

# Appendix 4D

## Half year report For the half year ended 31 December 2003

### 1. Company details

Suncorp-Metway Ltd  
ABN 66 010 831 722  
Reporting period: 31 December 2003  
Previous corresponding reporting period: 31 December 2002

### 2. Results for announcement to the market

Comparison to previous corresponding period	Increase/ Decrease	%	To \$m
Revenue from ordinary activities	Increase	15	2,833
Profit (loss) from ordinary activities after tax attributable to members	Increase	81	281
Net profit (loss) for the period attributable to members	Increase	81	281

	Amount per share	Franked amount per share
2003 Final ordinary dividend - paid	30 cents	30 cents
2004 Interim ordinary dividend - payable	30 cents	30 cents
2003 Final preference dividend - paid	\$3.15	\$3.15
2004 Interim preference dividend - payable	\$3.17	\$3.17

Record date for determining entitlements to the interim dividend: 9 March 2004

Suncorp-Metway Ltd ("the Company") recorded a consolidated net profit after tax of \$281 million for the half-year ended 31 December 2003, compared to \$155 million for the corresponding prior period. Profits increased substantially across all operating divisions.

The contribution before tax from the business banking division increased from \$65 million to \$83 million. The contribution before tax from the retail banking division increased from \$85 million to \$96 million. The continued steady growth in net interest income and fee revenues was driven by growth in receivables in both divisions.

The general insurance division experienced an increase in contribution from \$72 million to \$215 million, driven by favourable claims experience, good premium growth and substantially increased investment income. An insurance trading ratio of 13.5% was achieved compared with 8.0% in the prior comparative period. Investment income on shareholder funds improved to a profit of \$59 million (2002: \$17 million loss).

The wealth management division experienced an increase in contribution from \$16 million to \$74 million. This was largely caused by a sharp increase in investment earnings, experience profits and a rise in the valuation of Life Company subsidiaries. The contribution of \$74 million includes interests of \$19 million (2002: \$1 million loss) belonging to policyholders within the statutory funds and outside equity interests of \$19 million (2002: nil) arising from the consolidation of managed investment schemes (Note 2). Excluding policyholder interests and outside equity interests, the contribution of the wealth management division was \$36 million (2002: \$17 million).

The interim dividend has been increased by 4 cents to 30 cents per share from the previous corresponding period, taking the dividend payout ratio to 59.9%.

### 3. Net tangible assets per security

	December 2003	December 2002
Net tangible assets per security	4.75	4.20

### 4. Entities over which control has been gained or lost during the period

The consolidated entity gained control over the following managed investment schemes on 1 July 2003:

- Suncorp Investment Management Australian Equities Trust – 81.46% interest;
- Suncorp Investment Management Australian Fixed Interest Trust – 85.76% interest;
- Suncorp Investment Management World Fixed Interest Trust – 82.30% interest.

The consolidated entity disposed of its investment in Hedge Funds Limited (“HFL”) on 22 September 2003. The aggregate cash consideration received was \$896,120 and the aggregate net assets disposed of was \$67,359. The aggregate gain on disposal of HFL was \$828,761.

### 5. Dividends

#### Dividends Paid:

	December 2003
<b>Ordinary Shares</b> 2003 Final dividend of 30 cents per fully paid share paid 3 October 2003 franked @ 30%	158
<b>Preference Shares</b> 2003 Final dividend of \$3.15 cents per share paid 15 September 2003 franked @ 30%	8

#### Dividends Payable:

	December 2003
<b>Ordinary Shares</b> 2004 Interim dividend of 30 cents per fully paid share payable 2 April 2004 franked @ 30%	160
<b>Preference Shares</b> 2004 Interim dividend of \$3.17 cents per share payable 15 March 2004 franked @ 30%	8

**6. Dividend reinvestment plan**

Ordinary shareholders will be able to participate in the company's Dividend Reinvestment Plan. The last date for receipt of an election notice is 9 March 2004.

**7. Details of associates and joint venture entities**

Associate / Joint Venture	December 2003		December 2002	
	Holdings	Profit Contribution	Holdings	Profit Contribution
RACQ General Insurance Ltd	50	7,696,275	50	2,680,413
RAA – GIO Insurance Holdings Ltd	50	1,890,159	50	1,259,326
Workplace Injury Management Services Pty Ltd	0	103,750	50	243,576

**Sale of Workplace Injury Management Services ("WIMS")**

On 23 October 2003, the sale of our 50% shareholding in WIMS was completed. The proceeds of the sale included \$1.8m in cash as well as shares in Konekt Limited initially valued at \$5.2m. The profit on sale of \$5.9m has been reflected in investment income on shareholders' funds.

**8. For foreign entities, which set of accounting standards is used in compiling the report**

Not applicable.

**9. Audit dispute or qualification**

Not applicable.