



Group
Strategy

The Suncorp Model

The Model's Working...
...But There's More To Be Gained

7 June 2005

Ladies and Gentlemen - Good morning. Could I please ask you to ensure all mobile phones are switched off

Thank you very much for coming along today
I know that this is a very busy time for you
so we certainly appreciate your attendance

There has been a lot of speculation about why we postponed April till today
Let me confirm I did have a prolapsed disc and I couldn't walk
so all those other rumours can be totally dismissed

What we'd like to talk about today
is how Suncorp will outperform its financial services peers

I do hope that your time today will be well spent

The Suncorp story in the last two years
even allowing for the favourable market conditions
has exceeded expectations

The thing that excites us
is that while we know that our Model is now working
we also know that there is more to be done
and irrespective of the assumed industry outlook
we have great upside potential
relative to our competitors

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Agenda



Session One

9.00 - 9.30	Introduction and overview Suncorp Model and next steps	John Mulcahy
9.30 - 9.45	Question and answer time	

Session Two

9.45 - 10.05	Business Banking	Ray Reimer
10.05 - 10.25	General Insurance	Diana Eilert
10.25 - 10.40	<i>Coffee Break</i>	
10.40 - 11.00	Retail Bank	Mark Blucher
11.00 - 11.15	Wealth Management	Bernadette Inglis
11.15 - 11.30	Summary and outlook	Chris Skilton
11.30 - 12.00	Question and answer time	

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Now before I start
let me introduce the Suncorp Executive Team
because the credit for our recent performance
and I know our future performance
must go to this team and their efforts

Chris Skilton is our excellent CFO
and is well known to most of you

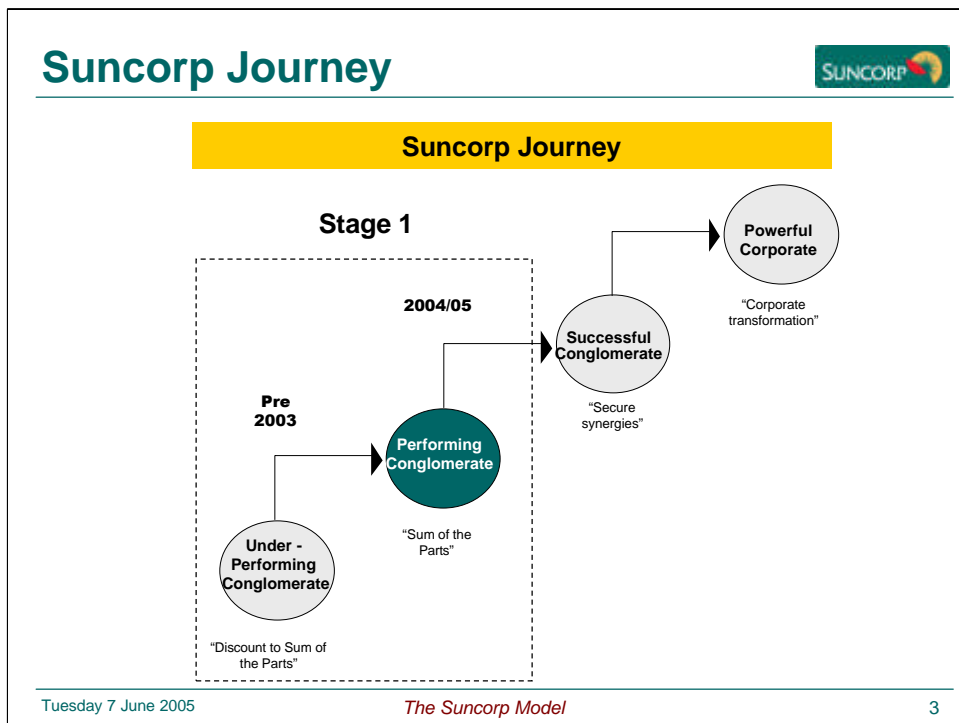
I would have to say that the working relationship between the CEO + CFO
is one of the most critical and Chris and I have a very strong relationship
and work in a complimentary manner

Ray Reimer is our Group Executive Business Banking Customers

Ray is the longest serving member of our team
He has been with the company for 28 years
and has done a fantastic job with our BB team

Mark Blucher is our Group Executive Retail Banking Customers
We forgive him for being an All Black supporter
Mark has worked miracles in the turnaround of Retail Bank in the last 2 years

SAME SLIDE



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

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

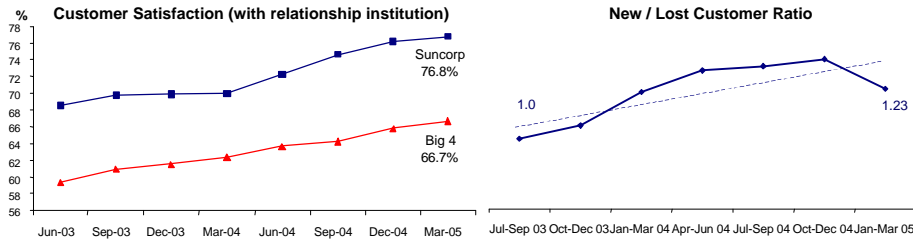
We recognised that we had 4 key stakeholders
Customers, Employees, Community and Shareholders
and that we needed to put in place specific strategies for each of those stakeholders

We understood our culture and strengthened our focus on the customer

We clarified our structure and put in place our Leadership Framework
That set accountabilities throughout the group
and included the establishment of Customer Development General Managers
whose roles were specifically designed as the focal point in the organisation
for managing and developing our customer base

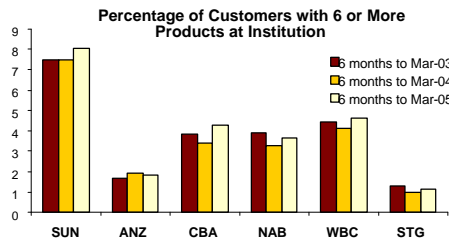
We complemented these actions
by introducing performance management systems
strengthening our strategic capability
and delivering greater consistency of effort across the Group

Results to Date - Value to Customers



Source: Roy Morgan Research Pty Ltd., Melbourne, Australia.
 Base: Australians aged 14+ with at least a transaction account at that institution.
 Overall satisfaction is measured ('very' or 'fairly satisfied'). Time period: 6-months moving averages to March 2005.

Source: Company data. SUN customers only



Source: Roy Morgan Research Pty Ltd., Melbourne, Australia.
 Base: Australians aged 14+ with at least a transaction account at that institution.

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By any measure this approach has delivered outstanding results and demonstrates the extent to which the whole organisation has embraced our strategy and has gone about executing it

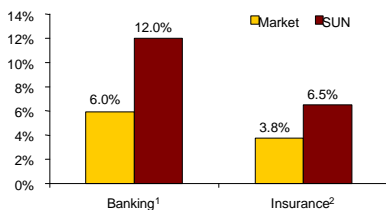
Our customer satisfaction ratings have always been better than the Big Four banks - but as you can see here we've started to widen the gap despite the considerable efforts and investments of the Majors to catch us

Our ratio of new to lost customers continues to grow as we lift our market share in our key product lines and retain our existing customers longer

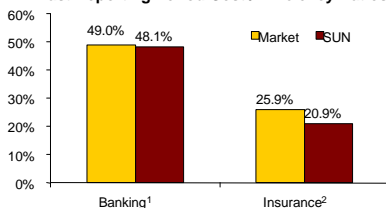
At the same time our customers are doing more business with us and deepening their relationship with us which we know aids retention and value - by own data, retention performance of customers with multiple products is much better and this figure improves exponentially when they have products across multiple lines of business

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Income Growth Last Reporting Period on PCP

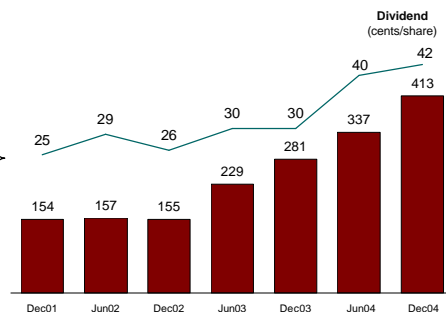


Last Reporting Period Cost / Efficiency Ratios



¹ Banking market comparison: Big Four banks + STG
² Insurance market comparison: IAG & Promina
 Source: Company analysis

Group NPAT (half-year, \$m)



Source: Company reports

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As you would be well aware
 our top line growth is now stronger than our peers in both Banking and Insurance
 and in Wealth Management
 our funds under management are now growing faster than the market

Our cost and efficiency ratios
 continue to demonstrate the competitive base on which we operate

And since December 2002
 on a half year basis our net profit after tax has grown by 166%
 and we've delivered 4 consecutive halves of profit growth
 with dividends increasing by 40% in the same time

Now while market conditions have been favourable over that period
 the really pleasing aspect of our performance
 is that we have taken advantage of this environment better than most

We've done that by executing our strategy exceptionally well
 through our customer focused culture and teamwork

Mercer Oliver Wyman in their recent report into the global financial services sector
 specifically highlighted Suncorp's strategy execution in the last 2 years
 that's against 400 of the world's leading banks and insurance companies
 and on their measure of total shareholder return
 Suncorp has outperformed Australia's major banks and insurers
 just one proof point that our Model and execution ability
 are differentiated from our peers

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“How will Suncorp outperform the market?”



Hardwired Advantages

Execution Excellence

We recognise however that this improvement is now all history

As analysts and investors
the question that I believe will be foremost in your mind
is “how will Suncorp outperform the market in the future?”

And while we know it will take sustained results to prove it
the quick answer to this question,
lies in two areas

Firstly, our Model is hard wired
- by that I mean that we have a full ownership position
throughout the value chain
across banking, insurance and wealth management
and this gives us fundamental advantages
that are not available to our softwired peers

And secondly
as we have proven
we do have an advantage in our execution capability
based on our culture,
our teamwork
and our management strength

It is these two characteristics
combined with our absolute focus on delivering value to the customer
that I believe makes Suncorp a compelling story

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Agenda



Session One

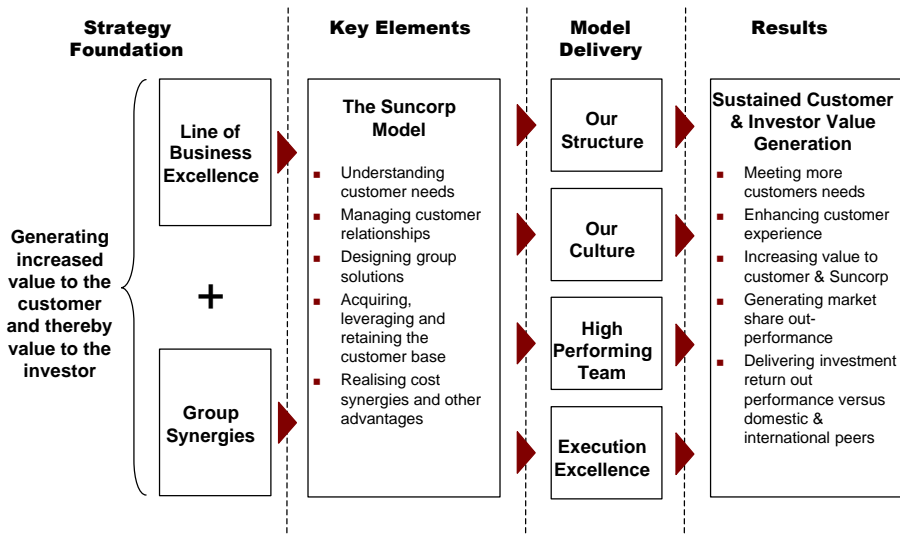
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So what I would like to do now
is spend some time
taking you through our Model
its fundamental advantages
and the next steps in our journey

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Our strategy is clear -
 deliver superior value to the customer and investor
 by achieving excellence in our lines of business
 and maximising the synergies across the Group

And let me demystify something right here and now
 those two objectives do not require different capabilities
 and nor are they separate activities

To meet both we need to
 understand our customers needs
 design the best solutions we can
 successfully manage our relationships with our customers
 grow our customer base
 do more business with them
 keep them longer
 and operate as efficiently as we can

And it really isn't rocket science -
 each of our competitors would tell you
 that they are trying to do exactly the same things

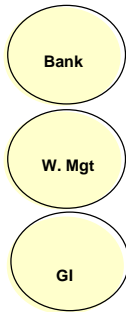
The key difference is that our hard wired Model allows us to do it better

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Suncorp Model

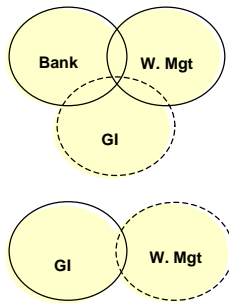


Monoline Model



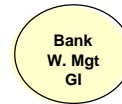
- IAG
- QBE
- Perpetual

Softwired Models



- Majors
- Regionals
- Building Societies
- Promina
- AMP
- Tower

Hardwired Model



- Suncorp

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Let me explain in a little more detail

Often in the past I have spoken about monoline peers

The reality of the current landscape is that there are very few true monolines and certainly none in banking

Nearly every financial services player is trying to grow their business faster by providing a broader range of products to their customers and they are mostly doing it by adopting what we call a softwired approach

By that I mean they are attempting to take a position across the full range of financial services by a mixture of full ownership and putting in place third party sourcing arrangements

As we enter a tougher more competitive environment the ability to do more business with an existing customer will become increasingly important and this is where a hardwired Model has unique, sustainable advantages

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Hardwired Advantages



Suncorp Model	Hardwired Advantages	Hardwired Status
<ul style="list-style-type: none">■ Understanding Customer Needs	<ul style="list-style-type: none">■ Exposure to more events in a customer's life■ Access to a broader window of customer wallet information	

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In understanding a customers needs our model gives us exposure to more events in a customers lifecycle and a broader window of information to understand their needs

Simply put we know more about our customers we get more chances to do more business with them we are able to draw on our understanding of their requirements around a transaction and offer integrated solutions

And we are able to offer that solution to them with an better understanding of their particular needs and expectations around price and service because we have a consistent view across their financial wallet

The value to the customer is clear In knowing more about them we can be more timely, more relevant, more convenient and more competitive in the offers we make them

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Hardwired Advantages



Suncorp Model	Hardwired Advantages	Hardwired Status
<ul style="list-style-type: none">■ Understanding Customer Needs■ Managing Customer Relationships	<ul style="list-style-type: none">■ Exposure to more events in a customer's life■ Access to a broader window of customer wallet information■ Customer hierarchy across all lines of business■ Consistent understanding of customer value■ Streamlined contact points	<ul style="list-style-type: none">■ ■

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Our Model also allows us an opportunity to be very consistent in our approach to customers

We've implemented a Group wide customer management hierarchy that ensures there's a clear point of accountability for every customer segment and clear protocols governing how we interact with our customers

This hierarchy is underpinned by a simple customer value algorithm which consistently identifies each customer's economic value and that's across their banking, insurance and wealth product holdings

This enables us to make pricing decisions based on the value and return on equity performance of the relationship as a whole and gives us greater flexibility in acquiring and retaining business

Softwired peers particularly those relying on third party arrangements find it difficult to adopt a common view of customer ownership or to understand the whole customer value

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Hardwired Advantages



Suncorp Model	Hardwired Advantages	Hardwired Status
■ Understanding Customer Needs	■ Exposure to more events in a customer's life ■ Access to a broader window of customer wallet information	
■ Managing Customer Relationships	■ Customer hierarchy across all lines of business ■ Consistent understanding of customer value ■ Streamlined contact points	
■ Designing Group Solutions	■ Ability to better tailor solutions to a customer's needs ■ Pricing optimisation across full customer relationship	

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The Suncorp Model

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Similarly, having a manufacturing and distribution capability across our full business mix gives us greater flexibility to design and tailor solutions for our customers

Now this goes beyond the natural fit packages and bundles that softwired peers can replicate and it gives us the opportunity to provide solutions that truly leverage the broader product range we have to offer

A good example of this capability is our recent Car loan and insurance package which delivers all of a motorists needs in a way softwired peers cannot match and includes finance, motor insurance; consumer credit insurance, and CTP protection

When we designed this package we were able to identify significant cost savings through reduced fulfilment requirements and share these with the customer

Softwired models don't have the product range on their own to match this solution and they would incur significantly higher costs and much greater complexity trying to put together an equivalent offer

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Hardwired Advantages



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<ul style="list-style-type: none"> ■ Understanding Customer Needs 	<ul style="list-style-type: none"> ■ Exposure to more events in a customer's life ■ Access to a broader window of customer wallet information 	
<ul style="list-style-type: none"> ■ Managing Customer Relationships 	<ul style="list-style-type: none"> ■ Customer hierarchy across all lines of business ■ Consistent understanding of customer value ■ Streamlined contact points 	
<ul style="list-style-type: none"> ■ Designing Group Solutions 	<ul style="list-style-type: none"> ■ Ability to better tailor needs based solutions ■ Pricing optimisation across full customer relationship 	
<ul style="list-style-type: none"> ■ Acquiring, Leveraging and Retaining 	<ul style="list-style-type: none"> ■ Insurance customers can transact broad range of financial needs via a branch ■ Consistency of delivery, communication and focus through streamlined management reporting line ■ Consistent two-way salesforce incentives structures 	

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Another of our advantages is that we have over 150 branches through which our insurance customers can deal face to face with our sales force - to handle all of their needs

100% of Suncorp branch sales staff are qualified - often with years of experience -to sell insurance products

No other insurance business can match this distribution advantage and no other bank could hope to achieve this level of competency to support their Models at least not without extensive investment in training and recruitment and that creates a significant hurdle to entry

And while our competitors are currently investing significantly in customer information systems our sales force have enjoyed a single view of a customers product holdings contact history and service tier through our Enterprise system for a number of years

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Hardwired Advantages



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<ul style="list-style-type: none"> ■ Acquiring, Leveraging and Retaining the Customer Base 	<ul style="list-style-type: none"> ■ Insurance customers can transact broad range of financial needs via a branch ■ Consistency of delivery, communication and focus through streamlined management reporting line ■ Consistent two-way salesforce incentives structures 	
<ul style="list-style-type: none"> ■ Realising Cost Synergies and Other Advantages 	<ul style="list-style-type: none"> ■ Facilitation and additional scope for cost synergies ■ More streamlined and cost-efficient sales and administration process through integrated systems 	

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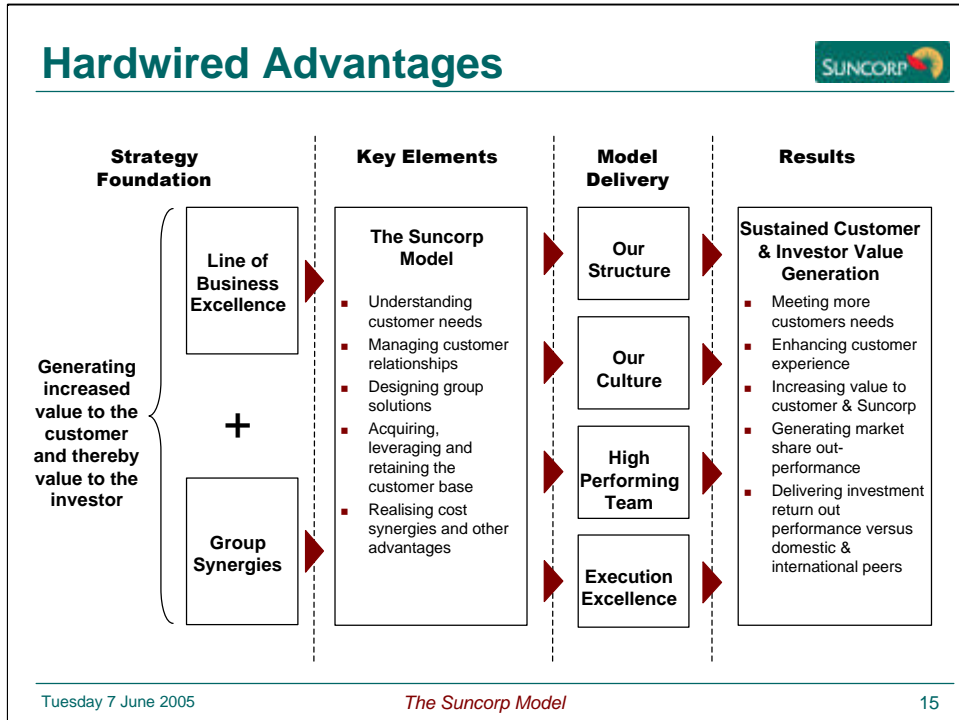
And finally as our cost to income ratio and our general insurance expense ratios demonstrate our model has generated significant efficiencies that have underpinned our ability to offer competitive value to our customers

Now while we believe that we've captured more of these advantages to date We know that considerable cost savings remain across the group particularly in our general insurance business

So clearly we have the ability to continue to operate extremely efficiently for years to come and I believe we will maintain our competitive positioning in both banking and insurance

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Hardwired Advantages



WALK OUT FROM BEHIND PODIUM / REST ON CHAIR

The significance of our banking and insurance operations in terms of the contribution they make to our earnings is roughly about the same

So relative to softwired peers we fundamentally make decisions a different way

When we consider investment decisions we can consider them in the context of our total business

Furthermore we can take the best practices that exist in each of the banking and insurance industries and rapidly transfer them

We are doing this in areas such as using our GI actuarial skills in banking which enables us to interrogate our data more thoroughly applying GI call centre technology in our banking operations and applying the more mature cost management practices in banking to drive further efficiency gains in insurance

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Model Element	Workstreams
<ul style="list-style-type: none">■ Understanding Customer Needs	<ul style="list-style-type: none">■ Deepen and extend Customer Value Analysis■ Deepen analytical capability■ Improve Management Information System capability■ Build segment based plans

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One of the most important areas of focus for us is to deepen our understanding of our customers needs

A good example of the work we are doing to achieve this is our current Management Information System strategy which is pulling together previously disparate information systems and analytical capabilities to give us a much more granular level of information

For example in looking at our ability to understand home loan retention performance to date we've relied on high level aggregated data
With the capability we are now establishing we can become much more granular and examine retention not only on a product basis but by segment, geographic region and originating channel basis

We can also examine the retention performance of customers with different product holdings throughout the Group and in working with our GI actuarial staff we can quantify major triggers of defection and design improved retention strategies and better customer solutions

In short this means we can improve our customer stickiness which is a major driver of profitability

Managing Customer Relationships



Model Element	Workstreams
<ul style="list-style-type: none">■ Understanding Customer Needs	<ul style="list-style-type: none">■ Deepen and extend Customer Value Analysis■ Deepen analytical capability■ Improve Management Information Systems capability■ Build segment based plans
<ul style="list-style-type: none">■ Manage Customer Relationships	<ul style="list-style-type: none">■ Refine and embed Customer Management Hierarchy■ Embed customer value algorithm

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Our focus to date on fixing our line of business performance ensured the efforts of our managers centred squarely on their profit and loss position

To maximise our Model we're now driving a greater focus on how they manage the customer relationship to grow value across the Group

In the next few months we will work with our Customer Development GMs to refine their accountabilities refine their performance metrics, KPIs and balanced scorecards and that's to ensure that they are focussed on generating the best value for our customers by designing and providing customised solutions across the Group and that will distinctly differentiate Suncorp in the marketplace

SAME SLIDE

Designing Group Solutions



Model Element	Workstreams
<ul style="list-style-type: none">■ Understanding Customer Needs	<ul style="list-style-type: none">■ Deepen and extend Customer Value Analysis■ Deepen analytical capability■ Improve Management Information System capability■ Build segment based plans
<ul style="list-style-type: none">■ Manage Customer Relationships	<ul style="list-style-type: none">■ Refine and embed Customer Management Hierarchy■ Embed customer value algorithm
<ul style="list-style-type: none">■ Designing Group Solutions	<ul style="list-style-type: none">■ Continue to refine and improve natural fit packages and product integration■ Focus on designing customised solutions■ Extend whole of customer value based pricing

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As I stated at the start of this presentation
line of business performance and Group Synergies
are not separate objectives
and nor do we deliver them separately
- they are an integral part of the Suncorp Model

Now I know that does not necessarily make it easy for you
to calculate the value and future performance of Suncorp
but the reality of the fact is
you will never see synergies
as a line item in a P&L

The ultimate measure of our synergy performance therefore
can only come by looking at our overall performance relative to the market
in terms of revenue and underlying earnings growth
and the value we deliver to the customer

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Leveraging Group Synergies



Model Element	Workstreams
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<ul style="list-style-type: none">■ Designing Group Solutions	<ul style="list-style-type: none">■ Continue to refine and improve natural fit packages and product integration■ Focus on designing customised solutions■ Extend whole of customer value based pricing
<ul style="list-style-type: none">■ Acquiring Leveraging and Retaining the Customer Base	<ul style="list-style-type: none">■ Prioritising and targeting untapped customer bases<ul style="list-style-type: none">▶ eg Business Banking into commercial insurance▶ Commercial insurance and Workers Compensation▶ Home loans to home insurance customers

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So what we are doing to maximise our synergy performance particularly in regard to revenue synergies is to build a true design capability

I have often cited examples from my engineering past where we didn't just design the foundations of a building but we designed everything that a person using that building needed

And that's' how I believe it should be in financial services

Our design approach will extend to a whole of customer experience perspective so it's not just the product but the whole process that we think about including what's the right distribution channel how can we simplify application forms streamline fulfilment requirements reusing existing customer information to complete multiple tasks and how can we design product optionality and apply value based pricing

Again, when we get it right I truly believe we can build a fundamentally better customer experience and that's when we will really go a long way to optimising the potential of our Model

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Illustrative Group Synergy Opportunities

- Business Banking into GIO Commercial Insurance customer base
- Business Banking into SUN Commercial Insurance customer base
- Home loans into SUN home insurance customer base
- Retail bank personal loans into SUN motor insurance customer base
- Agri lending into GI CTP (Tractor) customer base
- IT re-use and componentisation strategy
- Operational expenditure and logistics saves
- Procurement and strategic sourcing

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As you can see on this slide
we've identified a large number of revenue and cost synergy opportunities
that to date we've not been in the position to attempt to capture

By adopting a more structured approach to each element of the design equation
and deepening the level of collaboration
between our Customer Development General Managers
segment and product managers and our sales force teams
we are now prioritising and developing specific programs to capture them

Ray, Diana, Mark and Bernadette will provide specific details
of how they are attacking some of these opportunities in their presentations
so while I won't steal their thunder
the point I would like to make here is
we now have a much deeper knowledge of these opportunity buckets
and for the first time
we know what is required to be successful
and we've designed specific action plans to tackle them

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People



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How well we maximise these hardwired advantages
will really depend on how well we Execute

We do have sophisticated execution systems
and benefit tracking programs
and we will apply these thoroughly in the next stage of our journey

If there is one thing I have learnt however
is that ultimately it will all boil down to people

I'd like to talk briefly about how I seek to manage people
and how I expect my management team to manage their staff

Summary



- Our Model has unique advantages
- There is more to be done
- We will out perform the market

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So let me summarise
before we move to take some questions

We've taken the first step on our strategic journey
and we have delivered a significant turnaround
in the value we are delivering to our customers
and our investors

We've outperformed our peers because of our strategy execution
and the advantages of our Model

There is however much more to be done and the challenges ahead of us are
significant

To take the next step in our journey we're giving greater emphasis
to truly tapping the sustainable advantages of our Model
and have designed a program of activity to maximise them

And finally, irrespective of the macro-economic environment
we are confident that we have the ability
to out perform our softwired peers

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We now have time to have a Q & A session
so I would be happy to take questions from the floor

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Okay, now it's time to hand the podium over to each of our Group Executives who will outline how they are seeking to grow their business and how they are employing the Suncorp Model

So could I now ask Ray Reimer to come up and kick us off

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Business Banking - Growth



Strategic Themes

- Relationship Management
- Suncorp Model
- Specialised Industries
- Commercial Brokers
- People

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Thanks John

Today - 5 themes of our strategy consisting of:-

- Relationship Management
- Suncorp model - John spoke of
- Specialised Industries
- Commercial Brokers
- People

Let me start with the Relationship Management Strategy

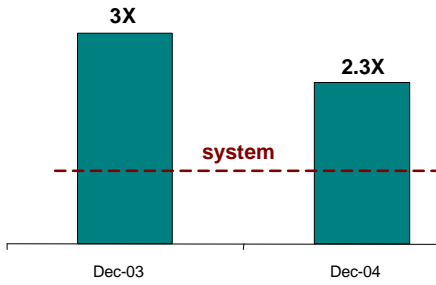
- Board room style lunches for 10-12 customers (helps us in understanding needs & designing solutions)
 - A number of themes affecting business - skilled labour / supplies off docks
 - Do business with each other - value adding
 - Complimentary to Suncorp -
 - Small sample so CVA story - Independent research - 50 - 60 Qs
 - WWPF - 100 - 107
 - L to Rec - 100 - 111
- Core Business to SMEs
- Best in Market
- WWPF - 118
 - LTR - 121

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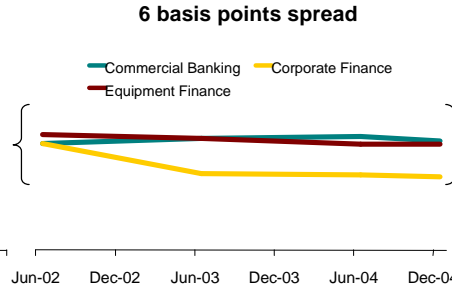
Business Banking - Growth



Lending Growth Versus System



Business Customers NIM



Source: RBA, SUN

Source: Company reports

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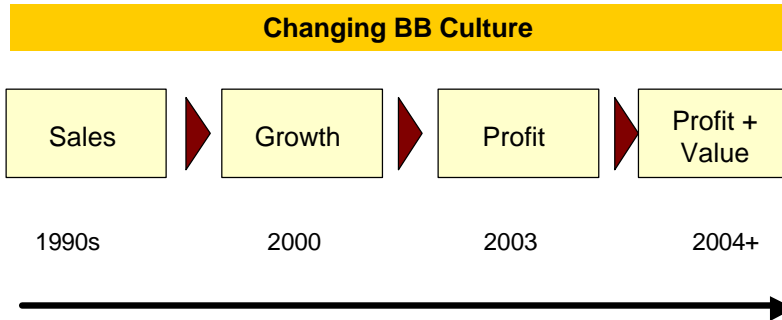
26

2 Times System Growth

- + Margin BBK BP SME(6) BP
- Competitors claims R/M - Execution of Strategy

NEXT SLIDE

Business Banking - Growth



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The Suncorp Model

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Suncorp Model for Business Banking

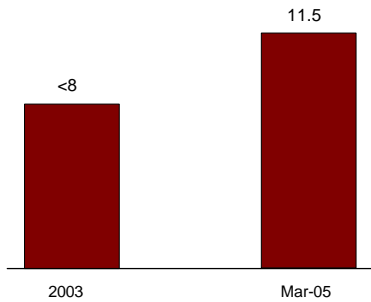
- Prior focus on lending as we expect some “customer risk” when working across Group
- Suncorp Model now allows us to shift focus by taking responsibility for the whole Group relationship the customer has with Suncorp. Having acquired - had to grow relationship to help retention. To do this effectively we:-
 - Customer Value Project - Tiering customers - matching relationship management tiering
 - MIS to understand whole Group Customer Value
 - Set agreed performance targets for growth in OLB products
 - Est League Ladders (on line) that report value as well as volumes / margins etc

NEXT SLIDE

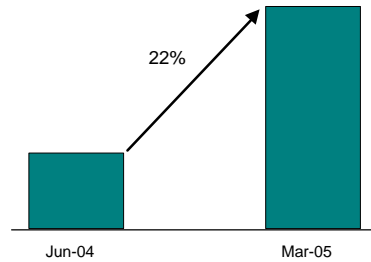
Business Banking - Growth



Products per Customer (Relationship Managed)



Growth in Other Line of Business Value Contribution



Source: Company data

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The Suncorp Model

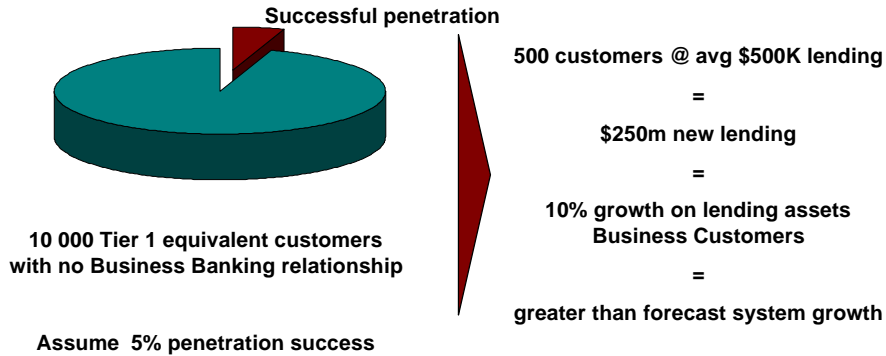
28

Some outcomes → PPCG 8 → 11.5 for relationship managed

- OLB Value ↑ 22%

NEXT SLIDE

GIO Commercial Insurance Opportunity



Source: Company data

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The Suncorp Model

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Suncorp Model for Business Banking

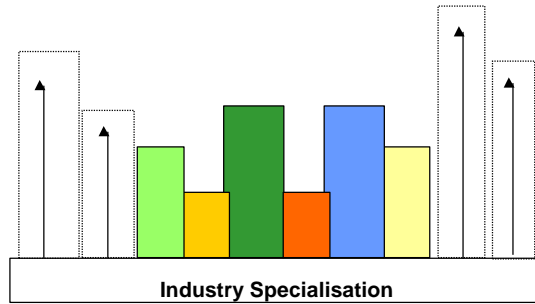
Examples

- Working with GI re: Suncorp Commercial Insurance premiums - Diana will talk through later
- Now established pilot program with GIO Commercial Insurance
- Objective is to acquire new Business Banking Customers while retaining them for GI
- 10,000 T1 Relationship Managed by GI Reps
- Business Banking and GI - Customer Development Managers working together to design combined offer that will provide value and efficiency for customer:
 - Switching easy
 - 1 Annual Review
 - Better Pricing as full risk understood
 - Also design incentive, report and structure for Relationship Managers
- Size of Prize has potential to equate to System Growth with modest level of penetration - 5% - does not include large Workers Comp

NEXT SLIDE

Industry Specialisation

Building new areas of specialisation to develop robust sub-segments



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The Suncorp Model

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Industry Specialisation looks at new industries to develop our people and reputation around, as well as enhance those when we have already done so, I.e.

- Dev Finance (Property)
- Retail Centres (PI)
- Sugar / Poultry (Agri) C.R.O.P. Project
- Management Rights / Hotels and Clubs (Business Customers)
- Researched opportunities after considering issues such as:-
 - a) Size and location of markets'
 - b) Future of the industries (Grains / Cotton)
 - c) Competition from OFI's;
 - d) Pricing and Fee opportunities;
 - e) Cross-sell Opportunities

Team of 5 appointed in CD+S undertaking this work in conjunction with Segment and Distribution managers - segment will then be responsible for development of the Value Proposition (including OLB & Credit) and Distribution will deliver to the chosen markets.

NB: This does not mean that we stop supporting general industries, rather than we continue to do so and have specialties as well. This will drive:

- * above-system growth
- * enhance customer retention
- * premium pricing.

Industries identified to date:-

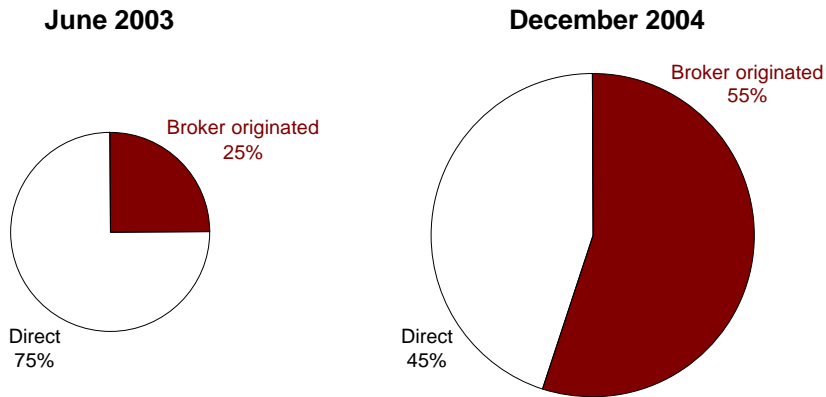
- * Grain
- * Water
- * Seniors' Housing
- * **Child Care**

NEXT SLIDE

Business Banking - Growth



Share of Broker Originated (Interstate) Lending



Source: Company data

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Brokers / Business Consultants

- In Queensland we have Brand, strong Branch footprint etc
- Desire for Growth - look interstate, strategy - largest markets
- Designed and developed broker model to assist relationship managers
- Dedicated Business Development Managers - focus entirely on Brokers:-
 - provide personal service
 - turnaround times
 - prompt / accurate commissions
 - understand our preferred industries
 - protocols - Retail Banking and Business Banking (united front)
 - + tripartite
- Phase 2 - Web Site re: products / contacts etc
- Outcomes - June 03 - 25% of interstate; Dec 04 - 50+% of interstate

NEXT SLIDE

Broker Originated Lending Performance

	Broker originated business compared to Direct
Loan quality - risk grade	On Par
Margin - fully costed	<10 basis points difference
Avg loan size	15% larger

Source: Company data

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Brokers / Business Consultants

- Loan Quality - Risk Grade - Equal with R/M Loans
- Margin - on fully costed basis - Similar with R/M Loans
- Average Loan Size - % greater than R/M Loans - 15%
- Expect trend to continue and QLD increasing broker focus

NEXT SLIDE

Summary



- Relationship management model
- Suncorp Model - growth opportunity
- Specialised Industries
- Commercial Brokers
- People

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To summarise - to date

Growth strategy is to :

- leverage relationship model to trusted advisor status for Tier 1 and specialised industry
- specialisation -in markets where there is a premium for value to the customer
- continue to support and grow broker model - interstate and QLD
- Maximising the advantages of the Suncorp Model

- I'd like to conclude on our most important subject - our people

NEXT SLIDE

Business Banking - Collaboration



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People

- As our strategies have realised significant growth in our business, it is a challenge to retain and attract people - key for Business Banking as it's really a people relationship business
- Business Banking has designed successful strategies to meet growth and profit objectives
- Unemployment
- 950-1250
- 400 required
- Grow your own
- But required the expertise of the corporate centre to help us in the design of our people strategy. A complete, holistic approach
- We operate Principal Advisor Model with HR and using our "ABCD Strategic Conversation Model". Together we have developed the strategies that incorporate:-
 - Sourcing / Selecting / Reward & Recognition / Retention / Career Development / Engaging and Skill of Leaders
- Many initiatives completed and proud to say some are / or have been leveraged across the group:-
 - Getting to Equity - ensuring ALL staff have equal opportunity to achieve career goals
 - Better Care Health Program
 - Student Recruitment Program (2nd Year)
 - Graduate Program
- I'll finish on that note and hand over to my General Insurance colleague Diana Eilert who may expand on some of the examples I've given, Diana ...

END

Agenda



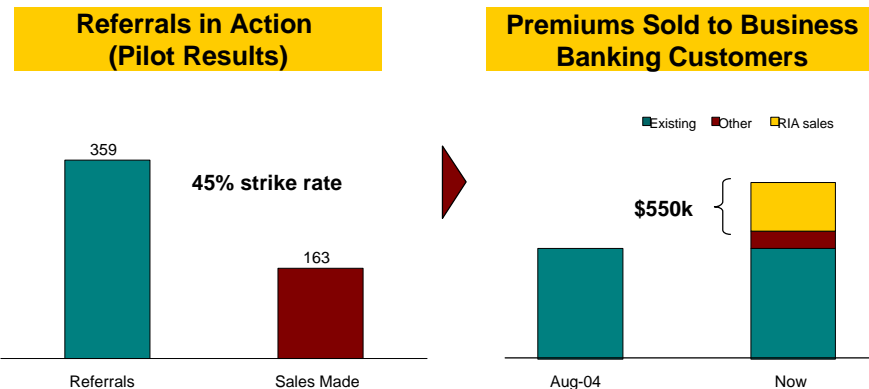
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Source: Company data as at end March 2005

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Thanks Ray

The commercial insurance opportunity Ray spoke about earlier is actually a pilot program that we've had in place between our two businesses since late last year, it's called Referrals in Action

In this program we've worked together to maximise the financial solutions we are providing our Queensland commercial insurance customers

That program has proved successful in generating a strong two way flow of referrals between our Corporate Agents and Ray's Relationship Managers

Since its start on August 2004 Referrals in Action has generated over approximately 350 referrals in excess of 160 confirmed sales, over \$500 000 in new premiums and several million dollar plus loans for business banking.

It is working because both sales forces have been motivated and there is deep customer knowledge which we are using to design customised solutions in a timely, relevant manner through a channel the customer knows and trusts

NEXT SLIDE

GI - Growth



- Sales Focus
- Optimising Distribution
- Improving Customer Experience
- Increasing Margins

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The Suncorp Model

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Intro

In talking today about Suncorp's General Insurance business I will discuss 4 key themes:

- 1) Sales focus
- 2) Optimising Distribution
- 3) Improving customer experience
- 4) Increasing margins

Of course in each of these areas, I will also call out how the Suncorp Model gives us a unique advantage

When I joined Suncorp nearly 18 months ago the insurance business had been very heavily focused on cost reduction

The integration of Suncorp and GIO was remarkably successful, with annual cost savings of \$240m being achieved.

But, there was a downside.....

....growth in both Suncorp and GIO had stalled.

In the reporting year June 2002 to 2003

risks in force in our Commercial Insurance, Home, Motor and Workers Comp.

So our first challenge was to shift the emphasis from transformation to Growth

SAME SLIDE

GI - Growth



- Sales Focus
- Optimising Distribution
- Improving Customer Experience
- Increasing Margins

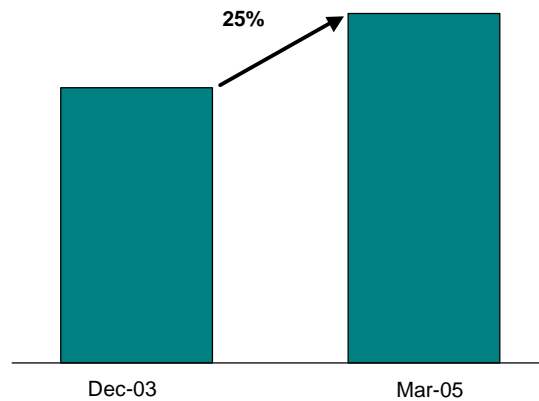
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When I started.....

Call Centre Conversion Rate - Home and Motor



Source: Company data

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The Suncorp Model

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So in the last 12 months we have really set about putting all the sales infrastructure in place such as weekly sales reports, regular sales management meetings and sales force coaching.

This led to some good early wins.

For example call centre conversion rates for Motor and Home Insurance have increased by 25% since December 2003 and we have been able to achieve record sales in the last 12 months despite heavy competitor advertising spend.

Another direct outcome of these early steps has been the improvement in our renewal and cancellation rates.

By setting up specific cancellation teams, implementing our Customer Charters, and using some basic analytics to identify and proactively contact “at risk” customers, we have been able to lift renewal rates across the Business.

As an example, our commercial insurance package renewal rates have increased by 5% since July 2003.

NEXT SLIDE

GI - Growth



- Sales Focus
- Optimising Distribution
- Improving Customer Experience
- Increasing Margins

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The Suncorp Model

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As we look to further drive our sales growth we are moving from tactical to more strategic initiatives to continue to build our sales culture

I know in previous results announcements John has mentioned the contribution the “inFOCUS” sales and service program has made in driving improved performance in our retail banking business

We believe the programme is of great value to our business, and we have commenced the Sales Leadership programme across Insurance. We expect that we will derive a similar performance uplift in call centre sales and direct sales forces as a consequence

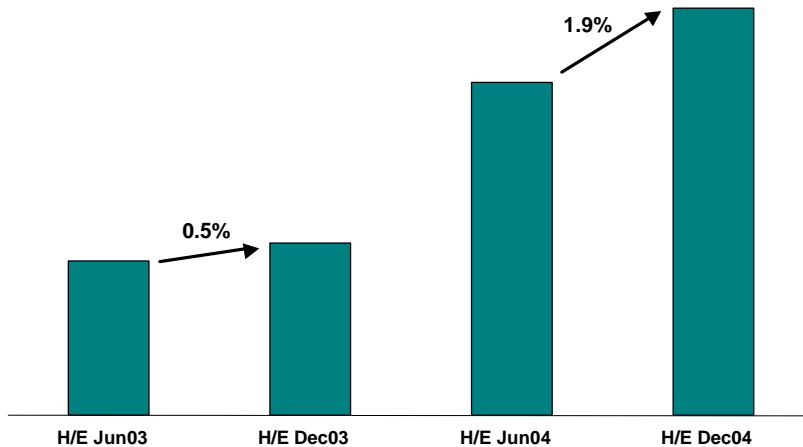
Our other major strategic initiative has been to deepen our segmentation capability to better leverage both our direct and indirect our customer base

NEXT SLIDE

GI - Growth



Personal Insurance RIF Growth



Source: Company data

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The Suncorp Model

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Improving Margins

Just as Ray has done in Business Banking, we have tiered our high value customers in CI and WC, And we've extended our segmentation and tiering approach to our brokers and Agents and diverting our sales and service effort to highest potential introducers and customers.

As you can see from this chart, our organic growth in the half year ending December 03 was 0.46%. In the half year ending December 04, it was 1.9%.

The result of our focus on sales has been a significant uplift in RIF growth.

NEXT SLIDE

GI - Optimising Distribution



- Sales Focus
- Optimising Distribution
- Improving Customer Experience
- Increasing Margins

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The Suncorp Model

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Optimise Distribution

The second themes I want to talk about today is our distribution advantage

General Insurance has a very broad distribution footprint, with 10 channels and within that we have a large face to face network including through our agents, Insurance reps, our AMP channel and brokers

As a consequence the majority of our business is written direct and our exposure to the more volatile broker based commercial insurance market is only about 1/3 of our business

We actively seek to optimise each distribution channel by redesigning the model and supporting processes, whilst looking to identify and exploit new channels.

One example of our channel optimisation, is our “Insurance Rep” channel, which is the direct sales force for commercial sales in GIO. We are presently re-engineering the customer experience, triaging calls and focusing our IRs on high value opportunities.

NEXT SLIDE

GI - Branch Advantage



Branch Advantage

AUSTRALIA 155

WA 1

QLD 118

NSW/ACT 28

SA 1

VIC 6

TAS 1

Source: Company data

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Optimise Distribution

On top these initiatives to optimise our distribution channel

We enjoy a very real hardwired advantage in GI courtesy of the Suncorp Model

We have over 150 branches through our retail bank distribution arm - a channel no other insurer can match and as John highlighted earlier over 60% of those branch staff are qualified and experienced in selling insurance

John also pointed to the hardwired advantage in the fact that we have a single management team throughout our branches servicing our customers banking insurance and wealth needs so our sales force has a single culture, consistent performance metrics and at the front line there is truly only one Suncorp

Mark Blucher and I agree on performance contracts for this channel and then Marks team manage delivery.

Under this management model our branch insurance sales have grown by 10% year on year and we believe that the face to face service that we deliver in those branches is generating the higher retention rates of branch policies versus other channels.

GI - Customer Experience



- Sales Focus
- Optimising Distribution
- Improving Customer Experience
- Increasing Margins

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The third major growth theme that I wanted to highlight today is the work we are doing to improve our customer experience

Improving customer experience

in the past 12 months, we have generally worked at improving the General Insurance customer experience through a series of “Killer Initiatives”. These are identified using the findings of our CVA surveys which highlight areas of required improvement in the eyes of the customer

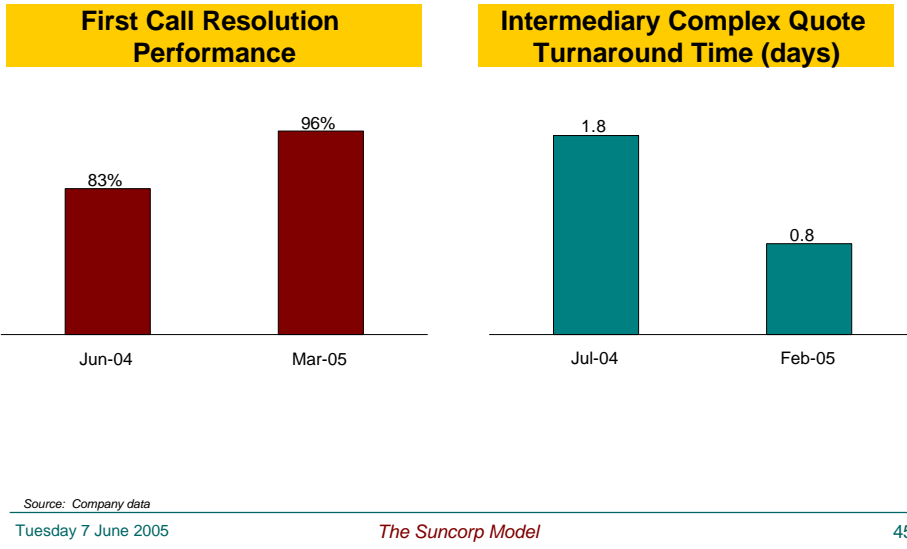
For most of the Killer initiatives we have used the skills of our “Six Sigma” team, who re-engineer process and are part of our Group resources.

A good example of one Killer initiative is our improved call centre customer experience through the “First Call Resolution” programme. This is aimed at solving customer problems at the point of first contact.

To do this we tackled policy issues, redesigned customer protocols and embedded a culture of ownership throughout our call centres

NEXT SLIDE

GI - Customer Experience



As an example we have increased first call resolution in our Sun Service Centre from 83% in June to over 96% today.

Another example of a Killer Initiative is in the sales area where we have improving intermediary quote turnaround.

Last July, our cycle time on complex quotes was 1.8 days. After process re-engineering using our “Six Sigma” team, by February, we reduced cycle times to 0.82 days. As a result, conversion rates have increased from 20% to 33%.

Other work has been completed on “Barriers to Sales” in Personal Insurance, such as cutting documentation and checking to allow sales to proceed faster. This has helped our increase in conversion rates in both direct and intermediated channels

Our focus now is very much on segmenting the market and designing attractive product services

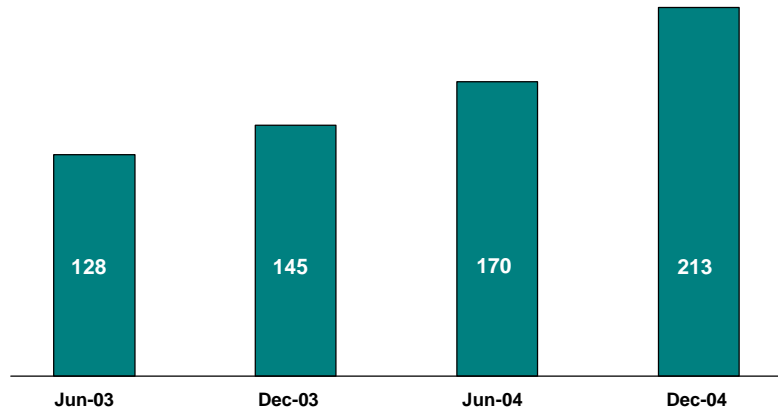
To start, we have just launched upgraded our GIO Rewards programme, which rewards customers who hold multiple policies with GIO..

NEXT SLIDE

GI - Increasing Margins



Insurance Trading Result (ITR) (half-year, \$m)



Source: Company data

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Improving Margins

The pleasing aspect of the growth we have delivered over the last 18 months is that it has not been growth for growth's sake but rather we have focussed on profitable growth

The fourth major growth theme that I wanted to highlight today is the work we are doing to improve our margins.

A key enabler of this has been the work we have undertaken to significantly upgrade our pricing capability through our peril based risk engine which we truly believe to be among the best in Australia

This risk engine enables us to price each peril separately for each customer, and also uses customer demographics. By doing this we have the ability to price at an individual customer level, rather than using averages.

We implemented the risk engine for Motor insurance during 2004, and we are now rolling out Home Insurance pricing.

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GI - Summary



- Sales Focus
- Optimising Distribution
- Improving Customer Experience
- Increasing Margins

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The Suncorp Model

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Summary

So let me now re-cap by summarising the major areas of focus for GI which I believe will underpin continued strong growth in risks in force and underlying earnings

In sales we have established the necessary basics a step which has largely contributed to our significantly improved results to date. We are now elevating this to a more sophisticated level through segmenting our direct and indirect customers and developing specific value propositions for target customer groups. We are also now leveraging our customer bases between CI and WC customers and CTP and Motor Insurance, and working with the Bank to cross-sell into the direct insurance customer base.

In Distribution we are continuously seeking to optimise each channel and we are increasingly seeking to maximise our hardwired Branch Advantage to deliver greater face to face contact and accessibility for our customers

For the customer, we have identified high impact areas using CVA, and re-engineered processes. We have also launched GIO rewards.

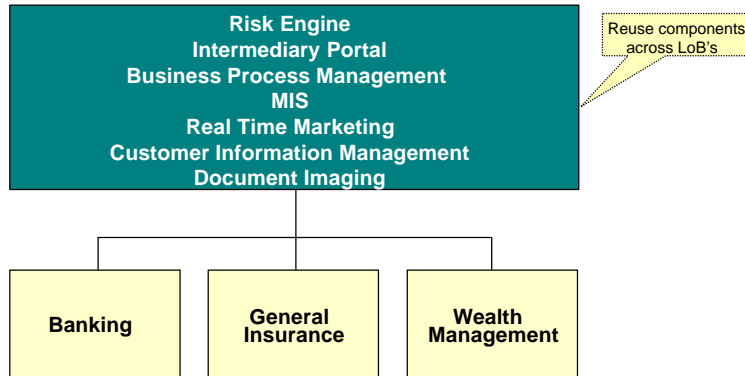
Our focus now is on better targeting of customers and delivering solutions, which customers value.

Finally, we are focussed on better pricing to drive greater margins.

So, in summary, we are on track to continue our momentum on risk and profit growth.

NEXT SLIDE

Componetisation and Re-use



IT

Of course we can't do all of this by ourselves

GI has developed a close relationship with our IT department the benefits of which are not only being felt in GI but throughout Suncorp

When IT was established as a corporate centre of excellence under the Leadership Framework one of their tasks was to look across the Group to ensure that we do not duplicate spend.

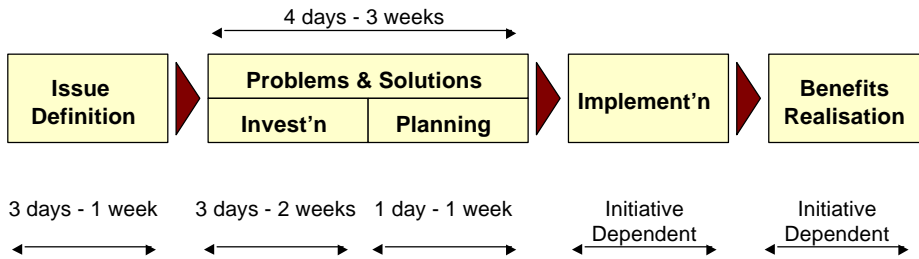
IT is run by Hemant Kogekar. Hemant and I worked together previously as Exco members at Citibank. I was thrilled to find Hemant at Suncorp. He has a philosophy of practical strategy and cost management.

He has driven a strategy of developing components and re-use, which means that systems developed in one part of the Business are developed on a component basis. This enables their re-use in similar applications across the Group

Since developing this strategy IT have identified in excess of \$100m in expenditure save over the next 5 years against the prior forecast baseline - a great example of the synergies available to the group

SAME SLIDE

Rapid Cross Group Customer Solution Framework



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The Suncorp Model

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RXGF

Our Rapid Cross Group Framework which is based on six sigma methodologies pulls together all the relevant people from across the organisation and gets them into a room until they solve a problem

With people from insurance, retail banking, distribution and CPD involved in the process we have designed a solution that enables packaged sales and full customer service for Motor, Home and CTP through our bank branches.

We have seen a significantly improved customer experience and expect further growth in our direct volumes via this channel in the next 12 - 18 months

NEXT SLIDE

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Well you will probably all be pleased to know that we have reached that stage in the agenda where we are due to take a break for some tea and coffee

I think we have 10 mins allocated and when we return Mark Blucher will pick up where I have left off

We do have a formal Q and A time scheduled at the end of Mark and Bernadette's presentations but I am sure that both Ray and I and the other team members would be pleased to answer any questions now over a cuppa

SAME SLIDE

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Good morning everyone.

Just before we took a coffee break

Diana spoke about the advantage our branch network delivers to our insurance business

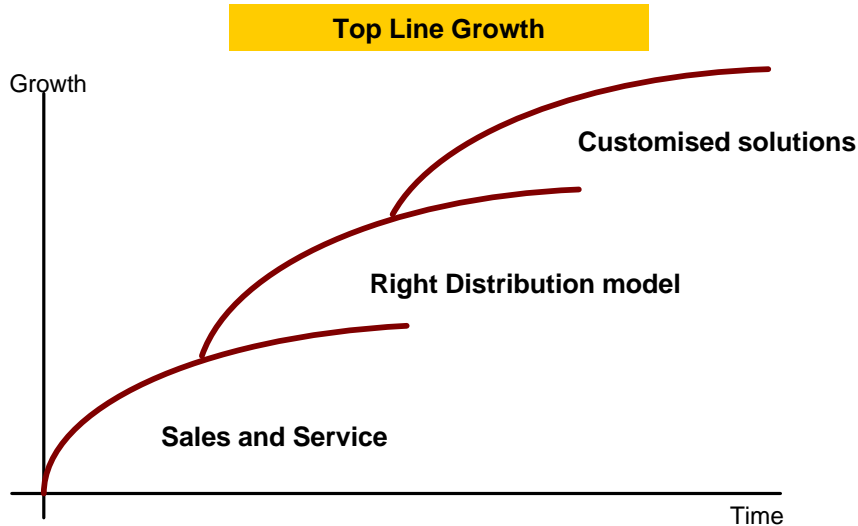
As the head of Suncorp's Retail Bank

I am ultimately responsible for the performance of our branches and that accountability not only has a focus on Retail Banking products and customers, but also delivering sales and service for the customers of Diana's GI business, Bernadette's Wealth Management business and of course Ray's Business customers.

So, I can assure you when I consider the performance of our branches it is always from this group perspective but in addition from a customer perspective. When a customer walks thru the door of one our branches, they do not see multiple businesses, they see a person representing Suncorp who they expect to be capable and motivated to meet their needs, irrespective of which LOB it relates to.

As Diana commented, One Suncorp is what they expect and what we deliver.

Retail - Growth



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The Suncorp Model

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Retail Banking has come along way in the last 2 years from under-performing to performing.

Moving forward, sustaining this out-performance comes down to 3 key streams of differentiation and execution.

First

we have the right sales and service culture
which gives us a superior advantage over the major banks

Second

we have the right distribution models in both the direct and indirect channels

Third

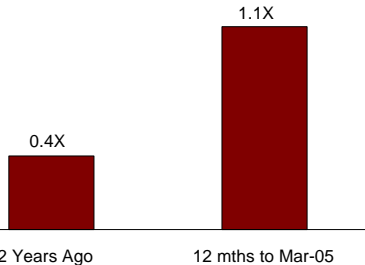
we are now designing and delivering the best solutions for our customers

I will address each of these in turn
but if I can quickly recap our turnaround story
to demonstrate our execution capability

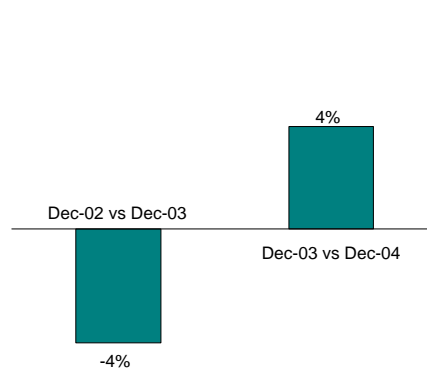
Retail - Growth



Home Lending Vs System



Transaction Account Growth



Source: Company data

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Two years ago it would be fair to say that our Retail Bank was underperforming our peers. I can certainly remember our first meeting 2 years ago, things have certainly changed since then.

At that time, we lacked a clear strategy, and operationally we had a home loan business growing at around half system, we were unsure about our commitment to the Intermediaries channel, we had complicated products and servicing, and really the most concerning feature, declining customer satisfaction levels.

Well, we have turned around every one of those situations I just mentioned.

In each of our recent results announcements we have highlighted the initiatives we took to lift our performance so I will not spend too much time on those now.

Suffice to say - our home loan growth has been greater than system for over a year with a very high quality lending book. We fixed our direct home loan structure, implemented a very successful intermediary market model and importantly lifted our service levels.

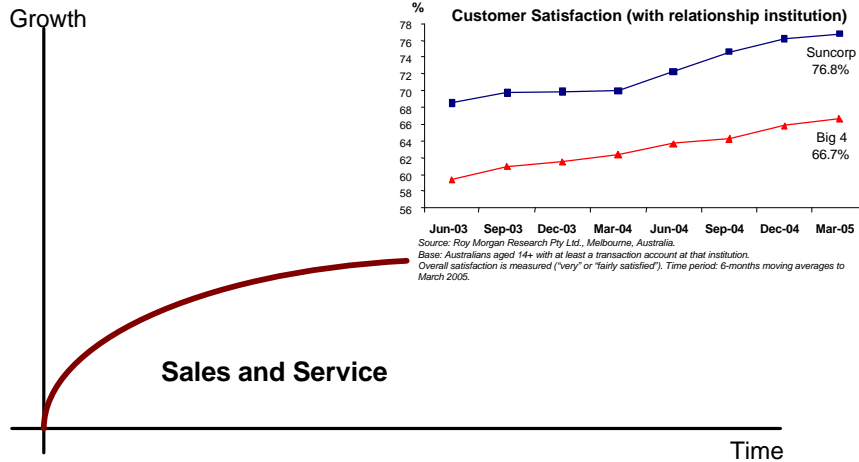
Two years ago we were losing deposit market share with complicated products and no clear 'Hero' product.

The introduction of our high interest Everyday Options package 12 months ago continues to be an outstanding success and is still the only deposit account of its kind in Australia

No wonder we attracted \$1bn in deposits in 6 months to December 04 and over 90000 customers that previously did not have a banking relationship with Suncorp.

So we now have consistent growth momentum across our business.

Top Line Growth



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Looking at our first stream of Sales and Service, I believe a big part of this success is due to our focus on lifting customer satisfaction performance.

You will be familiar with the Roy Morgan Research customer satisfaction ratings. Well the latest results to March 05 confirm that over the last 12 months we continue to increase our satisfaction faster than our peers.

In a mature heavily contested market doing the little things right like ensuring your customers are more satisfied is a major driver of above market growth.

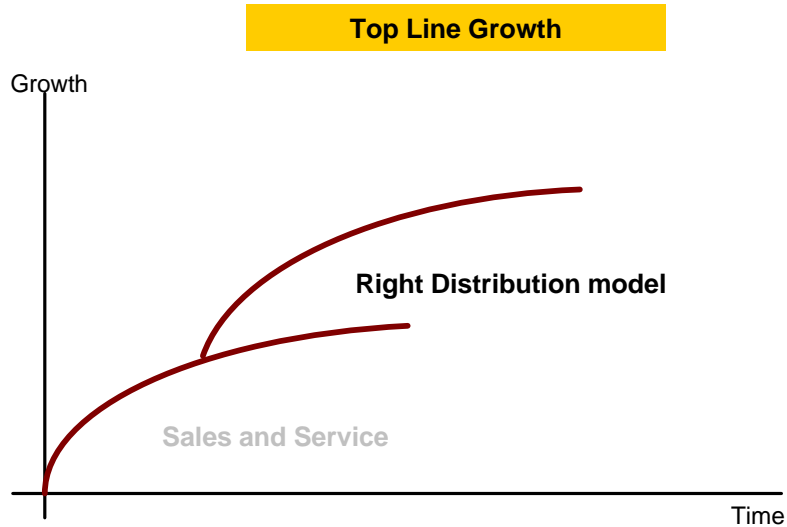
Twelve months ago we implemented our inFOCUS sales and service program which included training to over 1700 Retail sales staff. This program is part of driving a sales and service culture in Retail. But, it's not just training I am talking about. So I will take a few minutes now to explain what I mean. The model we use in Retail Banking is founded on three key principles.

WhiteBoard - Sales and Service Culture Triangle.

Not unique or complicated, but the fact is we believe in it and we do it.

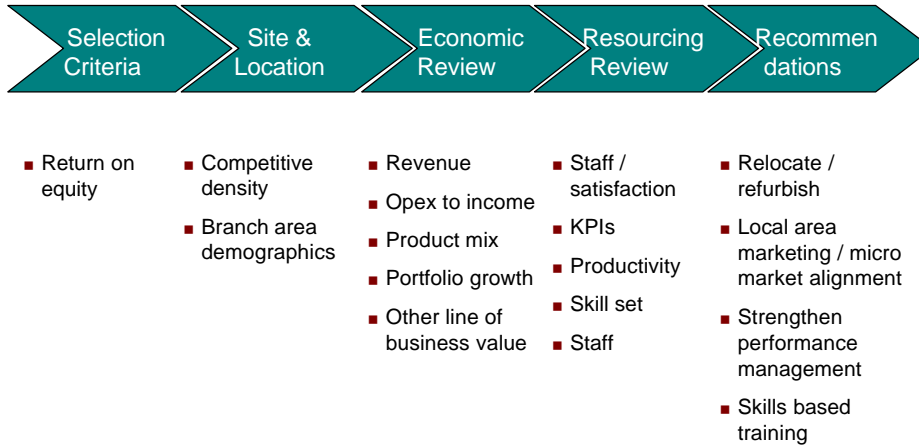
And the final point, given our success, you will recall Diana told you she is currently introducing inFOCUS to the GI call centre which is a good example of the synergies we share as a group and given our experience an opportunity for GI to get even faster results

So we now have a consistent sales and service culture which I believe has been a strong driver of our performance turnaround and has laid the platform for continued out-performance.



Now looking at the second stream of having the right Distribution Model, one of the key decisions I believe we have made as a team in the last 12 months was to resist the temptation to rush into an expansion of our footprint interstate.

Branch Optimisation



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The Suncorp Model

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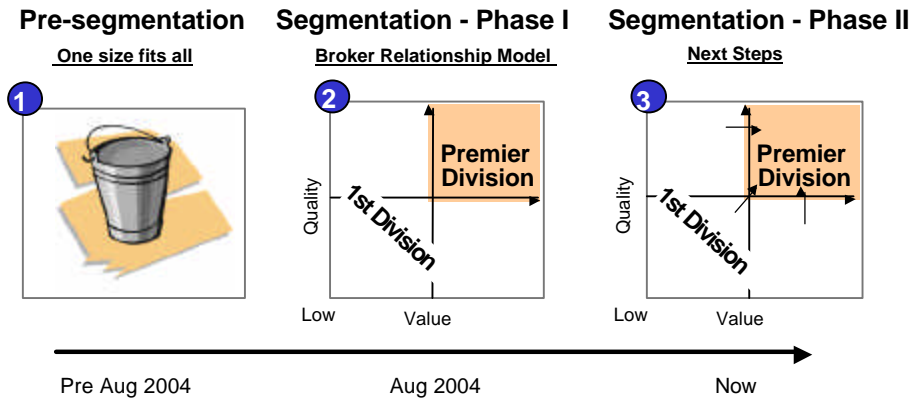
Our decision to adopt a more structured approach to firstly optimise our existing branch network and Intermediaries before we consider investment in new facilities has, and will prove to be very worthwhile.

As you can see, we identify those branches not meeting our hurdle rate and undertake a thorough review of a range of factors that affect performance such as competition and customer demographics and then develop a branch by branch set of local strategies and performance targets.

Of those sites where we have now established remedial plans, around 20% are now meeting our performance hurdles, and as we continue to address the remaining sites, the benefits will continue to flow through to the bottom line on an ongoing basis.

And in our performing sites we continue to extract more from what we have

Intermediary Model Evolution



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The Suncorp Model

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Our intermediary model has delivered strong growth since its introduction in July 2004, with growing share of our major introducers, attracting a different customer demographic which is giving us higher average loan sizes, and margin performance that is on par with our direct business.

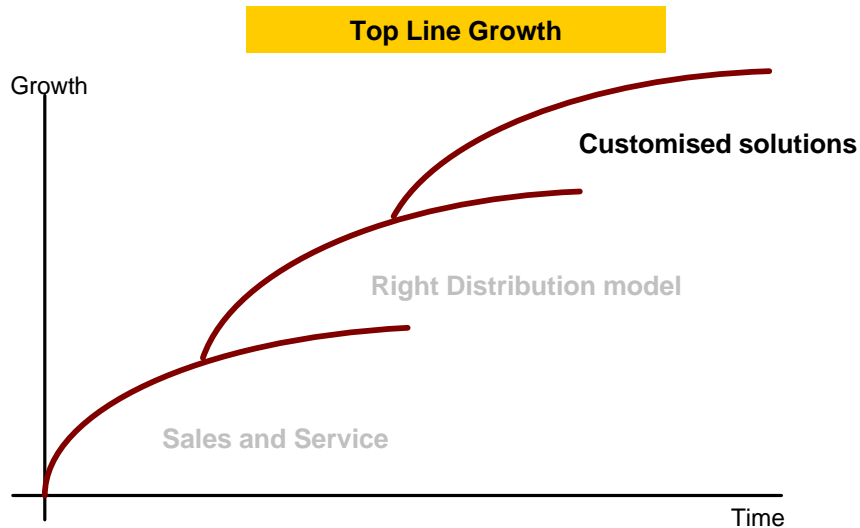
We believe that the customer service approach we have taken to our brokers whereby we differentiate service based on volume and quality of business introduced will continue to sustain our out-performance in volume generated through that channel.

The opportunity going forward is to create more premier brokers by focussing on those first division brokers with high volume but low quality and lifting quality, and those with high quality but low volume, and lift volume.

So the combination of our sales and service culture, our drive to extract higher performance from our existing network, and our superior intermediary model are very sound platforms to sustain our market out-performance.

The cream on this cake will come as we collectively begin to maximise the advantages of the Suncorp model.

Retail - Growth



Tuesday 7 June 2005

The Suncorp Model

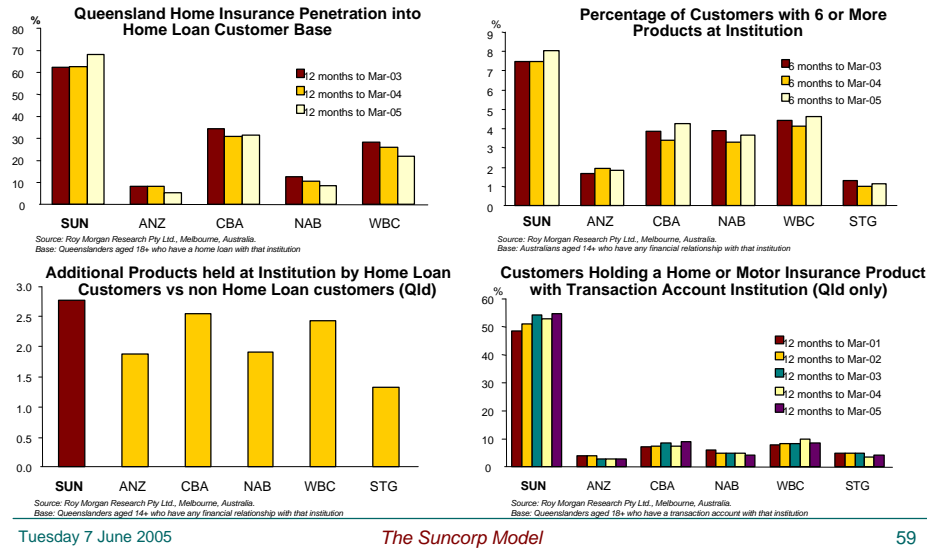
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One of these advantages is using our knowledge of customer needs to design customised solutions that meet a broader range of these needs with a simpler fulfilment process and greater pricing flexibility.

Retail - Model at Work



Designing Better Solutions



As John indicated earlier we have continued to build our revenue synergy capability over the last two years and as these charts show we maintain a healthy competitive advantage over our softwired peers. Importantly, the charts also show that not only are we leading, but also increasing that lead.

Now, to date these synergies have mostly been evidenced by how effectively we have provided solutions to our banking customers.

In the direct business we have used Infocus to identify cross-sell opportunities such as the acquisition of a home or personal loan and “tagged on” additional products that are a natural need for that customer. In the indirect channel, as John mentioned earlier, we have recently launched ‘Cross Fire’ a central outbound calling team welcoming and then cross selling additional products to new Home Loan customers.

MOVE OUT FROM BEHIND PODIUM

Let me tell you a little more about Cross Fire. John and I had morning tea with this team about 6 weeks ago to celebrate the launch. It is a team of 12 people whose role is to follow up with broker introduced customers in the 24 hours following the loan approval. They welcome the customer to Suncorp, ensure that all the Home Loan details are taken care of and then seek to meet the other natural product needs of the customer, a transaction account, credit card, home and contents insurance and financial planning. It’s early days but I am pleased with the progress.

We are focussed on this being successful because we know that additional products and services will make the customer have higher loyalty to Suncorp, and extend the life of the hub loan product. And that is good for Suncorp and the Broker.

Our timing is important because we know from research conducted by the CFC, that customers have a much higher likelihood of buying additional products in the first 90 days following the new product purchase.

So it will be no surprise that we are now designing a process to place 2 further calls to these new customers inside the first 90 days and also replicating this intensive new customer focus for all customers acquired in our direct branch channel.

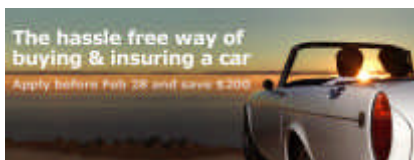
RETURN TO PODIUM

Now finally, we are now shifting gears and on track with the progressive rollout of initiatives focussed on more advanced customised solutions.

Retail - Model at Work



Delivering Better Solutions



Tuesday 7 June 2005

The Suncorp Model

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We have already launched a number of customised solutions into the market.

These include:

1. EveryDay Options which combines a Txn and High Interest Sub Accounts
2. Personal Loans with CCI - Consumer Credit Insurance
3. The Car Loan Solution John mentioned - ie: Personal Loans/CTP/MV Ins and CCI

and most recently 'My Business' our Small Business Deposit Solution and 'My Home' a solution for owner occupiers and investors.

The Small Business solution brings together 5 products with simple and easy to understand pricing.

And the best news, this is originated by one application form not 5. So not only easy for the customer, but easy for us.

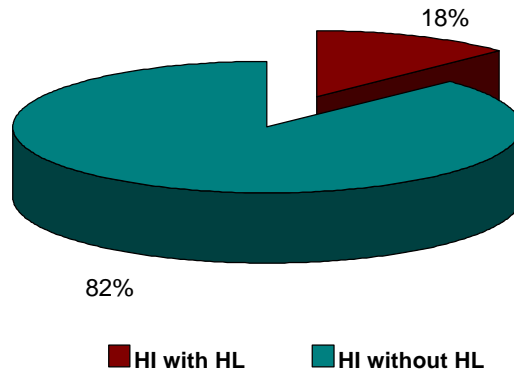
My Home is a solution offering a core fee free EDO package, Home Loans with discounts on balances over \$200K, and better terms on CCI, Credit Card, Home Insurance and Financial Planning. A complete solution.

The great news is that existing EDO customers can choose to include their existing sub accounts to either earn high interest, or a 100% offset from a home loan. No need to change account numbers or open a different off-set account. Again, easy for the customer, and easy for us.

Retail - Model at Work



Home Loans to Home Insurance Customers



Source: Company data. As at end March 2005

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The Suncorp Model

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In a new frontier of selling these solutions, we are turning our efforts to penetrate the General Insurance and business banking customer base with sales of Retail banking Products.

As a good example of the size of the opportunity 82% of our Suncorp Home Ins customers do not have home loans with Suncorp.

Now, we know there is a strong correlation between home insurance renewal dates and home loan commencement.

So we have a clear view of the timing of a customer's needs and at what point they have a higher propensity to consider a new home loan arrangement with Suncorp.

Our segmentation and lifestage research also enables us to design specific offers based on these attributes.

Armed with this knowledge we have a great opportunity to approach these customers at the right time, with the right solution.

Now I will be the first to acknowledge penetration of these customers will be a challenge, but most things are difficult before they are easy, especially if the outcome is worthwhile.

But I'm confident, we have momentum, a high performing team and proven execution capability.

So in summarising Customised Solutions,

It has not been easy to design and deliver these solutions to our customers.

But we will be successful because we have a very clear opportunity to significantly leverage the hardwired model and achieve these gains which will benefit both customers and shareholders.

And the real beauty, is that none of our peers can hope to deliver on this type of opportunity.

Retail - Collaboration



Young Starter

We can help you keep up with all the changes in your life.

Here's how:

Talk to us at any Suncorp branch or call us on 13 11 11

Pre-retiree

We can help you keep up with all the changes in your life.

Here's how:

Talk to us at any Suncorp branch or call us on 13 11 11

Tuesday 7 June 2005

The Suncorp Model

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I would like to spend the last few minutes on Marketing collaboration.

One of the real benefits for the customer of the Suncorp Model is that in terms of their financial needs we can provide everything under the sun or in the case of Retail Banking, everything under the one roof.

Now that our lines of business are performing well in their own right, we are increasing our focus on leveraging the advantages of the Group by aligning our marketing efforts to reflect our full value proposition to the customer.

Our new Group marketing campaign which will commence in August will focus on communicating our ability to not only provide better solutions now but how we can continue to meet the changing needs for personal and business customers.

Unlike our softwired peers with numerous brands to manage we are seeing a strong halo effect from our Suncorp brand positioning on each of our lines of business which is simply to say we get more benefit out of our marketing dollar and another advantage of our hardwired Model.

We now plan and agree a Group Marketing Calendar which manages all communications for the Group.

This allows all the businesses to plan marketing initiatives with full visibility of other Suncorp activity, meaning, we can fully leverage our investment.

Retail - Collaboration



Small Business

We can help your business keep up with all the changes ahead.
Here's how.

Small text at the bottom: "Talk to us at any Suncorp branch or call us on 13 1110."

Corporate

We can help your business keep up with all the changes ahead.
Here's how.

Small text at the bottom: "Talk to us at any Suncorp branch or call us on 13 1110."

Tuesday 7 June 2005

The Suncorp Model

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We are also able to see from a Group wide view what times we are active in the market, who we are targeting what type of communications we are using, allowing us to review the effectiveness from a group wide perspective. This also allows us to actively manage the brand investment.

I know from my own perspective that in Retail Bank as we have deepened the sophistication of our segmentation strategy the ability to call on a broader range of customer and market analytics has enriched our customer knowledge. This has been particularly important in providing insights for our design of customer solutions.

Our marketing development is structured for a collaborative environment, where the knowledge of the business line is complimented with the specialist expertise from Group Marketing

The goals of both areas are linked, meaning that all efforts are focussed on delivering optimal results for the Group

With that...

Agenda



Session One

9.00 - 9.30	Introduction and overview	John Mulcahy
	Suncorp Model and next steps	
9.30 - 9.45	Question and answer time	

Session Two

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The Suncorp Model

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I would now like to introduce Bernadette Inglis who is a woman of many hats as our Group Executive Wealth Management, Group Strategy & Marketing.

Thanks Mark

I do wear a number of hats in my role with Suncorp and I am in the fortunate position of heading up a line of business and corporate centre units so I can see and how our model can and does apply to all of our actions.

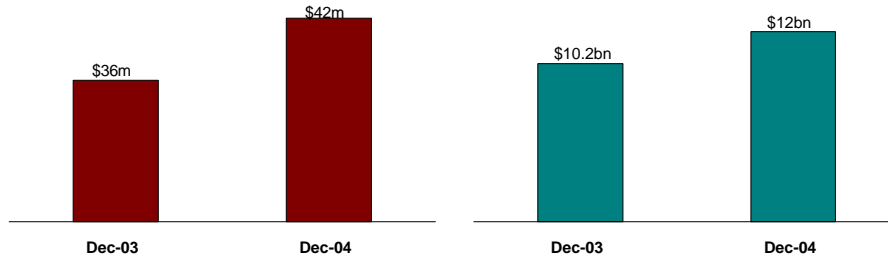
Today I will touch on aspects of all of my portfolio..... But lets start with Wealth Management

Wealth Management - Growth



Profit Contribution Growth

Funds Under Management



Source: Company data

Tuesday 7 June 2005

The Suncorp Model

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From a size perspective it is the smallest of Suncorp's four lines of business with profit contribution in the last half of \$42m

But in a number of ways we probably provide some of the best examples of the Suncorp model at work

For example;

Our direct sales force our financial planners are fully integrated into Mark's Direct Customer Sales and Service management stream

They are part of the sales and service team and work closely with their peers in the distribution network to capture customers needs.

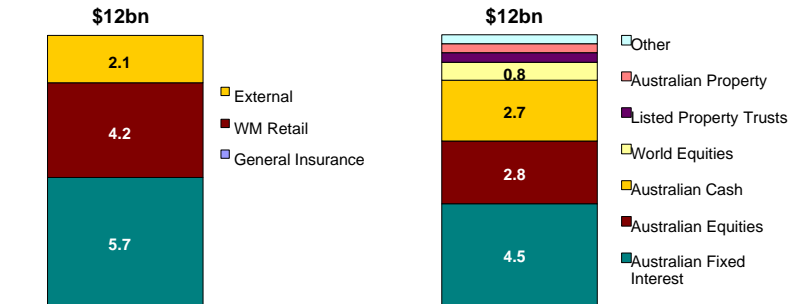
Every Financial Planner has a buddy system across other key sales functions such as Personal Lenders and Premium Client relationship Managers to make sure that if there is an opportunity to help a customer with a Wealth Management solution buddy is willing ... through relationship and incentivised..... Through performance measures to provide the referral to the financial planner.

SAME SLIDE

Wealth Management - Growth



Funds Under Management



Source: Company data

Tuesday 7 June 2005

The Suncorp Model

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The Wealth Management business includes Suncorp Investment Management

This is team responsible for managing \$12bn funds under management from our retail investors
our general insurance shareholder funds
and external clients such as our Joint Venture partners RACQI and RAAI

Our investment team have expertise across Australian Equities, Australian Fixed Interest and tactical Asset Allocation and they are very focussed on delivering top quartile performance to their customers.

And they have been successful

NEXT SLIDE

How did a Suncorp Investment Management Balanced Portfolio achieve Top Quartile Performance for 1, 3, 5 and 7 years?

Here's how.

Performance as at 30/03/05

Suncorp Balanced Portfolio	Return	Quartile	Ranking
1 year	17.31%	1st	7/28
3 year	7.44% p.a.	1st	4/28
5 year	6.51% p.a.	1st	6/28
7 year	7.66% p.a.	1st	2/25

Source: Invest Research Pty Ltd "Growth Plus" Returns net of tax and ongoing fees

We've delivered this consistent performance through our style-neutral, highly diversified approach executed by a skilled investment team.

If you're an institutional investor, call our Business Development Managers, John Hamer or Mark Topicoff, on 1800 395 599 today.



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The Suncorp Model

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The Suncorp Balanced Fund

Achieved first quartile returns over 1, 3 5 and 7 years as measured by the Intech Growth Funds Survey.

Also over 80% of Suncorp managed products are providing above benchmark returns - after fees.

While Suncorp Investment Management is charged with investment performance as their key deliverable It doesn't end there.

The foundation of the Suncorp model is generating increased value to our customers and thereby to the investors. The foundation of the Suncorp model is generating increased value to our customers and thereby to investors.

By understanding our customer needs, and through the collaboration between our investment management professionals with the Wealth Management Team, we have been able to respond with a customer aligned product set.

As a result we have been able to position Suncorp as the key choice in managing our customer funds with an increased proportion of inflows being invested in Suncorp's products....

We have lifted that from approximately 70% a year ago to 90% today

NEXT SLIDE

Strategic Theme - Leveraging the Suncorp Model

- Wealth Management Solutions to Suncorp Customers
- Migrating & Retaining Customers
- Cost Containment
- People

You have heard us talking about a High Performing Team as being an outcome of our model. Well for Wealth Management its all about being a very focussed team and ensuring that Suncorp can offer a competitive solution to a customers complete financial needs

Our strategy is customer focussed and has as its central themeLeveraging the Suncorp model.

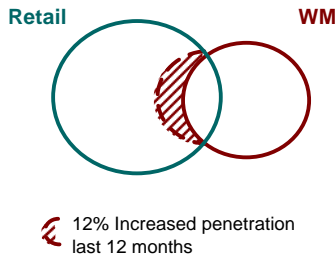
The factors that will underpin our Wealth Management growth in the future are;

1. Providing Wealth Management Solutions to Suncorp customers
2. Migrating Wealth Management customers through the appropriate products to match their lifestage changes and the life events that we all face
3. Retaining customers
4. Cost containmentan important feature for an operator of our size andand importantly... people..... as in my business it all about trust, integrity and confidence.

NEXT SLIDE

Wealth Management Solutions to Suncorp Customers

Retail Customers Holding SUN WM Products



- Wealth Management holdings by Retail Bank customers have increased by 12% over the last 12 months
- Greater than 65% customers with more than 1 LOB product
- 70% of new Personal Loans with CCI
- New products in the pipeline - CCI to home loans

Source: Company data

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The Suncorp Model

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In the current financial year WM has increased its penetration levels into RB by 12% over the last 12 months and lifted the percentage of Wealth Management customers who have a product holding with another line of business to over 65%

I think that relative to any Wealth management company this is a very clear demonstration of the strong brand the Suncorp name carries among its customers and reflects the highly integrated nature of our Model

An on the ground example of how we achieve these outcomes is our Consumer Credit Insurance product.

This product is now a “tick the box” option on our Personal Loan form.

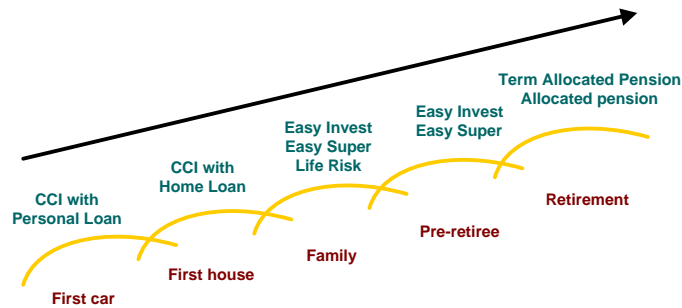
Consistent with our model we worked with retail bank to understand customer needs and designed a solution and a process to match. We now achieve a 70% success ratio of CCI sold with new personal loans.

If I had been standing here 2 years ago talking on this same subject that ratio would have been roughly 19%.

We are currently working on a similar product and process integrated with home loans and we see no reason why this offer won't also be successful

NEXT SLIDE

Migrating Customers



- Customer lifestage transition matched to product range
- Superannuation to Allocated pension migration uplift of over 50%

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The Suncorp Model

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While our growth will primarily come from providing solutions to Suncorp's existing customer base the second plank of our customer strategy is **migrating** our Wealth management customers to the various products in our portfolio as they go through lifestage changes

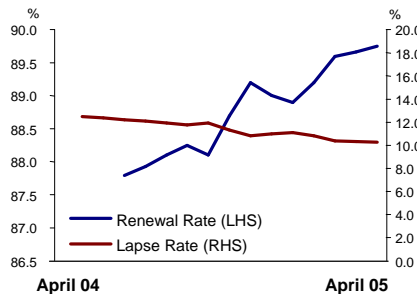
As a customer moves from pre retiree holding say a superannuation product with us to being a retiree then our aim is to make a seamless transition from Superannuation an Allocated Pension.

Again a concerted program has lifted this migration rate by 59.4% over the past 12 months.

NEXT SLIDE

Retaining Customers and Cost Containment

Improved Renewal and Retention



- Proactive retention strategies
 - ▶ reminder calls to renewal customers
 - ▶ confirming withdrawal details with customers
- Life Risk Lapse rate - improved by 18%
- Re-engineering cost drivers for efficiency

Source: Company data

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The Suncorp Model

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Combined with our active retention based initiatives this migration approach and the fact that the vast majority of our customers hold products from more than one line of business we also have clear **retention** advantages which we are now starting to fully maximise

A pro-active risk insurance retention program, which includes Call Centre contact, has been implemented during the 04/05 year. This program has been very successful, having reduced the lapse rates by 18% in the current financial year

So to summarise for Wealth Management our fundamental investment proposition is that we provide the right advice and access to appropriate investment options at prices in line with competitors in manner highly integrated with a customers banking and insurance needs

NEXT SLIDE

Wealth Management - Growth



People

Skilling and Development



- Suncorp & Wealth Management Induction Program
- Online Compliance Training
- Five Level WM Capabilities Training Matrix
- Self Management Career Planning Tool
- Leadership Development

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The Suncorp Model

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The Suncorp Model

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I would like to talk now briefly about some of my other responsibilities

As well as my Wealth Management hat

I am also accountable for some of our key Corporate support units

Group Marketing

Group Customer Satisfaction

Group Customer Value

and Group Strategy

The structure and working arrangements of these departments

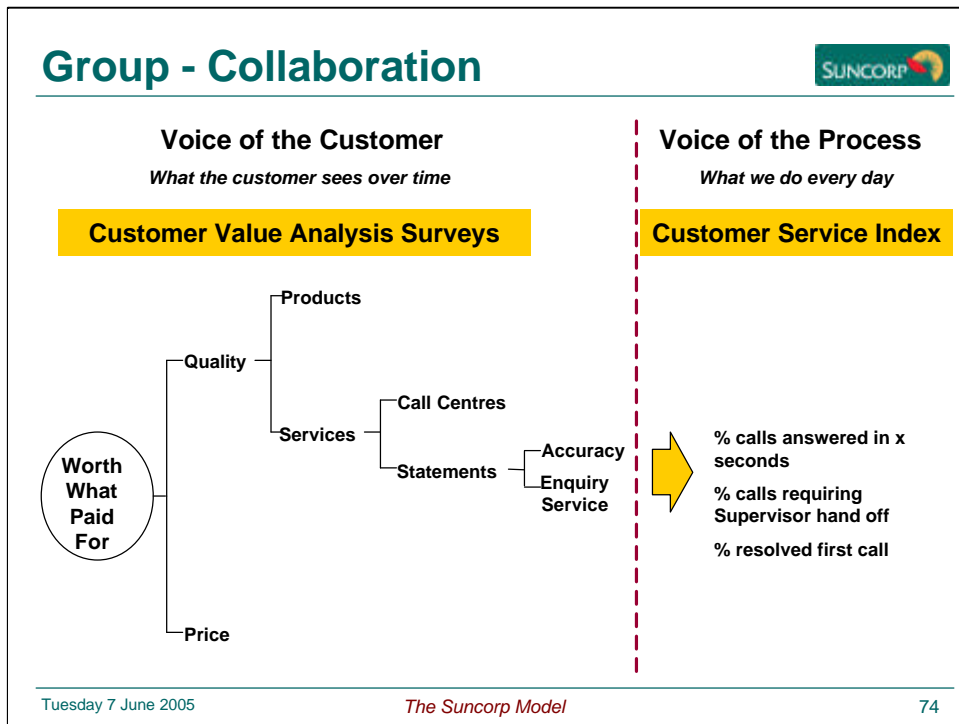
is consistent with one of John's earlier points our structure follows our strategy and we derive significant cost and efficiency synergies by having them work for the Group as a whole without the need for a multitude of functions within the lines of business

Each of these areas comprises specialists in their own right

and they are true centres of excellence and as we move to maximise the hardwired advantages of our Model each of them will play a key role

As Mark has briefly mentioned Marketing I would like to focus now on our Customer Satisfaction and Customer Value Units because as John often stresses fundamentally the business is all about delivering greater levels of service satisfaction and value to the customer

SAME SLIDE



To date our Group Customer Satisfaction Unit has mainly focussed on developing consistent internal customer service metrics managing and co-ordinating our CVA process and providing specialist advice to each of our lines of business on opportunities for process improvement

Moving forward the Unit will take on the additional responsibility of designing, implementing and analysing cross sector and segment CVA surveys which will help to yield further insight into our customers needs and importantly will help to identify and remaining inconsistencies in the customer experience From a whole of Group perspective

Similarly our Group Customer Value unit has focussed on ensuring that we have consistent Group wide synergy metrics and targets and identifying cross Group opportunities

Increasingly they will be working with the lines of business to ensure that we are designing holistic customised solutions that deliver the full value of our Model to the customer

I need to be clear about how each of these units work within our Leadership Framework

SAME SLIDE



Accountability for delivering improved customer satisfaction and value outcomes rests squarely with each of our lines of business and not the centre

The centre units clearly understand their accountabilities which are to help the Group target and systematically maximise the synergistic benefits and hard wired advantages the Suncorp Model offers

I would just like to add a personal note to finish this presentation

Having known John for some time through a previous employer I know that he is very passionate about teamwork and the culture of people in an organisation

So when I was considering on offer to join Suncorp I was a little wary of John's strong words and evident belief in the Suncorp culture

Now with over 2 years of experience with the company and as the person with accountability for a number of corporate centres the pleasing thing is that it's more than just words we really do have a very strong cultural base and that allows these corporate centre teams to be highly effective for the benefit of the Group as a whole

NEXT SLIDE

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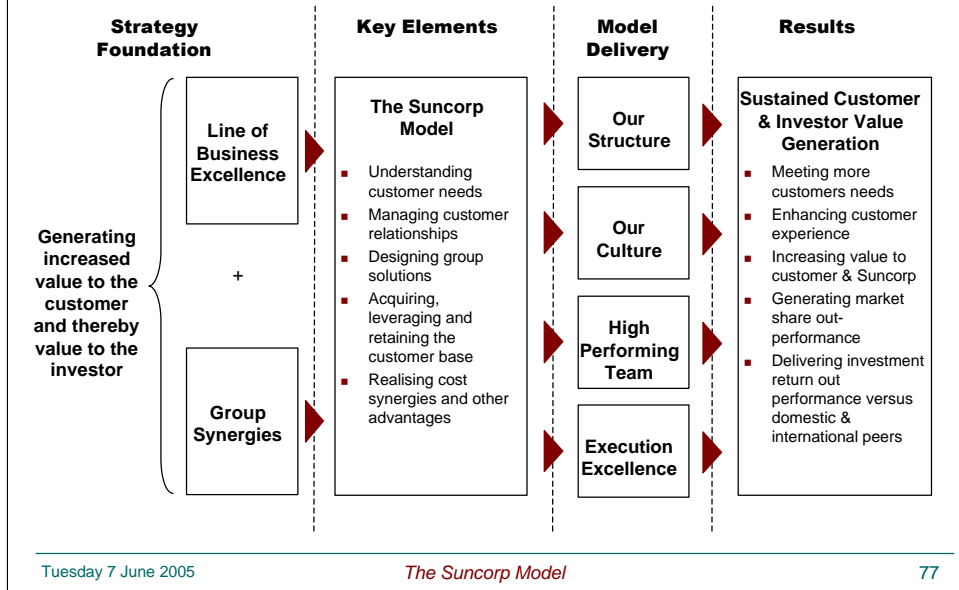
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Well that brings us to the end of the line of business presentations so with that I will now hand over to Chris Skilton to summarise our presentation and to provide commentary on our Financial outlook

NEXT SLIDE

Suncorp Model



Thanks John

I think it is fair to say that two years ago when we stood in front of you and outlined our strategy none of us expected to be as far advanced in implementation at this point in time

As John and others have illustrated today our results over the last few halves reflect the extent to which as an organisation we have aligned with our strategy and executed it

That ability to execute also reflect the strength of the management team and the quality of our people throughout the organisation

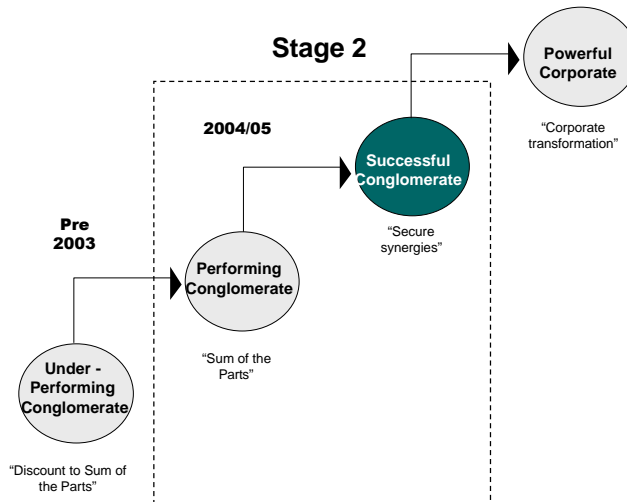
While all of our competitors will tell you they are trying to achieve the same objectives i.e. Improving and deepening customer relationships and retention through multi product holdings we believe our Model does have very real comparative advantages and importantly these advantages are sustainable

SAME SLIDE

Taking the Next Step



Suncorp Journey



Tuesday 7 June 2005

The Suncorp Model

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Importantly
making the next step
does not require doing anything radically different
or a major change program

What it will take
is the continued commitment of our staff
doing what we do better than anyone else
and continue to ensure that we drive our culture
towards providing customer solutions
and creating value to the Group

We have proven in the last years that we can change.
We substantially have the building blocks in place
and we have a clear line of sight
on those things we need to do next

NEXT SLIDE

Financial Outlook



- Banking
 - ▶ profit before tax to increase by % in high teens
- General Insurance
 - ▶ Insurance Trading Margin (ITR) to be above long term range of 11-14%
- Wealth Management
 - ▶ underlying profit to increase in the order of 10%
- Group
 - ▶ substantial increase in underlying profit*

*Operating profit before tax, goodwill, investment income on shareholders funds in GI, joint ventures and WM; investment income on capital and retained earnings (statutory funds) and one-off items

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The Suncorp Model

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Turning now to the what we believe the Suncorp Model will deliver in terms of results.

In the short term, as we telegraph to the market in 5 weeks, we reconfirm our current financial guidance for the 2004/05 year

In Banking

while the economy continues to perform well

As expected we have seen credit growth slow in some of the key sectors in which we operate particularly the housing and property development segments.

In addition margin pressure will persist as a result of the highly competitive environment, particularly in the deposit market.

However, regardless of underlying conditions, over which we have no control, we are confident that we can out perform our competitors.

And, therefore for the full year

we are confirming that we would expect profit before tax to increase by a percentage in the high teens.

SAME SLIDE

Summary



- Our Model is working ... but there is more to be done
 - ▶ out performance for customer and investor

- Next steps clear
 - ▶ maximising hardwired advantages
 - ▶ refining cultural orientation

- Management strength and execution excellence
 - ▶ proven ability to deliver

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The Suncorp Model

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So with that I will briefly summarise our main messages from today before I hand over to John who will take us through the final Q and A session and wrap up proceedings

Our Model is working and while there is clearly more to be done the upside potential is significant and we are well placed to continue to deliver superior value to the customer and investors

We know what we need to do to take the next step in our journey and there are clear sustainable advantages in being what we have termed hardwired

And perhaps most importantly we have the culture management team, and people to execute our strategy and deliver on our goals and potential

NEXT SLIDE

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The Suncorp Model

The Model's Working...
...But There's More To Be Gained

7 June 2005