

RULES 4.1, 4.3

## APPENDIX 4B

### Half yearly/~~preliminary~~ final report

Introduced 30/6/2002.

Name of entity

Suncorp-Metway Ltd

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
66 010 831 722	<input checked="" type="checkbox"/>	<input type="checkbox"/>	31 December 2002

#### For announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

\$A'm

Revenues from ordinary activities ( <i>item 1.1</i> )	up/down	8.03%	to	2,462
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 1.22</i> )	up/down	0.65%	to	155
Profit (loss) from extraordinary items after tax attributable to members ( <i>item 2.5(d)</i> )	gain (loss) of	Nil		Nil
Net profit (loss) for the period attributable to members ( <i>item 1.11</i> )	up/down	0.65%	to	155
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security
Final dividend ( <i>Preliminary final report only - item 15.4</i> ) Interim dividend ( <i>Half yearly report only - item 15.6</i> )		26¢		26¢
Previous corresponding period ( <i>Preliminary final report - item 15.5; half yearly report - item 15.7</i> )		25¢		25¢
†Record date for determining entitlements to the dividend, (in the case of a trust, distribution) ( <i>see item 15.2</i> )	12 March 2003			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

### Condensed consolidated statement of financial performance

	Current period - \$A'm	Previous corresponding period - \$A'm
1.1 Revenues from ordinary activities ( <i>see item 1.23 – 1.25</i> )	2,462	2,279
1.2 Expenses from ordinary activities ( <i>see items 1.26 – 1.27</i> )	(1,719)	(1,572)
1.3 Interest expense	(535)	(500)
1.4 Share of net profits (losses) of associates and joint venture entities ( <i>see item 16.7</i> )	4	-
<b>1.5 Profit (loss) from ordinary activities before tax</b>	212	207
1.6 Income tax on ordinary activities ( <i>see note 4</i> )	(57)	(53)
<b>1.7 Profit (loss) from ordinary activities after tax</b>	155	154
1.8 Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )	-	-
<b>1.9 Net profit (loss)</b>	155	154
1.10 Net profit (loss) attributable to outside <sup>+</sup> equity interests	-	-
<b>1.11 Net profit (loss) for the period attributable to members</b>	155	154
<b>Non-owner transaction changes in equity</b>		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity ( <i>attach details</i> )	151	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	151	-
<b>1.17 Total changes in equity not resulting from transactions with owners as owners</b>	306	154

+ See chapter 19 for defined terms.

Earnings per security (EPS)	Current period	Previous corresponding Period
1.18 Basic EPS	27.9	29.7
1.19 Diluted EPS	27.9	29.6

### Notes to the condensed consolidated statement of financial performance

#### Profit (loss) from ordinary activities attributable to members

	Current period - \$A'm	Previous corresponding period - \$A'm
1.20 Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	155	154
1.21 Less (plus) outside <sup>+</sup> equity interests	-	-
<b>1.22 Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>155</b>	<b>154</b>

#### Revenue and expenses from ordinary activities

(see note 15)

	Current period - \$A'm	Previous corresponding period - \$A'm
<b>Revenues from ordinary activities</b>		
1.23 General insurance premium revenue	1,114	977
1.23.1 Life insurance premium revenue	41	37
1.23.2 Reinsurance and other recoveries revenue	120	133
1.23.3 Banking fee and commission revenue	97	73
1.24 Banking interest revenue	821	773
1.25 General insurance investment revenue	148	97
1.25.1 Life insurance investment revenue	11	61
1.25.2 Other revenue	110	128
<b>Total revenue from ordinary activities</b>	<b>2,462</b>	<b>2,279</b>
<b>Expenses from ordinary activities</b>		
1.26 Operating expenses from ordinary activities	(530)	(526)
1.26.1 General insurance claims expense	(976)	(848)
1.26.2 Life insurance claims expense	(33)	(32)
1.26.3 Outwards reinsurance premium reserve	(80)	(78)
1.26.4 (Increase)/decrease in net life insurance policy liabilities	70	53
1.26.5 Increase in policy owner retained profits	(46)	(55)
1.26.6 Banking fees and commissions expense	(32)	(20)
1.26.7 Bad and doubtful debts expense	(27)	(13)
1.27 Depreciation and amortisation excluding amortisation of intangibles	(35)	(23)
<b>Total expenses from ordinary activities (excluding amortisation of intangibles)</b>	<b>(1,689)</b>	<b>(1,542)</b>

+ See chapter 19 for defined terms.

<b>Capitalised outlays</b>		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an <sup>+</sup> acquisition of a business)	-	-

Consolidated retained profits

	Current period - \$A'm	Previous corresponding period - \$A'm
1.30 Retained profits (accumulated losses) at the beginning of the financial period	557	546
1.31 Net profit (loss) attributable to members (item 1.11)	155	154
1.32 Net transfers from (to) reserves (details if material)	-	-
1.33 Net effect of changes in accounting policies	151	-
1.34 Dividends and other equity distributions paid or payable	(160)	(139)
<b>1.35 Retained profits (accumulated losses) at end of financial period</b>	<b>703</b>	<b>561</b>

**Intangible and extraordinary items**

		<i>Consolidated - current period</i>			
		Before tax \$A'm	Related tax \$A'm	Related outside <sup>+</sup> equity interests \$A'm	Amount (after tax) attributable to members \$A'm
		(a)	(b)	(c)	(d)
2.1	Amortisation of goodwill	30	-		
2.2	Amortisation of other intangibles				
<b>2.3</b>	<b>Total amortisation of intangibles</b>	<b>30</b>	-		
2.4	Extraordinary items (details)				
<b>2.5</b>	<b>Total extraordinary items</b>				

+ See chapter 19 for defined terms.

**Comparison of half year profits**

*(Preliminary final report only)*

- 3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.22 in the half yearly report)
  
- 3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year

	Current year - \$A'm	Previous year - \$A'm
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	155	154
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	N/A	157

---

+ See chapter 19 for defined terms.

## Consolidated balance sheet

	At end of current period \$A'm	As shown in last annual report \$A'm	As in last half yearly report \$A'm
<b>Assets</b>			
4.1 Cash and liquid assets	835	1,194	905
4.2 Receivables due from other financial institutions	17	57	18
4.3 Trading securities	2,057	1,498	1,703
4.4 Investment securities	7,810	7,544	7,481
Investments in associates	83	86	80
4.5 Loans advances and other receivables	23,165	22,955	21,954
4.6 Property, plant and equipment	231	206	197
4.7 Deferred tax assets	153	193	173
4.8 Intangible assets	1,071	1,099	1,122
4.9 Excess of net market value of interest in subsidiaries over their recognised net assets	12	16	15
4.10 Other assets	560	633	994
<b>4.11 Total current assets</b>	<b>35,994</b>	<b>35,481</b>	<b>34,642</b>
<b>4.12 Liabilities</b>			
4.13 Deposits and short term borrowings	20,143	18,176	17,773
4.14 Payables due to other financial institutions	16	70	9
4.15 Accounts payable and other liabilities	699	858	1,004
4.16 Current tax liabilities	50	72	25
4.17 Provisions	128	349	327
4.18 Deferred tax liabilities	144	198	224
4.19 Outstanding claims and unearned premiums provisions	4,813	4,591	4,468
4.20 Life insurance gross policy liabilities	2,624	2,780	2,704
4.21 Policy holder retained profits	317	271	302
4.22 Bonds, notes and long term borrowings	2,773	3,952	3,652
4.23 Subordinated notes	751	802	806
<b>4.24 Total liabilities</b>	<b>32,458</b>	<b>32,119</b>	<b>31,294</b>
<b>4.25 Net assets</b>	<b>3,536</b>	<b>3,362</b>	<b>3,348</b>

+ See chapter 19 for defined terms.

### Consolidated balance sheet continued

<b>Equity</b>				
4.25	Contributed equity	2,805	2,777	2,760
4.26	Reserves	22	22	21
4.27	Retained profits (accumulated losses)	703	557	561
<b>4.28</b>	<b>Equity attributable to members of the parent entity</b>	<b>3,530</b>	<b>3,356</b>	<b>3,342</b>
4.29	Outside +equity interests in controlled entities	6	6	6
<b>4.30</b>	<b>Total equity</b>	<b>3,536</b>	<b>3,362</b>	<b>3,348</b>
4.31	Preference capital included as part of 4.28	<b>246</b>	<b>246</b>	<b>246</b>

### Notes to the condensed consolidated statement of financial position

#### Exploration and evaluation expenditure capitalised

*(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)*

	Current period \$A'm	Previous corresponding period - \$A'm
5.1 Opening balance	N/a	N/a
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
<b>5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>N/a</b>	<b>N/a</b>

#### Development properties

*(To be completed only by entities with mining interests if amounts are material)*

	Current period \$A'm	Previous corresponding period - \$A'm
6.1 Opening balance	N/a	N/a
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
<b>6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)</b>	<b>N/a</b>	<b>N/a</b>

+ See chapter 19 for defined terms.

## Condensed consolidated statement of cash flows

	Current period	Previous corresponding period
	\$A'm	\$A'm
<b>Cash flows from operating activities</b>		
7.1 Interest received	918	851
7.2 Dividends received	31	31
7.3 Premiums received	1,311	918
7.4 Reinsurance and other recoveries received	195	92
7.5 Other operating income received	385	330
7.6 Interest paid	(557)	(506)
7.7 Outwards reinsurance premiums paid	(88)	(80)
7.8 Claims paid	(922)	(862)
7.9 Operating expenses paid	(868)	(621)
7.10 Income taxes paid – operating activities	(76)	(51)
7.11 <b>Net cash inflow from operating activities</b>	<b>329</b>	<b>102</b>
<b>Cash flows from investing activities</b>		
7.12 Proceeds from disposal of controlled entities	-	-
7.13 Payments for purchase of investments in associates	-	-
7.14 Payments for purchase of controlled entities, net of cash acquired	(1)	(1,273)
7.15 Payments for property, plant and equipment	(63)	(30)
7.16 Proceeds from sale of property, plant and Equipment	-	-
7.17 Net purchase of banking securities	(557)	(67)
7.18 Net increase in loans, advances and other Receivables	(337)	(858)
7.19 Purchase of investments integral to insurance activities	(15,733)	(14,606)
7.20 Proceeds from disposal of investments integral to insurance activities	15,385	15,130
7.21 Income taxes paid – investing activities	(11)	(9)
7.22 <b>Net cash outflow from investing activities</b>	<b>(1,317)</b>	<b>(1,713)</b>
<b>Cash flows from financing activities</b>		
7.23 Net proceeds from issues of share capital	28	617
7.25 Proceeds from (repayment of) subordinated notes	(51)	271
7.26 Net increase in deposits and other borrowings	826	1,442
7.27 Dividends paid	(160)	(152)
7.28 <b>Net cash inflow from financing activities</b>	<b>643</b>	<b>2,178</b>
7.29 Net increase (decrease) in cash and cash equivalents	(345)	567
7.30 Cash at the beginning of period	1,181	300
7.31 Cash acquired on acquisition of GIO general Insurance business	-	47
7.32 <b>Cash at the end of period</b>	<b>836</b>	<b>914</b>

+ See chapter 19 for defined terms.



## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. ( If an amount is quantified, show comparative amount.)

N/a
-----

### Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'm	Previous corresponding period - \$A'm
8.1 Cash on hand and at bank	614	716
8.2 Deposits at call	221	189
8.3 Bank overdraft	-	-
8.4 Other (provide details)		
Receivables due from other financial institutions	17	18
Payables due to other financial institutions	(16)	(9)
<b>8.5 Total cash at end of period (item 7.32)</b>	<b>836</b>	<b>914</b>

### Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
<b>9.1 Profit before tax / revenue</b> Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	8.6%	9.1%
<b>9.2 Profit after tax / <sup>+</sup>equity interests</b> Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.30)	4.4%	4.6%

+ See chapter 19 for defined terms.

## Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

	Dec-02	Dec-01
	Cents	Cents
Basic earnings per share	27.9	29.7
Diluted earnings per share	27.9	29.6
<b>Number of shares</b>		
<b>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</b>	<u>526,636,644</u>	<u>504,974,000</u>
Weighted average number of potential ordinary shares relating to		
options on ordinary	709,238	1,576,000
partly paid ordinary	22,671	26,000
converting capital notes	-	-
<b>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</b>	<u>527,368,553</u>	<u>506,576,000</u>

	Dec-02	Dec-01
	\$m	\$m
<b>Reconciliations of earnings used in calculating earnings per share</b>		
<i>Basic earnings per share</i>		
Net profit	155	154
Preference share dividends	(8)	(5)
<b>Earnings used in calculating basic earnings per share</b>	<u>147</u>	<u>149</u>
<i>Diluted earnings per share</i>		
Net profit	155	154
Preference share dividends	(8)	(5)
<b>Earnings used in calculating diluted earnings per share</b>	<u>147</u>	<u>149</u>

+ See chapter 19 for defined terms.

<b>NTA backing</b> (see note 7)	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	4.20	3.77

### Discontinuing Operations

*(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)*

#### 12.1 Discontinuing Operations

N/a
-----

### Control gained over entities having material effect

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	
13.3 Date from which such profit has been calculated	
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	

+ See chapter 19 for defined terms.

### Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/a
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

### Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	31 March 2003
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES approved)	12 March 2003
15.3	If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	N/A

### Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	¢	¢	¢
15.5	Previous year	¢	¢	¢
15.6	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year	26¢	@ 30% 26¢	¢
15.7	Previous year	25¢	@ 30% 25¢	¢

+ See chapter 19 for defined terms.

**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	N/A	N/A
15.9 Preference +securities	N/A	N/A

**Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'm	Previous corresponding period - \$A'm
15.10 +Ordinary securities (each class separately)		
Interim	-	134
Final	152	-
15.11 Preference +securities (each class separately)		
Interim	8	5
Final	-	-
15.12 Other equity instruments (each class separately)	-	-
<b>15.13 Total</b>	<b>160</b>	<b>139</b>

The +dividend or distribution plans shown below are in operation.

Shareholders will be able to participate in the company's Dividend Reinvestment Plan introduced from February 2002

The last date(s) for receipt of election notices for the +dividend or distribution plans

12 March 2003

Any other disclosures in relation to dividends (distributions). (For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)

N/a

+ See chapter 19 for defined terms.

### Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'm	Previous corresponding period - \$A'm
16.1 Profit (loss) from ordinary activities before tax	6	N/a
16.2 Income tax on ordinary activities	(2)	
<b>16.3 Profit (loss) from ordinary activities after tax</b>	4	
16.4 Extraordinary items net of tax	-	
<b>16.5 Net profit (loss)</b>	4	
16.6 Adjustments	-	
<b>16.7 Share of net profit (loss) of associates and joint venture entities</b>	4	N/a

### Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous correspondin g period	Current period  \$A'm	Previous correspondin g period - \$A'm
<b>17.1 Equity accounted associates and joint venture entities</b>				
RACQ-AMP General Insurance Limited	50%	50%	3	Nil
RAA-GIO Insurance Holdings Limited	50%	50%	1	Nil
Workplace Injury Management Pty Ltd	50%	50%	-	Nil
<b>17.2 Total</b>			4	Nil
17.3 Other material interests	N/a			
<b>17.4 Total</b>	N/a			

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of + securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
<b>18.1 Preference + securities</b> (description)				
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
<b>18.3 +Ordinary securities</b> • Fully Paid • Partly Paid to 5 cents	527,906,003 27,550	527,906,003 27,550	50 50	50 5
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	2,578,954	2,578,954		
<b>18.5 +Convertible debt securities</b> (converting capital notes 1:1)				
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
<b>18.7 Options</b> (description and conversion factor)			Exercise price	Expiry date (if any)
18.8 Issued during current period				
18.9 Exercised during current period				

+ See chapter 19 for defined terms.

18.10 Expired during current period				
<b>18.11 Debentures</b> <i>(description)</i>				
18.12 Changes during current period (a) Increases through issues  (b) Decreases through securities matured, converted				
<b>18.13 Unsecured notes</b> <i>(description)</i>				
18.14 Changes during current period (a) Increases through issues  (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.



## Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: *Segment Reporting* and for half year reports, AASB 1029: *Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's +accounts should be reported separately and attached to this report.)

	Banking \$m	General Insurance \$m	Wealth M anagement \$m	Other \$m	Eliminations \$m	Consolidated \$m
<b>Half-year ended 31 December 2002</b>						
Revenue outside the consolidated entity	923	1,443	83	13	-	2,462
Inter-segment revenue	8	-	-	-	(8)	-
Total segment revenue	<u>931</u>	<u>1,443</u>	<u>83</u>	<u>13</u>	<u>(8)</u>	<u>2,462</u>
Segment result	<u>150</u>	<u>68</u>	<u>16</u>	<u>4</u>	<u>(30)</u>	<u>208</u>
Shares of net profits of associates	-	4	-	-	-	<u>4</u>
Profit from ordinary activities before income tax expense						212
Income tax expense						<u>(57)</u>
<b>Net profit</b>						<u><u>155</u></u>

	Banking \$m	General Insurance \$m	Wealth M anagement \$m	Other \$m	Eliminations \$m	Consolidated \$m
<b>Half-year ended 31 December 2001</b>						
Revenue outside the consolidated entity	854	1,291	122	12	-	2,279
Inter-segment revenue	10	-	-	-	(10)	-
Total segment revenue	<u>864</u>	<u>1,291</u>	<u>122</u>	<u>12</u>	<u>(10)</u>	<u>2,279</u>
Segment result	<u>153</u>	<u>43</u>	<u>37</u>	<u>4</u>	<u>(30)</u>	<u>207</u>
Shares of net profits of associates	-	-	-	-	-	<u>-</u>
Profit from ordinary activities before income tax expense						207
Income tax expense						<u>(53)</u>
<b>Net profit</b>						<u><u>154</u></u>

## Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: *Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

+ See chapter 19 for defined terms.

## Basis of financial report preparation

- 19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*
- 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Suncorp-Metway Ltd recorded a consolidated net profit after tax of \$155 million for the half year ended 31 December 2002, compared to \$154 million for the corresponding prior period. While the underlying business results were strong the result was affected by poor returns on general insurance shareholder funds and an increase in bad and doubtful debts expense.

The contribution before tax from the banking division fell marginally from \$153 million to \$150 million. Total revenue grew by 8% in line with the growth in the banking receivables. An increase in bad and doubtful debts expense from \$14 million to \$26 million resulted in the reduction of the banking division's contribution to the consolidated net profit. The cost to income ratio was a competitive 51.9%, to produce a 5% increase in banking contribution before bad and doubtful debts.

The general insurance division experienced a significant increase in contribution from \$43 million to \$72 million, due mainly to the realisation of benefits from the successful integration of the GIO operations. An insurance trading ratio of 8.0% was achieved compared with 4.8% in the prior comparative period. Investment income on shareholder funds returned a loss of \$17 million (2001: \$3 million loss) in line with the volatility in Australian equity markets during the period.

The wealth management division experienced a decline in contribution from \$37 million to \$16 million. This was primarily a result of a fall in investment income from \$61 million to \$11 million due to volatility in domestic and overseas equity markets. New business sales within the life company operations remained at a similar level to 31 December 2001 despite investor concerns arising from market volatility.

- 19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

N/a

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

	Dec-02 \$m	Dec-01 \$m
<b>Franking credits</b>		
Franking credits available for subsequent financial years based on a tax rate of 30% (2001: 30%)	129	229

The comparative at 31 December 2001 has been restated to an Income Tax paid basis in accordance with the New Business Tax System (Imputation) Act 2002.

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

---

+ See chapter 19 for defined terms.

**Change in accounting policy**

The consolidated entity adopted Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" effective from 1 July 2002. Previously, the consolidated entity has provided for ordinary share dividends where there was an expectation of payment after the reporting date. AASB 1044 now prohibits the recognition of dividends as liabilities where they were not declared, determined or publicly recommended on or before the reporting date. Accordingly, the consolidated entity has not provided for ordinary share dividends at 31 December 2002.

As a result of this change, the adjustments as at 1 July 2002 are:

- \$152 million increase in opening retained profits
- \$152 million decrease in provision for ordinary dividends.

There was no impact on profit or loss for the reporting period to 31 December 2002.

The consolidated entity adopted revised Accounting Standard AASB 1028 "Employee Benefits" effective from 1 July 2002. Previously, calculations of employee benefits were required to be based on remunerations rates current as at the reporting date. Under the revised AASB 1028, calculation of these employee benefits must be based on remuneration rates effective when the liabilities are expected to be paid.

As a result of this change, the adjustments as at 1 July 2002 are:

- \$1 million decrease in opening retained profits
- \$1 million increase in provision for employee benefits

As a result of this change in accounting policy, employee benefits expense decreased by \$713,466 and income tax expense increased by \$214,040 for the reporting period to 31 December 2002.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/a

+ See chapter 19 for defined terms.

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last <sup>+</sup> annual report.

Nil
-----

**Additional disclosure for trusts**

20.1 Number of units held by the management company or responsible entity or their related parties.	N/a
---	-----

20.2 A statement of the fees and commissions payable to the management company or responsible entity.  Identify: <ul style="list-style-type: none"> <li>• initial service charges</li> <li>• management fees</li> <li>• other fees</li> </ul>	N/a
---	-----

**Annual meeting**

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the <sup>+</sup> annual report will be available	N/A

---

<sup>+</sup> See chapter 19 for defined terms.

**Compliance statement**

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used 

N/A
-----

- 2 This report, and the <sup>+</sup>accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report ~~does~~ ~~not~~ <sup>\*</sup> (*delete one*) give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on <sup>+</sup>accounts to which one of the following applies.

(*Tick one*)

The <sup>+</sup>accounts have been audited.       The <sup>+</sup>accounts have been subject to review.

The <sup>+</sup>accounts are in the process of being audited or subject to review.       The <sup>+</sup>accounts have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available<sup>\*</sup> (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)

- 6 The entity has/~~does not have~~<sup>\*</sup> (*delete one*) a formally constituted audit committee.

Sign here: .....  
(Chairman)

Date: .....

Print name: R John Lamble AO

---

<sup>+</sup> See chapter 19 for defined terms.

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
  - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
  - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts (**Refer attached**) The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last <sup>+</sup>annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has

---

+ See chapter 19 for defined terms.

adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. <sup>+</sup>Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the <sup>+</sup>ordinary securities (ie, all liabilities, preference shares, outside <sup>+</sup>equity interests etc). <sup>+</sup>Mining entities are not required to state a net tangible asset backing per <sup>+</sup>ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the <sup>+</sup>accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A'm headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'm headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the <sup>+</sup>ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the <sup>+</sup>ASIC, must be given to ASX.

---

<sup>+</sup> See chapter 19 for defined terms.



12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their +accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

**Relevant Items** *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

## 17. Discontinuing operations

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their +accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

---

+ See chapter 19 for defined terms.

18. **Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

## FURTHER INFORMATION

### INCOME TAX

	Dec-02 \$m	Dec-01 \$m
The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
<b>Profit from ordinary activities before income tax expense</b>	212	207
Prima facie income tax expense calculated at 30% (2001 : 30%) on profit from ordinary activities before income tax	64	62
Tax effect of permanent differences:		
Non-deductible expenditure	2	1
Amortisation of goodwill	9	9
Non-assessable income	-	(3)
Dividend rebates	(11)	(6)
Future income tax benefits not previously brought to account	(4)	(2)
Other	(3)	(3)
Income tax adjusted for permanent differences	57	58
Over provision in prior year	-	(5)
	57	53

### NON-OWNER TRANSACTION CHANGES IN EQUITY

	Dec-02 \$m	Dec-01 \$m
Increase in retained profits on the initial adoption of AASB 1044 Provisions, Contingent Liabilities and Contingent Assets	152	-
Decrease in retained profits on the initial adoption of revised AASB 1028 Employee Benefits	(1)	-
	151	-

+ See chapter 19 for defined terms.