordinated debt in June 2009, resulting in a \$130 million before tax profit to the Group.

## Banking

The Bank had a strong focus on deposit gathering and, despite some significant outflows early in the financial year, core retail deposits grew 13.2% to \$21.4 billion.

The Bank performed solidly on an underlying profit basis, supported by a continuing focus on cost control. However, this was offset by significant increases in provisions for bad or doubtful debts.

Lending growth slowed over the course of the year, consistent with the slowing domestic economy and the Bank's decision to run off non-core portfolios.

Profit before tax, bad debts and one-off items was \$781 million (2008: \$668 million). Bad debts rose to \$710 million (2008: \$71 million), representing 128 basis points of gross loans, advances and other receivables. Contribution to the Group before tax was \$117 million.

## General Insurance

Investment income from shareholders' funds increased to \$130 million following a loss of \$232 million in 2007/08. This performance reflects the decision to remove exposure to equities in September 2008.

All Suncorp insurance brands experienced solid premium growth as markets hardened in both short and long-tail products. Favourable claims experiences in long-tail classes, particularly compulsory third party, resulted in higher than expected reserve releases.

Severe weather events and natural disasters remained well above normal expectations and reduced profitability by around \$255 million.

The Group's insurance trading result was \$462 million (2008: \$607 million), 7.7% of net earned premium. Gross written premium grew 6%. Contribution before tax was \$573 million.

## Life

Life risk in-force premium grew 7.3% to \$733 million.

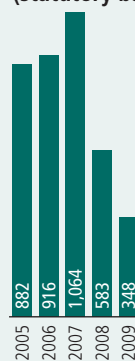
Life insurance, now the main focus of the Suncorp Life business, saw solid profit growth of 13% to \$87 million offset by a lower funds management profit.

Contribution after tax was \$115 million (2008: \$111 million).

## Financial summary

<b>Group net profit</b> \$348 million	<b>Cash earnings per share</b> 47.2 cents	<b>Full year dividend</b> 40 cents per share
<b>Banking</b> \$117 million contribution before tax	<b>General Insurance</b> \$573 million contribution before tax	<b>Life</b> \$115 million contribution after tax

Full year net profit after tax (statutory basis) (\$m)



219,054

shareholders worldwide at 17/08/09

Top 25

Australian company (by market capitalisation) at 28/08/09

\$97.46bn

in assets at 25/08/09

\$348m

Group net profit decreases by 40%

\$1.1bn

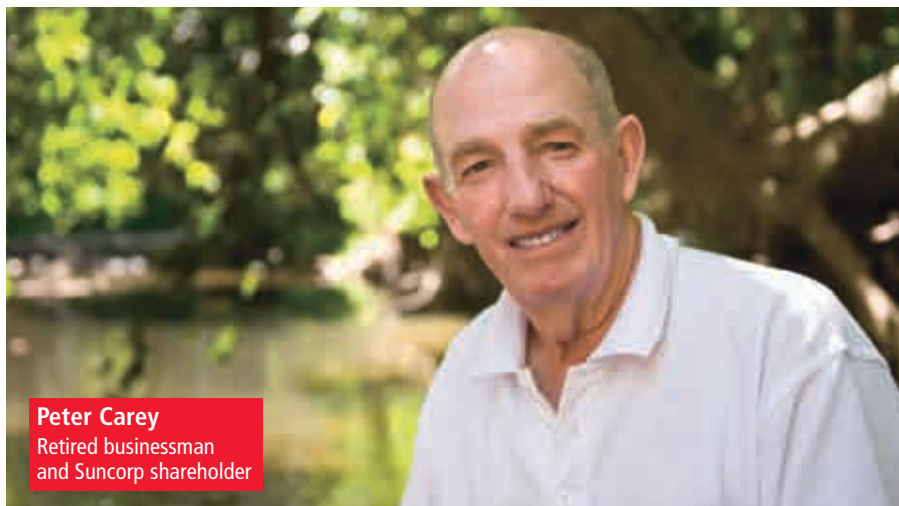
new capital raised

11.31%

Tier 1 capital ratio

50-60%

of 2009/10 cash earnings is targeted as the dividend payout ratio



**Peter Carey**  
Retired businessman  
and Suncorp shareholder

## Taking a long-term view

Shareholder Peter Carey is disappointed by Suncorp's performance this year but, aware of economic hard times, is taking a long-term view of his investment.

Retired businessman Peter, now in his seventies, is familiar with the vagaries of the economy. He has participated in markets moving from boom to bust several times and has learned the signs. At the moment, Peter is holding his Suncorp shares and closely watching the financial press. He assesses Suncorp's performance this year. 'Like most self-funded retirees my standard of living is closely linked to returns from my investments.

And, like everyone, I have been very disappointed with both the return on my shares and the value of my overall portfolio this financial year.

Despite seeing myself as a long-term investor, I took the precautionary step of selling some shares, including some of my Suncorp holding, last year. This money will supplement our income for the next two years.

My philosophy is that over the long term you will make money on the market.

But it is a cycle and there is always a pause during which you have to hold on. Each downturn is triggered by an unknown event – this time it was the US sub-prime home loans. While I wasn't surprised to see the cycle turn, the severity and the cause did certainly surprise me. Suncorp's

own problems, including the funding disadvantage suffered by second tier banks, stem from the global financial crisis. Hopefully Suncorp's provisions for bad debts are generous. We'll wait and see. All the banks need to rethink their ratio of lending to equity.

In the coming twelve months I'd like to see Suncorp shaken up by the new CEO (Patrick Snowball). His reputation in the financial world is good and I have great hopes for him.

I also want the situation with the Bank resolved one way or the other. The stock is being affected by the uncertainty.

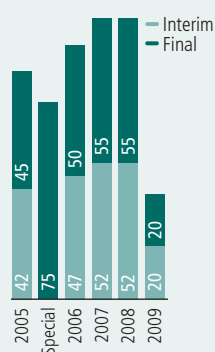
Like other shareholders I think the Board is too big. I'd be pleased to see it cut from twelve down to eight or nine, with an equal split between strong insurance and banking experience.

The dividend cut is disappointing, especially for retirees who count on it to live. However, it is inadvisable to pay out any more at the current time and I accept that.

Overall, I feel disappointed in Suncorp's recent performance but I acknowledge the economic hard times. On the positive side, my experience tells me that banks are always one of the first to prosper on a rebound and insurance is also a good game to be in over the long term.'

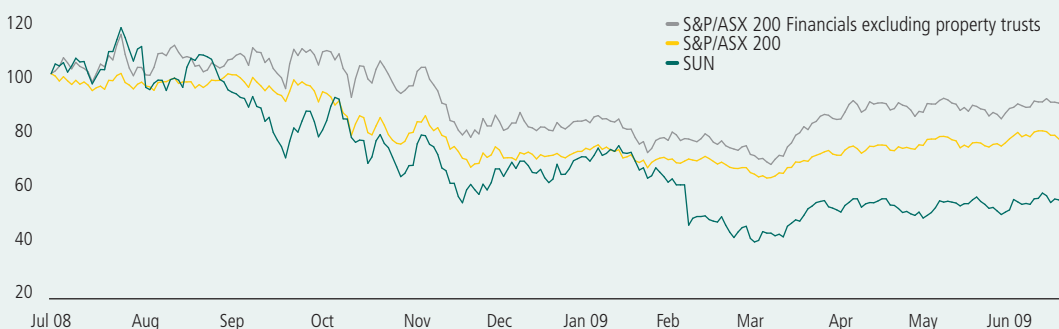
**The next twelve months will be a period of significant renewal for the Group. As global and domestic economic conditions begin to improve slowly, Suncorp is well placed to improve its own business performance and increase returns to shareholders.**

### Dividend (cents)



### Suncorp relative share price performance (rebased to 100)

1 July 2008 – 30 June 2009



**35%**

of Australians use our products and services<sup>1</sup>

**32.5%**

of Australians are insured by the Suncorp Group<sup>1</sup>

**16,867**

employees (including 1,927 in New Zealand)

**\$781m**

Bank profit before one-offs, impairment losses and tax, rises 17%

**1.68%**

Bank net interest margin falls by 11 basis points

**\$710m**

Bank bad debts

**40.8%**

Bank cost to income ratio improves by 8.7%

<sup>1</sup> aged 14 and up; source: Roy Morgan Consumer Survey



# A Chairman's perspective

Suncorp Chairman John Story says the last two years have been the most challenging he has ever seen in a legal and corporate career that has spanned four decades.



## Financial summary

- Unfavourable operating environments impacted all businesses
- Net profit after tax (NPAT) at \$348 million, down 40%
- Bank contribution before tax \$117 million
- General Insurance trading result of \$462 million represents margin of 7.7% on net earned premium
- General Insurance contribution before tax of \$573 million
- Life NPAT of \$115 million, up 3.6%, including life risk profit of \$87 million, up 13%
- Cash earnings per share of 47.2 cents
- Full year dividend at 40 cents per share fully franked
- Integration synergies and costs increased marginally

Of course I have seen downturns before but the sense was always that they were cyclical and the economy would recover in time. The difference this time was that the global financial system was staring into the abyss. There was genuine belief around October last year that the system could be irrevocably broken – that worst case scenario was only avoided by the coordinated action undertaken by governments around the world.

Australia has been affected by the global financial crisis but we have been sheltered from the worst of it through the actions of Government, regulators and the fact that Australian financial institutions did not have the risk profiles of some of their overseas counterparts.

There's no doubt Suncorp's financial performance has been affected more than most other Australian financial services companies by the combination of the global financial crisis and severe weather events and natural disasters across Australia and New Zealand. These external factors have had a significant impact on each of our businesses.

## Responsible for performance

External challenges aside, the Board, management team and I are only too aware that last year's profit result, share price performance and dividends were deeply disappointing to all shareholders. We take full responsibility for that performance just as we take full responsibility for turning it around.

We also accept there are things that, with the benefit of hindsight, we could have done better. I think we could have, for example, acted more quickly to slow business lending. What I will say though is that, even through the most challenging of times, the Board has always had a unity of purpose and a determination to make decisions that will ultimately benefit this company, its shareholders, customers and employees.

I am confident that some of the very difficult decisions we made over the course of the year – such as refocusing the Bank's business model and strategy – will help restore the profitability shareholders enjoyed prior to the global financial crisis.

## Pride in our employees

In a difficult year for the Group at a corporate level, I could not have been more proud of how our frontline employees helped customers through the challenges they faced – whether it was uncertainty about the safety of their deposits and superannuation, or helping them recover from some of the major natural disasters which hit Australia and New Zealand last year.

Not only do these types of events have a major impact on our customers but they also have a huge impact on the lives of our employees and their families. In the aftermath of the Victorian bushfires in February this year, for example, many of our employees helped customers recover while not knowing if their own property and possessions had been destroyed.

A company is embodied by the people who work for it. This Shareholder Review incorporates commentary from many people – including customers and community groups – about the fine work that Suncorp employees do every day, regardless of what's happening around them, and the contribution they make to their local communities.

## Key facts and figures

**\$462m**  
Insurance trading result falls by 24%

**\$6.8bn**  
Gross written premium grows 6%

**27.4%**  
General Insurance expense ratio improves by 1.8%

## Remuneration appropriate for the times

The Board and I thought it was important that remuneration outcomes for the last financial year recognised the disappointing outcome for shareholders, as well as the efforts of Suncorp's employees to maintain momentum and customer satisfaction in one of the most difficult years in the Group's history.

Given our financial results, it was appropriate that executives be paid far less for the financial year – and have their salaries frozen at 2007 levels – while recognising and appropriately rewarding the frontline employees who represented the Group so well throughout the course of the financial year.

In difficult times, it is incumbent on the Chairman and Board to provide continuity and leadership. I believe we have responded appropriately to the challenges before us and made the changes necessary to ensure Suncorp's long-term success.

## Period of renewal ahead

We now have a market leading General Insurance business, a Bank which has an important role to play in an increasingly uncompetitive domestic banking sector and a growing Life business that is clearly focused on the opportunities available in life insurance.

In our new Chief Executive Patrick Snowball, we have a highly experienced financial services executive who is clearly the best candidate to take our business forward and overcome the challenges Suncorp has faced over the last couple of years. Patrick has a proven track record and will instil a renewed clarity of purpose within the Group.

I expect that the next twelve months will be a period of significant renewal for the Group

as we continue to refresh the Board, management team and our business model. As global and domestic economic conditions begin to improve

slowly, Suncorp is well placed to improve its own business performance and returns to shareholders.

## Responding to the challenges of 2009

Suncorp has adapted its business model for a sustainable future. Over the past year, we have made significant changes to the Suncorp Group, and to each of our operating business lines.

The combination of these decisions ensures Suncorp is as prepared as possible for the continued uncertainties of a post-global financial crisis environment.

### We boosted capital

At the Group level, we boosted capital, raising over \$1 billion. We took the necessary, if difficult, decision to reduce the dividend by over 60%. Our capital levels are now significantly above targets.

### We reduced risk

We reviewed and refreshed our risk management frameworks, elevating the risk function by creating a new executive role of Chief Risk Officer.

### We refocused the Bank

In the Bank we made some very tough decisions to refocus our strategy.

We have started running off portfolios that are now outside our revised risk tolerance and are no longer viable given our cost of wholesale funding relative to the major banks. We lengthened our wholesale funding term to reduce reliance on short-term markets and

better align the funding timeframe for the non-core business.

We refreshed the Suncorp Bank brand and restructured the expense base.

These changes will help establish a sustainable, relatively low-risk banking model.

### We removed our exposure to equity markets

To de-risk the General Insurance shareholders' funds portfolio we removed the exposure to equity markets in the first quarter of the year.

General Insurance has raised premiums to restore profitability in a context of severe natural hazard events and reduced investment returns.

### We purchased greater reinsurance protection

Our more conservative reinsurance program has provided a degree of financial stability despite the challenging run of weather events.

### We focused on life insurance as core business

We undertook a significant program of change during the year, renaming the wealth business to Suncorp Life. Core activities now focus on life insurance.

### We appointed a new leader

John Mulcahy left the Company after six years as Chief Executive and our new Chief Executive, Patrick Snowball, takes the helm at Suncorp on 1 September 2009.

## Introducing Patrick Snowball



**Patrick Snowball** Chief Executive Officer

Patrick Snowball is an experienced financial services executive with extensive knowledge of the insurance industry, having overseen businesses in the UK, Ireland, Canada, India and Asia.

From 2005 to 2007, Patrick was Group Executive Director, Aviva UK, where he was responsible for all UK operations, including its general insurance, life risk and life risk investment sales businesses. As part of this role he had responsibility for the company's major bancassurance deals.

For the past two years, he worked with the Towergate group of companies in both a deputy chairman and chairman's role. He also served as a non-executive director of Jardine Lloyd Thompson plc from 2008 to 30 June 2009.

From 1970 to 1987, Patrick served with the British Army. He has an MA in History and Economics from Lincoln College, Oxford and is a graduate of the British Army Staff College.

**\$115m**

Life NPAT grows 3.6%

**\$733m**

Life in-force premium grows 7.3%

**\$2.1bn**

Life business embedded value (at 31 December 2008)

**\$23.4bn**

Funds under management fall 3.3%



## Board of Directors



**Bill Bartlett**  
FCA, CPA, FCMA, CA (SA)  
Age 60

### Current appointments

Director since July 2003  
Director Abacus Property Group, GWA International Limited, Reinsurance Group of America Inc. (NYSE)



**Ian Blackburne**  
MBA, PhD, BSc (First Class Hons)  
Age 63

Director since August 2000  
Chairman CSR Limited  
Director Teekay Corporation



**Paula Dwyer**  
BComm, FCA, FAICD, FFin  
Age 48

Director since April 2007  
Director TABCORP Holdings Limited, Babcock & Brown Japan Property Trust



**Cherrell Hirst AO**  
MBBS, BEdSt, DUniv (Hon), FAICD  
Age 64

Director since February 2002  
Deputy Chairman Queensland BioCapital Funds Pty Ltd  
Director Peplin Inc., Avant Insurance Ltd, Avant Mutual, Impedimed Limited, Xenome Ltd, Tissue Therapies Limited and Opera Queensland Limited



**Martin Kriewaldt**  
BA, LLB (Hons), FAICD  
Age 59

Director since December 1996  
Chairman Opera Queensland Limited  
Director Impedimed Limited, Campbell Brothers Limited, Oil Search Limited, Macarthur Coal Limited and BrisConnections Management Company Limited



**Ewoud Kulk**  
BEcon  
Age 63

Director since March 2007



**Geoff Ricketts**  
LLB (Hons)  
Age 63

### Current appointments

Director since March 2007  
Chairman Lion Nathan Limited  
Director Spotless Group Limited, Taylors Group Limited (NZ), Todd Corporation Limited and Southern Cross Building Society (NZ)



**Chris Skilton** BSc (Econ) (Hons), ACA (Eng & Wales)  
**Executive director & Chief Executive Officer (Acting)** Age 55

Executive director since November 2002  
Acting CEO since March 2009. Appointed Chief Financial Officer July 2001  
Chris retires from the Board on 31 August.



**John Story**  
BA, LLB, FAICD  
**Chairman**  
Age 63

Chairman since March 2003; director since January 1995  
Chairman TABCORP Holdings Limited and Australian Institute of Company Directors  
Director CSR Limited



**Ziggy Switkowski**  
BSc (Hons), PhD, FAICD  
Age 61

Director since September 2005  
Chairman Australian Nuclear Science and Technology Organisation and Opera Australia  
Director Healthscope Limited, TABCORP Holdings Limited



**Leo Tutt**  
FCA, FAIM, FAICD  
Age 71

Director since March 2007  
Chairman Crane Group Limited

### Former director in office during the year John Mulcahy

John was an executive director from January 2003 until he left the Group on 2 March 2009.

## Sustainability facts and figures

**10%**  
Our target reduction for energy use and carbon emissions by 2013

We have improved our data gathering and are restating our baseline as 4.66 tonnes per full-time equivalent (FTE)

**2%**  
reduction in carbon emissions in 2008/09

## Group Executives



**Roger Bell**  
ANZIIF (Fellow), CIP

**Group Executive,  
Vero New Zealand**

Appointed to current position in 2007 following the Suncorp Promina merger. Previously Chief Executive, Intermediated General Insurance, Promina New Zealand. Roger was with Promina for over 30 years in senior executive roles.



**David Foster**  
B.Sc, MBA

**Group Executive,  
Banking**

Appointed to current position in August 2008; previously Group Executive (Retail Bank) since 2007 until the Retail and Business Bank operations merged in August 2008. Former Group Executive, Strategy from 2006–2007. David joined Suncorp in 2003 after 14 years in senior roles at Westpac.



**Andrew Harmer**  
B.Comm, CA

**Chief Risk  
Officer (Acting)**

Appointed to current position in April 2009. Andrew is seconded from his position as the National Leader of Ernst & Young's Financial Risk Management practice and is also a general committee member, Risk Management Association of Australia, an Associate of the Institute of Chartered Accountants Australia, and a registered company auditor. Andrew has been advising financial institutions in Australia for 20 years in all major aspects of banking, risk management, accounting, auditing and prudential requirements.



**Clayton Herbert**  
B.Bus, CA

**Chief Financial  
Officer (Acting)**

Appointed to current position in March 2009. Clayton was Executive General Manager Group Finance since 2007. He has been with the Group since 1999 in senior roles. A director of RACQ Insurance since June 2004, and Chair of its Audit, Risk & Compliance Committee. His extensive career in finance includes a 17-year career with KPMG, where he became a partner in 1995.



**Bernadette Inglis**  
B.Bus, MBA

**Group Executive,  
Personal Insurance**

Appointed to current position in August 2008. Bernadette previously held the Group Executive roles of Strategy, People and Corporate Services, Wealth Management and Retail Banking since 2003. Bernadette has worked in the financial services sector for more than 21 years, and was previously in senior roles with Commonwealth Bank for nine years.



**Stuart McDonald**  
B.Comm, M.App.Fin

**Group Executive,  
Strategy, People  
and Corporate Services**

Appointed to current position in August 2008. Previously Group Executive, Business Banking 2005–2008, Stuart has been with the Group since 1995.



**Mark Milliner**  
B.Comm, MBA

**Group Executive,  
Commercial Insurance**

Appointed to current position in July 2006. Mark has been with the Group for over 14 years and has held numerous senior executive positions within its commercial insurance business. Mark has extensive experience in accounting, insurance, banking and organisational change management in both Australia and Europe.



**Chris Skilton** B.Sc (Econ) (Hons), ACA (Eng & Wales)

**Executive director and  
Chief Executive Officer  
(Acting)**

Appointed Acting Managing Director and Chief Executive Officer on 2 March 2009. Chris was previously Chief Financial Officer since 2001 and Executive director since November 2002. Chris is a former Deputy Chief Financial Officer and Group Executive of Westpac; he has worked in senior finance roles for well over 20 years.



**Jeff Smith**  
BS Applied Science, MBA

**Group Executive,  
Business Technology**

Appointed to current position in March 2007. Previous roles include Chief Information Officer for Telstra Corporation, and executive positions in such companies as Honeywell, Toyota and Charles Schwab. Jeff has worked in the IT industry for over 25 years.



**Geoff Summerhayes**  
B.Bus GMQ

**Group Executive, Life**

Appointed to current position in May 2008. Previous experience includes senior management roles at NAB, MLC and Lend Lease, as well as several directorships. Geoff has had a diverse senior executive career that includes 16 years in banking and wealth management.

### Former executives in office during the year

#### Mark Blucher

Mark joined the Group in 1997 from ANZ. Mark was most recently Group Executive, Integration. Mark leaves the Group on 31 August 2009.

#### John Mulcahy

John was the Group's Managing Director and Chief Executive Officer from January 2003 until he left the Group on 2 March 2009.

#### Robert Belleville

Robert was the former Group Executive, Personal Insurance; he retired from the Group on 29 November 2008.

**12.5%**  
reduction in paper  
use per FTE in 2008/09

Reduction of carbon footprint  
now included in executive  
performance measurement

**39%**  
reduction in air  
travel in 2008/09

Full biographical details for directors  
are in the 2008/09 statutory annual  
report. Directors and Group Executives'  
biographies are also on the website  
at [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au).



# Executive remuneration linked to company performance

Suncorp's executive remuneration is consistent with market rates and demonstrates the clear relationship between company performance and executive rewards. The year under review was a difficult year with many factors affecting the overall financial outcomes. Shareholders would rightly expect that remuneration outcomes would reflect reality, where reduced profitability has had a significant impact on distributable returns and the overall company valuation. The remuneration frameworks in place, the formulae that produce remuneration outcomes, and Board discretionary judgment, have combined so that no short-term incentive will be paid to executives this year, nor will salaries or directors' fees be adjusted upwards. While this may be considered a harsh outcome given the confluence of external events over the year in review, it is entirely consistent with Suncorp's remuneration strategy and philosophy.

### Non-executive directors' remuneration

	Year	Short-term benefits		Post-employment benefits		Total <sup>3</sup>	
		Salary and fees \$	Shares <sup>1</sup> \$	Non-monetary benefits \$	Super-annuation benefits \$		Retirement benefits <sup>2</sup> \$
<b>Non-executive directors</b>							
J Story (Chairman)	2009	450,000	100,000	412	49,500	–	599,912
	2008	450,000	100,000	337	49,500	(90,108)	509,729
W Bartlett	2009	249,999	–	412	22,500	–	272,911
	2008	265,000	–	337	23,850	–	289,187
Dr I Blackburne	2009	240,000	–	412	21,600	–	262,012
	2008	240,000	–	337	21,600	(32,892)	229,045
P Dwyer	2009	219,999	–	412	19,800	–	240,211
	2008	220,000	–	337	19,800	–	240,137
Dr C Hirst AO	2009	181,725	50,000	412	18,975	–	251,112
	2008	155,000	75,000	337	20,700	–	251,037
M Kriewaldt	2009	219,999	–	412	19,800	(24,548)	215,663
	2008	194,614	–	337	61,109	(46,908)	209,152
E Kulk	2009	139,800	–	412	100,000	–	240,212
	2008	139,800	–	337	100,000	–	240,137
G Ricketts	2009	219,999	–	412	19,800	–	240,211
	2008	220,000	–	337	19,800	–	240,137
Dr Z Switkowski	2009	191,963	–	412	69,636	–	262,011
	2008	175,833	–	337	81,225	–	257,395
L Tutt	2009	230,000	–	412	20,700	–	251,112
	2008	230,000	–	337	20,700	–	251,037

<sup>1</sup> For non-executive directors, 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.

<sup>2</sup> The Minimum Retirement Benefit limit was reached for all participating directors during the course of the year, therefore no further amortisation of retirement benefits will occur.

<sup>3</sup> None of the remuneration paid to individual non-executive directors is performance-based.

Suncorp-Metway Ltd complies with the  
ASX Corporate Governance recommendations.  
A majority of directors is independent.

## Executive remuneration

	Year	Short-term benefits				Total	Post-employment benefits	Termination	Long-term	Total excluding charge for share-based allocations
		Salary and fees	STI bonus <sup>1</sup>	Non-monetary benefits <sup>2</sup>	Other <sup>3</sup>					
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Executive director</b>										
C Skilton	2009	994,588	–	412	181,838	1,176,838	13,745	–	16,426	1,207,009
	2008	986,871	500,000	337	276,580	1,763,788	13,129	–	16,487	1,793,404
<b>Executives</b>										
R Bell	2009	460,128	–	41,723	3,433	505,284	89,355	–	–	594,639
	2008	450,654	325,000	43,924	149,536	969,114	88,073	–	–	1,057,187
M Blucher	2009	750,000	–	412	(8,691)	741,721	50,000	–	12,491	804,212
	2008	750,000	400,000	337	179,836	1,330,173	50,000	–	12,531	1,392,704
D Foster <sup>6</sup>	2009	631,613	–	29,180	(22,258)	638,535	65,440	–	61,955	765,930
	2008	596,330	325,000	52,642	199,970	1,173,942	53,670	–	–	1,227,612
A Harmer <sup>7,9</sup>	2009	319,635	–	412	–	320,047	–	–	–	320,047
	2008	–	–	–	–	–	–	–	–	–
C Herbert <sup>8,9</sup>	2009	137,570	–	14,949	100,856	253,375	4,895	–	2,133	260,403
	2008	–	–	–	–	–	–	–	–	–
B Inglis <sup>8</sup>	2009	786,255	–	16,517	45,665	848,437	13,745	–	13,095	875,277
	2008	786,871	400,000	337	193,983	1,381,191	13,129	–	68,619	1,462,939
S McDonald <sup>8</sup>	2009	686,255	–	25,867	(31,674)	680,448	13,745	–	17,157	711,350
	2008	686,871	350,000	25,792	194,214	1,256,877	13,129	–	17,825	1,287,831
M Milliner	2009	642,202	–	10,926	(28,386)	624,742	101,147	–	10,695	736,584
	2008	642,202	350,000	22,276	177,622	1,192,100	57,798	–	11,097	1,260,995
J Smith	2009	700,000	–	14,482	29,157	743,639	50,000	–	–	793,639
	2008	700,000	425,000	337	37,748	1,163,085	50,000	–	–	1,213,085
G Summerhayes <sup>9</sup>	2009	611,255	–	412	16,457	628,124	13,745	–	–	641,869
	2008	62,578	–	337	4,682	67,597	1,343	–	–	68,940
<b>Retired during the financial year</b>										
R Belleville	2009	322,772	–	412	(25,081)	298,103	52,571	1,370,454	19,484	1,740,612
	2008	687,876	400,000	21,046	206,506	1,315,428	112,558	–	11,799	1,439,785
J Mulcahy	2009	1,273,974	–	20,519	(48,285)	1,246,208	67,051	2,100,000	(173,622)	3,239,637
	2008	1,900,000	1,200,000	337	29,444	3,129,781	100,000	–	173,622	3,403,403

<sup>1</sup> No amounts vested in relation to the financial year ended 30 June 2009.

<sup>2</sup> 'Non-monetary benefits' include the cost to the Group of providing certain fringe benefits. Where those costs represent fringe benefits for motor vehicle leases, those costs are met by the employee through total employment cost sacrifice. An increase of \$25,000 in Bernadette Inglis' relocation allowance was approved in the 2009 financial year.

<sup>3</sup> Higher duties allowance (\$500,000 per annum) for Mr Skilton's role as Acting CEO. Secondment allowance for Mr Herbert (\$300,000 per annum) for his role as Acting CFO. Also includes annual leave accrued or utilised during the financial year.

<sup>4</sup> Mr Belleville, who retired on 29 November 2008, received a termination payment of \$1,370,454 (gross), further to the terms of his heritage Promina employment contract. Mr Mulcahy, who resigned on 2 March 2009, received a termination payment equal to 12 months in total employment cost and a relocation allowance, as outlined in his 2007 contract.

<sup>5</sup> Long service leave accrued during the year.

<sup>6</sup> The increase in total employment cost received during the year by David Foster, Group Executive Banking, related to the change in his role and increased responsibilities following the merger of Suncorp's Retail and Business Banking divisions in August 2008.

<sup>7</sup> Mr Harmer is seconded from Ernst & Young on a consulting basis.

<sup>8</sup> Indicates a change in role during the financial year.

<sup>9</sup> Figures represent payments made since date of appointment.

<sup>10</sup> Mr Dennis 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 was accrued in full in the 2008 financial year and paid in the year ended 30 June 2009. Figures for Mr Fox are not included in this table.

The 2008/09 statutory annual report is online and contains more information on remuneration: [www.suncorpgroup.com.au/financial\\_results](http://www.suncorpgroup.com.au/financial_results).



# Helping people build and protect their dreams for 176 years



**1833**  
Alliance Assurance opens Sydney agency and becomes first insurance company to establish in Australia

**1848**  
Royal Insurance opens agency in Adelaide

**1868**  
Sun Insurance establishes agency in Melbourne

**1878**  
Royal Insurance establishes in New Zealand

**1902**  
Queensland Agricultural Bank establishes

**1916**  
State Government Insurance Office (SGIO) establishes

**1934**  
Club Motor Insurance Agency establishes

**1959**  
Sun Insurance merges with Alliance Assurance to form Sun Alliance

**1970**  
AAMI Insurance establishes to take over the business of Club Motor Insurance Agency

**1976**  
Queensland Industry Development Corporation (QIDC) establishes

**1986**  
Australian Pensioners Insurance Agency launches

**1986**  
SGIO renamed Suncorp

**1988**  
Metropolitan Building Permanent Society lists on ASX as Metway Bank Limited (Metway)

**1992**  
Royal Insurance & Sun Alliance merge in Australia forming Royal & Sun Alliance

**1996**  
Suncorp, QIDC and Metway merge creating the Suncorp Metway Group

**1999**  
Queensland Government sells remaining shareholding in Suncorp

**2001**  
Suncorp Metway Group acquires GIO

**2003**  
Royal & Sun Alliance lists on ASX and NZX as Promina Group Limited (Promina)

**2007**  
Suncorp Metway Group acquires Promina



## Our strong, trusted brands Shareholder information

Suncorp's unique purpose is to serve our stakeholders – helping them build and protect their dreams. Whether you've endured fire or flood damage to your home, an accident or another of life's inevitable challenges, life is easier when you have financial support. At Suncorp we are committed to helping customers and stakeholders have peace of mind, particularly during uncertain times.

Suncorp is one of the largest general insurance groups and fifth largest bank in Australia. We offer competitive banking, insurance, superannuation and investment products through our portfolio of well-known, trusted brands. Our major brands are listed below; a more complete list which includes our niche brands is on the website at [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au) (see Company overview/brands).



### Suncorp's 2008/09 Shareholder Review<sup>1</sup>

An online version of this Shareholder Review is on our Group website at [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au) along with the 2008/09 statutory annual report. Printed copies of either of these documents may be ordered from our share registry, Link Market Services Limited (contact details below).

### Annual General Meeting

2.30pm (Brisbane time) on Wednesday, 28 October 2009 in the Plaza Ballroom at the Brisbane Convention & Exhibition Centre, corner of Merivale and Glenelg Streets, South Brisbane Qld 4101.

### Registered office

Suncorp-Metway Ltd  
Level 18, 36 Wickham Tce, Brisbane Qld 4000  
Ph 07 3362 1222  
Fax 07 3836 1190

### Share registry

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

Link Market Services Limited  
Level 19, 324 Queen Street, Brisbane Qld 4000

### Share registry mailing address

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](mailto:suncorp@linkmarketservices.com.au)  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Key dates<sup>2</sup>

2009 final dividend payment	1 October 2009
Half-year results	23 February 2010
2010 interim dividend	1 April 2010
2010 annual results	24 August 2010

### Listed securities

Suncorp securities listed on the Australian Securities Exchange are:

	ASX code
Ordinary Shares	(SUN)
Floating Rate Capital Notes	(SUNHB)
Reset Preference Shares	(SUNPA)
Convertible Preference Shares	(SUNPB)

From time to time Suncorp will make special offers available to shareholders. Details of these offers will be published on [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au).

<sup>1</sup> This is not a concise report prepared under Section 314(2) of the *Corporations Act 2001*. For a more complete understanding of the financial performance, financial position, operating and investment activities of Suncorp, please refer to the statutory 2008/09 annual report on the financial results link on the Group website at [www.suncorpgroup.com.au](http://www.suncorpgroup.com.au).

<sup>2</sup> Dates may be subject to change



**The Suncorp Shareholder Review 2008/09 is printed on Envi Recycled 50/50.**  
 ENVI Recycled 50/50 Uncoated contains 50% recycled fibre. It is made from elemental and process chlorine free pulp derived from sustainably managed forests and non-controversial sources. ENVI Recycled 50/50 Uncoated is certified carbon neutral and Australian Paper is an ISO 14001 accredited mill.



[www.suncorpgroup.com.au](http://www.suncorpgroup.com.au)