



Explanatory Memorandum

19th Annual General Meeting – 31 October 2007

This Explanatory Memorandum accompanies the Notice of Meeting for the Suncorp-Metway Ltd 19th Annual General Meeting to be held on Wednesday, 31 October 2007.

Information relevant to the business to be considered at the Annual General Meeting is provided in this Explanatory Memorandum and shareholders should read this document in full.

Agenda Item 1: Receive and consider financial reports

This item provides shareholders with an opportunity to ask questions concerning the Company's financial statements and reports for year ended 30 June 2007 and the Company's performance generally. The auditor will be present and will answer written questions submitted to the Company no later than five business days prior to the meeting. The auditor will also be available to answer questions from shareholders relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Agenda Item 2: Adoption of the Remuneration Report

The Company's Remuneration Report, which commences on page 56 of the Suncorp Annual Review, has been submitted to shareholders for consideration and adoption. Shareholders who elected not to receive a copy of the Annual Review can view that Report on the Suncorp website (www.suncorp.com.au) or a copy can be posted to shareholders free of charge by contacting the Share Registry, Link Market Services on 1300 882 012.

The Remuneration Report provides information on the following issues:

- The policies adopted by the board for determining the nature and amount of remuneration of directors, secretaries and senior managers;
- The relationship between the remuneration policies and the Company's performance;
- The performance conditions that apply to the different components of the remuneration structure, why those performance conditions were chosen and how performance is measured against them;
- The basis of comparison used for assessing the Company's performance relative to other companies;
- Remuneration details for directors and senior executives.

The board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business objectives and current and emerging market practices.

Shareholders should note that the vote will be advisory only and does not bind the directors or the Company.

Agenda Item 3 – Re-election of Directors

In accordance with Article 14(3) of the Company's Constitution, Dr C Hirst, Mr M D Kriewaldt and Mr J D Story will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

Details of the directors seeking re-election are on the reverse side of this page:

Explanatory Memorandum continued...

19th Annual General Meeting – 31 October 2007



Dr Hirst has been a director of the Company since February 2002 and was previously a director of Metway Bank Limited from July 1995 to December 1996.

She is also a member of the board Risk Committee and the Nomination & Remuneration Committee.

Dr Hirst is a medical doctor whose career has included a wide range of community interests as well as extensive experience in the corporate sector.

She is currently Chairman of Peplin Limited, Deputy Chairman of Queensland BioCapital Funds Pty Ltd and a director of MBF Australia Limited Group, Avant Insurance Ltd, Avant Mutual, ImpediMed Ltd and Opera Queensland Limited.

Dr Hirst is 62 years of age and resides in Queensland.



Mr Kriewaldt has been a director of the Company since December 1996 and was also a director of the Suncorp Group from 1990.

He was Chairman of Suncorp at the time of the merger with Metway and QIDC and was Deputy Chairman of the Suncorp Metway Group from December 1996 to June 2002.

Mr Kriewaldt is also a member of the board Audit Committee.

He was formerly a partner in the law firm Allens Arthur Robinson and is currently Chairman of Opera Queensland Limited and a director of Campbell Brothers Limited, GWA International Limited, Oil Search Limited and ImpediMed Ltd.

Mr Kriewaldt is 57 years of age and resides in Queensland.



Mr Story has been a director of the Company since 1995, Deputy Chairman since June 2002 and Chairman since March 2003. He is also Chairman of the Nomination & Remuneration Committee.

Mr Story was formerly the non-executive Chairman of the law firm Corrs Chambers Westgarth and is currently Chairman of the Board of Directors of the Australian Institute of Company Directors, a director of CSR Limited and a director and Chairman- elect of TABCORP Holdings Limited.

Mr Story is 62 years of age and resides in Queensland.

The Board recommends that shareholders vote in favour of the re-election of all retiring directors.