SUNCORP

N E W S   R E L E A S E

August 29, 2003

Suncorp announces solid profit result on back of record half year result

Financial services conglomerate Suncorp has announced a strong 24 per cent increase in net profit to $384 million for the year to June.

The group also declared a final dividend of 30 cents per share, up one cent, taking the full year dividend to 56 cents per share fully franked, continuing its recent track record of uninterrupted dividend increases.

"The improvement in profit includes a record half year result of $229 million for the final six months of the year – up 46% on the prior corresponding period," said Managing Director John Mulcahy.

"This improvement was driven mainly by the strength of the general insurance division where the profit stream arising from the GIO acquisition is now flowing strongly to the bottom line, producing a 140 per cent increase in second half earnings to $161 million.

"Banking also made considerable progress in the second half producing a 20 per cent profit increase to $168 million which, again, is a record half year result for the banking business."

Mr Mulcahy said the results confirmed Suncorp was in good shape and had a solid platform to build on for the future.

"We have had a good year and an excellent final six months. We now have an ambitious vision, a clear strategy and detailed plans to build on our strong track record and deliver increasing benefits to our customers, staff, community and shareholders," he said.

Financial Performance Summary

The financial results are summarised in the following table:

Profit Overview, $M	**Year to**		**Change**
	Jun-03	**Jun-02**	**%**
Banking	318	293	8.5
General Insurance	233	110	111.8
Wealth Management	41	58	(29.3)
Other	9	8	12.5
Profit before tax and goodwill	**601**	**469**	**28.2**
Goodwill amortisation	62	60	3.3
Tax	155	98	58.2
Net profit	**384**	**311**	**23.5**

(Excludes tax on life insurance policy owners funds)

Divisional Profit Analysis

Banking

The banking profit before tax increased by 8.5per cent to $318 million for the year, which is a solid outcome, and represents a return on equity of 19 per cent for the year.

The highlight of the banking result was the strong improvement in earnings in the second half. The first half profit before tax was down to $150 million from $153 million in the prior corresponding six months, but in the second half, the company lifted earnings by 20% to $168 million.

Overall lending growth for the year was 11per cent, to $25.1 billion, compared to 12.7 per cent for the market. Commercial lending growth was particularly strong, increasing by 15.4 per cent compared with 4.6 per cent for the industry. Housing growth at 9.4per cent was below the exceptionally strong 21.4per cent growth rate for the sector, but new lending initiatives introduced have already led to encouraging improvements in lending performance.

General Insurance

The benefits of the GIO integration program are most clearly evident in the General Insurance result, which more than doubled to $233 million before tax, for the 12 months.

The Insurance Trading Result (ITR), which is the clearest indicator of underlying insurance performance, increased by 85 per cent to $209 million, which is equal to 10.4 per cent of premium income. In the second half, the ITR was equal to a high 12.8% of premium.

The improvement was primarily driven by solid premium growth, which increased 12per cent to $2.01 billion, and reduced operating expenses, which fell by four per cent to $433 million. The expense ratio, which measures expenses as a proportion of premium income, reduced to 21.5per cent for the year, and was 20.9 per cent in the second half, which makes Suncorp among the most efficient of Australia's major insurance companies.

"This is an excellent general insurance result," said Mr Mulcahy. "It demonstrates the company has completed the GIO integration, delivered the targeted savings, and significantly improved efficiency and profitability," he said.

Wealth Management

The pre-tax profit from Wealth Management activities was $41 million for the year to June 2003, compared to $58 million in the prior year, which included a one-off profit of $8 million relating to the sale and restructure of property portfolios. The business environment remained difficult, as continuing weakness in investment markets resulted in a slowdown of fund inflows across the Australian funds management industry.

On a half year basis, the divisional results are improving. The second half profit increased by nine per cent to $24 million, compared with the June half in 2002.

Outlook

Group Chairman John Story said the company is optimistic about the outlook for the current year.

"While global economic conditions are somewhat subdued, within Australia the economy appears resilient, with good growth rates and low inflation forecast to continue," he said.

"The primary markets in which the company operates are in good shape, with general insurance enjoying a structural shift towards higher profitability, banking showing continued good lending growth and excellent credit quality, and investment markets demonstrating signs of recovery.

"The company now has the new management team in place and a clearly defined strategic plan is being implemented. This will underpin the vision we have chosen for the company which is to be 'Australia's most desirable financial services company' for shareholders, customers, employees and the community in general," he said.

"So assuming no dramatic swings in financial markets, or unusual insurance claims events, we would expect to be able to report a further improvement in profits in the current year."

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Chairman's letter to shareholders - 2003

Dear Shareholder,

The 2003 year was a period of major organisational change and financial progress for your company.

At a board level, the year saw the retirement of the former chairman, John Lamble AO in March. I would like to take this opportunity to thank John for his inspirational leadership during his six years as Chairman. During that time, he presided over the initial merger of Suncorp, Metway and QIDC in 1996, then led the company through the acquisition of the GIO insurance business in 2001. I congratulate him on his success and I would like to thank my board colleagues and shareholders for giving me the opportunity to serve as Chairman of the company in his place.

The year also saw the appointment of John Mulcahy as managing director and chief executive officer, replacing Steve Jones, who resigned in September last year. John took up the role in January, following a distinguished career in a number of senior roles at the Commonwealth Bank, and before that at Lend Lease. He already has proven to be an outstanding appointment and has had a major impact in reorganising the company, refining the group strategy and implementing new disciplines to deliver stronger financial results.

Financial Performance Summary

I am pleased to report a 23.5percent increase in net profit to $384 million for the year to June. The improvement in profit is very satisfying, and included a record half year result of $229 million for the final six months of the year – up 45.8percent on the prior corresponding period.

The board has declared a final dividend of 30 cents per share, up one cent, taking the full year dividend to 56 cents per share, fully franked, and continuing the group's recent record of uninterrupted dividend increases.

The financial results are summarised in the following table:

Profit Overview, $M	**Year to**		**Change**
	Jun-03	**Jun-02**	**%**
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Goodwill amortisation	62	60	3.3
Tax	155	98	58.2
Net profit	**384**	**311**	**23.5**

(Excludes tax on life insurance policy owners funds)

You can see that the increase in profit was mainly due to a strong improvement in general insurance results, which rose by 112percent to $233 million for the year. This reflects the fact that the benefits of the GIO general insurance acquisition are now flowing strongly through to the group's profit results.

The acquisition has proven to be a great success, making Suncorp the second largest insurance company in Australia, strengthening our business base and delivering significant returns for shareholders.

Banking profit increased by 8.5percent to $318 million during the year and showed a strong improvement in earnings in the second half due to a sharper focus on cost controls and increased non-interest income.

Chairman's letter to shareholders - 2003

Wealth Management profits were down on the previous year due to difficult conditions within the investment industry, and because the prior year included some one-off gains. However, the division continues to make a meaningful contribution to group profits, reporting a pre-tax result of $41 million for the year, and showing a 9percent improvement in second half results to $24 million.

The board is satisfied with the financial progress of the company, with the earnings per share, on a cash basis before goodwill, increasing by a healthy 19percent to 82 cents in the year.

Strategic Review
When John Mulcahy joined the group in January, one of his key tasks assigned by the board was to develop and implement a group strategy for the next five years. Following the completion of the GIO integration, the company needed a new strategic plan to continue to grow the business and drive improved profitability.

The review involved a fundamental reassessment of the company's businesses and the opportunities available in the rapidly evolving but fiercely competitive financial services sector.

The results of the review were announced in June, and were well received by the investment community, which had been eager to see some clarification of the company's agenda for the future.

In essence, the company intends to retain its existing business lines and will operate as a financial services conglomerate. This builds on the group's previous Allfinanz approach and takes advantage of the company's strong cross-sell capabilities. The difference is, however, that each business line, including a separate line for each of retail banking and business banking, is structured and operated as a separate business unit, responsible and accountable for its own performance. We believe that the financial conglomerate strategy will enable us to achieve returns for our shareholders that are consistently superior to our peers in the financial services sector.

A pre-requisite for success is that we must operate our business lines at least as well as our competitors in the field, and John Mulcahy and his executive team have developed detailed plans to ensure that outcome is achieved.

Vision
As part of this fundamental strategic review, the vision we have chosen for the company is "to be Australia's most desirable financial services company". That is for shareholders, for customers, for employees and for the community in general.

This is clearly a very ambitious vision for the group, but we believe that we should aim high. Our objective is to instil a culture within the company which seeks to deliver great service for our 3.8 million customers, a stimulating and rewarding work environment for our 8000 employees, strong community values, and consistently good returns to our 200,000 shareholders.

Board Changes
The company's CFO, Chris Skilton, who acted as interim Chief Executive following Steve Jones' resignation, was appointed an executive director in November. This appointment recognises both Chris's skills and experience, and the significance of the CFO role within the organisation. Bill Bartlett, a former Ernst & Young insurance partner and experienced accounting practitioner, joined the Board during the year. Both are very strong appointments.

Pat Handley resigned in March. I would like to thank him for his contribution.

Outlook
The board is optimistic about the outlook for the current year. While global economic conditions are somewhat subdued, within Australia the economy appears resilient, with good growth rates and low inflation forecast to continue.

Chairman's letter to shareholders - 2003

The primary markets in which the company operates are in good shape, with general insurance enjoying a structural shift towards higher profitability, banking showing continued good lending growth and excellent credit quality, and investment markets demonstrating signs of recovery.

The company now has the new management team in place and a clearly defined strategic plan being implemented.

So assuming no dramatic swings in financial markets, or unusual insurance claims events, we would expect to be able to report a further improvement in profits in the current year.

Conclusion
Finally, I would like to express my thanks to all the staff for their efforts and commitment during the year, and my colleagues on the board. Most importantly, I thank you, the shareholders, for your ongoing support.

John Story
Chairman

Managing Director's letter to shareholders - 2003

Dear Shareholder

Your company made excellent progress in 2003, and in this annual report, my first as your managing director, I am pleased to announce strong profit growth and an increase in the dividend.

The 23.5percent rise in net profit, to $384 million, is a commendable result. It reflects a significant team effort and major improvements at many levels during the year which leave us well positioned.

In this letter, I will outline some of those major achievements, then give you my analysis of the profit results and the outlook for the future.

Our Journey
The company has come a long way since it was initially brought together in December 1996 through the merger of Suncorp, QIDC and Metway Bank. That original amalgamation created a new force in Australia's financial services industry, with a rare combination of skills in banking, general insurance and wealth management, and a strong Queensland business base.

In 2001, we launched ourselves onto the national stage through the $1.3 billion acquisition of the GIO general insurance business in Australia, which made us Australia's second largest general insurer and delivered significant market shares across the country.

We completed the GIO integration in June 2003, and our 2003 results bear testimony to the success of that acquisition. We have built a strong foundation based on high levels of operating efficiency and by providing excellent service to our customers. Our challenge now is to build on that base and continue to deliver great products and services at competitive prices for customers, thereby ensuring strong profit growth for shareholders.

Strategy Review
To achieve that end, it is vital that we have an ambitious vision, clear strategy and coherent, detailed plans for the future. From my perspective, having joined the company in January, a key achievement has been the finalisation of the group's strategy for the next five years, and the communication of that strategy to staff, shareholders and the external community.

John Story outlined the financial services conglomerate approach in his letter. By operating as a financial services conglomerate, we can drive important synergies that include significant cost savings across the group, and higher revenues by selling a wider range of products to our existing customers. As long as we are ensuring that each of our business lines is operating at peak efficiency, we will deliver group results that are better than our competitors. Then the value of the group will be higher than the value of each of the component parts of the business, and we will be creating additional wealth for shareholders.

When developing our strategy, we used a business model which takes into account the interests of all our stakeholders, including customers, staff and the community, as well as shareholders. We aim to strike a balance that creates a strong sustainable business for the future.

Organisational Restructure
The key to strong performance rests with our biggest asset – our people. We have approximately 8,000 staff across Australia, and within the company we have a strong "can-do" culture and a genuine desire to meet customer needs. A key to achieving our strategic goals is the adoption of an organisational structure which enables and encourages our people to perform well and reach their full potential.

In March, we announced a fundamental restructure of the group, putting aside the previous complex matrix structure and reorganising around our business lines - Retail Banking, Business Banking, General Insurance and Wealth Management.

The new structure ensures that managers have the authority and responsibility to achieve their targets and deliver better service to customers. Within each business line we now have clearly defined roles and accountabilities for all staff, and an alignment of roles that puts the focus squarely on meeting customer needs and delivering excellent service.

The executive management team was reviewed at the time of the restructure. The new team is now in place. I am confident we have a strong team leading the company.

Business Line Strategies
Within each of the business lines the relevant executives have devised detailed plans focused on delivering high standards of service and excellent products for our customers.

Retail Banking
In retail banking, the company plans to operate as a "super-regional" bank, clearly differentiated from the Big 4 and focused on core bank products including home lending, small business lending, transaction accounts and retail deposits.

We have commenced a fundamental re-engineering of home lending processes to improve performance and lift customer retention. Our home lending has now stabilised, halting the loss of market share that has been evident during the past 12 months and rebuilding growth momentum. We have simplified our range of products to reduce complexity for staff and customers, introduced a specialised home lending force to improve service and redesigned our distribution networks to make them more effective.

Outside Queensland, we will continue to use intermediaries and alliances to grow our lending, and when we have built a sufficiently large business base, we will open branches to service those customers.

Business Banking
The business banking division will continue to focus on its strengths, being small and medium sized commercial banking, agribusiness and property. The Business banking division has been performing strongly over the past few years, and we aim to continue that growth by cementing our strong relationships with our target customer segments.

We remain very committed to our property and agribusiness customers. We know those businesses well and have skilled staff providing high levels of expert service. Because of that specialist expertise and our thorough lending practices, we are very comfortable with our exposure to those businesses.

General Insurance
Following the acquisition of the GIO general insurance business from AMP in June 2001, Suncorp's general insurance division has developed as a strong source of profit growth for the group. The acquisition and integration of GIO has achieved cost savings and revenue that have made the general insurance company one of the most efficient in Australia.

Our challenge now is to grow the business from that strong, competitive base.

The GIO brand, which has suffered in recent years, is being revitalised through major service improvements and extensive marketing campaigns, and is the main insurance brand outside of Queensland. We also aim to increase our presence in the commercial insurance sector, which we have identified as a major growth opportunity.

Wealth Management
Wealth Management is the group's smallest operating division, but we see potential for substantial growth through improving the penetration of our existing customer base, and by expanding our operations into new market segments such as the youth sector and pre-retirees. We also aim to take advantage of our strong investment skills to promote increased sales of investment products.

Financial Goals
As part of the strategy review, we have specified some key financial goals to focus our efforts and measure our progress.

Managing Director's letter to shareholders - 2003

1) We aim to deliver returns to shareholders in the top quartile of the financial services sector.
2) We expect to produce annual productivity gains of between 5percent and 10percent
3) We aim to consistently report a return on equity of more than 15percent

Financial Performance
The table below summarises the results for each half year.

$Millions	Half year ended Jun-03	Dec-02	Jun-02	Dec-01	June 03 vs Jun 02 (%)
Banking	168	150	140	153	20
General Insurance	161	72	67	43	140
Wealth Management	24	17	22	36	9
Other	5	4	4	4	25
Profit before goodwill and tax	**358**	**243**	**233**	**236**	54
Income Tax	97	58	46	52	111
Goodwill amortisation	32	30	30	30	7
Net profit	**229**	**155**	**157**	**154**	46

(Excludes tax on life insurance policy owners funds)

While the full year net profit increased by 23.5percent to $384 million, you can see from the table that the profit improvement almost entirely occurred in the last six months. In the first half, profits increased by $1 million to $155 million and then in the second half, profits lifted by 46percent to $229 million. That is a record half year result for the company.

The improvement was driven mainly by the strength of the general insurance division, where the profit stream arising from the GIO acquisition is now flowing strongly to the bottom line, producing a 140percent increase in second half earnings to $161 million. Banking also made considerable progress in the second half, producing a 20percent profit increase to $168 million.

A key measure for shareholders is the earnings per share figure. On a cash basis, that is before goodwill amortisation, earnings per share increased by 19percent for the year to 82 cents per share. Again, the major improvement occurred in the second half when the increase was 41percent to 47.8 cents, a record half year earnings per share for the group. It gives us great confidence for the future.

Transformation
A highlight of the period from an operational perspective was the completion of the Transformation program for the integration of the GIO business. The program is a very rigorous and intensive exercise, which strips out duplication and re-engineers processes to drive efficiency. I can confirm its effectiveness, and the results for the year prove the case. Because it is so successful, we have begun a new program to impose the disciplines of Transformation continually throughout the company, constantly reviewing our practices to drive improvements.

The GIO Transformation program, which commenced in December 2001, was officially completed in June this year, and it achieved the group's goal of delivering savings and revenue benefits worth $240 million in a full year.

I will now go through each division and summarise the performance.

BANKING PROFIT

$Millions	Full Year ended		June 03 vs Jun 02 (%)
	Jun-03	**Jun-02**	
Net interest income	592	550	8
Other operating income	155	126	23
Operating expenses	-380	-343	11
Bad and doubtful debts expense	-49	-40	23
Pre-tax profit	**318**	**293**	8.5

Banking

The banking profit before tax increased by 8.5percent to $318 million for the year, which is a reasonable outcome, and represents a return on equity of 19percent for the year.

The banking profit is really a story of two halves. The first half result was down to $150 million from $153 million in the prior corresponding six months.

There were two key factors that affected the first half result:

1) Lending growth had slowed, particularly in the Queensland housing market, despite strong growth in the market overall. This led to a loss of market share.
2) Expense growth was much higher than it should have been at 10.5percent.

Remedial action was taken during the year as the trends became clear. New initiatives and marketing campaigns were instituted to recover lending growth and increase non-interest income, and tighter controls were imposed on expenses.
The second half result consequently improved, and we were able to report a 20% increase in second half profit to $168 million.

Overall lending growth for the year was 11percent, to $25.1 billion, compared to 12.7percent for the market. Commercial lending growth was particularly strong, increasing by 15.4percent compared with 4.6percent for the industry. But housing growth at 9.4percent was below the exceptionally strong 21.4percent growth rate for the sector. The new lending initiatives we have introduced have already led to encouraging improvements in lending performance.

Credit conditions in banking are generally very sound, and overall asset quality in our portfolio is strong. However, we maintain tight lending policies and high levels of security, and adopt a prudent approach to the market.

GENERAL INSURANCE PROFIT

$Millions	Full Year ended		June 03 vs Jun 02 (%)
	Jun-03	**Jun-02**	
Net premium revenue	2012	1797	12
Net incurred claims	-1651	-1409	17
Operating expenses	-433	-448	-3
Investment income, tech provisions	281	173	62
Insurance Trading Result	**209**	**113**	85
Other income	32	11	191
Investment income, shareholder funds	11	0	0
GIO acquisition funding costs	-19	-14	36
Pre-tax profit	**233**	**110**	112

Net of certain statutory fees and charges included in income and expenses in the consolidated financial report

General Insurance

The benefits of the Transformation program are most clearly evident in the General Insurance result, which more than doubled to $233 million before tax, for the 12 months.

The clearest indicator of the underwriting performance of the insurance company is the insurance trading result, which is made up of the premium revenue, less claims costs and operating expenses, plus investment income earned on the funds held to pay claims. The result increased by 85percent to $209 million, which is equal to 10.4percent of premium income – a pretty healthy margin.

The improvement was primarily driven by solid premium growth, which increased 12percent to $2.01 billion, and reduced operating expenses, which fell by 3percent to $433 million. Leaving aside the direct costs associated with writing new business, such as brokers' commissions, operating expenses decreased by 13percent to $202 million for the year, which is an excellent performance. The expense ratio, which measures expenses as a proportion of premium income, reduced to 21.5percent for the year, and was 20.9percent in the second half.

The claims experience in the year was affected by the devastating bushfires, which struck Canberra in January. They cost the company in the vicinity of $26 million, with 323 claims in total including 47 houses destroyed. The incident serves as a strong message to the community to ensure that they hold adequate insurance cover.

The claims expense also was affected by an increase in costs in the Queensland Compulsory Third party insurance market, where we have seen evidence of rising awards for personal injury.

Suncorp has been working with the government and regulator to review the scheme to maintain acceptable levels of affordability for consumers and profitability for insurers. We are cautiously optimistic that planned legislative changes will check rising claims costs and maintain the stability of the scheme.

The General Insurance result benefited from a one-off gain of $16 million made from the sale of two central Brisbane property assets, and that amount is included in other income in the table.

It also was gratifying to see an improvement in investment income on shareholders funds during the year, following the poor returns of 2002. During the second half we announced that we were reducing the proportion of shares in our investment portfolio from 85percent to approximately 40percent. While this will slightly reduce the expected investment returns over the long term, it also will reduce the volatility of our earnings and produce a more reliable income stream.

Overall, conditions in the general insurance industry are now fundamentally strong, following a period of consolidation. Prices have risen considerably over the past two years and are now appropriate to cover the risks being borne by the insurance industry. Our challenge is to take our strong position and grow the business.

WEALTH MANAGEMENT PROFIT

$Millions	03-Jun	02-Jun	Jun 03 vs Jun 02 %
Life Company	32	39	-17.9
Funds Management	9	19	-52.6
Pre tax profit	41	58	-29.3

Excludes tax on life insurance policy owners funds.

The pre-tax profit from Wealth Management activities was $41 million for the year to June 2003, compared to $58 million in the prior year, which included a one-off profit of $8 million relating to the sale and restructure of property portfolios. The business environment remained difficult, as continuing weakness in investment markets resulted in a slowdown of fund inflows across the Australian funds management industry.

On a half year basis, the divisional results are improving. The second half profit increased by 9percent to $24 million, compared with the June half in 2002.

Wealth Management profits are derived from two sources – profits from the Life Company and earnings from Funds Management activities.

The Life Company recorded a pre-tax profit contribution in 2003 of $32 million, compared with $39 million in the prior year. The profit fell mainly because of lower experience profits, and reductions in the value of subsidiary service companies, due to the impact of poor investment market conditions.

Funds Management profit was $9 million at June 2003, compared with $11 million in the prior year (excluding an $8 million one-off profit for the sale and restructure of property portfolios in 2002).

Wealth Management funds under management at June 2003 totalled $9.9 billion, an increase of 5percent on the previous year. Funds management activities outperformed the benchmark in all asset classes recording a positive return in the asset classes of cash, fixed interest, domestic equities and property trusts, while international equities recorded a negative return, in the 12 months to June 2003.

Looking Forward

"be heard"

The theme of this year's report, as you would have seen from the front cover is "be heard". That is the brand promise for our newly launched marketing and branding campaign. The approach we are adopting is all about service. We believe that is the key to success in our business today, and we pride ourselves on maintaining excellent service quality.

Through the "be heard" campaign, the message we are conveying is that Suncorp listens to its customers in order to better understand their needs and then acts decisively to deliver relevant solutions, through continually improving products and extraordinary customer service.

The external campaign is a natural extension of a major internal program to ensure that the organisation stays very customer focused. The program is called the Customer Service Initiative. It involves tracking our performance in key service areas. For example, we know that customers don't want to wait in queues at branches or on the phone and we know they want their smashed car repaired quickly. So we measure how our service rates in these areas and a number of others.

Outlook

I would like to turn to the outlook for the current year.
The Australian financial services industry is highly competitive across all areas of business and all major product lines.

In Banking, we would expect to see some slowing in the extraordinarily high credit growth that has been evident over the past two years, particularly in the housing sector. However, we expect the changes we are making to our home lending processes and distribution to lead to improved sales and better retention rates.

Interest rates are expected to be fairly stable for the immediate future, so we would not expect significant reductions in margins, and we remain confident that overall credit conditions will continue to be favourable. Consequently, we would expect to report an increase in profit before tax of between 8-10percent for the year.

In General Insurance, as I mentioned earlier, the industry has recently been through a structural change which has significantly improved the operating environment and lifted profitability. While we expect to see continued strong competition in general insurance, we believe that new disciplines are now being imposed on the industry which will help to ensure that rational pricing practices prevail for the foreseeable future.

Speaking more specifically about the Suncorp business, during the current year we will gain further benefits from the flow through of the Transformation exercise. We also will be implementing a range of initiatives across the business to drive improved growth, such as the revitalisation of the GIO brand and the restructuring of commercial distribution management.

These factors should enable the general insurance division to deliver an insurance trading result towards the high end of our target range of 10-13percent of net earned premium for the full year, assuming no natural disasters, unusual claims events or financial catastrophes.

Wealth Management markets are showing signs of recovery as equity markets regain lost ground and investor confidence improves. The measures we are taking to improve our product set and distribution capability should lead to increased inflows on the back of our strong investment track record. So we would expect to see high single digit growth in Wealth Management profit before tax.

Taken together, these improvements should lead to a solid profit result, and an increase in underlying profit, before goodwill, tax, one-off gains and investment earnings on shareholders funds, of the order of 15percent in the full year.

Summary

So in summary, we have had a good year and an excellent final six months. We have an ambitious vision, a clear strategy and detailed plans. We expect to build on our strong track record and deliver increasing benefits to our customers, staff, community and shareholders.

To achieve our goals requires the dedication and commitment of our staff across Australia. They have all made a great effort in the past year, in the face of considerable change and upheaval. They have demonstrated the Suncorp "can-do" culture. I would like to thank them sincerely for their efforts.

Finally, I would like to thank my colleagues on the board and all the shareholders for their strong support.

JOHN MULCAHY
CHIEF EXECUTIVE OFFICER