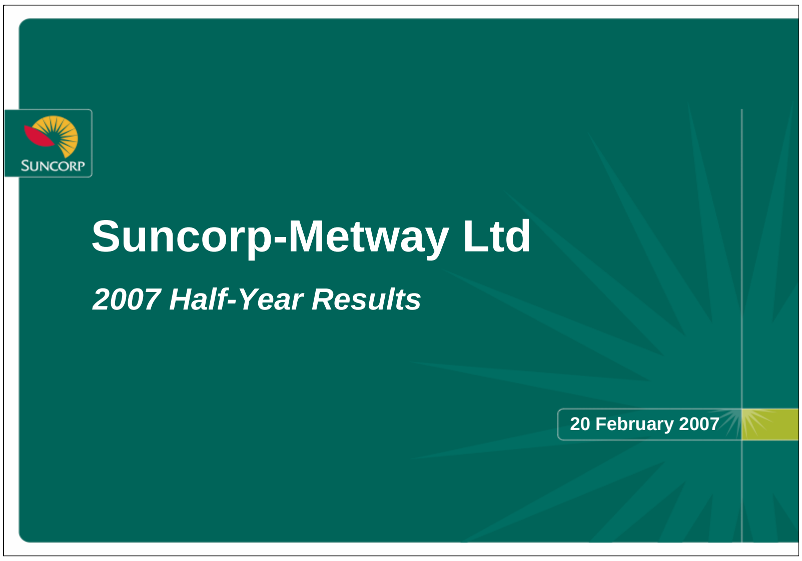

Good afternoon.

I’m Steve Johnston, General Manager, Communications, Investor and Government Relations.

Let me welcome those joining us here in Sydney and remotely via the video conference and web cast.

Agenda

- Introduction & Overview - John Mulcahy
- Divisional performance - Chris Skilton
  - Banking
  - General Insurance
  - Wealth Management
- Capital update – Chris Skilton
- Update on Strategy and Promina merger - John Mulcahy
- Outlook - John Mulcahy
- Questions

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The agenda for today will be similar to our previous results presentations.

We will start with an introduction and overview from John Mulcahy.

John will then hand over to Chris Skilton who will provide a more detailed analysis of our divisional results as well as our Capital situation, including the potential entitlements issue, before handing back to John to provide an overview of our strategic progress and an update on the status of the proposed merger with Promina.

So, with that, I will now hand over to John.

Agenda

- Introduction & Overview - John Mulcahy
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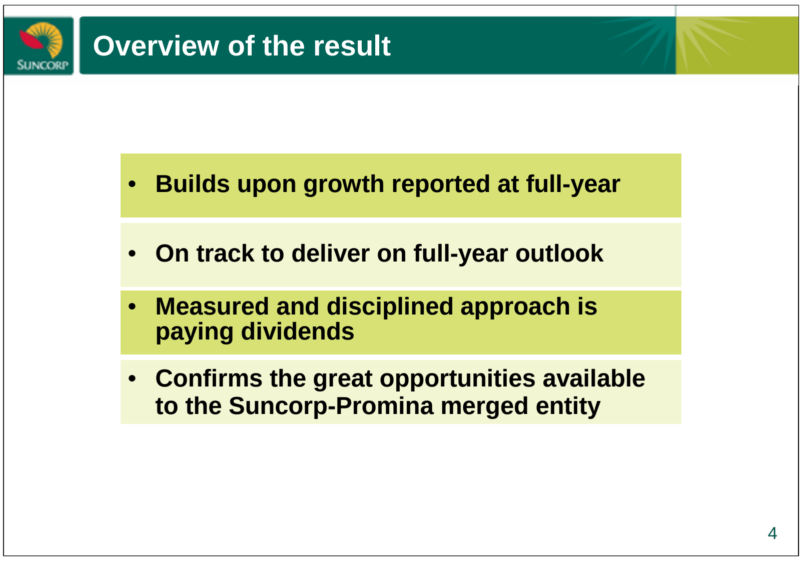
Thank you Steve and good afternoon ladies and gentlemen.

At the outset let me apologise for having to bring forward the date of this presentation and for any inconvenience this has caused you.

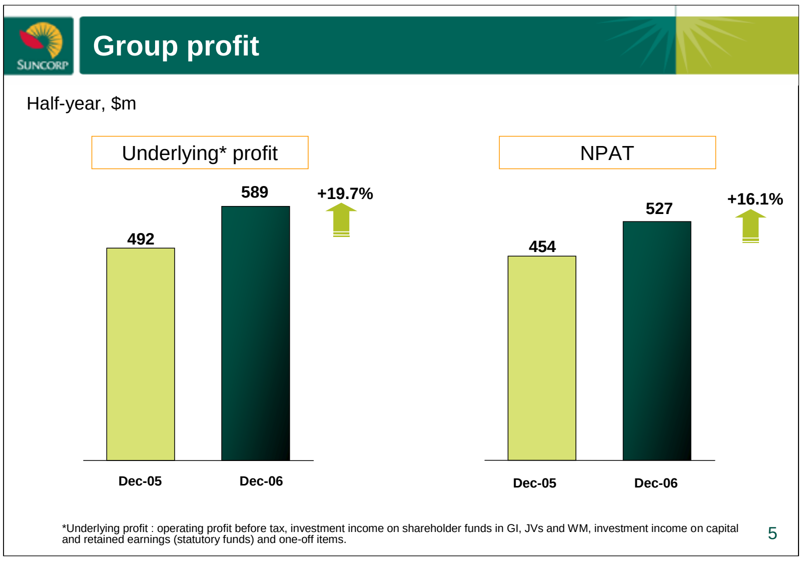
I'm sure you will understand that we have been somewhat constrained by the merger timetable including the associated court hearings and this has necessitated us bringing forward our report by a week or so.

I acknowledge that this has provided a challenge for you in a particularly crowded reporting period so I thank you for your patience and understanding.



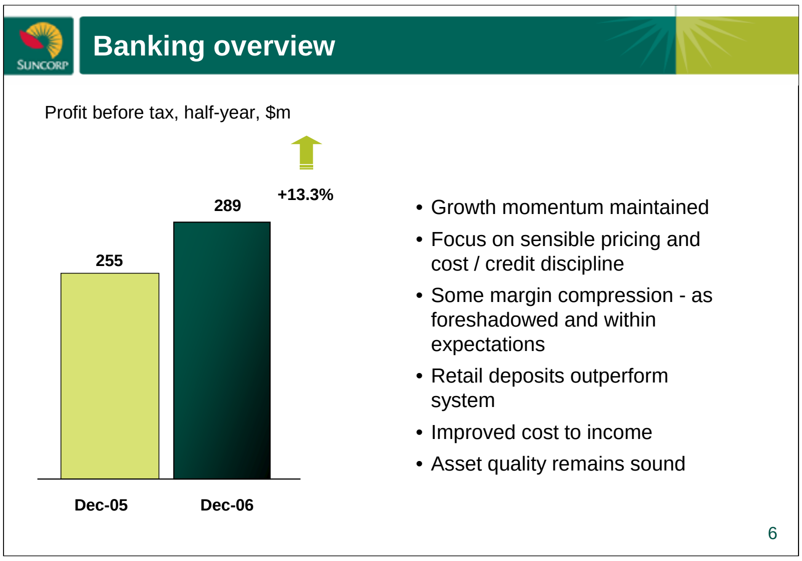
Most of you will have had the opportunity to see the numbers already this morning. It is another strong result.

- It's a result which not only captures but builds upon the growth reported at the full year.
- It's a result confirming we are on-track to deliver to our outlook and guidance for the full year.
- It's a result which provides further proof that our measured and disciplined response to the challenge of increasing competition across all our businesses is paying dividends.
- And it is a result which I am proud to put before the shareholders of Promina as they consider their decision over the next fortnight.
- When viewed together, the reports of Suncorp and Promina provide an insight into the great opportunity that emerges from our proposal, reinforcing our vision for the merged entity to become the leading diversified financial services organisation in Australia and New Zealand.
- I will make some further comments about the merger later in the presentation but before I do let me provide a high level overview of the result.



As you can see from this slide, underlying profit, which excludes goodwill, one off gains and earnings on shareholder funds in both GI and Wealth Management, has grown by 19.7% in the half to December 31 -- to $589 million.

To the right hand side of the slide you can see that Net Profit After Tax has risen to $527 million, an increase of 16.1% on the December 2005 result.



Turning now to the results in each of our three divisions.

The Banking division reported a 13.3% increase in profit before tax to $289 million for the half which is a very pleasing result in a period of intense competition and slowing credit growth, the consequence of three rate rises during 2006.

As forecast in May last year and again at the full year in September, the growth momentum has returned strongly to the Bank, with total lending exiting the half ahead of system and with a strong lead in to the second half.

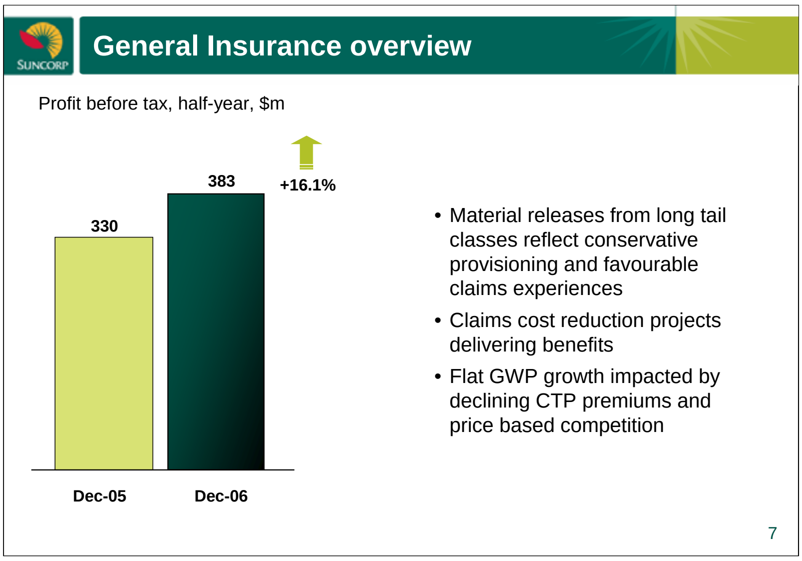
In Home lending, growth remains strong and continues to benefit from initiatives including improved market segmentation, product innovation and packaging and competitive fixed rate offers, many of which commenced more than a year ago as we responded to increasing competition and declining volumes.

In the Business Bank, the growth recovery has also been pleasing. Here, as in the home portfolio, a well considered plan and strategy has been put in place and executed with the results beginning to flow through.

In retail deposits we also continue to outperform system despite increasing competition.

Our banking efficiency improved by 2.4% on the December 2005 half, which again demonstrates the tangible cost benefits of our business model.

And, our disciplined approach to credit is demonstrated by the fact that overall asset quality remains sound.



In General Insurance, profitability continues to be strong at $383 million for the half, an increase of 16.1% on December 2005.

This strong bottom line result has been driven by the business managing for profitable growth across short tail and long tail classes.

It has been achieved by:

• improved risk selection processes
• further realising the benefits of the claims cost reduction projects
• a largely benign claims environment for the period; and
• continuing releases from long tail classes, which offset the effects of current period profit strains.

Premium growth was again constrained by the compulsory third party portfolio where the benefits of the tort law reforms continue to be passed on to customers in the form of reduced premiums as well as competition in the commercial portfolio.

Competition in all General Insurance classes remains fierce but especially in the Motor portfolio as our competitors seek to win back market share lost or gain a foothold in the growing Queensland market.

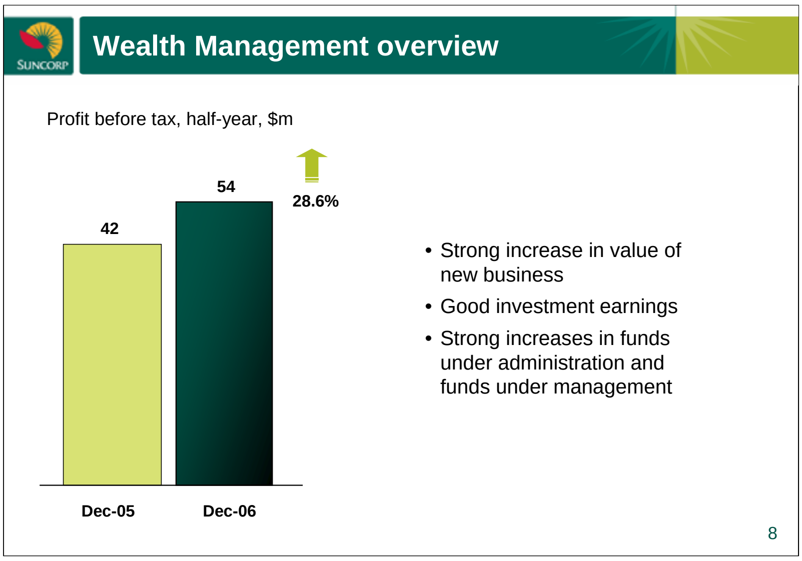
Here the approach is similar to that applied successfully in the Bank. That is to drive for profitable growth, to be disciplined about price and risk, to package, innovate and segment, to devise a plan and execute it in a disciplined and professional manner.

Notwithstanding a benign claims environment in the half, evidence of the success of this strategy can be seen in the fact that the ITR for short tail classes of 11.7% sits above our medium term short tail ITR target range of 8%-10%.

In commercial lines, pressure on premiums remains but when contrasted with our peers the performance of the commercial insurance business in the six months is very pleasing.

The conservative nature of our provisioning, combined with continuing favourable claims experiences, has again resulted in releases from our long tail book in this period, largely from commercial liability classes and these offset the effects of new business strains on current year profit flows.

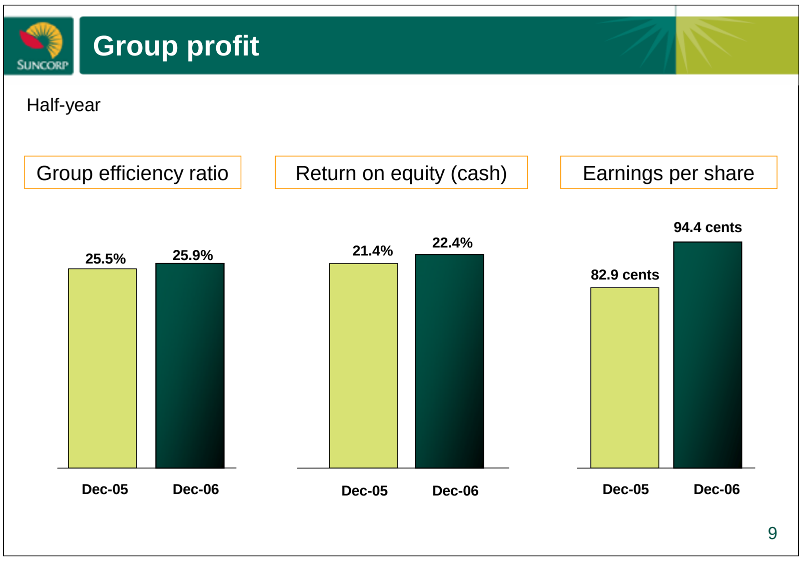
Of course, Chris will step you through this in much more detail in a moment and our ITR adjustment table is again incorporated in the results document.



And finally, **Wealth Management** has contributed profit before tax of $54 million for the half year, an increase of 28.6% on the prior corresponding half.

Underlying profit rose 29.6% to $35 million and reflected strong growth in funds under administration, strong personal risk sales and good retention.

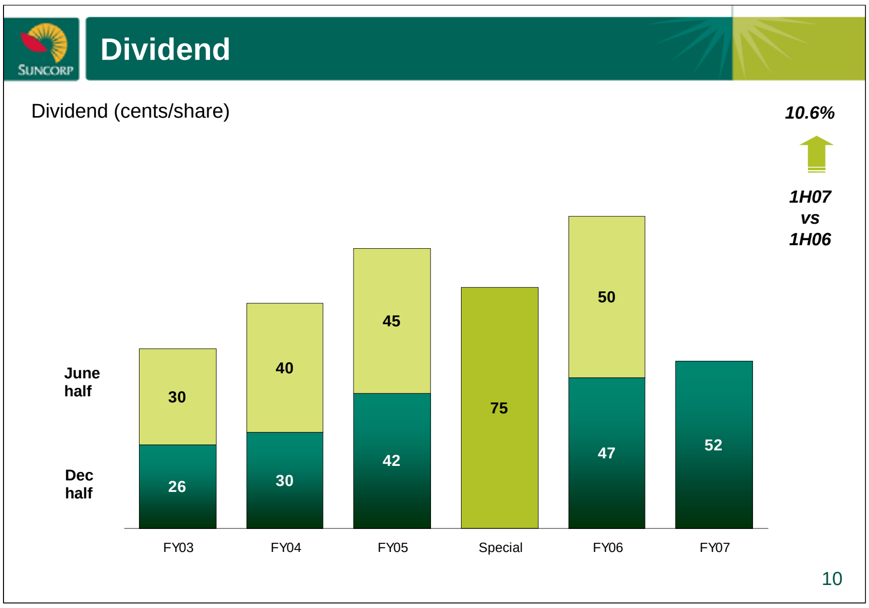
Funds under administration increased by 19.5% to $6.8 billion, while Funds under Management totalled $13.7 billion, increasing by 11.3% on the prior December balance.



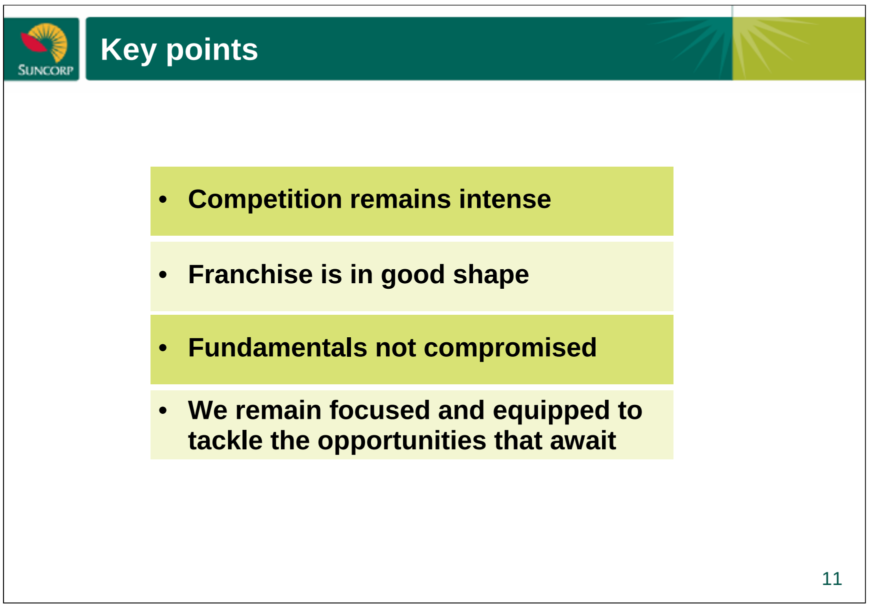
Turning now to our key performance ratios and you can see that they remain in great shape.

Our group efficiency ratio, which is operating costs as a proportion of operating revenue, is a very competitive 25.9% for the half year.

Cash ROE is 22.4%, up slightly on the previous December period, while Earnings per share is up 13.9% to 94.4 cents per share.



To dividend now and the Board's continuing confidence in the underlying performance of our business has allowed us to declare an interim, fully franked ordinary dividend of 52 cents, an increase of 10.6% over the prior December half-year.



So, before I hand over to Chris I do want to emphasise a couple of points.

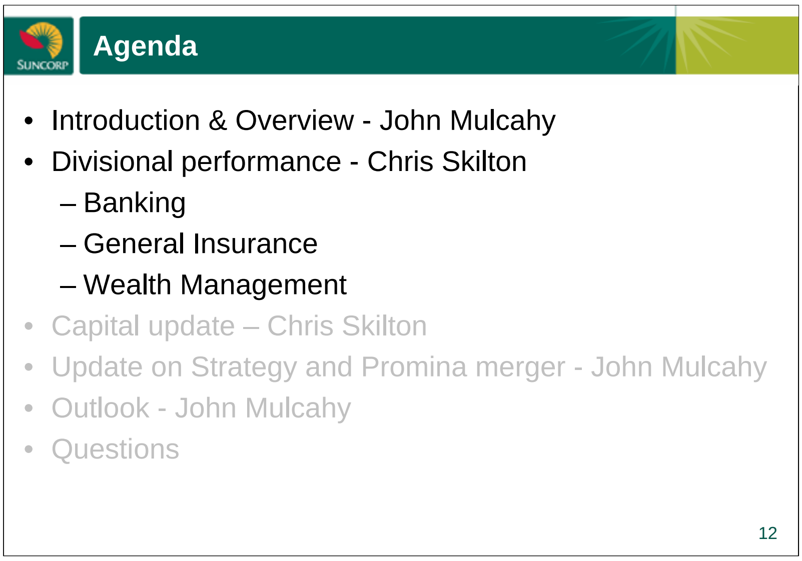
The first is that the intense competition that has been a feature across Banking, General Insurance and Wealth Management since around June of 2005, shows no sign of letting up.

The second is that we continue to respond to the growth challenge in a measured and disciplined manner. <u>Our franchise is in good shape.</u>

Thirdly, we have been true to our word and not compromised our fundamentals particularly around credit and risk.

And finally, despite the distractions, the business has remained focussed and is well placed to tackle the opportunities that await us.

With that I will hand over to Chris to go through the result in more detail.



Thanks John and good afternoon.

I would also like to thank you for accommodating our late change of timing for this result presentation and hope it hasn't caused too much inconvenience.

John has given you an overview of the results and as usual I'll now go through each operating division in more detail.

Banking profit

Half-year, $m

	Dec 05	Dec 06	Δ%
Net Interest Income	422	454	7.6
Non Interest Income	73	75	2.7
Total Income	**495**	**529**	**6.9**
Operating Expenses	(225)	(235)	4.4
Profit before Tax and Bad Debts	**270**	**294**	**8.9**
Bad Debts	(15)	(5)	(66.7)
Contribution before Tax	**255**	**289**	**13.3**

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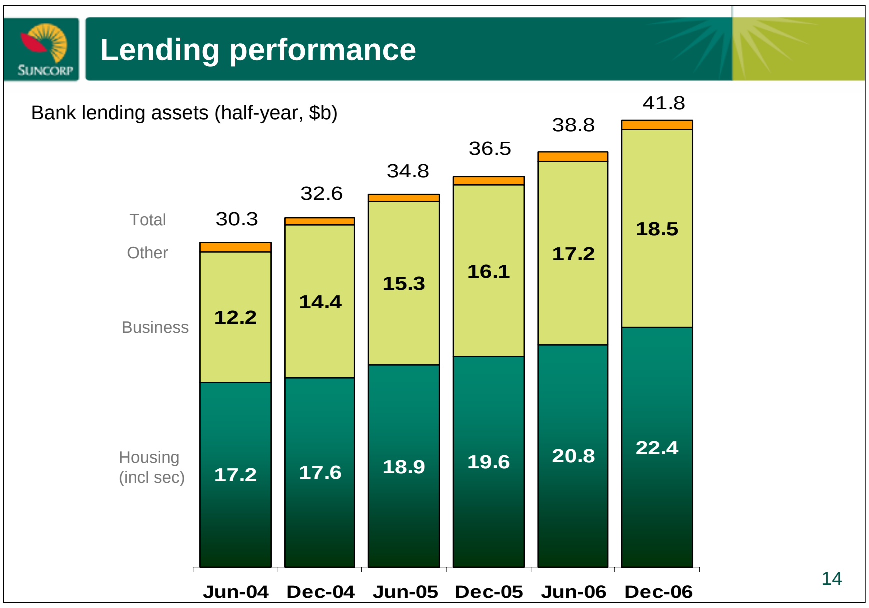
Starting with the Bank, which delivered another good performance, lifting profit before tax by 13.3% to $289 million for the half year.

Now this result includes the positive impact of $11 million from a refinement in the calculation of the collective provision, so the more appropriate metric to look at when considering underlying performance is the increase in profit before tax and bad debts, which grew by a very solid 8.9%.

The focus on managing the price and volume mix of the book resulted in total revenue increasing by a respectable 6.9% on the prior comparable half, while operating expenses increased 4.4% on the same period, primarily reflecting additional investment in our people.

With revenue growth exceeding expense growth, the Bank's cost to income ratio improved to 44.4% for the half year which is very competitive, especially given our size.

Credit quality remains strong and losses low by historical standards, despite a slight increase in non-performing loans.



To lending first and you can see from this high level summary the continued strong growth that has been achieved in each of our portfolios.

In the **Home** portfolio, lending receivables, including securitised assets were up by 14% to $22.4 billion at December.

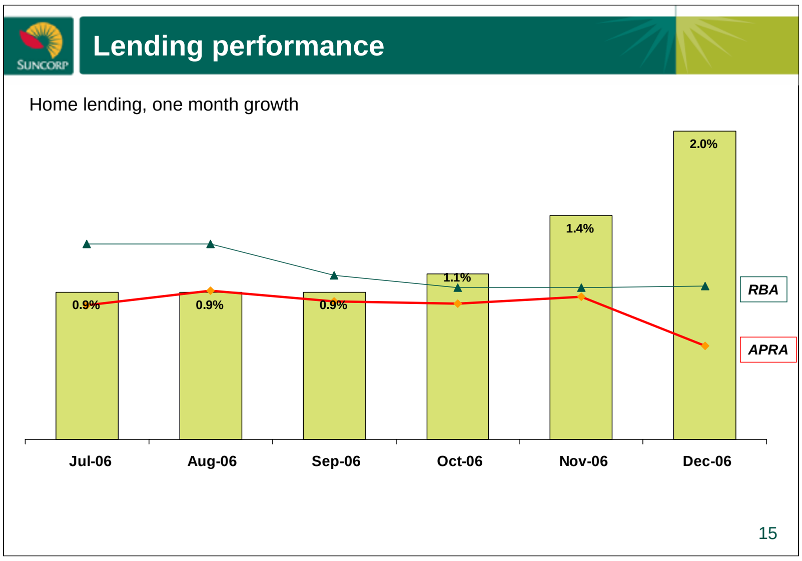
Business lending increased by 15.2% to $18.5 billion as initiatives introduced in the previous period continued to gain momentum and deliver above system growth.

And **Consumer** lending grew strongly, up 28.8% to $894 million. This is around double system and is primarily due to increased conversion of cross sell opportunities in the direct distribution network.

Putting all of this together, total assets, including those that have been securitised, reached $41.8 billion, an increase of 14.6% on the prior December.

You will recall that this time last year we reported some softening of lending volumes in the face of increasing competition and changing patterns of credit formation.

During that half, we put in place a number of product and pricing initiatives designed to build volumes. These initiatives resulted in a steady improvement in lending volumes during the period to June 2006 and that momentum has continued into this half.



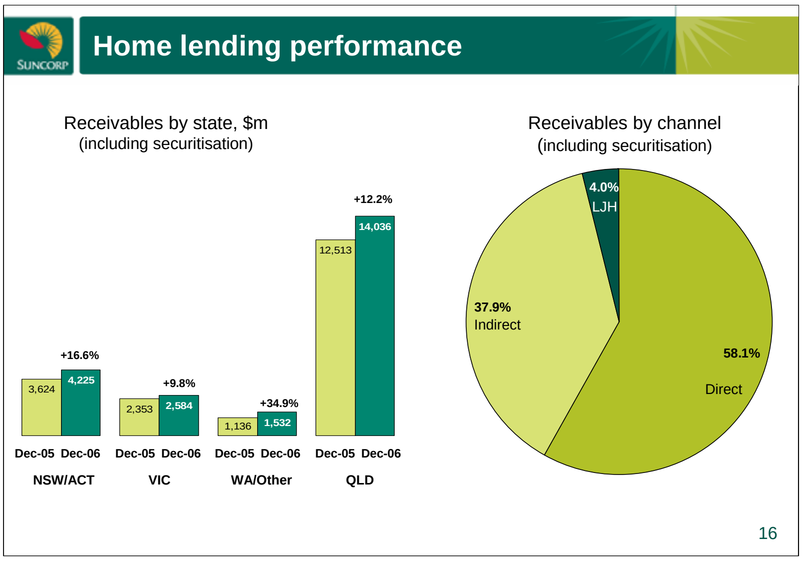
To the **Home** portfolio and this slide graphs our monthly lending growth compared to both RBA and APRA system data.

As you can see, we have achieved a gradual build-up in lending volumes over the period.

Our focus, throughout the half, has been on managing the price / volume mix of the book with three objectives in mind – that is:

- to maximise the growth in total revenue
- to be competitive in the market, and
- to maintain and grow our franchise.

But let me stress that in doing this we don’t seek growth where it is clearly unprofitable or where it compromises our high credit standards.



Looking deeper into our **Home** lending portfolio and its geographical and channel split you can see from this slide that we have again achieved solid receivables growth of 12.2% in Queensland.

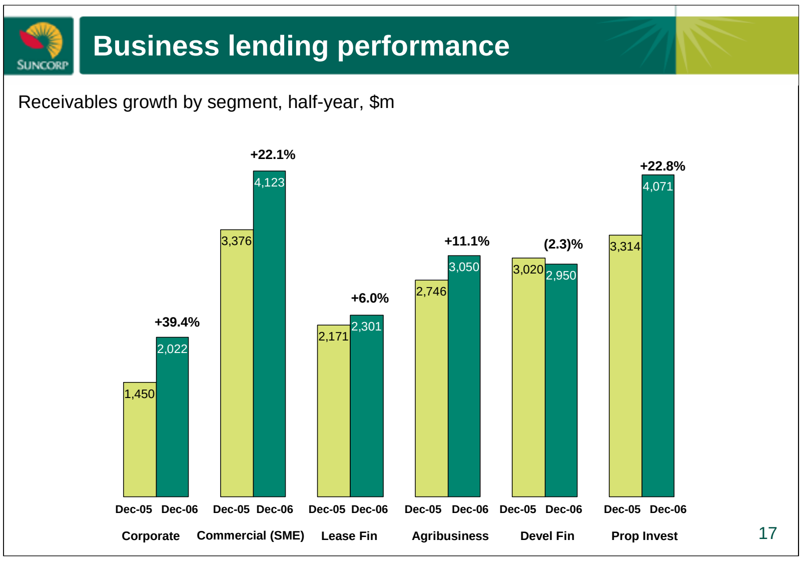
Growth continues to be exceptionally strong in Western Australia, albeit off a low base, while interestingly in this period we have also seen a strong recovery in lending volumes in New South Wales. This - in our view - reflects growth in market share as opposed to a conclusive sign of an improvement in that state's economy.

To the right of the slide you can see the break down of the home lending book by channel.

You can see again that, as expected, the vast majority of growth outside of our home state of Queensland has been achieved through the indirect channel, which continues to play a major part in our strategy of optimising our distribution network.

In an environment of increasing competition and changing customer behaviours, managing the growth achieved through proprietary and broker introduced channels is another of the fine balances required to achieve profitable bottom line growth.

As you can see from the pie chart, assets through our direct channels account for just under 60% of our total home lending book, and we remain very comfortable with this split.



To Business lending now and growth has been strong in Queensland, underpinned by the direct distribution franchise.

Breaking the book down by class of business:

Our **Corporate** lending book continues to grow strongly, up 39.4% to $2.0 billion. The Bank has been successful in attracting high quality corporate clients and participating in quality loan syndications. With the recently formed project and structured finance team, we are well positioned to capitalise on infrastructure investment in Queensland and in select projects in other states.

Commercial lending continues to be the focus of intense competitive activity, with a renewed focus on the sector by both traditional and new entrants. Initiatives implemented during the 2005/06 year are now bearing fruit, and this is reflected in solid growth across the portfolio. Reported growth of 22.1% has, however, benefited from a reclassification of the customer base between the commercial and property investment portfolios. Adjusting for this impact, growth in the commercial portfolio has been closer to 12% - with growth strongest in Queensland and Victoria.

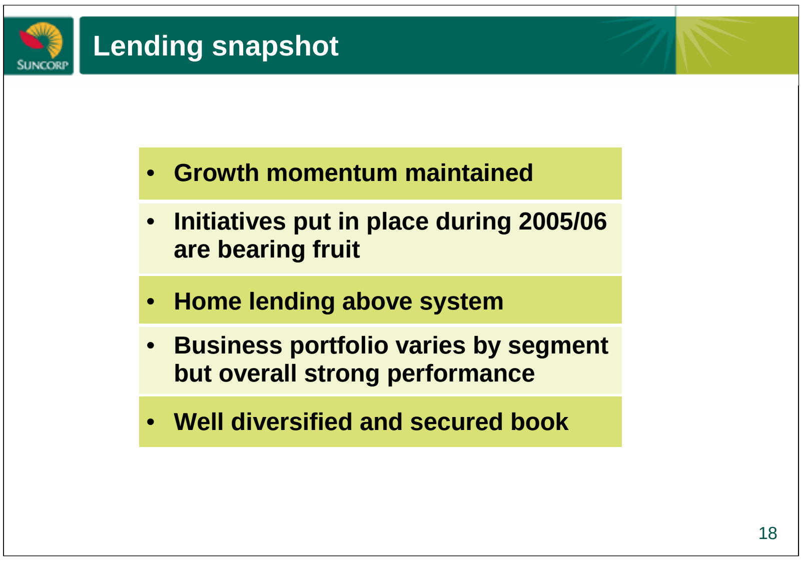
Lease Finance, which focuses on low risk, high volume equipment and vehicle leasing, grew by a steady 6.0% to $2.3 billion.

Agribusiness receivables grew by 11.1% to $3.1 billion. Seasonal conditions remain subdued across eastern Australia with numerous areas significantly impacted by drought. While recent rainfalls in northern New South Wales and Queensland have improved prospects for summer crops, we would expect that tough trading conditions will continue for some time.

Our Agribusiness team continues to review its product offerings and introduce initiatives to assist our customers during this drought period. Our century long commitment to the agribusiness segment gives us the experience to continue to work with customers to preserve credit quality, and help them through short term cash flow difficulties.

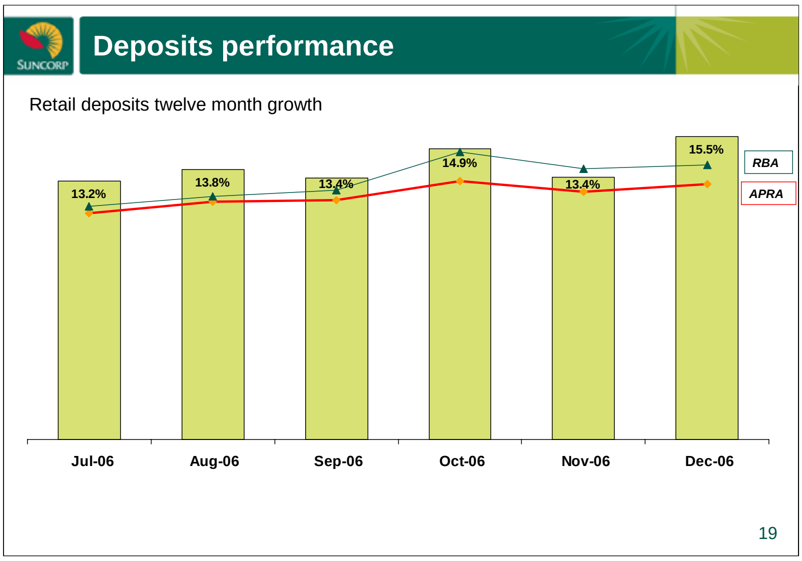
Development Finance was down 2.3% when compared to the prior December period and has again been impacted by the slowdown in property markets. Residential markets have shown some positive signs in recent months, however, strongest growth continues to be in non-residential sectors where we have been expanding our presence. The combination of these factors has seen the portfolio grow by 1.3% in the six months to December 2006 when compared to the prior period, which while encouraging, it is still far to too early to predict a protracted recovery in this sector. We continue to improve the geographic diversity of the portfolio with strongest growth in Western Australia offset by weaker conditions in New South Wales and Victoria.

The **Property Investment** portfolio, which includes assets such as shopping centres, commercial offices and industrial warehouses but excludes construction projects, has seen strong growth of 22.8% to $4.1 billion. Again, adjusting for the reclassification with the commercial portfolio I referred to previously, growth in this segment has actually been approximately 35% for the year. This strong performance reflects the success of initiatives introduced during 2006 as well as our ability to capitalise on opportunities in niche segments in Queensland and New South Wales.



So, the lending snapshot is:

- Momentum maintained, with home, business and consumer lending all achieving strong growth levels with the initiatives implemented during 2005/06 now bearing fruit.
- The Home portfolio achieving above system growth for the period
- Different dynamics at play across business portfolios but an overall strong result, with stand-out growth in the Corporate and Property Investment books and tentative signs of recovery in development finance.
- But in aggregate, a lending book that continues to be well diversified by both product and geography, and is strongly secured.

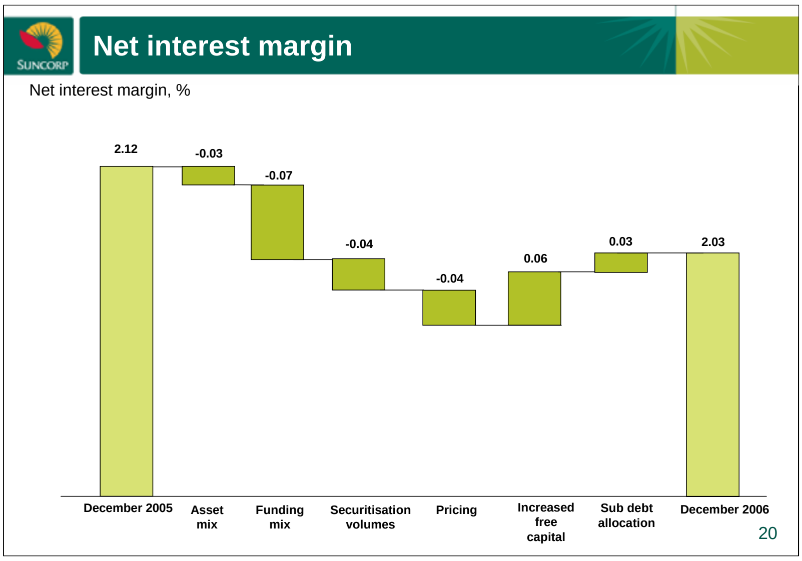


Turning now to funding and the slide shows retail funding compared to APRA and RBA system growth rates.

Core retail deposits, net of Treasury, grew by 14.2% to $15.5 billion.

This is an outstanding result when one takes into account the strength of competition, particularly in the segment of high interest bearing deposit accounts.

This growth, together with our securitisation program has helped improve the ratio of retail deposits to total funding to 49%.



If we now turn to interest margin.

Our net interest margin was 2.03% for the half year to December 2006, which is down 9 basis points on December 2005.

The waterfall chart provides a summary of margin movements, net of yield changes, and assists in identifying the key factors contributing to the outcome.

You will note that the reduction in spread has obviously been greater, as the margin has been supported by the excess capital position that we are holding in anticipation of settling the Promina transaction, as well as a redistribution of sub-debt to the General Insurer.

The reduction reflects both the composition of the asset and liability books as well as a reduction in spread due to competition.

So taking these factors one at a time:

On the asset mix side, we have seen a greater proportion of mortgages being written as lower margin fixed rate loans, as a larger proportion of customers become concerned about the interest rate outlook, while in Business Banking, we have seen slower growth in high margin portfolios such as Development Finance and stronger growth in lower margin business such as Property Investment and Corporate.

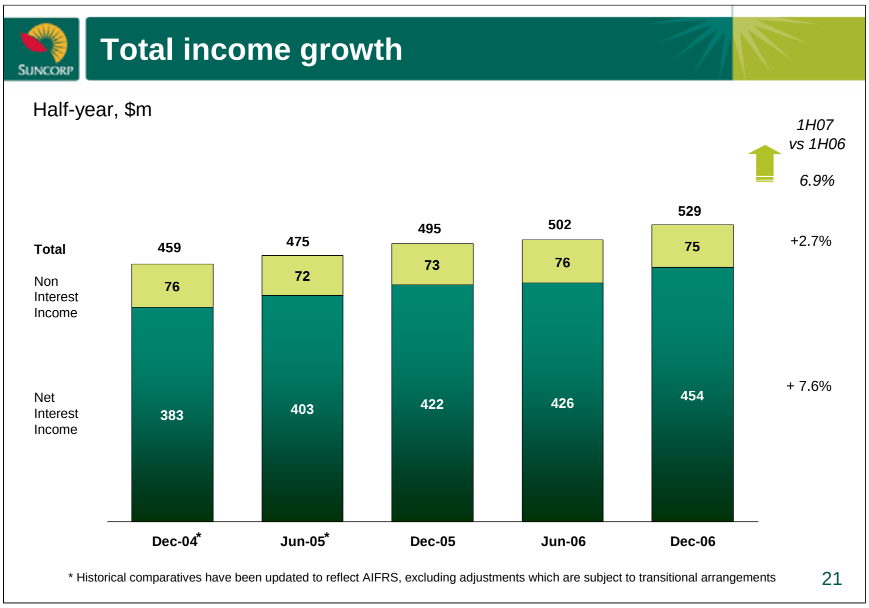
On the liability mix side, again we achieved strong growth but it has been weighted towards the higher yielding products such as Everyday Options and Term Deposits, rather than transaction accounts. And in addition to this we have also increased our use of the securitisation market.

And finally, we have the **pricing impact** of generally lower margins due to competition, particularly on the asset side of the balance sheet, however the impact of this has been dampened to some degree by the beneficial impact of interest rate rises on the deposit book.

Now the trends here are no different for us than many of our peers, with two possible exceptions:

• Firstly, we have a greater proportion of our book allocated to development finance where the margin compression is most severe, therefore the impact on us of the gradual repricing of that book is relatively higher.

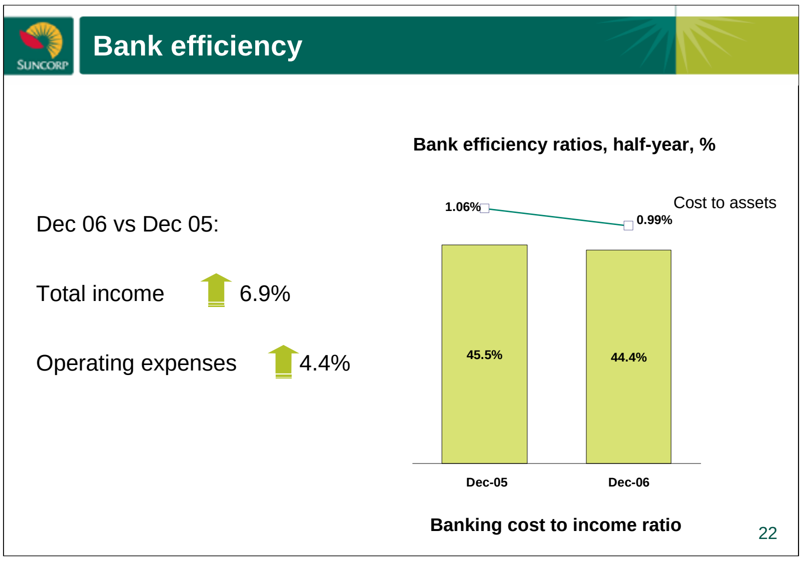
• And secondly, on the deposit side, while I believe we have an advantage over the medium term by having a lower ratio of retail deposits, and therefore lower repricing risk, than many of our peers, in the shorter term, a rising rate environment certainly favours banks with a larger, cheaper retail deposit base.



The other component of revenue is non-interest income, the majority of which is made up of net fee income which rose 3.1% to $67 million for the six month period.

If we look at the gross components of this number, lending fee revenue actually increased 9.7%, in line with overall revenue, but this was offset to a large extent by an uplift in commission expenses relating to the increased volumes being written in the intermediary distribution channel.

So putting all of this together, total banking income grew by 6.9% to $529 million, which under the circumstances is a very solid result in what continues to be a highly competitive market.



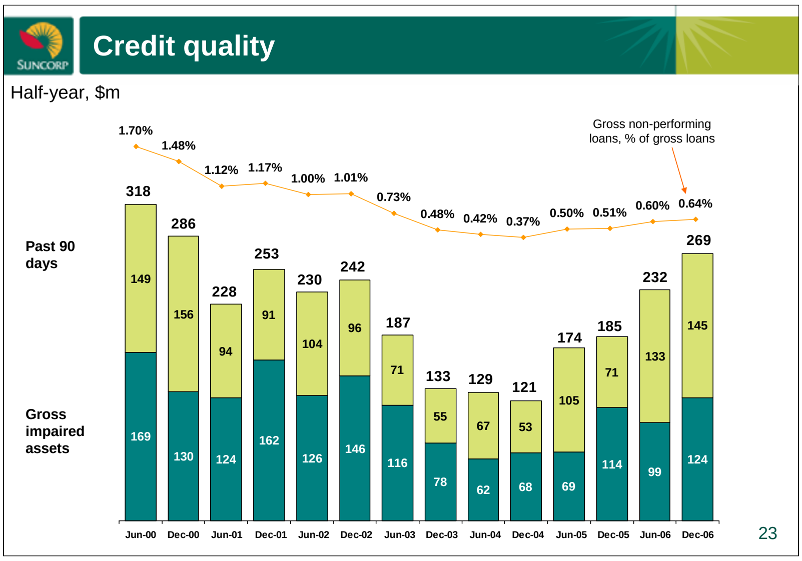
Turning now to expenses and the growth of 4.4% primarily reflects increased investment in human capital, with higher salaries and increased FTE supporting significant volume growth.

The relocation to our flagship office at Brisbane Square also increased occupancy costs.

Expense growth was obviously significantly less than revenue growth, resulting in another reduction in our cost to income ratio to 44.4%, which as I have already said, given our size relative to the majors, is an excellent result.

I would like to stress again that this is through strong control of discretionary spending, rather than curtailing investment spend.

Our cost to asset ratio, which is one of the better measures of efficiency, has also continued to improve from 1.06% to 0.99%.



Moving now to credit quality and this slide shows that at 31 December gross non-performing loans represent just 64 basis points of gross loans, advances and other receivables, further underlining the strength of credit quality across our book.

The increase in gross impaired assets to $124 million, is in line with asset growth and in fact represents a 1 basis point reduction on the prior comparative period when expressed as a percentage of gross loans.

The small increase in absolute dollars was caused primarily by weakness in the construction and development portfolio, especially in NSW and Victoria.

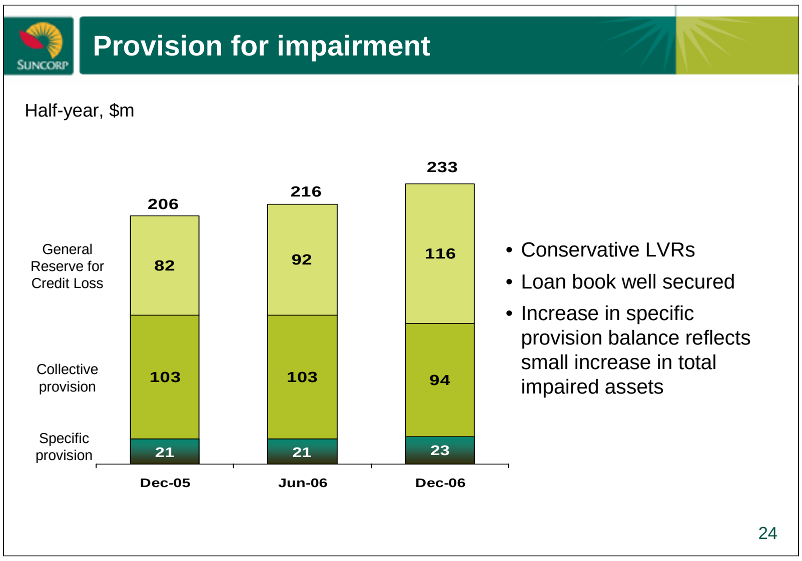
But I would like to stress that the $50 million of gross impaired loans in that portfolio represents just 1.36% of total loans in that sector, which is extremely low given its risk profile, and a position we are very comfortable with.

While there has been a small increase in past 90 day due loans in the six months to December 06, this should also be seen in the context of total growth in assets over the same period. At December 06 they represent just 35 basis points of total loans, compared to 34 basis points at the previous June.

So overall we have seen a small increase in gross non-performing assets from June, up from 60 to 64 basis points of gross loans, advances and other receivables. I would like to emphasise that we don't see this trend in the context of a systemic deterioration in credit quality. Indeed, as I said at the December 05 half-year presentation, it was clear that NPL levels which we observed in December 04 were at an unsustainably low level and that a trend upwards was inevitable.

In our view, the most likely scenario continues to be that while NPLs may still trend upward from what are still very low levels, this does not necessarily mean that they will ultimately revert to historic norms based on the last 30 years of data.

We continue to remain strongly of the view that there is nothing on the near term horizon which will result in any widespread deterioration in credit quality and a significant increase in loan loss expense.



As we have said previously, a relatively high proportion of the company's loan book is secured by hard assets such as property, with conservative LVRs. Therefore, we have a lower propensity for NPLs resulting in actual losses than some of our competitors with larger unsecured exposures.

We have increased the specific provision balance to $23 million at December 2006 to reflect the small increase in total impaired assets, but the balance still represents a very modest 8 basis points of risk weighted assets.

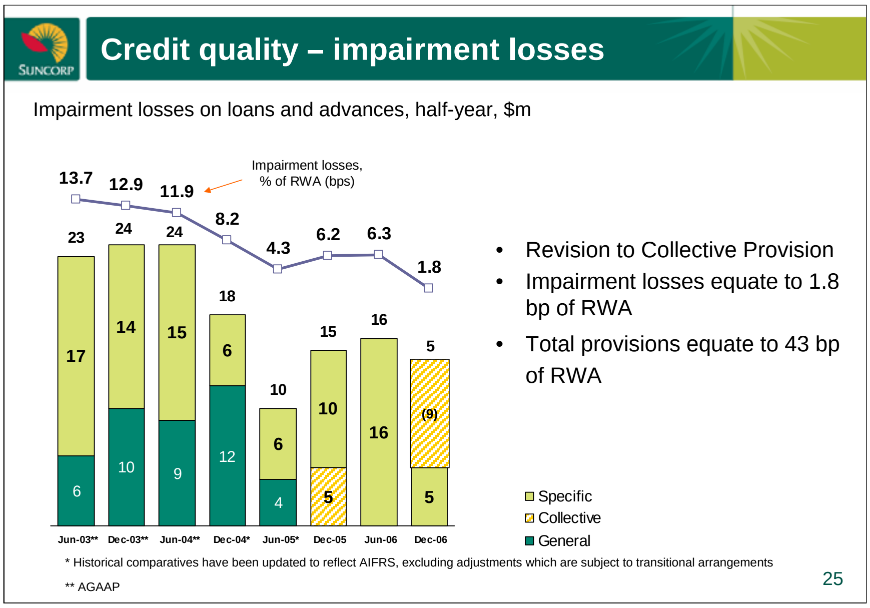
Turning to the collective provision and we have decreased the provision from $103 million to $94 million, which may seem at odds with the increase in non-performing loans.

As I said in the last annual results presentation, we adopted a conservative collective provision when we first applied IFRS. With a year's experience under IFRS and some further work on the underlying data, we have revised our models to more accurately reflect the strength of the underlying security and our recovery experience when determining the loss given default factor in the calculation. This has resulted in a one-off reduction in the provision by $11 million. I would also like to stress that we still consider our methodology to be conservative and the provision to be at the upper end of a reasonable range.

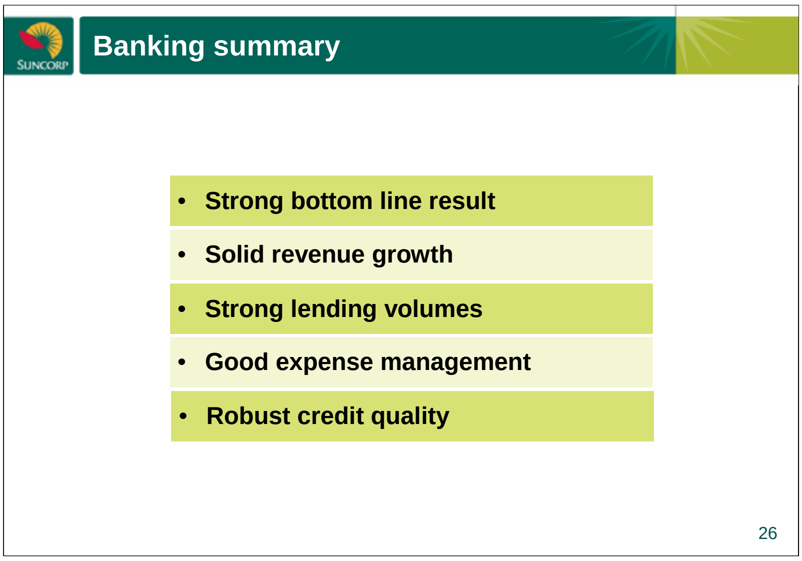
Taking that one-off item out of the equation, the collective provision would have increased by $2 million, in line with the increase in non-performing loans as previously discussed.

In addition to the provisions for impairment, we have now recognised APRA's General Reserve for Credit Losses in our balance sheet. While not yet universally adopted by banks, it does appear to be the emerging accounting practice. At December 06, this reserve stands at $116 million.

The general reserve and the provisions for impairment together represent 188% of gross impaired assets.



The movements in the provisions for impairment resulted in a P&L charge for impairment losses of only $5 million for the half, just 2 basis points. Excluding the adjustment to the collective provision, it would have been $16 million or 6 basis points – in line with the preceding two halves, and very low by historic norms.



So, that's the Bank story:

A strong bottom line result with…

- a very solid total revenue outcome
- strong lending volumes
- tight control of costs whilst re-investing in the future, and
- continuing robust credit quality

General Insurance profit

Half-year, $m

Excluding discount rate adjustment

	Dec 05	Dec 06	Δ%
Gross Written Premium	**1,290**	**1,275**	(1.2)
Net Earned Premium	1,231	1,246	1.2
Net Incurred Claims	(888)	(816)	(8.1)
Operating Expenses	(280)	(303)	8.2
Investment Income – Technical Provisions	146	135	(7.5)
Insurance Trading Result	**209**	**262**	**25.4**
Other Insurance Income	24	48	100
Investment Income – Shareholder Funds	116	102	(12.1)
Contribution before tax & GIO funding	**349**	**412**	**18.1**
Subordinated Debt Expense	(19)	(29)	52.6
Contribution before tax	**330**	**383**	**16.1**
GI Underlying profit	**208**	**275**	**32.2**

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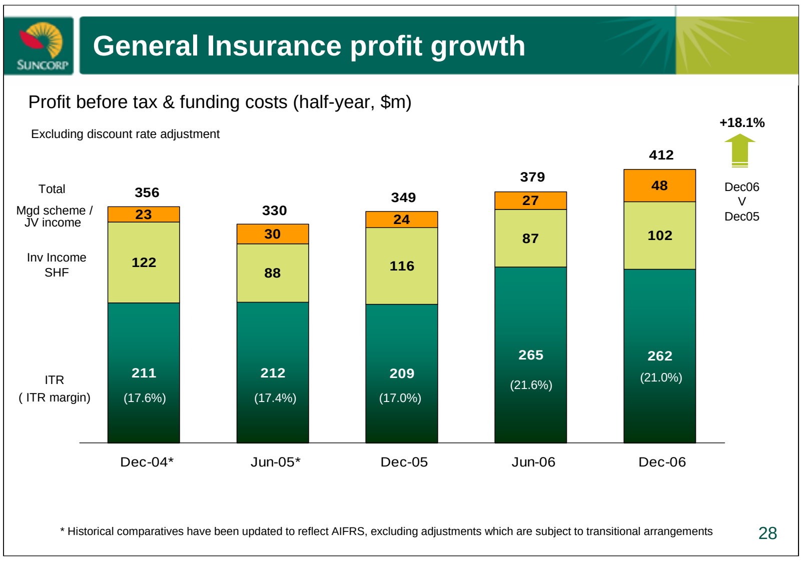
Turning now to General Insurance

The strong profitability of this business continues to be a feature with a profit before tax contribution of $383 million for the half year.

The key P& L drivers are:

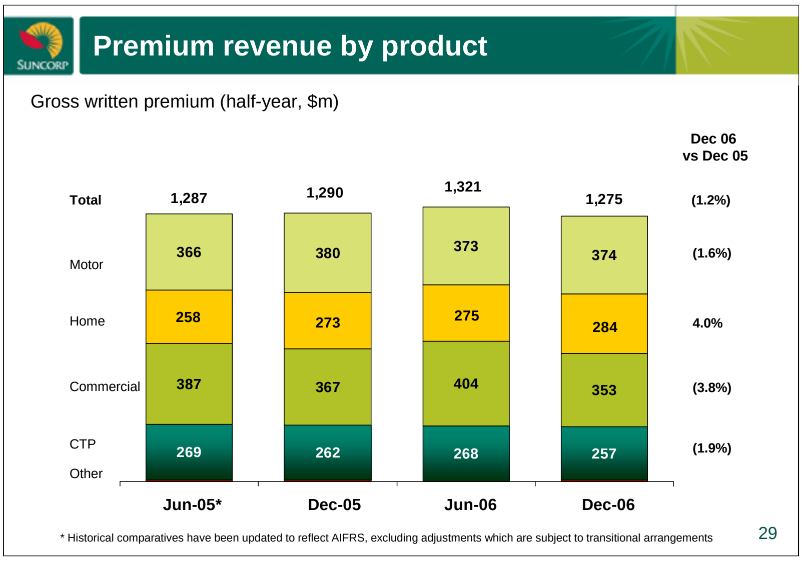
- Strong improvement in net incurred claims as the benefits of our claims cost reduction projects flow through;
- Conservative provisioning combined with continuing favourable claims experience in long tail classes enabling appropriate releases to the P&L;
- A fairly benign claims environment generally with lower than average event losses.



All of this comes together in a half year ITR of $262 million, which equates to a trading margin of 21.0% on NEP.

Beyond the ITR, the other major contributors to profit were investment income on shareholder funds at $102 million and managed scheme income and JV contributions which together contributed $48 million for the half-year.

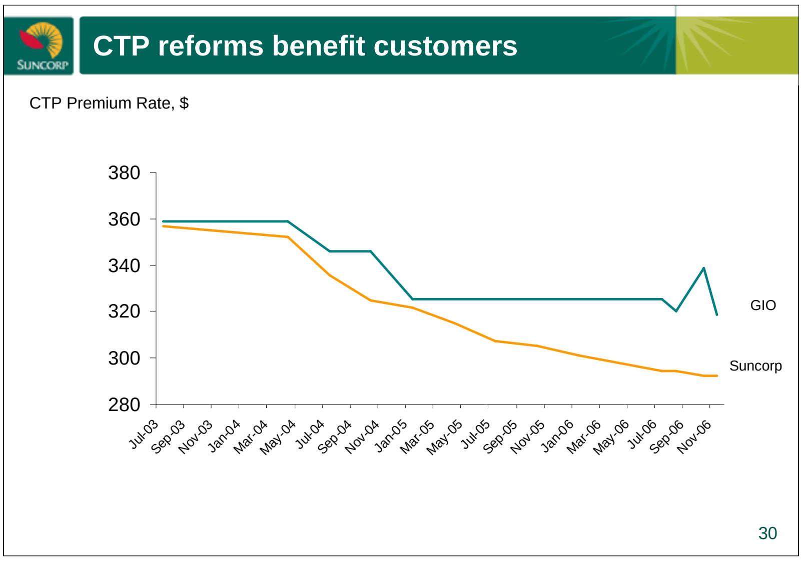
The later was unusually high due to RACQI's results containing a sizeable release from their reserves as well as strong earnings on their shareholder funds, and therefore it is unlikely to be sustainable at these levels.



Turning now to premium.

Total GWP decreased by 1.2% to $1.3 billion for the half.

In **CTP**, GWP has reduced by 1.9% with risk in force growth offsetting premium reductions, as the benefits of tort law reforms continue to be passed on to consumers.



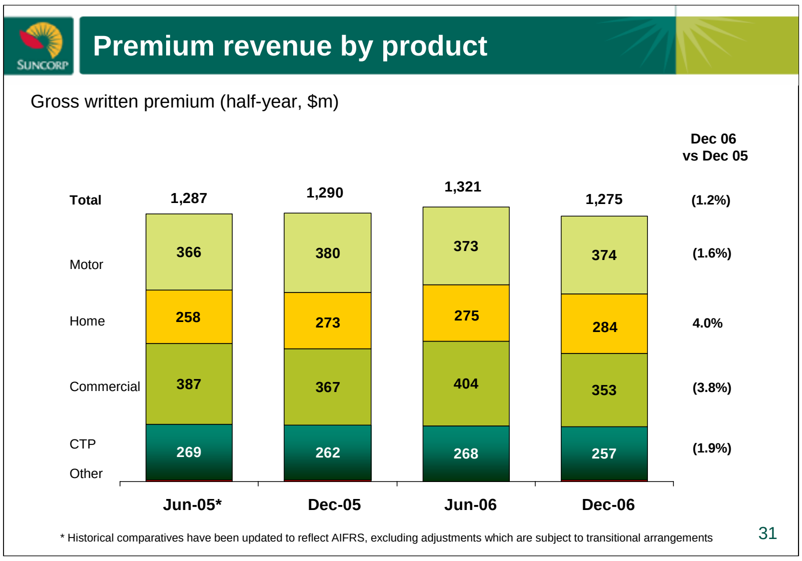
This graph demonstrates the reduction in CTP premiums in both the Suncorp and GIO brands since the introduction of the Civil Liability Act.

As a matter of interest, the blip that you can see for GIO in October 2006 was a result of the introduction of the Life Time Care and Support levy, which added approximately $20 to Green slip prices. This amount is collected from policyholders and remitted to the Authority but does not form part of the booked premium.

You'll also note that our premium only stayed at this level for one month as we re-filed, effective 1 November 2006, with a lower rate yet again.

And although we expect further declines in premium rates, particularly as part of the Life Time Care and Support Scheme in NSW, we are experiencing good Risk In Force growth and improved retention rates.

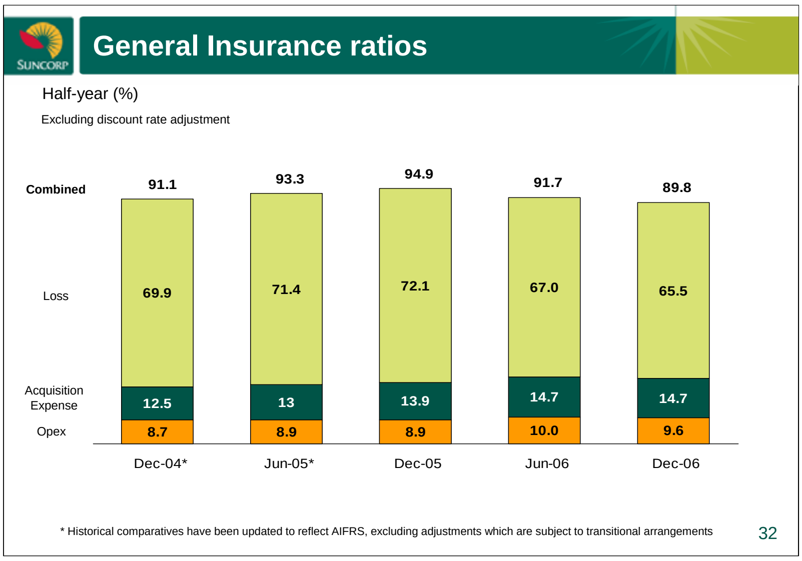
The result of which is that we have largely maintained our market shares in both Queensland and New South Wales, despite concerted efforts by our competitors to gain customers, particularly in our home state.



To **Commercial** lines now, and GWP declined by 3.8% to $353 million. This, I believe, is in fact an excellent result from this segment especially as growth was impacted by continued intense price competition. Offsetting softness in commercial lines has been some premium growth in workers compensation, with higher in force wages, as well as improved retention rates.

Moving to **Home** and GWP growth of 4.0% to $284 million was assisted by increased call centre volumes and strike rates. During the half, the business strengthened its brand position in Queensland and successfully launched the new ‘Platinum’ product to attract higher sum insured customers. The Home portfolio continues to derive benefit from the cross-sell opportunity that exists as customers originate a mortgage through our Retail Bank.

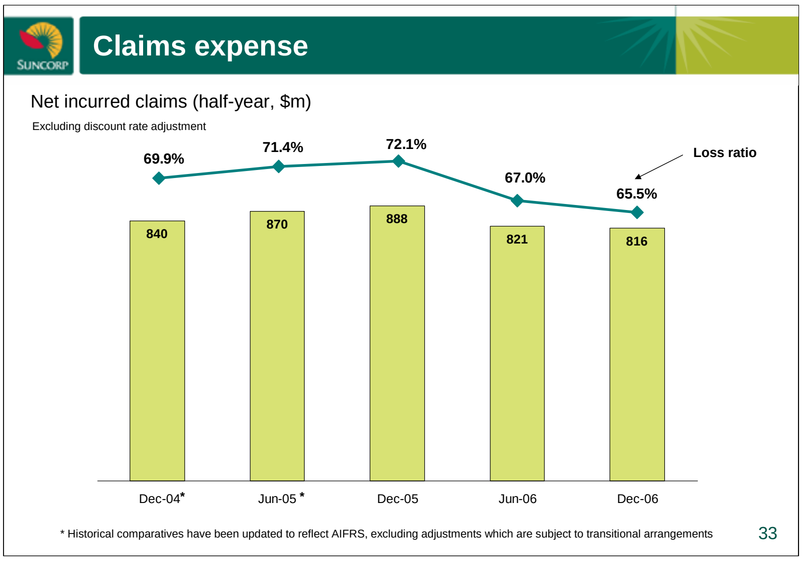
And finally in **Motor**, GWP declined 1.6% to $374 million, in an intensely competitive environment. Volume growth was impacted by slowing new car sales -- particularly in NSW and Victoria -- and average premiums on new business decreasing in line with shifting customer preferences in favour of smaller, more economical vehicles. Our response, in this environment, is to continue to enforce a disciplined pricing approach and to develop segmented customer offerings, such as the Family Discount, Named Driver products and Custom Car insurance.



If we now look at our main insurance ratios, and as usual these figures are presented before the impact of discount rate adjustments, we see firstly that our total expense ratio increased to 24.3% for the December half year.

The increase in expenses was primarily due to higher acquisition costs impacted by lower deferrals (including IFRS liability adequacy adjustments), as well as increased marketing spend. Obviously, this increase combined with relatively flat premium growth resulted in a slight deterioration in the expense ratio. However, as stated a few moments ago it is still very competitive at 24.3%.

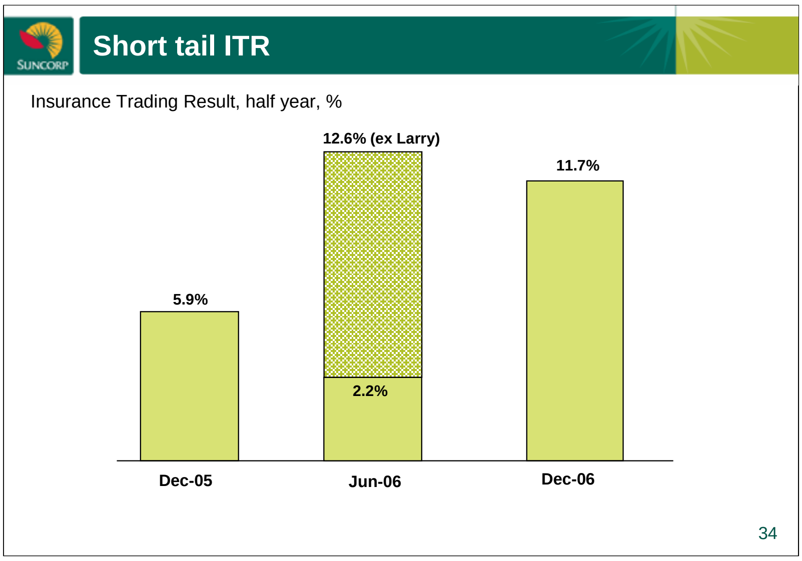
The loss ratio improved to 65.5%, taking the combined operating ratio to 89.8%.



Turning now to claims expense -- again before the impact of discount rate adjustments.

Net incurred claims for the half were down 8.1% on the prior corresponding period which, when combined with a 1.2% lift in net earned premium, resulted in a 9.2% improvement in the loss ratio to 65.5%.

As I have pointed out previously there are a number of dynamics at work when we discuss the claims expense line and the best way to look at it is to segment the book between short tail and long tail classes, remembering that the claims experience of the former emerges very quickly whereas on the long tail side it can take an average of 5 years.



So to **short tail** first and claims expense for the half was down on the prior December half.

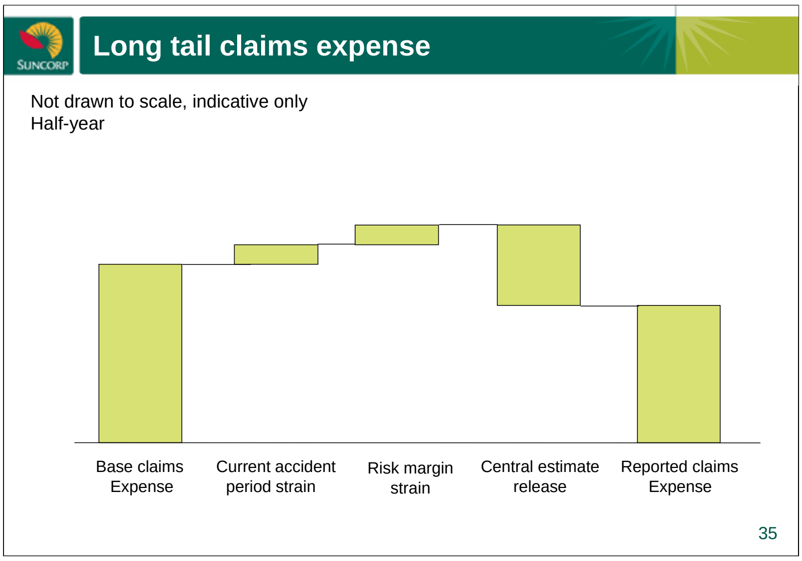
The key drivers were:

- Storm related claims cost were significantly lower than the prior December period, and of course last half, which had the impact of Cyclone Larry.

- The claims cost reduction program delivered improvements to the underlying claims expense in personal insurance, including improved third party recoveries. These benefits are expected to continue to flow through into the second half of financial year 2007 and indeed in 07/08.

- Short tail commercial working losses were favourable, with better than expected average claims size and frequencies. Commercial large losses were also favourable.

So rolling up the short tail story and you can see that our half year ITR at 11.7% is above our medium term target of 8% - 10%.



Let me now address claims expense in **long tail** classes:

First, we continue to see favourable claims frequency and settlement experience with little evidence of superimposed inflation. The benefits of both tort reform and our claims cost reduction program have flowed through to the valuation of outstanding claims and resulted in prior year central estimate releases of $120 million.

Now, if you go to the analyst pack split between commercial and personal you will note that the majority of the release in this half occurred from commercial liability classes, rather than from CTP. While this is an extremely complex area, there are a couple of explanations for this.

Firstly, in terms of commercial liability classes, two further quarters of post-reform experience have passed the statute of limitations and no evidence is emerging of late spikes in reporting. Therefore the actuaries feel it is now appropriate to give greater weight to these trends in the valuation.

Whereas, in CTP, while both claims size and frequency remain positive, fewer larger claims from the post reform period have settled - hence valuation actuaries continue to be very prudent about the realisation of CTP provisions.

Reported claims expense is also influenced by what we call **current accident period strain**, or new business strain. Put simply, this is the difference between the pricing of premiums and the more conservative valuation basis adopted in the financial statements.

During the half year to December, this current accident period strain, on a net central estimate basis was $59 million.

In addition, the provision for outstanding claims in the financial statements contains a risk margin on top of the central estimate. As risk margins are not allowed for in pricing, profit on current year new business is also being deferred by the risk margin relating to that business.

Offsetting this is the risk margin released from claims settled during the half year and provision releases.

The combination of these elements is called the **net risk margin strain**, which was $4 million for the half year.

We have again provided the ITR adjustment table in our reporting to better explain the complex relationship between prior year releases and strains on current year profits.

ITR adjustment

Half year, $m

		Dec-06
Insurance Trading Result		262
Releases at central estimate	(120)	
Add back superimposed inflation (assumed to be sustainable)	41	(79)
		183
Add strains on current year profits		
Net risk margin strain	4	
Current accident period strain	59	63
ITR excluding strains, and superimposed inflation		246

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Let me stress again that this is not a process of us attempting to normalise our profits. It's purely designed to assist your understanding of the impact and interrelationship of the material components of the long tail claims expense that I have just referred to.

In this slide, we start with our reported Insurance Trading Result of $262 million which is a margin of 21%.

The first adjustment is one that many make, that is to reverse the releases from the result.

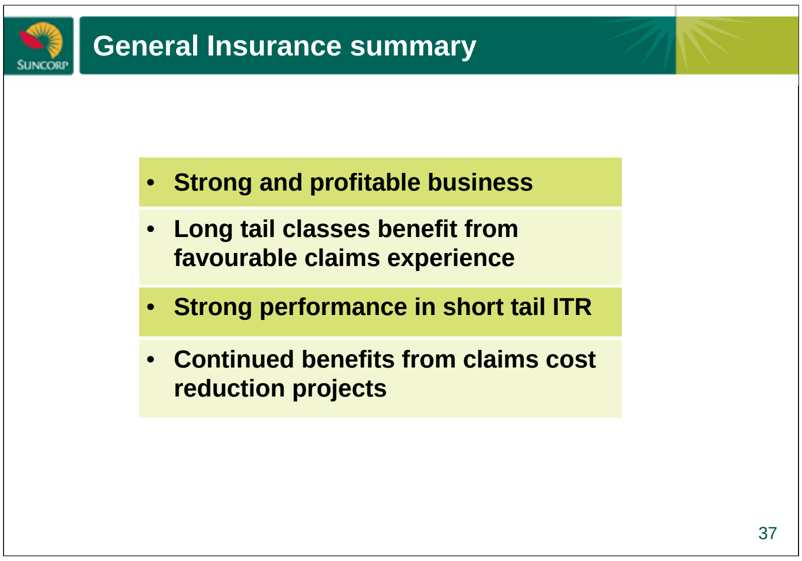
The question then is how much of these releases are sustainable as opposed to structural. Again, the answer is not simple but I have pointed out in the past that to the extent that superimposed inflation that is assumed in the pricing and valuation models does not actually occur, it will contribute around $40 million per half to the ITR.

I should say that, although there are signs of average wage inflation increasing we still see no signs of a breakout in superimposed inflation in the medium term. Consequently we have added back $41 million of the release.

Moving down the table and as I noted on the previous slide, there are strains on our reported results from the new business written in the current accident period and net movements in risk margins. These, in effect, are available to be realised as profits in future years assuming actual claims experience supports the pricing basis. When assessing the value created this half year, the current accident period strain and net risk margin strain should be taken into account.

There is also a clear correlation to the size of releases as obviously the bigger the deferral in the first place, the bigger the expected future release.

The final point I would like to make in relation to provisioning is that we hold a risk margin with a level of sufficiency of approximately 94% and have made no changes to that in this set of results. This compares to our target level of sufficiency of approximately 90%. As I have stated in the past, when we have sufficient actual claims experience to reduce the uncertainties regarding the extent and sustainability of the tort reform benefits, we will likely reduce that level of sufficiency closer to our target of approximately 90%. The difference between 90% and 94% is approximately $160 million.



So, in summary for GI, we have:

- a strong and profitable business
- benefiting from conservative provisioning and favourable claims experiences in long tail classes
- a strong ITR result in short tail despite increasing competition
- and continued benefits from claims management efficiencies.

Wealth Management profit

Half-year, $m

	Dec 05	Dec 06	∆%
Life Company			
Planned profit margins	15	17	13.3
Experience profits	3	8	166.7
Investment Income	15	17	13.3
Unit linked and other profit (net)	2	4	100
Contribution from Life Company	**35**	**46**	31.4
Contribution from Funds Management	**7**	**8**	14.3
Contribution before tax	**42**	**54**	28.6
Underlying profit before tax	**27**	**35**	29.6

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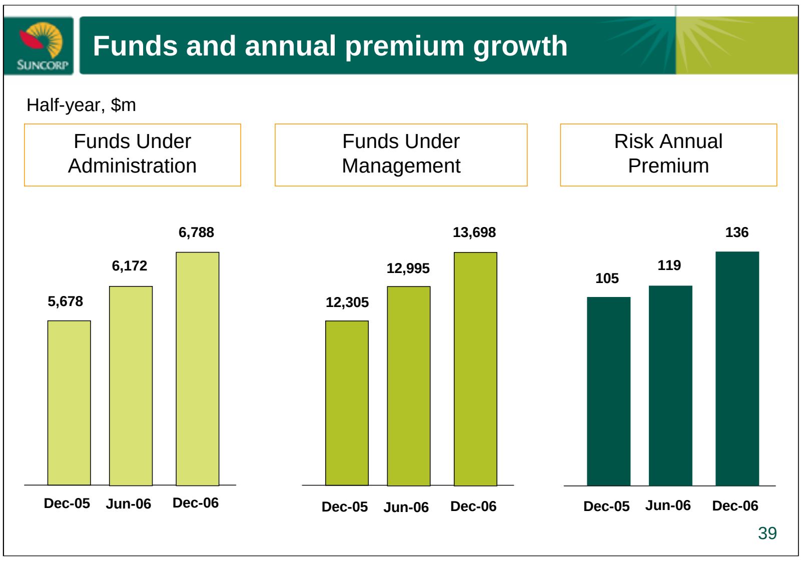
Turning now to Wealth Management,
And profit before tax of $54 million for the half increased 28.6% over the prior December half.

Adjusting to include the impact of investment earnings, underlying profit for the half year was $35 million, up 29.6% on December 2005.

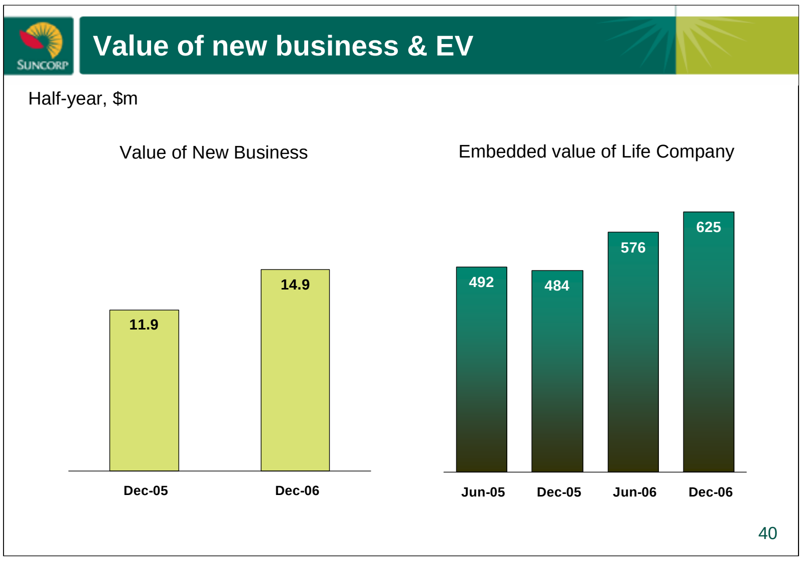


Contributing to this increase was:

- Strong growth in funds under administration driven by good investment earnings and net flows.
- Growth in group life business and personal risk products which featured improved retention and strong sales, particularly in Group Life; and
- Good experience profit.

New business sales increased to $415 million for the half.
Strong increases were achieved in risk sales, especially Group Life and Consumer Credit Insurance which grew sharply by 142.9%.

Sales levels in superannuation and investment products increased marginally resulting from improvements to advisor productivity. This was despite a strain on advisor resources due to strong demand in the market.



On the left of this slide you can see the strong improvement in the value of new business, which was up 25.2% to $14.9 million, compared to the prior December half.

This was driven primarily by increased volumes, improved retention levels, better quality business and movement to a risk free discount rate.

The chart on the right shows the Embedded value of the Life Company which increased by 29% to $625 million at December 2006, using a discount rate of 11%.

This is mainly due to an increase in embedded value of the Statutory Funds arising from strong investment performance, good retention and increased future investment earnings assumptions.

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Turning now to an update on our capital situation.

Capital position

	31 Dec 2005	30 Jun 2006	1 July 06 Adjusted	31 Dec 2006	Target
General Insurance MCR coverage	1.69x	1.79x	1.79x	1.83x	1.6x
Bank Capital Adequacy ratio	10.79%	12.31%	11.90%	11.34%	10%-10.5%
Bank ACE	5.44%	6.07%	5.59%	6.09%	4.5%-5%

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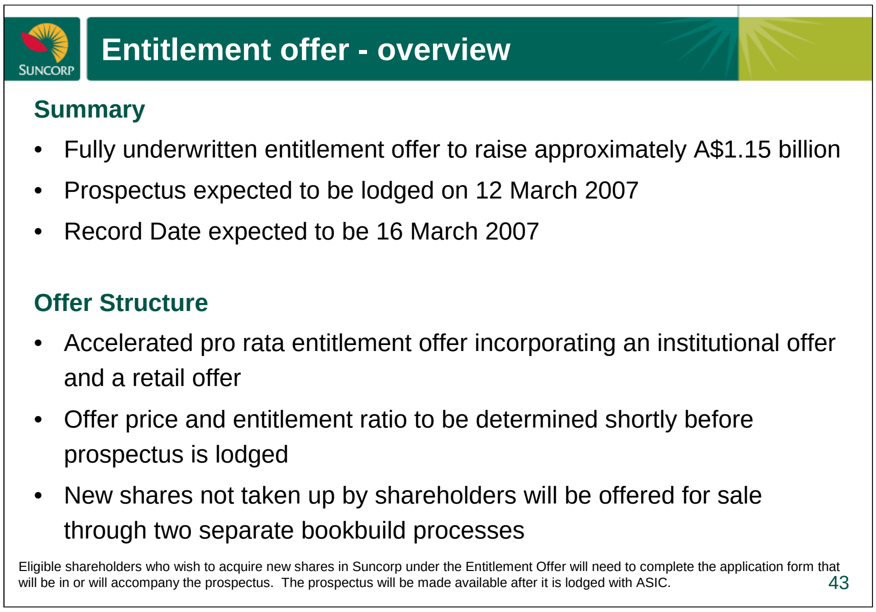
The Group's capital position remains extremely strong, with a capital adequacy ratio of 11.34% in the Bank, an MCR multiple of 1.83 times in the General Insurer and strong capital reserves in the life company.

The adjusted common equity ratio in the bank increased to 6.09% from 5.44% in December 2005. This ratio sits comfortably above our target range of 4.5 – 5%.

The Promina Merger will clearly have a significant impact on the Group's capital position as most of the surplus capital will be used to help fund the cash component of the transaction. In the event the merger proceeds we will also review our capital position with a view to optimising the overall capital structure and capital efficiency of the merged group.

We have previously flagged our view that there may be potential capital management initiatives available to the merged group and this remains the case. But these will need to be evaluated in the context of the merged group's business mix, prevailing market conditions, consolidated accounting impacts, and probably most importantly, following further discussions with the ratings agencies as to revised capital ratios.

We will update the market as soon as we are in a position to do so.



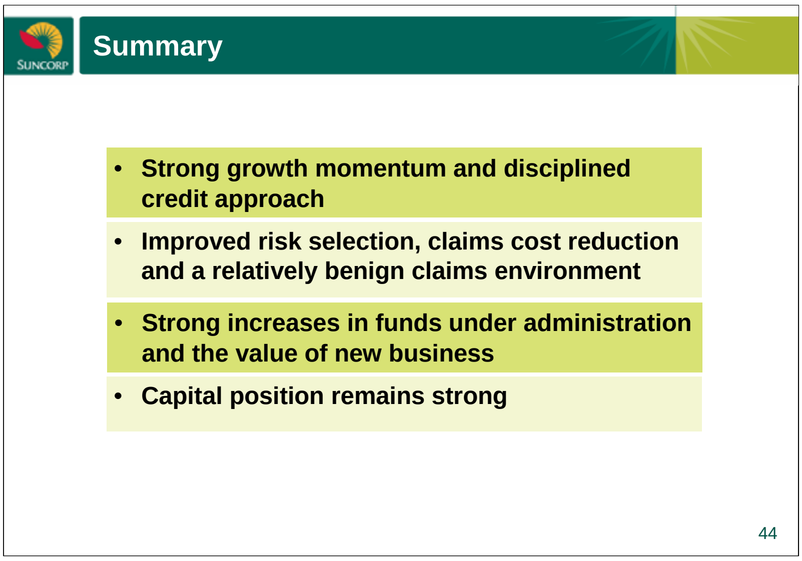
In addition to the use of surplus capital, and assuming Promina Shareholder and Federal Court approval, we have flagged a fully underwritten entitlements issue which we expect will raise approximately $1.15 billion and assist in funding the cash consideration payable to Promina shareholders.

This slide provides a high level overview of the offer and more detail, including a summary of key dates, is included as an attachment to this presentation:

Essentially it will be an accelerated pro-rata entitlements offer with the offer price and entitlement ratio to be determined at the time of lodgement of the prospectus.

New shares not taken up by shareholders will be offered for sale through two separate book build processes, following both the institutional offer and the retail offer.

Any excess proceeds from the bookbuilds over the offer price will be paid to relevant non-participating shareholders.



So, to summarise, we have again achieved a strong result in each of our three business lines:

In Banking, we have restored strong growth momentum and maintained our disciplined approach to credit.

In General Insurance, our solid result was driven by improved risk selection, further benefits of our claims cost reduction program, a relatively benign claims environment and releases from our long tail book.

And, in Wealth Management, we achieved strong increases in funds under administration and funds under management as well as the value of new business.

And, as I've just discussed, our capital position remains extremely strong entering into the Promina transaction and with the strong likelihood of an active capital management program post merger.

With that, I will now hand back to John.

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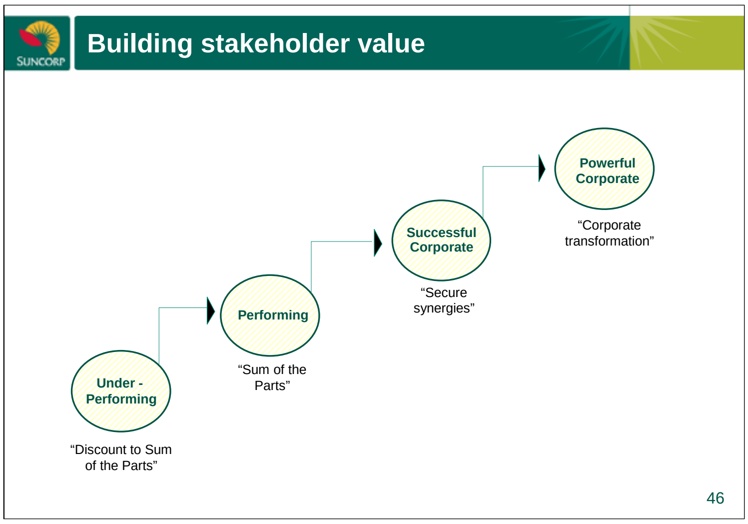


Thanks Chris.

When I first outlined our strategy in 2003 Suncorp was at the start of a journey which was to go from an Underperforming organisation to a Powerful Corporate

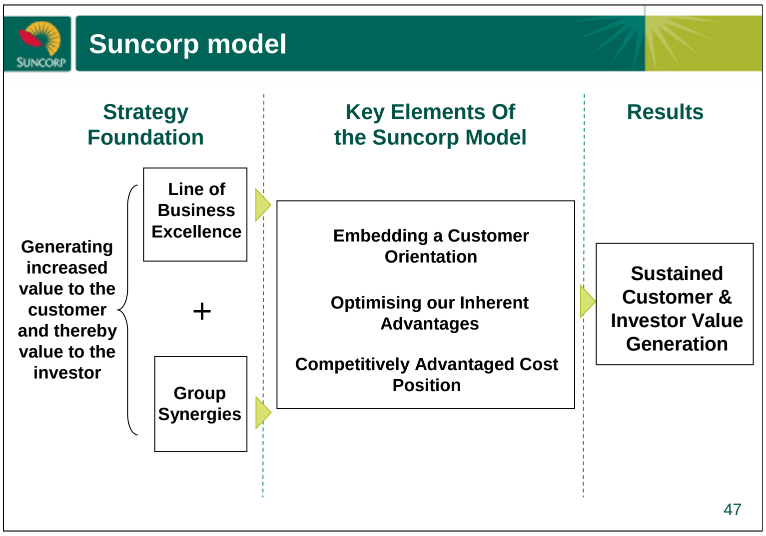
To complete stage one of our journey we took a number of steps, including:

- strengthening our focus on the customer
- clarifying our structure and accountabilities throughout the group
- introducing performance management systems
- strengthening our strategic capability
- and delivering greater consistency of effort across the Group

We have demonstrated our ability to perform with strong results in each of our three lines of business over successive reporting periods.

We've also made great progress toward becoming a successful integrated financial services business through capitalising on the advantages inherent in our model.

I'll take you through some examples of this soon, but first, I'll take a minute to recap our model.



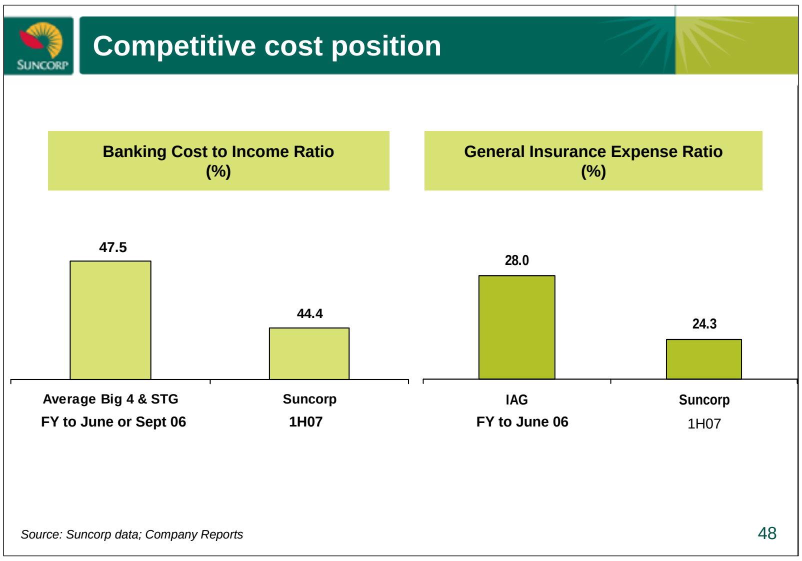
Our model is actually fairly simple - by achieving excellence in our lines of business and maximising the synergies across the Group, we will generate increased value to the customer and thereby to the investor.

To achieve that we are focusing on understanding our customers needs, designing the best solutions we can, successfully managing our relationships with our customers to grow our customer base do more business with them, keep them longer and operate as efficiently as we can.

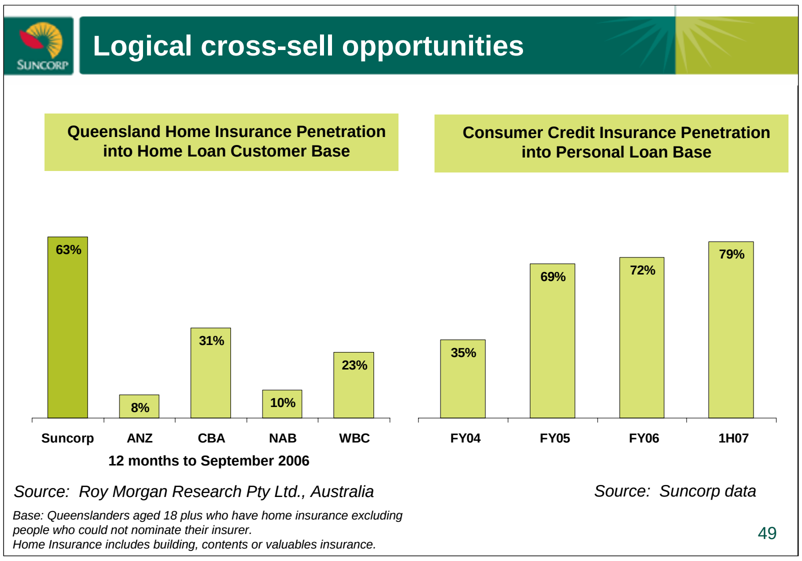
This provides us with very real competitive advantages, and importantly, these advantages are sustainable.

Two of the key advantages are:

- a competitive cost position; and
- opportunities for logical and targeted cross sell.



I'll start with our cost position and we've achieved a banking cost to income ratio and a general insurance expense ratio that are superior to our peers.



Our model also provides opportunities to meet our customers' needs across business lines but I would like to point out that ours has never been a strategy of untargeted selling.

Our focus is on meeting customer needs through targeted and logical bundles.

Examples include sales of Home Insurance with Home Lending and Consumer Credit Insurance with Personal Loans.

In the chart on the left of this slide you can see that our penetration of our home loan base in Queensland is significantly above what our banking competitors have been able to achieve.

The chart on the right shows our steady growth in penetration of our personal loan base with consumer credit insurance. This growth comes on the back of a review in 2003 that identified we had a real opportunity to lift penetration through improved processes and training for our lending staff. And you can see the success we've achieved with a 79% penetration rate in the six months to December 2006.

Another good example is the General Insurance to Retail Bank referral program which operates through some of our call centres.

Briefly the process is initiated by General Insurance Call Centre Consultants offering a value-add service for a Banking specialist to complete a financial needs analysis for customers. A dedicated team was established within the Banking Call Centre to perform this service.

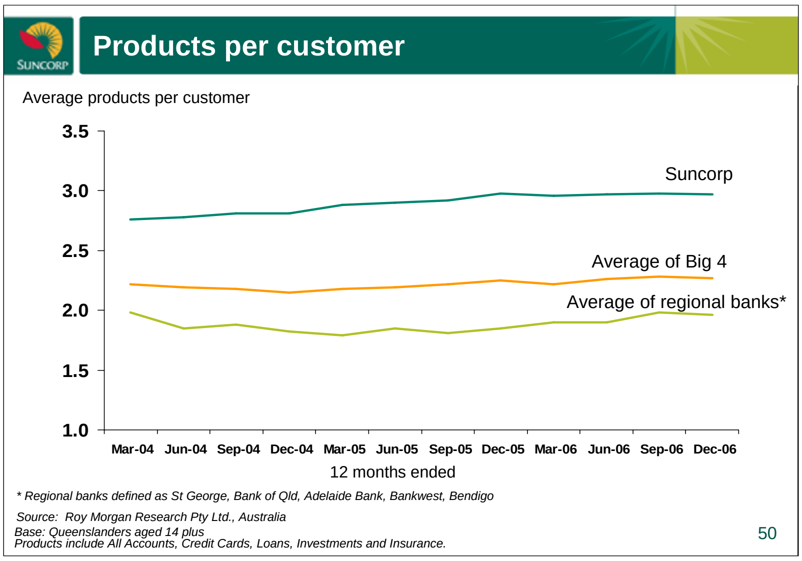
So far the program has only been launched in some of our call centres with full roll-out to be completed in the next couple of months, but initial results have been very positive.

In the six months to December the program generated over 2,400 product referrals with a conversion to sale ratio of around 35%.

Similarly, an offer which combines term lending with commercial insurance for Property Investment and Commercial banking customers is delivering promising results.

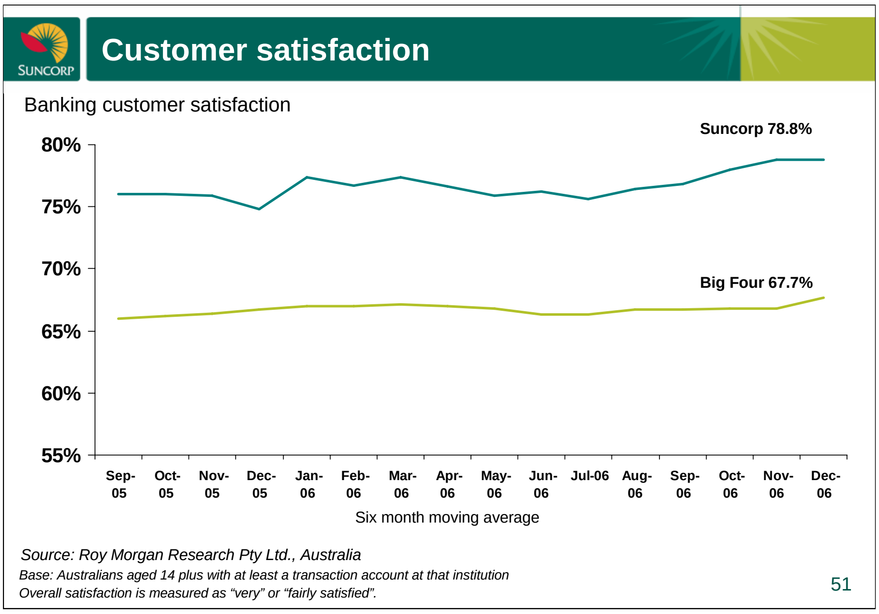
For the six months to December, 13% of all new business sales in these two segments include both a loan and insurance. And the pipeline at December for sales under this offer is looking very positive.

I'll now touch on two of the key outcomes that we've achieved through capitalising on the advantages of our model by specifically referring to our products per customer and customer satisfaction measures.



Having three business lines under one roof has always given us an advantage over our competitors in terms of products per customer.

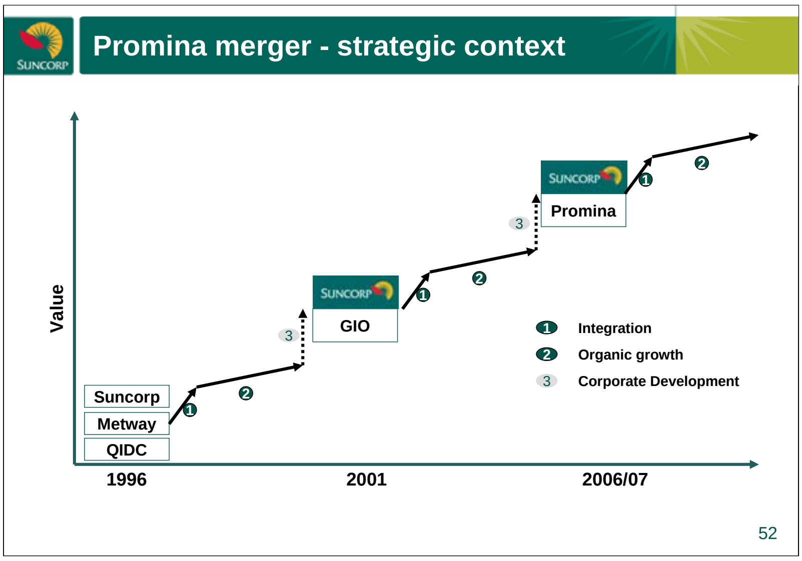
And while we've always had a lead, we've managed to further extend that lead at a time when our competitors are putting a lot of effort into closing the gap.



And finally, Customer Satisfaction is one of the measures that we consider to be the most important.

Our Retail Bank has achieved a greater percentage increase in overall customer satisfaction in the past 12 months than any of our key competitors, as reflected in the December Roy Morgan results.

Our satisfaction results have improved for the sixth consecutive month and have been driven by understanding our customers needs and delivering to those needs to exceed expectations and drive improvement in satisfaction.



So you can see from this presentation that having successfully integrated the GIO business our focus has been on building our three lines of business and ensuring they produce the strong returns evident in our report today.

At the same time we've been working on realising the benefits of our business model by achieving cost synergies as well as leveraging our diverse customer base and product suite to develop highly tailored offerings.

The next logical step is to enhance our ability to provide customer solutions by expanding our distribution footprint and seeking new avenues to improve efficiencies.

As I've said before the proposed merger with Promina brings together a powerful suite of brands a diverse customer base across Australia and New Zealand a comprehensive product range and an unparalleled distribution network.

And while our business models do differ there is so much we have in common. We both share a commitment to following a customer led strategy by serving discreet customer groups with discreet propositions.

This merger provides a unique opportunity to create a new business model, bringing together the best of Suncorp with the best of Promina.

And since first announcing our proposal on October 13 we have made solid progress and are making it happen.

Just 10 days later on October 23 2006 we signed the Merger Implementation Agreement with both Boards in favour of the transaction.

Then, roughly a month later, the Independent Experts, Grant Samuel & Associates, completed their review and concluded that the merger terms were "favourable to Promina shareholders" and suggested that the merger should create "substantial value".

The Scheme booklet was then launched in mid December and the Promina board restated their opinion that the "merger is a logical strategic combination " and that "Promina shareholders will be better served by being part of a much larger diversified financial services group".

Also in mid December, the Queensland State Government announced that it was willing to propose amendments to the *Facilitation Act* to enable the appointment of Promina directors to the Suncorp Board.

Then just prior to Christmas, the ACCC gave approval to the merger proposal.

In mid January the Acting Treasurer concluded that "the application is in the national interest".

And finally, last Friday we advised the market that the last of the regulatory conditions precedent – being the approval by the MAA in New South Wales – had been received.

Merger update – next steps

5 March 2007	**Promina Shareholder vote**
12 March 2007	**Expected date of Court hearing for approval of Scheme**
12 March 2007	**Expected date of lodgement of prospectus for Entitlement Offer with ASIC**
13 March 2007	**Effective date of the Scheme**
16 March 2007	**Scheme record date**
20 March 2007	**Implementation date for Scheme**

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The next key item on the agenda is the Promina Shareholder vote which is on the 5th of March.

One week later we are expecting the Court hearing for approval of the Scheme, and if successful, we expect to lodge our prospectus for the Entitlement Offer with ASIC directly after the Court hearing.

The effective date of the Scheme will be 13 March with a record date of 16 March and a final implementation date of 20 March.

So, it's been a long road since we first undertook our extensive analysis of a possible marriage with Promina.

But the hard work in preparation, the detailed planning and review and the professional analysis has got us to where we are today.

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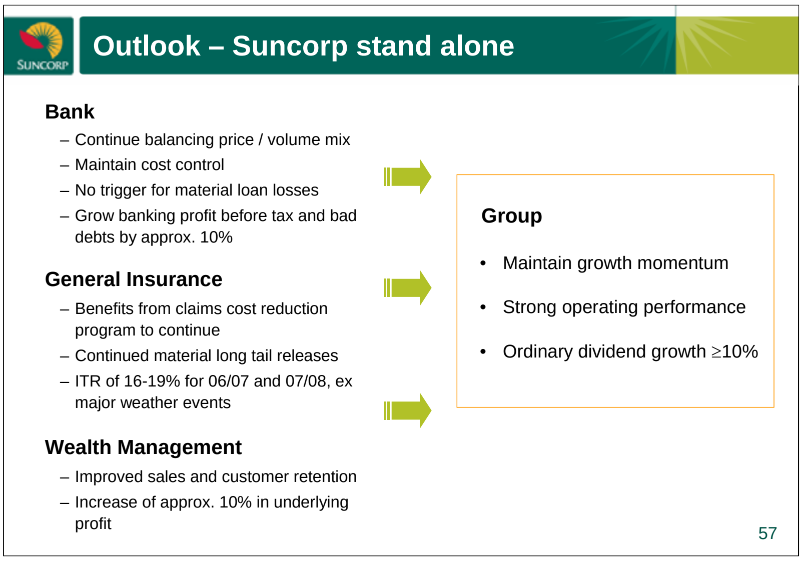
Before I conclude I would briefly like to cover the outlook.



At the macro level, recent interest rate rises are likely to have a continued impact on credit formation, particularly on the retail mortgage market. While it is likely that this will have some impact on non-performing loans we don't believe that there is any likelihood of a material increase in loan loss expense.

We will continue to respond to the pressures of increasing competition in a considered and disciplined manner, maintaining our focus on the organic performance of the business through to the completion of the merger and beyond.

On a stand alone basis we believe we are solidly on track to deliver to the full year outlook statement issued at our full year results presentation in September 2006.

That means for the year to June 2007 we would expect to increase profit before tax and bad debts in the Bank by approximately 10%.

In General Insurance we expect to achieve a full year ITR in the 16% - 19% range for both fiscal 07 and fiscal 08.

And in wealth management we expect to grow profit on an underlying basis by approximately 10%.

Rolling that up to the Group level we expect that on a standalone basis we will achieve ordinary dividend growth of at least 10%.

I again emphasise that this outlook applies to Suncorp operating on a stand alone basis.

In the event the Promina merger proceeds we would anticipate providing further updates to the market as appropriate.

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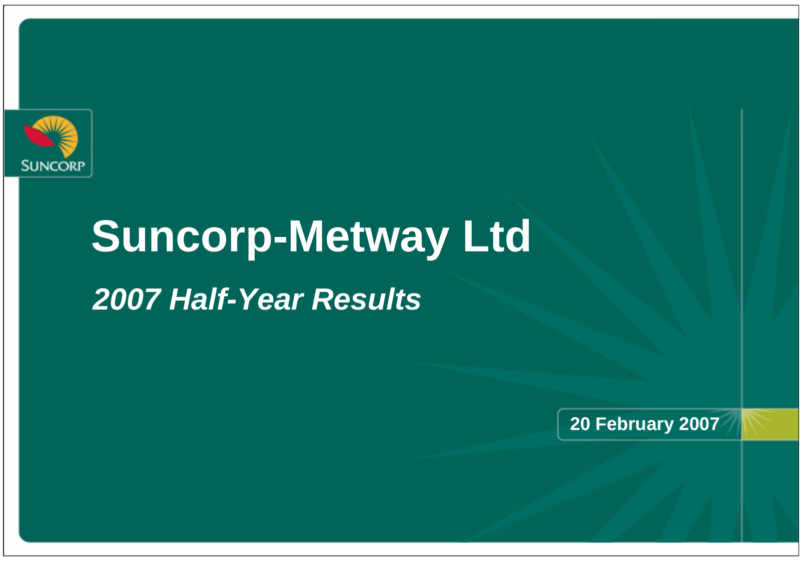

So, before I pass back to Steve to moderate the questions, I'd like to introduce the Group Executive team who are sitting in the front row.

First, Mark Milliner, who heads up our GI - Commercial lines business and David Foster, Group Executive for Strategy.

Bernadette Inglis, who has the Retail Bank and Wealth Management portfolio, Mark Blucher with responsibility for GI - personal lines, Stuart McDonald, who is Group Executive in charge of Business Banking.

And, Diana Eilert, who heads up our centre unit of People, Technology and Marketing.

I will now pass back to Steve who will open the floor for questions.

Appendix: Entitlement offer structure

- Accelerated pro rata entitlement offer incorporating an institutional offer and a retail offer
- Offer price and entitlement ratio to be determined shortly before prospectus is lodged
- New shares not taken up by shareholders will be offered for sale through two separate bookbuild processes following both the institutional offer and the retail offer
  - Any excess proceeds from the bookbuilds over the offer price will be paid to relevant non-participating shareholders
- Entitlement only available to registered holders of Suncorp shares on the Record Date (expected to be 7.00pm Brisbane Time on 16 March 2007)
  - In the event that a shareholder has shares out on loan, the borrower will be the registered holder for those shares (provided that those borrowed shares have not been on-sold) for the purposes of determining the entitlement

Eligible shareholders who wish to acquire new shares in Suncorp under the Entitlement Offer will need to complete the application form that will be in or will accompany the prospectus. The prospectus will be made available after it is lodged with ASIC.

Appendix: Detailed entitlement offer timetable

Last trading day to acquire Shares that will participate in the Entitlement Offer	Friday, 9 March 2007
Trading halt in Suncorp securities commences	Commencement of trading on Monday, 12 March 2007
Institutional Offer opens	10.00 am Monday, 12 March 2007
Institutional Offer closes	5.00 pm Tuesday, 13 March 2007
First Bookbuild	Wednesday, 14 March 2007
Expected date trading halt in Suncorp securities lifted	Commencement of trading on Thursday, 15 March 2007
Results of Institutional Offer and First Bookbuild announced to ASX	Thursday, 15 March 2007
Record Date to determine participation in the Entitlement Offer	7.00 pm Friday, 16 March 2007
Retail Offer opens	9.00 am Monday, 19 March 2007
Transfer of New Shares to successful applicants under the Institutional Offer and First Bookbuild	Tuesday, 20 March 2007
Expected date of despatch of holding statements	Tuesday, 20 March 2007
Expected date of payment of proceeds (if any) from First Bookbuild to relevant Shareholders	Tuesday, 20 March 2007
Expected date of trading on a normal settlement basis of New Shares transferred to successful applicants under the Institutional Offer and First Bookbuild	Wednesday, 21 March 2007
Retail Offer closes	5.00 pm Thursday, 5 April 2007
Second Bookbuild	Friday, 13 April 2007
Transfer of New Shares to successful applicants under the Retail Offer and Second Bookbuild	Wednesday, 18 April 2007
Expected date of despatch of holding statements	Wednesday, 18 April 2007
Expected date of payment of proceeds (if any) from Second Bookbuild to relevant Shareholders	Wednesday, 18 April 2007
Expected date of trading on a normal settlement basis of New Shares transferred to successful applicants under the Retail Offer and Second Bookbuild	Thursday, 19 April 2007

Dates are indicative only and are subject to, amongst other things, confirmation by ASX and approval of the scheme of arrangement to effect the merger with Suncorp from both Promina shareholders and the Federal Court of Australia. References to time are to Brisbane time.

Eligible shareholders who wish to acquire new shares in Suncorp under the Entitlement Offer will need to complete the application form that will be in or will accompany the prospectus. The prospectus will be made available after it is lodged with ASIC.

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