Good morning and welcome to all those joining us in person here in Sydney and also via the web-cast and audio links.

In a moment we will be joined by our acting CEO, Chris Skilton. Also joining us on the podium today will be Clayton Herbert, who is the acting CFO and our Chairman, John Story. In the audience front row all our Group Executives are present.

Once Chris, Clayton and John have completed their presentations, I will return and moderate questions from here in the room and via audio.

So at this point let me hand over to Chris.

Agenda

- **Introduction & overview – Chris Skilton**
- Divisional performance – Chris Skilton
  - Banking
  - General Insurance
  - Life
- Technical topics – Clayton Herbert
  - Capital
  - Integration
  - Reinsurance
  - Investment returns
  - Legal Entity Restructure update
- Outlook – Chris Skilton
- Closing comments – John Story
- Questions

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Thanks Steve, and thank you all for joining us today.

The agenda this morning is slightly different to our most recent presentations.

I will commence with an overview of the group result and then run through the divisional results at a fairly high level.

As always, the detailed numbers and commentary can be found in the analyst pack and accompanying material so what I want to do today is give you a sense of the key issues for the year, how they have been and are being managed and, wherever possible, give you a feel for the trends as we move into the 09/10 year.

Clayton will then run through capital, reinsurance, integration and investment return outcomes for the year, before concluding with an update on the Legal Entity restructure.

John will then provide a brief Chairman's update before we open the floor to questions.

Profit overview

A$m	Jun-09	%Δ
Banking	117	(82)
General Insurance	573	87
Life	98	227
LJ Hooker & Other	11	(69)
Profit before tax & Promina acquisition items	**799**	**(20)**
Amortisation of Promina acquisition items	(245)	(32)
Integration costs	(147)	6
Tax	(54)	(31)
Minority interests	(5)	-
Net profit after tax & minority interests	**348**	**(40)**

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So, first to the Group NPAT result, which at $348 million, is in line with that flagged in our trading update a couple of weeks ago, and down some 40% on last years result.

This slide provides the profit summary for each of the key P&L lines and, again, you can see that they are broadly in line with those previously flagged.

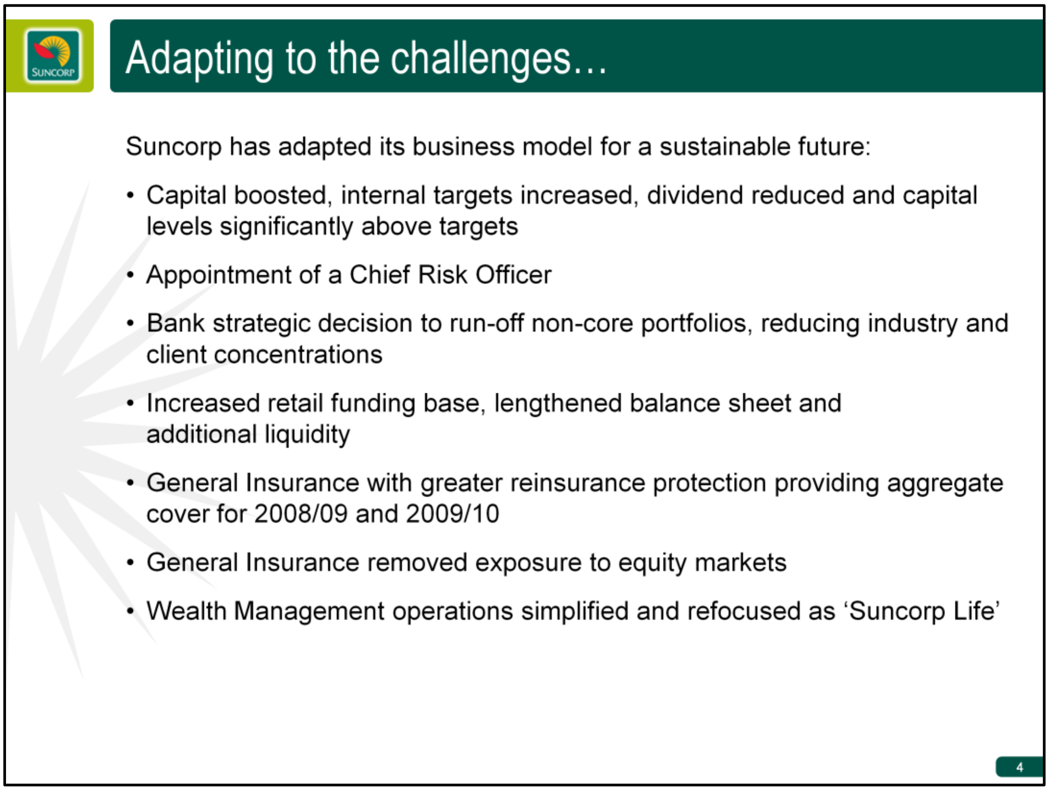
It goes without saying that the 08/09 year has been an extremely difficult year for all financial institutions. However, from a Suncorp perspective, the challenges of the past year follow what was a similarly challenging 07/08, particularly when you take account of the unrelenting impact of weather and natural hazard events.

This has culminated in what I would openly acknowledge as an extremely disappointing headline result.

However, the stark reality is that the world has fundamentally changed over the past 18 months. The shifts in the operating environment affecting each of our businesses, especially the bank, have been seismic.

I’m sure there will be many of you who would argue that there were things we could have, or should have, done differently ahead of the onslaught of the crisis and I’m not going to suggest that wouldn’t be fair criticism, however, going over that ground is not particularly productive.

But what is important is how we have responded to the challenge, the actions we have taken and the manner in which our business is now positioned for the future.



The fact is, over the past twelve months in particular, we have made significant changes to the Suncorp Group, and to each of our operating business lines.

At the Group level, we have raised over $1 billion in additional capital and taken the difficult but necessary decision to reduce the dividend by over 60%.

We have fundamentally reviewed and refreshed our risk management frameworks and elevated the risk function with the appointment of a Chief Risk Officer who sits on the Executive Committee.

In the Bank we have made some very tough decisions. We have started to run-off portfolios that are now outside our risk tolerance and are no longer viable given our cost of wholesale funding relative to the majors. We have also refreshed our Bank brand and customer proposition and fundamentally restructured its expense base. These changes, along with the lengthening of the funding base and the increased emphasis on retail funding, have established a sustainable, relatively low risk core bank.

The General Insurer has been raising premiums to restore profitability in a context of severe natural hazard events and reduced investment returns. Early in this financial year we took the decision to de-risk our investment portfolios by removing our exposure to equity markets. Additionally, our reinsurance program has been more conservative and that has provided a degree of financial stability despite the challenging run of weather events we've experienced over the past 12 months.

The Wealth Manager has also undergone a significant simplification process, has refocused on Life Risk operations and is now rebranded as Suncorp Life.

The combination of these decisions ensures Suncorp is as prepared as it can possibly be for the continued uncertainties of a post GFC environment.

Let me now turn to each of the businesses in more detail…

Banking profit overview

A$m	FY09	%Δ
Net interest income	1,117	8.4
Non-interest income	202	13.5
Total income	**1,319**	**9.2**
Operating expenses	(538)	(0.4)
Profit before tax and impairment losses	**781**	**16.9**
Impairment losses on loans and advances	(710)	large
One-off non-recurring items	46	27.8
Profit before tax	**117**	**(81.5)**

- First half income benefited from strong net interest margins and higher receivables balances
- Second half income impacted by slower lending growth and increased wholesale funding costs
- Strong focus on efficiency and expense management.
- Impairment losses equate to 128 basis points of Gross Loans, Advances and Other Receivables.

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And as usual, commencing with the Bank, underlying profit was solid, with profit before tax, bad debts and non-recurring items of $781 million, an increase of 16.9% on the prior year.

The result featured extremely strong net interest margins and higher average receivables balances in the first half of the year which tailed off in the second half due to the increasing impact of higher wholesale funding costs as we took steps to eliminate refinancing risk of funding the non-core portfolio.

As we mentioned in February, the accounting treatment of short term hedges also had a positive effect on income in the first half and this has reversed in the second half.

Operating expenses decreased by 0.4% on the prior year, despite the Bank incurring one-off restructuring costs of $25 million in the first half . These costs were subsequently off-set by focused cost saving initiatives and realised ongoing benefits from the restructure. This resulted in the cost to income ratio improving to 40.8%.

And, finally, as you are well aware, impairment losses have risen significantly this year.

Core and non-core profitability: Q4 2009*

Q4 2009, A$m	Core	Non-core
Net interest income	187	66
Non-interest income	29	18
Total income	**216**	**84**
Operating expenses	(102)	(23)
Profit before tax and impairment losses	**114**	**61**
Impairment losses on loans and advances	(18)	(200)
One-off non-recurring items	42	-
Profit before tax	**138**	**(139)**

*Unaudited accounts. Indicative view of Q4 2009 performance, to be used as a guide only.

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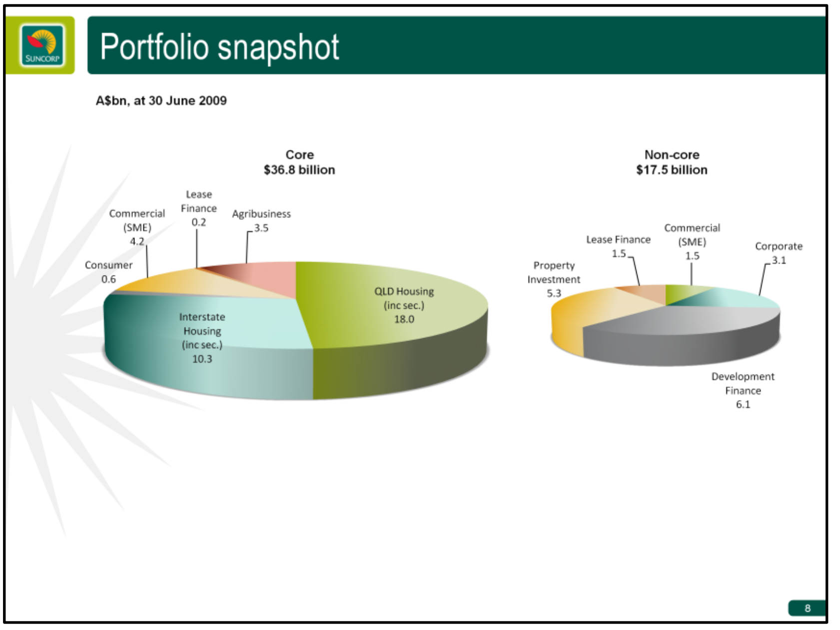
You will see that we have included additional disclosures in the pack relating to the core and non-core elements of the banking business. It's important to note that we only commenced accounting for this segmentation with effect from the 1st of April, consequently we are only reporting one quarter of P&L data – namely the final quarter of the 08/09 year.

I would like to stress here that given the variability that can occur from quarter to quarter I would caution against simply annualising these figures and assuming they represent an entirely accurate picture of profitability for the year.

Nevertheless, while this is an indicative view only, it is clear that the underlying profitability attached to the core franchise is supported by margins and lower impairment losses consistent with its predominantly retail franchise base.



To asset growth now and total loans and advances reduced 1.3% to $54.4 billion, comprising approximately $36.8 billion in core lending and $17.5 billion in non-core. This was in line with our expectations and the guidance we presented at the half year.

In the core portfolio, home loan receivables, including securitised assets, grew 3.9% to $28.3 billion. Around $18 billion of this lending is in Queensland which has contributed the majority of the growth. While growth overall is below system, it has been impacted to a large extent by a fall off in growth via the indirect channel - which was a conscious decision taken by the Bank given the challenging funding environment.

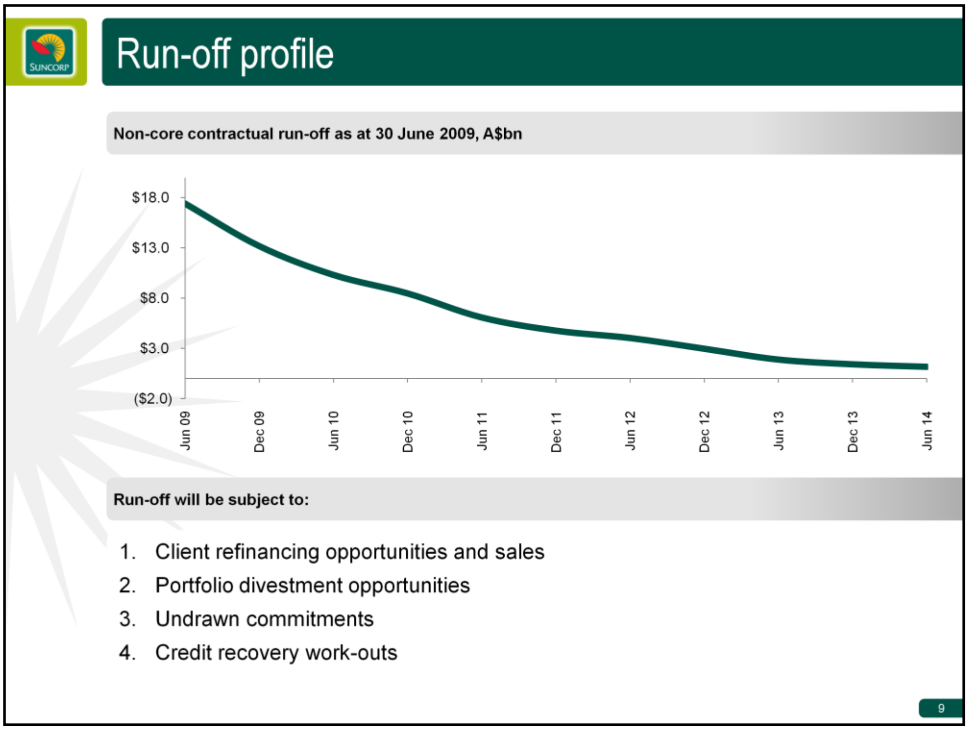
Commercial (SME) grew 1.6%, while the Agribusiness portfolio declined 3.8% as the business focused on servicing its existing customer base.

In the non-core portfolios, Corporate Lending reduced 17.6% to $3.1 billion consistent with our decision to commence run off of the portfolio, while Development Finance grew 2.4% over the year. The increase here may appear at odds with our stated intention to run off this book, but I would again point out that this growth was limited to draw downs of existing in-progress facilities. We stated in May that we believed the Development Finance book had reached its peak in March of this year, at $6.3 billion, and would begin contracting from there. With the June balance at $6.1 billion, you can see that contraction has now commenced.

The Property investment portfolio contracted 5.1% to $5.3 billion as the Bank continued to selectively reduce its property market exposure. Lease Finance reduced 26.9% and this rate of amortisation is expected to continue.

You will note that there has also been an adjustment to the Commercial portfolio since our last update in May, with $1.5 billion of that portfolio now being re-classified as non-core. This follows further analysis of the Bank's risk tolerance - reducing further the concentration risk to the property sector.

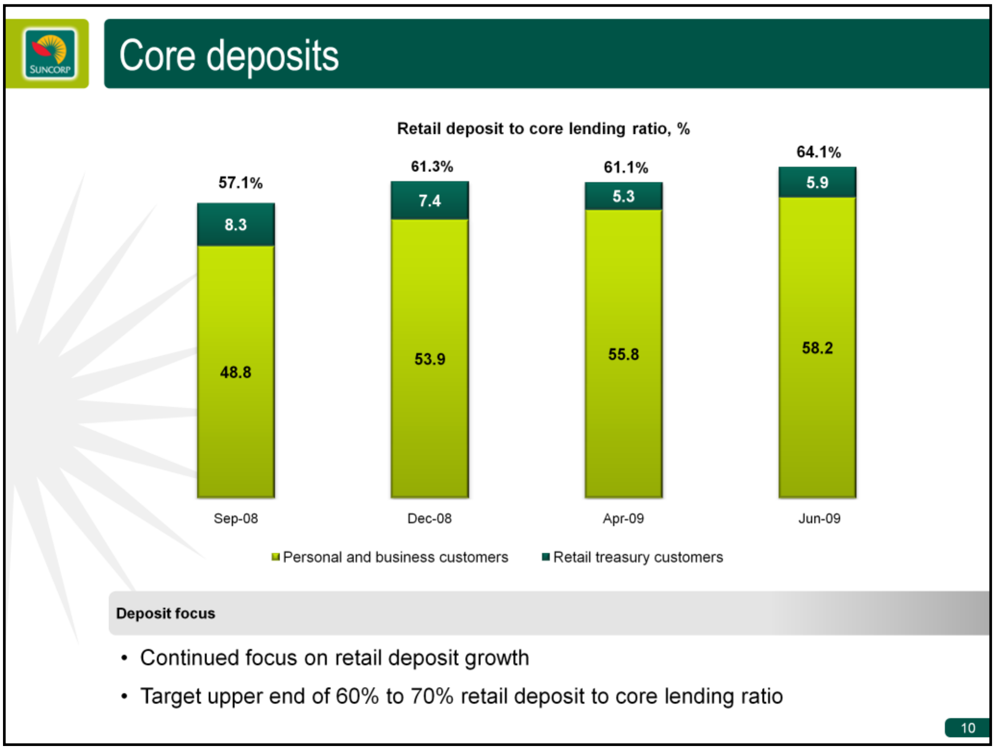
I would make the point that the review of the portfolios have now been completed and it is not anticipated that there will be any material adjustments to the core/non-core splits from this point forward.



The transition of some of the commercial assets to non-core obviously will have a minor impact on the run-off profile so we've updated the contractual chart that we disclosed to the market in May of this year.

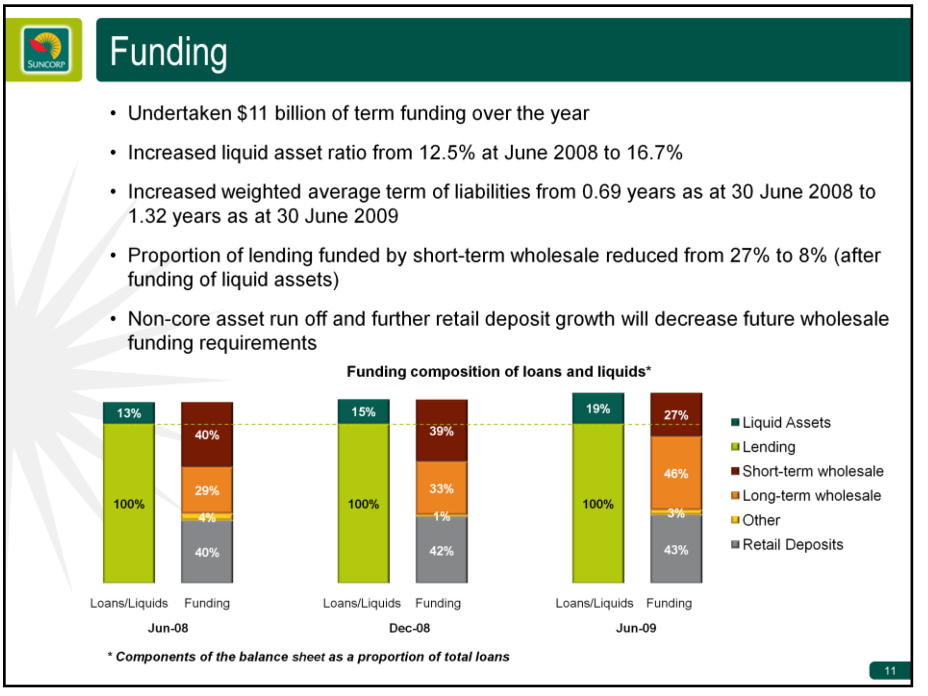
I would like to reiterate what we pointed out in May and that is that this slide represents only the <u>contractual</u> run-off. The <u>actual</u> or behavioural run-off will depend upon a range of environmental factors and, crucially, will be dependant upon the ability of customers to refinance. For accounts that are being managed by credit recovery, it includes an estimation of the expected timeframe for workout.

The run-off would also obviously be significantly impacted by any portfolio divestment that may become possible at some point over the run-off horizon.



To deposits now, and retail deposits grew 13.2% over the year which was below system. The Bank, along with all regional banks, suffered in September from the crisis in international financial markets and the resultant 'flight to quality' impact on the deposit market. Pleasingly though, we recovered those outflows during the second quarter of the year and went on to achieve deposit growth (excluding treasury) at above system levels for the second half.

A key focus of the Bank's strategy is increasing our ratio of retail deposits to core lending. As you can see on the chart, this ratio further improved to 64.1% at June, despite Treasury deposits remaining well below the levels of the first half.



Now to funding and the significant de-risking activity we have undertaken in lengthening our balance sheet, which of course is aligned to our decision to identify non-core lending and place it into run-off.

As you'll know, we have increased our liquid assets ratio from 12.5% to 16.7% and, if we include other mortgages that are capable of being placed in trust and REPO'd with the RBA, this ratio would increase by another 10%, to around 27%.

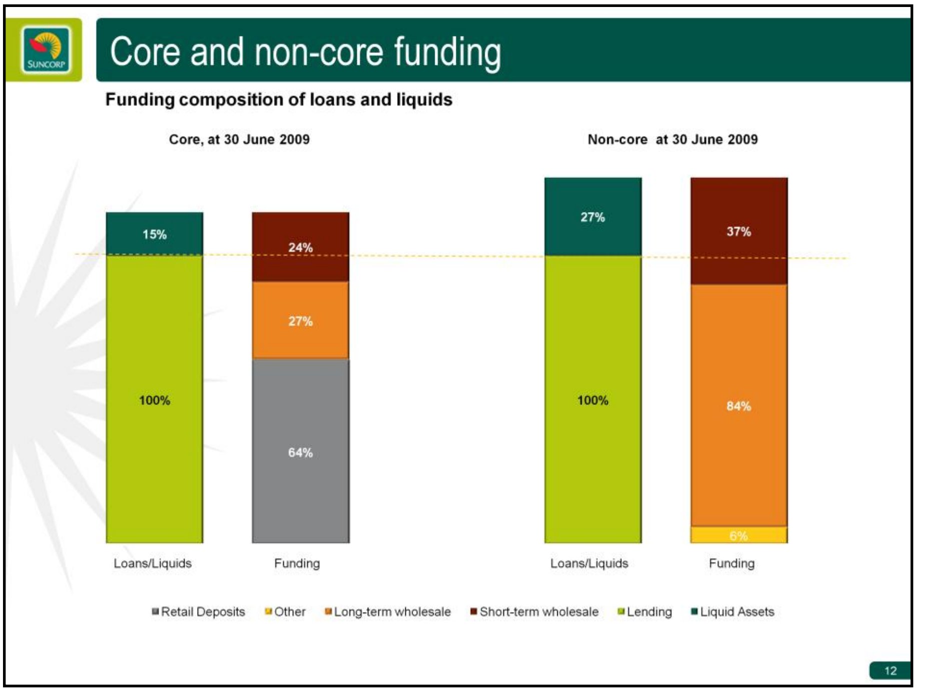
In addition, we have completed approximately $11 billion of term funding during the year and have lengthened the weighted average term of liabilities from 0.69 years to 1.32 years.

We have significantly reduced our reliance on short-term wholesale funding with the balance, net of liquid assets, now at 8% of lending, which is down from 27% at the start of the financial year.

The Government guarantee has clearly provided good access to global liquidity and this mechanism is being widely used by all Australian banks. Unfortunately, for the regional banks, debt investors are differentiating between AAA rated Government guaranteed paper issued by major banks and AAA rated Government guaranteed paper issued by regionals such as ourselves. When coupled with the differentiated fee scale applied by the Government, this puts sub AA rated issuers at a distinct disadvantage.

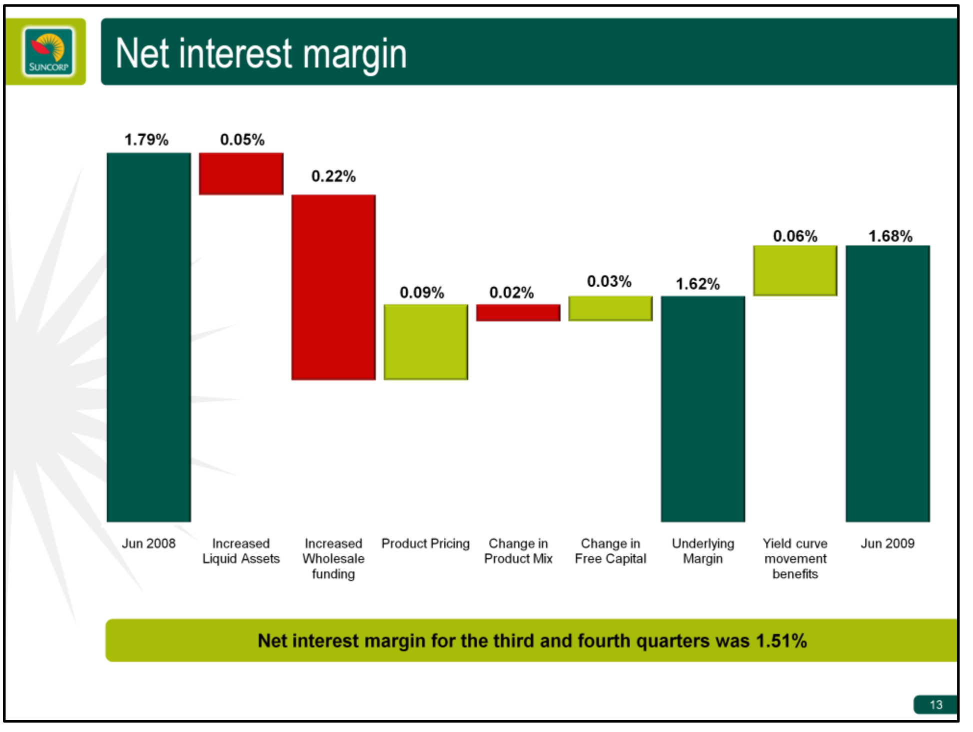
This funding disadvantage will be further compounded as AA Banks raise non-guaranteed funding at lower all up cost than guaranteed issuance, as they have done from domestic sources and, more recently, from offshore markets.

And as we foreshadowed to the market, this, and our de-risking strategy, had a significant impact on margins in the second half of 2009 and confirms why we can no longer be competitive in what we have defined as non-core segments.



If we segment our liabilities between the core and non-core book you will see that in the former, approximately 64% of the loan book is funded through retail deposits and 27% from long-term borrowings including securitisation.

In the non-core book, you can see the impact of the significant effort that has been undertaken to lengthen the wholesale funding book and effectively match-fund the non-core assets to the extent that this is possible. Long-term borrowings account for approximately 84% of the lending book.



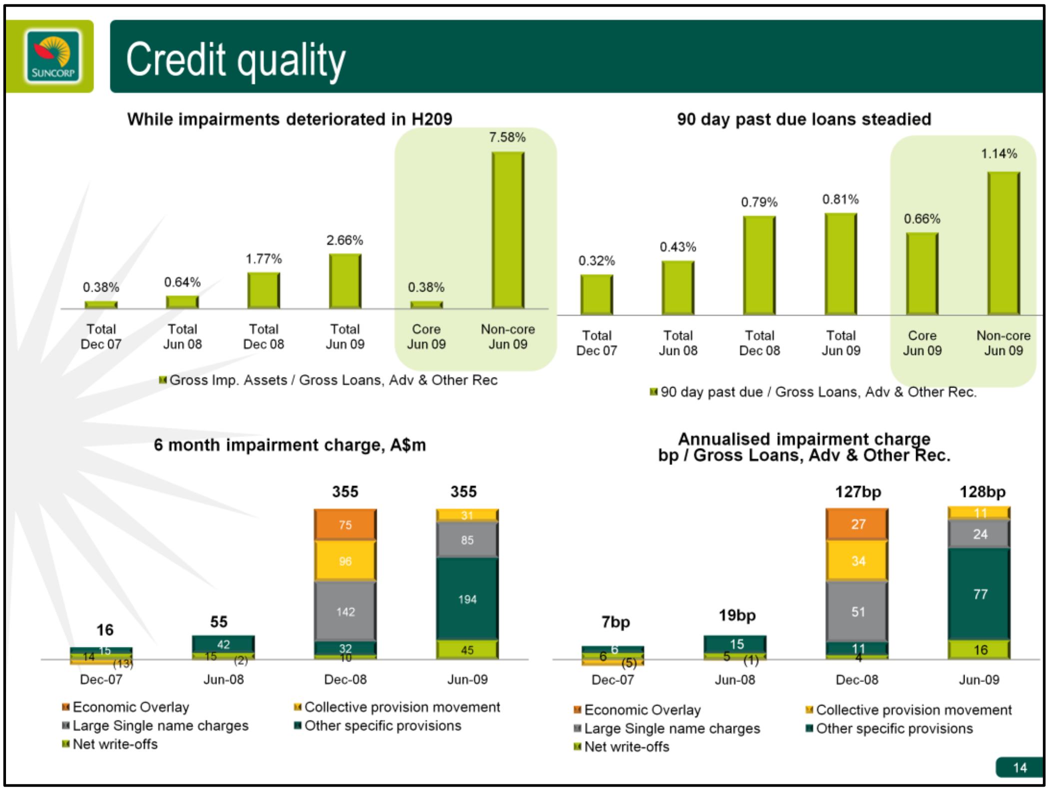
To NIM now and the waterfall slide highlights the key drivers affecting margin over the year.

The most notable factor, and one that we foreshadowed in February, has been the steep increase in wholesale funding costs associated with the Bank's strategy of increasing term funding and lengthening the duration of the book. While we've made great headway throughout the year in reducing the refinancing risk of the non-core portfolio, the increased costs of raising term debt, particularly for an 'A' rated bank, have significantly impacted the margin.

Offsetting this to a minor extent has been the Bank's ability to increase risk margins on its business lending products and, at the macro level, the steps all banks have taken to ensure retail home lending interest rates reflect overall funding costs, rather than the official Reserve Bank cash rate alone.

The full year NIM includes 6 basis points of benefit from the falling yield curve rate environment in the first half, creating an underlying margin of 1.62%.

The net interest margin for the second half of the year was 1.51%. The 11 basis point reduction from full year underlying NIM of 1.62%, to this second half figure, reflects the full impact of increased wholesale funding costs.



To credit quality now and while there has clearly been some deterioration in the second half, the rate of deterioration has actually slowed.

This slide provides all the key metrics and you can see that impaired assets represent 2.7% of gross loans & advances across the consolidated Bank.

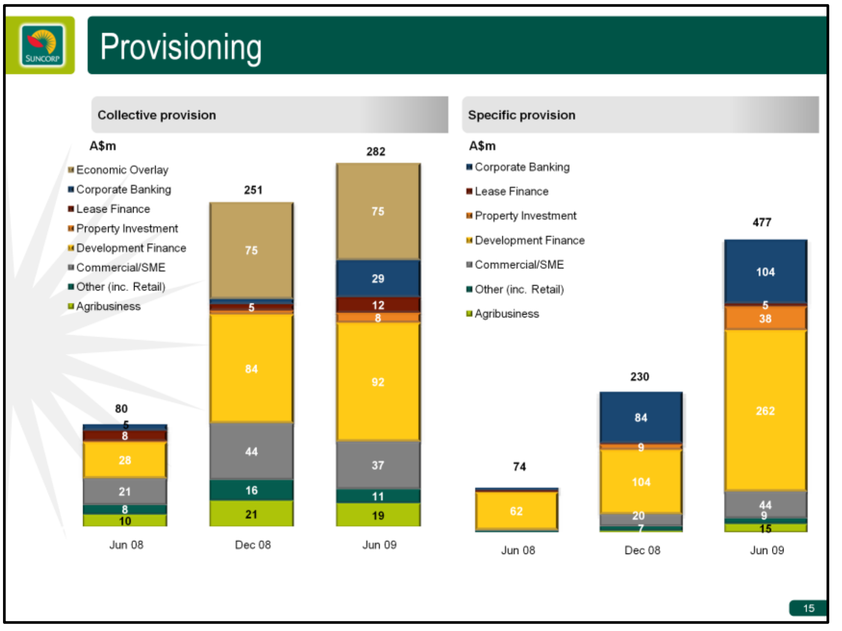
The core bank has 38 basis points of its total book impaired, reflecting some deterioration in commercial/SME over the year, while 7.6% of the non-core book is impaired.

Over the last half 90 day past due loans have been relatively steady – moving from $441 million to $449 million over the half.

In line with the impaired assets position, the charge for loan loss in the second half was $355 million – coincidentally the same charge as in the first half - resulting in an annualised charge of 128bp of gross loans and acceptances. Now you will recall that in May we suggested that while we expected our full year charge would be at the top end of our 100 – 130 basis point guidance we saw some downside to this risk and accordingly revised the range upward to between 125 and 145 basis points. So, with the actual position settling at 128 basis points it is pleasing that the book has actually behaved according to our expectations throughout the second half with no unexpected surprises.

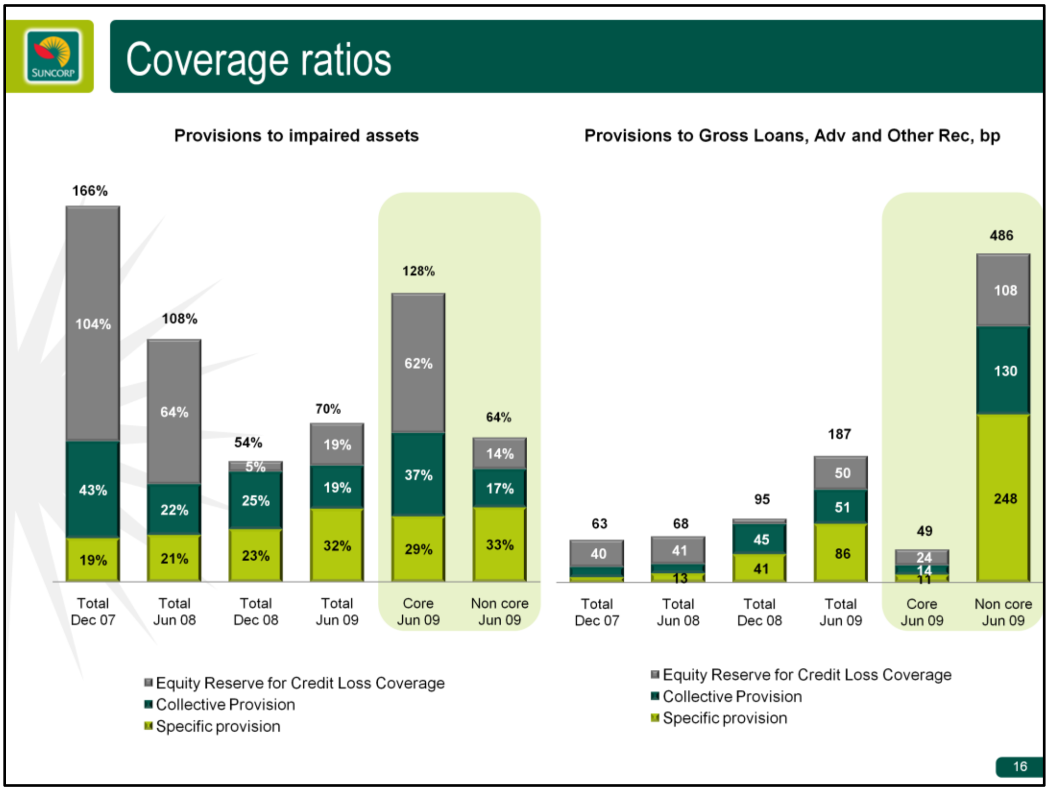
The impact of large single names was not as significant in the second half and the change for this period is more due to revaluations of existing exposures, rather than the inclusion of new exposures. So, as we've been pointing out to the market, what we're seeing is a stabilisation at the top end but, as anticipated, this has been replaced by deterioration at the small to medium end and is most pronounced in the development finance book.

No further economic overlay was required in the second half, remembering that we took $75 million in the first half.



Now to provisioning, and the composition of our collective and specific provisions by segment is set out in these two charts. As you can see, just under 75% of our provisions balance relates to the economic overlay, corporate provisions (virtually all Babcock & Brown) and provisions against the development finance portfolio.

There has been a modest deterioration in the core commercial book over the half, with specific provisions being increased by $23 million.



This slide highlights that we now have strong provisioning coverage in place across both core and non-core books.

The table on the left demonstrates that we have increased provision levels generally consistent with the increase in impaired assets we have experienced.

This is best demonstrated in the chart on the right, which reflects the total provisions coverage relative to gross loans and advances, and this has obviously increased dramatically.

General Insurance overview

A$m	Jun-09	%Δ
Gross written premium	6,815	6.0
Net earned premium	5,981	2.0
Net incurred claims	(4,610)	13.0
Operating expenses	(1,642)	0.6
Investment income – technical reserves	733	61.1
Insurance Trading Result	**462**	**(23.9)**
Investment income – shareholders' funds	130	n/a
Other	20	(63.7)
Capital funding	(39)	(70.5)
Profit before tax	**573**	**86.6**

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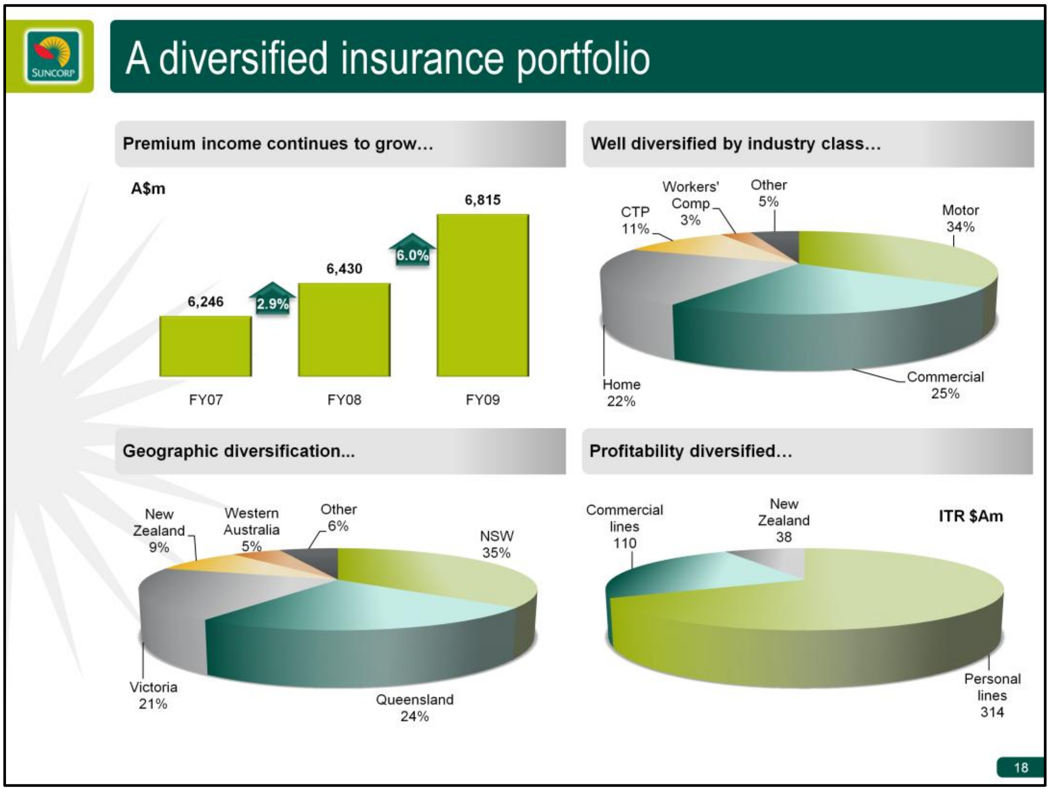
Let me now move onto GI.

The headline Insurance Trading Result of $462 million represents a margin on Net Earned Premium of about 7.7%. While this is below the guidance we set at the start of the year, the variance can broadly be explained by natural hazard events well beyond our normal allowances as well as the impact of reduced investment returns due to lower absolute yields plus significant mark to market movements that Clayton will discuss in his presentation.

Offsetting this to some degree were greater than expected long-tail reserve releases, particularly from CTP, where we have benefited from some favourable claims experience and, additionally, we have placed greater emphasis on the more recent years experience. Apart from the reduction of wage inflation in the first half of the year, our cornerstone assumptions used to provision for CTP and liability classes have not been altered and our risk margins continue to be based on a 90% level of sufficiency.

Total contribution from General Insurance was up 86.6% to $573 million and this is due to the better performance from the investment income on Shareholders Funds and the $76 million gain from buyback of subordinated debt which significantly reduces the capital funding charge.



In this next slide I have updated some key GI metrics taking into account the results for the current year.

You'll note that GWP is up 6% for the year, at the top of our guidance of 4% to 6%. In fact, if we were to ignore the weakness in the NZ$, the increase would be 6.7%, and if you focus purely on the Australian operations , we've been able to grow GWP by 7.3%.

The business remain extremely well diversified by industry class and by geography.

In terms of profitability, the personal lines have been impacted by the natural hazard events, however this has been more than offset by releases from the CTP portfolio. The commercial lines haven't had the same degree of releases however, the ITR at 8.6% is still an adequate return especially given the lower returns from the technical reserves portfolio.

Although the smallest contributor to the ITR, the New Zealand return of A$38 million, or 7.1%, is an extremely good result particularly in the context of the adverse foreign exchange impact, a very weak New Zealand economy and the irrational actions of some players in that market.

Gross written premium

A$m

Product	FY09 GWP	%Δ	Factors
Motor	2,323	5.3	Solid premium increases reduced slightly by higher excesses and subdued risk in force growth
Commercial	1,691	5.2	Hardening markets with solid increases in short-tail classes
Home	1,519	9.2	Significant premium increases following volatile weather
CTP	739	9.6	Solid increases in NSW and Qld due to the impacts of falling investment yields
Other	333	4.7	Increases in travel premiums
Workers' Compensation	210	(9.9)	Reduced new business and soft payrolls
Total	**6,815**	**6.0**	**Strong result**

Excluding the impact of NZ FX rates, GWP increased 6.9%

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A key feature of the revenue story is that we are now definitely seeing the benefits of price increases in the premium lines as we continue to attempt to restore profitability by focusing on price rather than volume.

Overall, GWP now stands at $6.8 billion with all the brands contributing strongly.

In **Motor**, premium increased by 5.3% for the year overall - with growth particularly strong in the second half. This, in our view, is a strong result particularly in an environment of dramatically slowing new vehicle sales and as customers look to adjust their risk by taking higher policy excesses. Pleasingly growth has come from a combination of increasing average written premium and unit growth.

The motor portfolio remains very competitive with a number of international players using pricing levers in an attempt to gain a foothold in the Australian market. While there is absolutely no room for complacency, we are confident that the work we have done in refreshing our motor brand strategy, along with continued improvements in claims management, will ensure that we not only keep growing, but that the growth comes at acceptable margins.

The **commercial** portfolio had a marginally softer finish to the year but still ended up with a respectable GWP growth of 5.2%. Australian Commercial Insurance GWP grew by 7.8% for the year reflecting good retention, improved broker flows and rate increases across most products. This is despite growth being negatively impacted by a deliberate decision to pull back in some markets, such as Builders Warranty, Workers Comp and Professional Indemnity in anticipation of continuing subdued economic activity and, in the context of the former, poor returns.

Gross written premium

A$m

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Total	**6,815**	**6.0**	**Strong result**

Excluding the impact of NZ FX rates, GWP increased 6.9%

Home GWP increased by 9.2% as we look to restore profitability following two years of adverse natural hazard events. Premium increases are expected to continue into 2009/10 as additional reinsurance costs and increasing allowances for natural hazards are factored in. Despite the extent of premium increases across the product, customer retention remains resilient at around 87%,however, as in motor, some customers are managing affordability by adjusting excesses. All major brands have performed strongly in a GWP sense with growth strongest in the mass-market brands of AAMI, GIO and Suncorp.

In **CTP** premiums have continued to increase consistent with regulated price increases across both NSW and Queensland. As in motor, new business has been impacted by the decline in new business sales as well as reductions in credit financing and increases in stamp duty. In Queensland, market share has declined marginally in the face of aggressive competitor activity while in NSW, a two brand strategy has been successfully deployed to retain better risks, rather than grow volume.

Major natural hazards during FY09

Event	Financial Impact ($Am)+	Contribution to 2008/09 aggregate cover^
New Zealand – July 2008	15	-#
Ipswich – September 2008	20	10
Gold Coast / Byron – October 2008	10	-
South East Queensland – November 2008	135*	115#
Victorian Bushfires – February 2009	150*	140
North Queensland Floods – February 2009	15	5
Coffs Harbour – April 2009	30	20
East Coast Storms – May 2009	55	45
Total costs net of catastrophe RI	**430**	**335**
Less aggregate reinsurance deductible		(250)
Aggregate reinsurance recovery	**(85)**	← **85^**
Total costs net of all reinsurance	**345**	

+Total financial impact may vary as preliminary estimates are verified by actual data.
** Net of reinsurance recoveries. Excluding reinstatement premium.*
 # Based on two events with $10m deductible.
^Claims costs for each event over $10m apply towards aggregate cover deductible of $250m. Accordingly, during FY09, there were approximately $335m in claims (above the $10m per event threshold), therefore, $85m can be recovered under the aggregate cover reinsurance policy.

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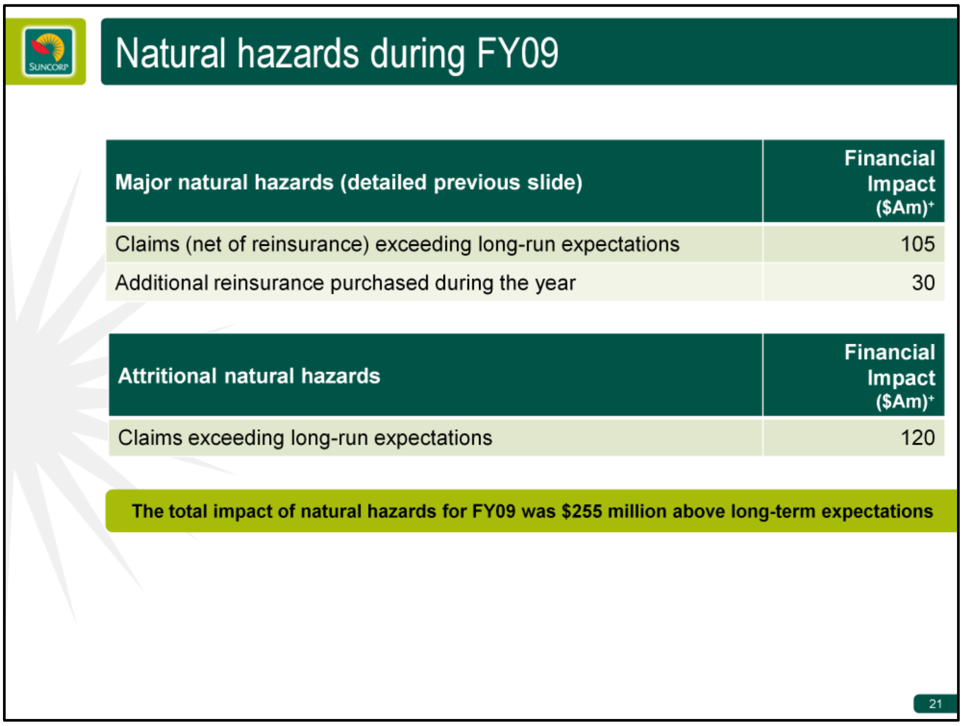
As I'm sure you're aware, 2008/09 was another terrible year for natural hazards.

The major events, including the tragic Victorian bushfires and the November storms that created havoc in Brisbane, are summarised on this slide and collectively cost $430 million net of our catastrophe reinsurance cover. Our decision to purchase aggregate cover as part of our 08/09 program proved to be sensible and and has reduced the net cost of the events by a further $85 million.

However, the total cost for major weather events of $345 million net of all the reinsurance recoveries was still $105 million greater than our long-run expectation for events of this nature.



Natural hazards during FY09

Major natural hazards (detailed previous slide)	Financial Impact ($Am)+
Claims (net of reinsurance) exceeding long-run expectations	105
Additional reinsurance purchased during the year	30

Attritional natural hazards	Financial Impact ($Am)+
Claims exceeding long-run expectations	120

The total impact of natural hazards for FY09 was $255 million above long-term expectations

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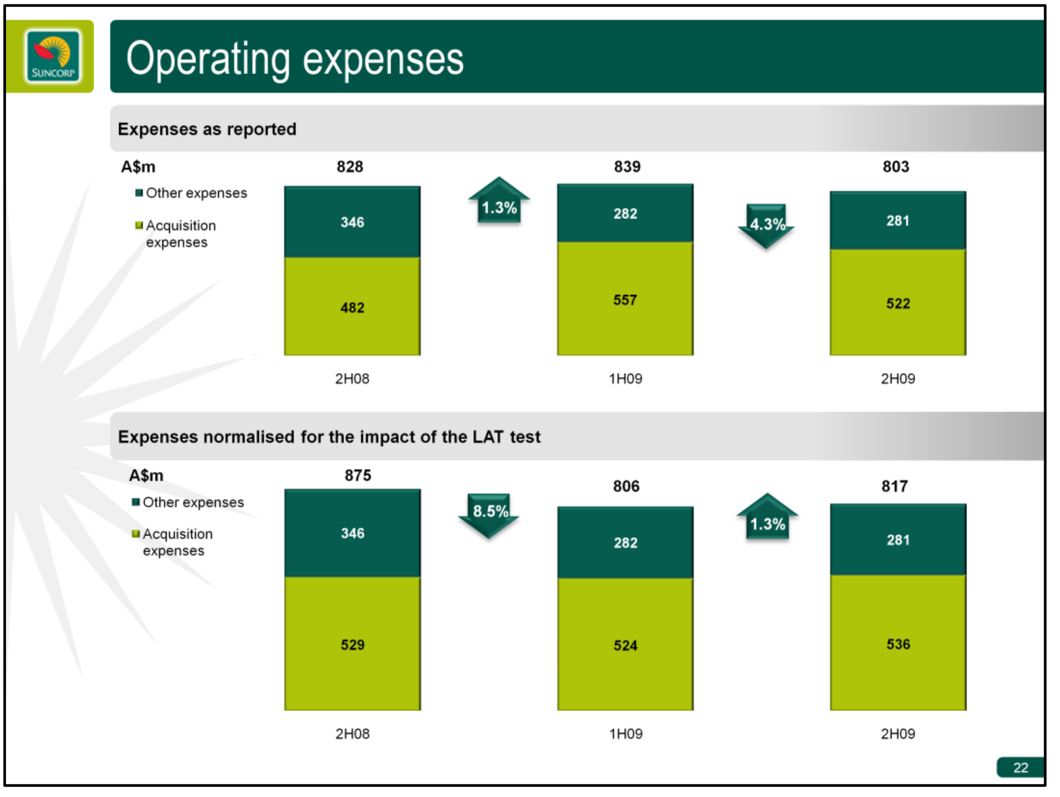
But the full impact on the Group's profit isn't limited to the major natural hazard events.

During the year, we also paid around $30million for a reinstatement of our catastrophe reinsurance cover and extra protection following the Victorian bushfires.

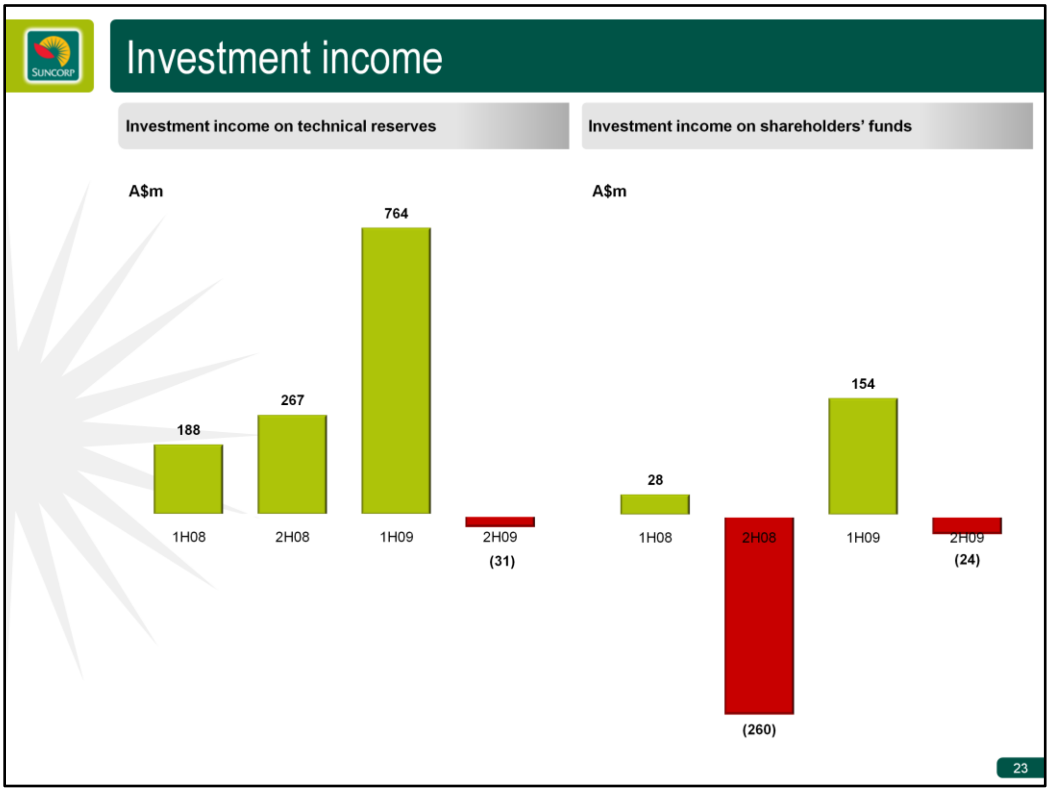
Another item that we have highlighted over the past couple of reporting periods has been the increasing frequency of small natural hazards which are the events that cost less than $5 million and which we term attritional losses. Here, the trends we noted in the first half have continued into the second, with the full year impact being around $120 million ahead of the normal, usually consistent, or at least they were up to 2 years ago, attrition levels.

Therefore, in total, natural hazard events during 08/09, including additional reinsurance costs were $255 million above our long run expectations.

Obviously, as the year has progressed we have been reviewing our assumptions for natural hazards and, where possible, increasing premiums to reflect the additional expectations into 09/10 as well as the additional reinsurance costs. In 09/10 we revised our expectation for natural hazards for both large and small events upwards to around $400 million with this level of allowance being factored into our pricing models.



I included this slide in the February presentation and I thought it was worth updating here. On a reported basis, expenses are down half on half by 4.3%, however if we exclude the impact of the LAT which was a $33 million debit in the first half and a $14 million credit in the second half, this gives a more accurate picture. Underlying expenses are up only 1.3% or $11 million half on half. Operating expenses were flat with acquisition expenses up 2.3%.

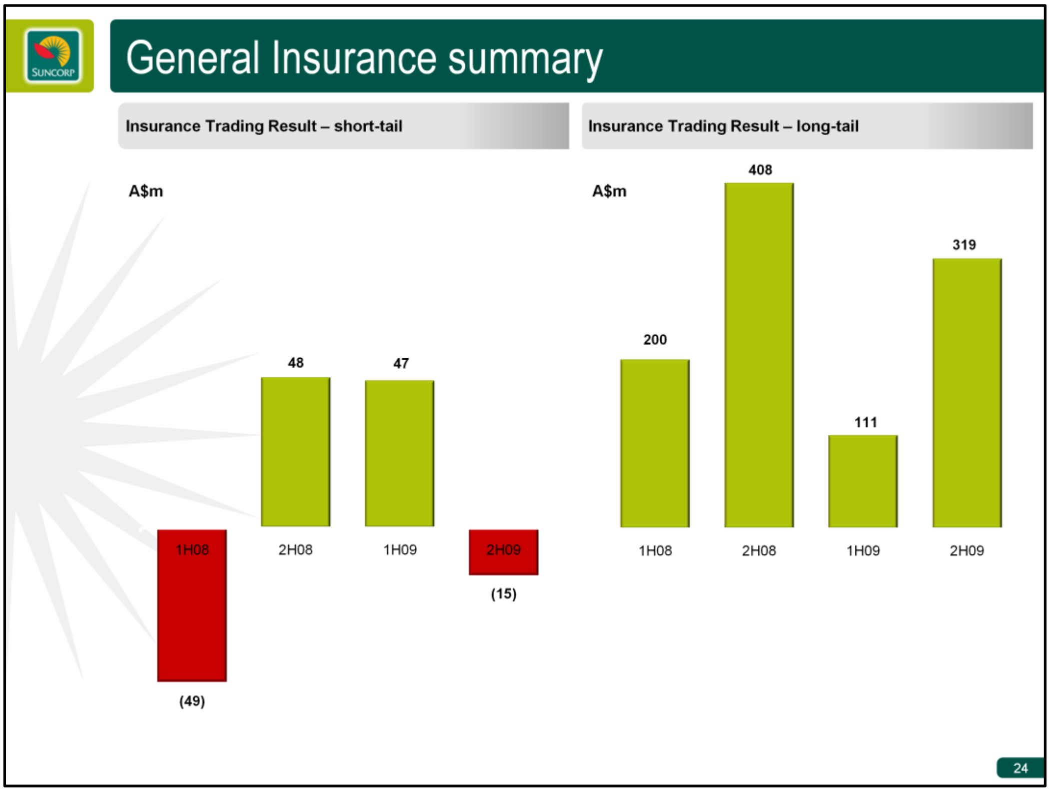


To investment income, and these simple charts show how volatile the past two years have been.

In the first half we saw the significant fall in interest rates provide a significant boost to income. This reversed in the second half as the value of fixed income securities fell due to the increase in the risk free rates.

Although the majority of these movements are offset by corresponding movements in the discounted value of the outstanding claims provision, there is still some significant volatility remaining caused by movements in credit spreads and some duration mismatch. Clayton will cover this off in more detail later in the presentation.

Shareholder funds had a negative second half to the year due to the impact of increasing interest rates on the mark to market of fixed interest securities and the write-down of valuations on some legacy property holdings.



So, how should one interpret all this data and try to get behind the underlying performance of the general insurer?

I know there are many of you who will seek to normalise the result taking into account all the factors we have outlined today.

As I have said many times in the past, such a process can sometimes provide a meaningless outcome as it assumes some level of normality in terms of an external operating environment that has been anything but normal over the past 3 or so years.

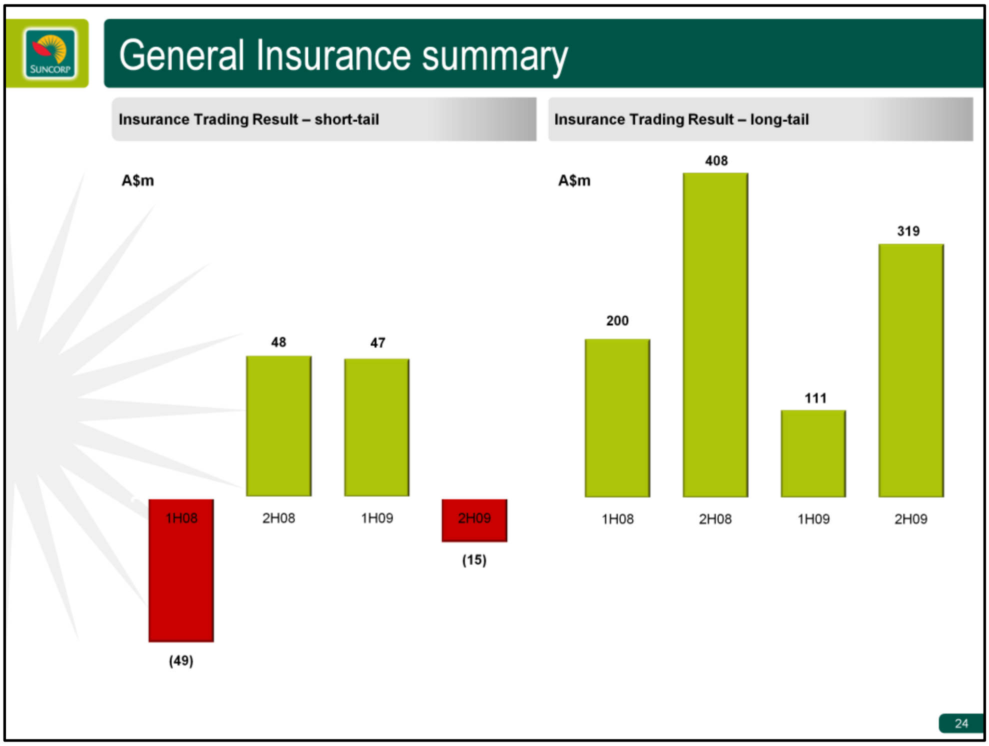
Indeed, as CFO, I have been presented with many attempts at normalising business performance over the years that amount to little more than a reconciliation of an unachieved budget outcome.

So taking a step back from all the noise, let me give you a sense of how I look at these things:

Looking first at **short tail** and I have often talked about a reasonable target ITR being in the range of 8% to 10% range.

I remain firmly of the view that, subject to some degree of stability in the operating environment, this is an outcome that can be achieved.

I use the motor result this year as a valid reference point. This was a portfolio relatively free of major event disruption and where competition, while tough, is rational - meaning price adjustments are flowing through. And, in those circumstances, this product has delivered ITRs consistent with those targeted, indeed at the top end. Of course, going forward this is going to be an intensely competitive segment, but I'm confident that in the short to medium term there is sufficient upside available via improved claims management processes to offset a step up in price based competition.



Home, of course, is more difficult to predict given the greater impact that the indiscriminate nature of major weather events has on this portfolio. However it is interesting and relevant to note that this year most of the events occurred in Queensland and Victoria with NSW being relatively untouched, at least in the major population centres. Therefore, the results of the GIO brand, which is concentrated in NSW, is more indicative of what can be achieved in a normal period and I can confirm that the ITR was in fact in the 8% to 10% range.

The same story is true in commercial short tail, although reporting of profitability in this segment can often be distorted where it forms part of an overall package of business.

So, the point I am making is this. I see nothing to suggest that short tail margins in the 8% - 10% range are not achievable over the short to medium term. Indeed I expect this would be confirmed in the event the weather gods were to treat us kindly in any discrete reporting period.

To **Long Tail**, and of course this is a far more complex beast.

I would agree that if you take a crude approach and back out releases in their entirety you see very low levels of current year profitability, and this is indeed the case. I have been saying in the past year that, at this stage of the cycle, underlying profitability is only in the region of mid-single digits. I stress 'at this stage of the cycle' because, as we know, when experience is improving, premium reductions tend to lag that experience which produces above average returns. The opposite is true when claims experience is deteriorating or investment returns reduce, then premium increases tend to lag and this produces below average returns. Current profitability is also being significantly impacted by the latter.

It is however a very good business to be in in the long term.

Also, as you are aware, some level of releases can be reasonably anticipated each period because of the conservatism built into the pricing and valuation basis, especially around inflation, however it is difficult to predict what the sustainable level of that could be.

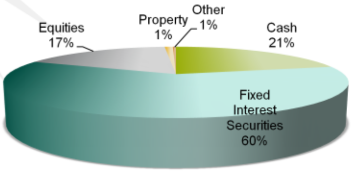
At this point, as the soon to be departing CEO, I'm going to avoid opining on how this should be rolled up across GI, other than to say that this business is home to some very good assets that in recent times have not been able to show their true worth.

Life overview

A$m	Jun-09	%Δ
Life Risk	87	13.0
Funds Management	35	(49.3)
Total life underlying profit after tax	**122**	**(16.4)**
Market adjustments	(7)	(80.0)
Profit contribution after tax	**115**	**3.6**
Operating expenses	**338**	**(8.6)**

Invested shareholder assets

A$1,153m#



Traditional Embedded Value (at 31 Dec 2009)

- Embedded Value: $2,175m
- Independently assessed
- Assumptions based on Suncorp's long term best estimate assumptions as reviewed and adopted by the assessor*

 # Excludes assets backing annuity and participating business

** Assumptions and sensitivities at Appendix 4 Analyst Pack*

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We are encouraged by the performance of Suncorp Life over the course of the past 12 months. Life has been focused on responding to the economic environment and simplifying the business model. This culminated in the change in strategy announced in June 2009.

The business is now concentrating on its aspiration of becoming a first tier life insurer in Australia and New Zealand. Over the coming twelve months Suncorp Life will continue to concentrate on building distribution reach and capability, focusing on customer retention and cost management. We are already seeing some of the benefit of these strategies in the Life Risk numbers.

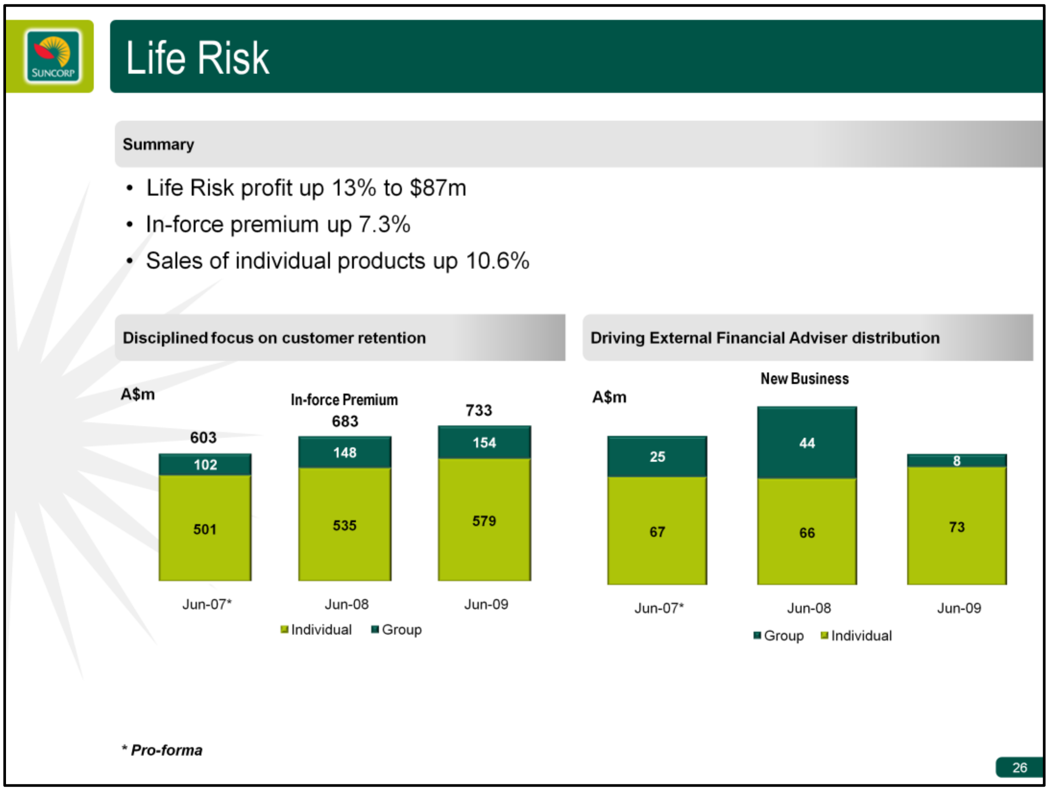
The contribution after tax is $115 million, up 3.6% year on year. Underlying profit was $122 million. This has been achieved with good life risk sales and strong expense management offset by falling funds under administration which has restricted fee income.

Operating expenses, a new disclosure for Suncorp Life were down 8.6% to $338 million. A series of cost saving measures have been implemented, including the achievement of trans-Tasman economies of scale and scope, and in the funds management division, the launch of the WealthSmart superannuation platform which consolidates existing products, systems and operations.

Invested shareholder assets, include all shareholder assets, and exclude assets backing annuity and participating business. The shareholder assets are defensively weighted, with the majority invested in fixed interest securities and cash.

In June, Suncorp Life announced its Embedded Value for the half to 31 December 2008. At the time, there were a number of questions regarding the assumptions around the EV. As promised, the assumptions are included in Appendix 4 of your pack. I would like to stress however, that the EV was independently assessed. The assumptions used were based on Suncorp's long-term best estimate assumptions. These assumptions were reviewed by the assessor, and they were not altered.

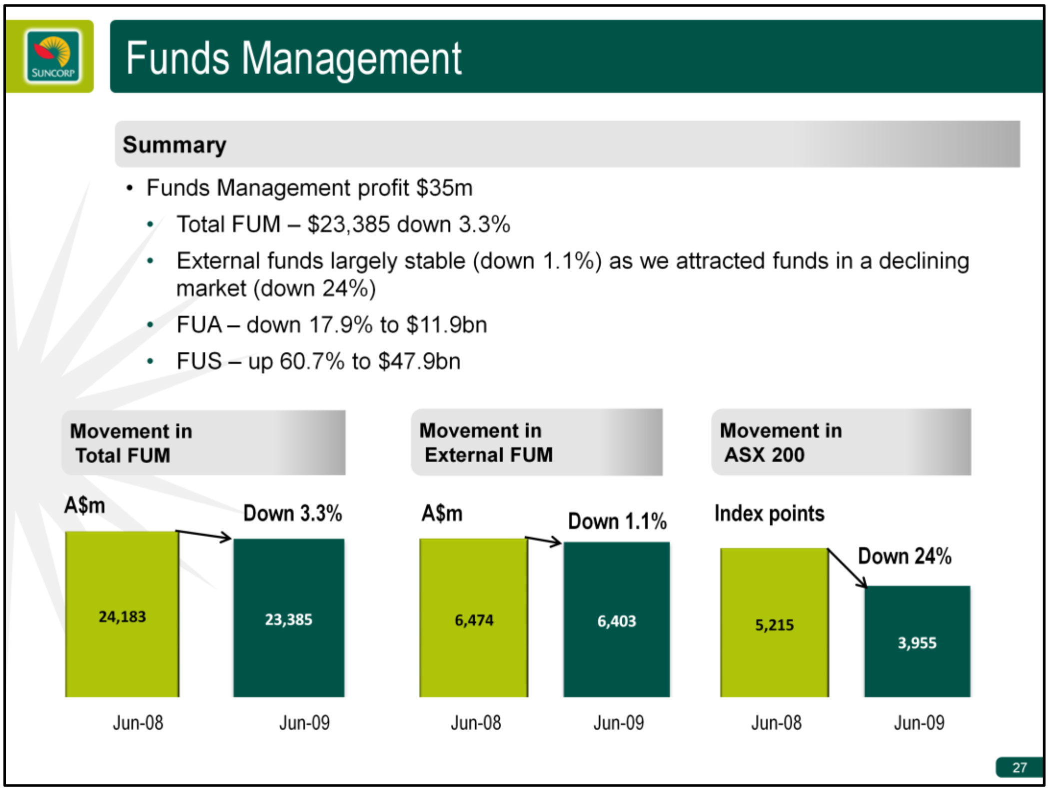
Although we have not yet completed the calculation for the year end, Life intends to provide updated EV as part of ongoing market disclosures.



In Suncorp Life's core Life Risk portfolio, underlying profit was up 13% to $87 million, reflecting strategies implemented to take advantage of the current favourable environment for the Life Risk industry.

In-force premiums are up by 7.3%, demonstrating Life's continued focus on customer retention. This has been a key area of focus for Suncorp Life, given the industry-wide pressure on lapse rates due to the current economic climate. Life has been proactive in managing claims with discipline and in the protection of its in-force portfolio in order to ensure that lapse rates remain below the industry average.

Sales of individual life risk products are up 10.6%. Suncorp Life is focussed on driving new business growth, in particular through the EFA channel. Sales of Group products were distorted due to a one off premium rate increase for a major client in the prior comparative period.



Market volatility has resulted in reduced asset-based fee revenue because of the impact the investment market has on asset values and funds flows. The mandatory savings environment in Australia, and the move towards that state in New Zealand, however, ensure these markets remain attractive.

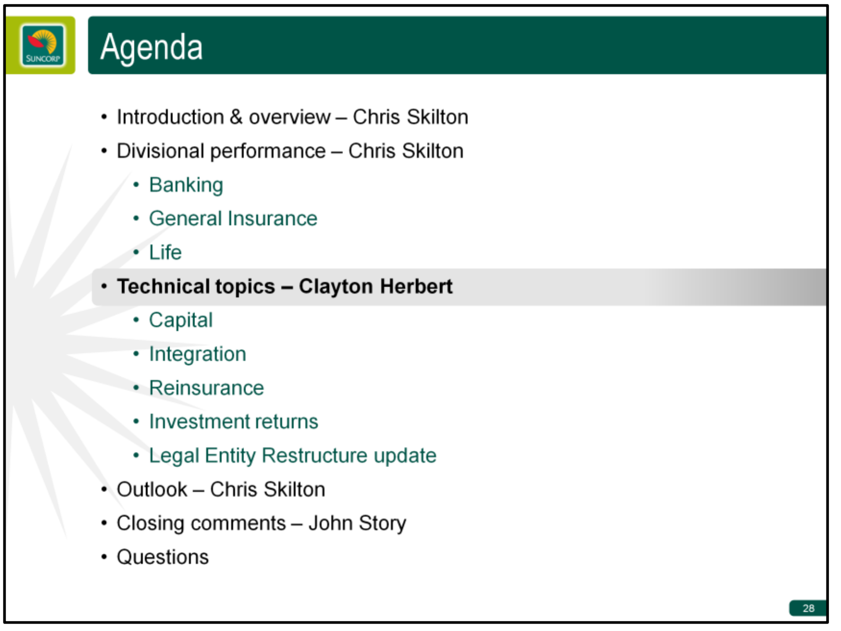
Retail investment new business is down across all categories. This is unsurprising given the generally negative sentiment seen across the investment markets during the last financial year. Since 1 July however, we have seen a slight pick-up as confidence slowly returns.

FUM has remained steady at $23.4 billion for the year.

- External funds largely stable (down 1.1%) as we attracted funds in a declining market (down 24%)
- FUA – down 17.9% to $11.9bn
- FUS – up 60.7% to $47.9bn

New Zealand Guardian Trust has become trustee for a number of bank securitisation structures over the year, increasing funds under supervision by 60.7% to $47.9 billion.

And now I'd like to hand over to Clayton, before coming back to discuss Outlook.



Thank you Chris, and good morning Ladies and Gentlemen.

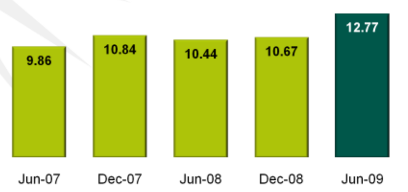
I'll just take some time to cover off some of the more technical issues in our 08/09 result.

Capital position remains prudent

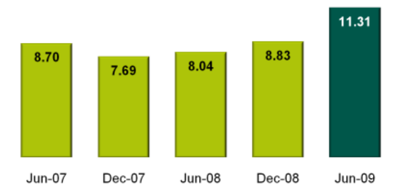
Final dividend of 20 cents per share fully franked to be paid on 1 October 2009

	Jun-08	Dec-08	Jun-09	Target
Bank Capital Adequacy Ratio	10.44%	10.67%	12.77%	11.5% – 12.0%
Tier 1 Capital	8.04%	8.83%	11.31%	9.0% – 9.5%
GI MCR (times)	1.66	1.73	1.60	1.55

Bank Capital Adequacy



Tier 1 Capital



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Firstly to capital and at 30 June our capital adequacy ratio is at a prudent 12.77% and our Tier 1 was also strong at 11.31%.

With the emergence of bad and doubtful debts in the first half and general concerns about the capital strength of the banking sector facing the Global Financial Crisis, the Board increased internal capital targets in January. Importantly, the focus was on the quality of capital and not just total capital.

To meet these revised targets, dividends were reduced and $1.0 billion in new equity was raised in February. Since then, capital ratios have remained relatively stable due to the run-off of the higher risk weighted non-core book. The reduction in risk weighted exposures has enabled the forecast dividend to be declared at a payout ratio higher than the go forward benchmark of 50-60% of cash earnings.

Following these capital initiatives, total regulatory capital was well above our CAR targets given the amount of Tier 2 capital previously issued. This enabled us to take advantage of the market conditions to buy back subordinated debt, at a substantial profit to the Group.

The ACE ratio increased significantly to 6.25% from 4.03% at 30 June 2008.

The General Insurance capital position is also strong at 1.60 times the minimum capital requirement.

The natural hazard experience and volatile investment markets over the last two years has meant that earnings have had to be held back in the general insurance group.

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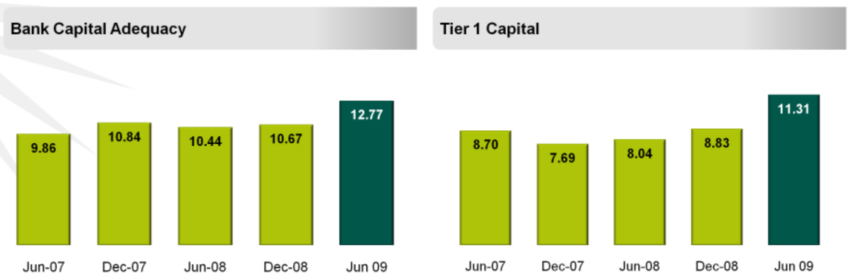

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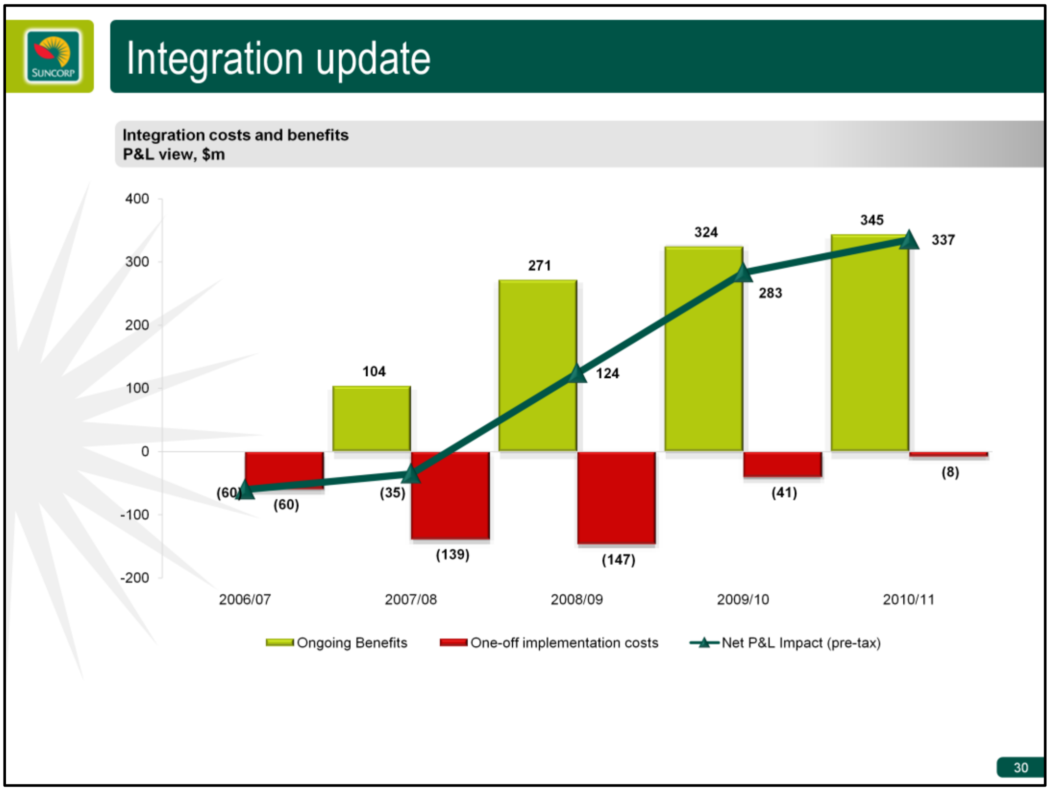
The General Insurance capital requirements were also managed by de-risking the shareholder funds, and selling out of equities in the first half. I would also highlight that although the MCR coverage is slightly less than this time last year, the quality of that capital is better. The General Insurance companies also participated in the buy back of subordinated debt, which strengthened the Tier 1 capital ratios.

The capital position of the Life Companies was also affected by the turbulence in investment markets. During the year, additional capital was injected into that business albeit relatively immaterial to the Group. In addition, the investment portfolios were de-risked. Given the nature of Life Insurance capital, we have continued to hold some exposures to equities, albeit at reduced levels. With the recovery of equity markets in recent weeks, we now hold capital well above internal targets.



To Integration now and I thought we should update on the progress we've made during this highly turbulent year.

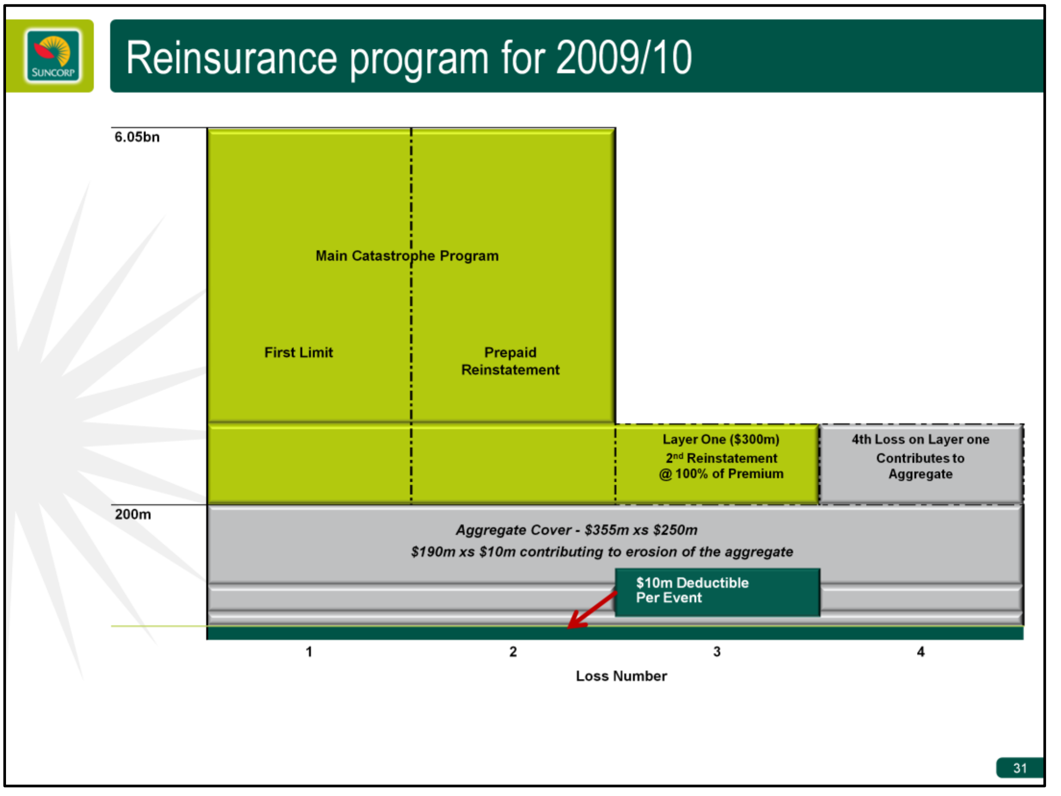
As Chris has outlined, the benefits of integration can be seen in the expense lines of all three of our lines of business.

Since we last updated the market, we had reviewed the Integration portfolio of initiatives in response to the difficult economic environment the Group faced as a result of the global economic crisis. Following this review, we decided on a range of changes including:

- implementation of some new initiatives to deliver additional benefits;
- acceleration of some existing initiatives so that benefits could be realised earlier than planned; and
- Deferral or cancellation of some "low value" initiatives to minimise the impact of one-off implementation costs .

The result was integration benefits $20 million greater than we have previously forecast.

We have also recognised that an additional $20 million of accounting expense will be incurred in respect to surplus lease costs. These costs had assumptions built-in around the reletting of surplus space which have been adjusted as a result of the economic slowdown.



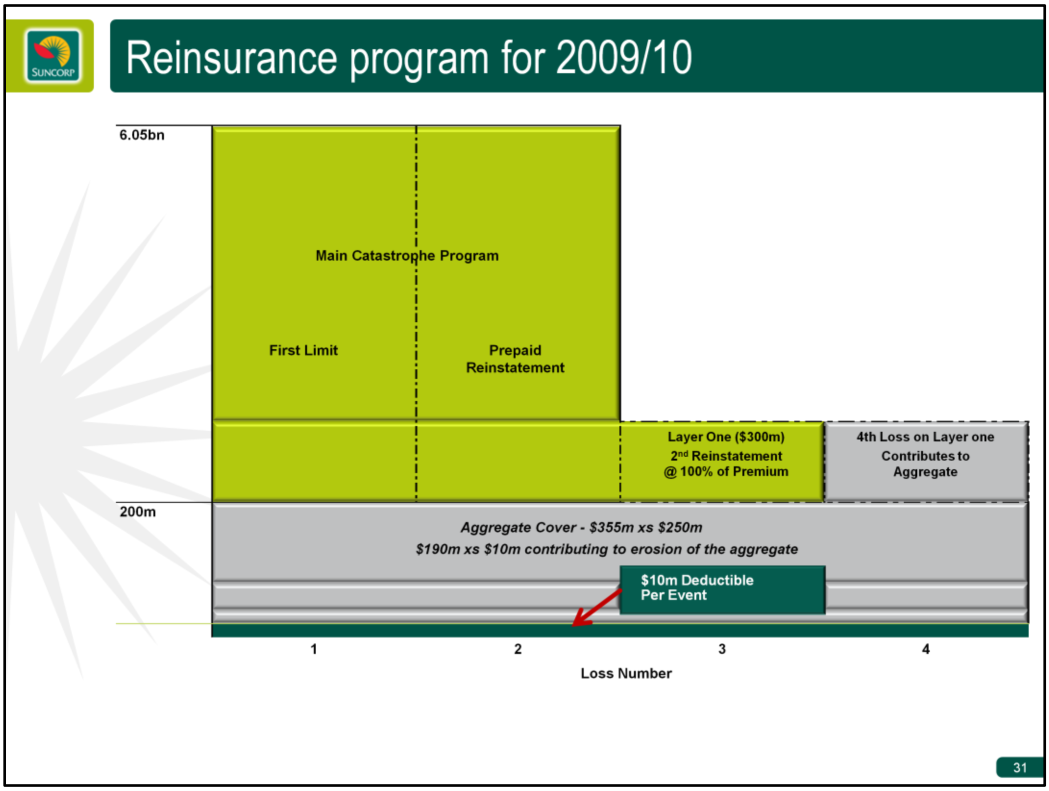
Turning to reinsurance and the Group has completed renewal of its main 2009/10 reinsurance programs. The strategy of the renewal was to obtain a similar level of earnings protection as afforded in the prior year from both single loss occurrences, and accumulations of losses. We also ensure that we purchase a single property catastrophe event limit equivalent to a 1 in 250 year exceedence probability, determined on a multi-peril whole of portfolio basis.

Given the loss activity over the last two years, the cost of the reinsurance program has increased substantially – in the range of 10 to 20% - depending on the particular layer of the program. As Chris has indicated, the business is building these increases into current pricing.

Turning to the features of this years program….

The main catastrophe program, represented by the green vertical towers, attaches at $200m with a limit of $6.05bn. The cover includes 1 prepaid reinstatement for the full limit, and a further (ie second) reinstatement for the first layer only. The chance of exhausting layers above this 3 times in a single year is remote. Although the maximum event retention is $200m, the "average" or expected event retention per our modelling is circa $145 million since Suncorp shares the deductible with its Joint Venture partners.

The aggregate program, represented by the grey shaded area, attaches once the aggregate deductible of $250m has been exhausted. Losses in excess of $10m per event are eligible to erode the aggregate deductible. The program provides $355m of cover. This is larger than the $300m of cover in the 2008/09 program.



The main catastrophe and aggregate programs are designed to work in tandem to provide robust cover. There is also no "gap" in the cover, that is, the full amount of losses above $10m fully erode the aggregate deductible, and if they exceed $200m, are covered by the main catastrophe treaty.

The only material change in Suncorp's reinsurance program from last year is the non-renewal of the $50m xs $150m main property catastrophe layer. This was not available at economic prices due to recent loss activity. Despite this, the level of protection afforded by the 2009/10 program is similar to that of last year, because, although Suncorp is now exposed by up to a further $50m for the first catastrophe event, this will count towards the aggregate deductible and thus provide much greater second loss protection.

To prove this point, the reinsurance recoveries in 2008/9 would have been the same under the 2009/10 program.

Investment income

A$m

Discount rate movements…..	**1H09**	**2H09**	**FY09**
Investment returns on technical funds	764	(31)	733
Less: discount rate impact on insurance liabilities	(565)	249	(316)
Difference	**199**	**218**	**417**

Represented by……	**1H09**	**2H09**	**FY09**
Underlying yield	268	191	459
Accounting mismatch	128	(45)	83
Economic mismatch	(197)	72	(125)
Total	**199**	**218**	**417**

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I now turn to investment returns and the significant half on half fluctuations. The largest impact has been the mark to market movement caused by falling interest rates in the first half with a rebound in the second half.

The first adjustment that we make is to offset investment income with the impact of the discount rate movement on claims provisions. Traditionally we have given you the information to make the comparison shown on the top of the slide.

The difference would appear to be relatively consistent, however this belies the underlying complexities.

To give you some understanding of the ongoing profits expected from investment earnings as well as the short term fluctuations and one-off factors, we need to dig a little deeper into the total difference of $417 million.

The first component of this difference is the underlying yield income from the investment portfolios and is an ongoing feature of the underlying profitability of the insurance business. It significantly declined in the second half due to the reduction in interest rates during the first half.

Investment income

A$m

Discount rate movements…..	1H09	2H09	FY09
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Underlying yield	268	191	459
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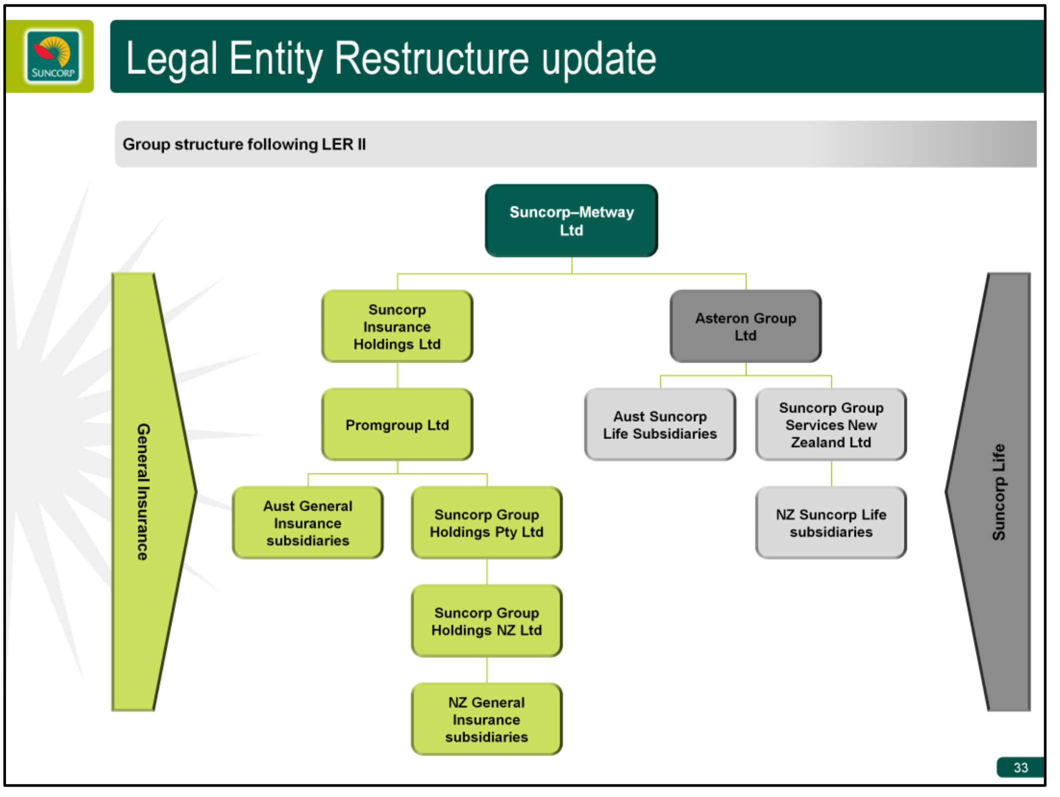
The next piece of the puzzle is what I have called the accounting mismatch. This is the impact of the movement in risk free rates on the assets that back liabilities that are not marked to market for accounting purposes, namely unearned premium net of insurance debtors which total approximately $2 billion.

I call it an accounting mismatch because the liability is in reality interest rate sensitive, with the impact felt when the premium is earned and the associated claims costs are recognised. We have been increasing premiums to ensure that this impact does not create a significant headwind into 2009/10.

The final piece is the true economic mismatch, that arises from the mark to market gains or losses incurred from taking credit and duration risks.

You can see that the first half result incurred a significant loss, due mainly to shifts in credit spreads as we noted in February. Credit spreads have come back in the second half and the impact on the year overall is minimal.

The total economic mismatch of $125 million is largely related to duration and other non-credit spread mismatches and we don't expect that these will significantly unwind.



Finally, I will update you on the Legal Entity Restructure. As you know, the merger between Suncorp-Metway Limited and Promina Group Limited brought together about 150 companies.

In 2008, a Legal Entity Restructure program of work was implemented to streamline and simplify our corporate and financial structures. The objectives are to align the corporate structure with the Lines of Business to improve transparency in capital management, reporting and accountability.

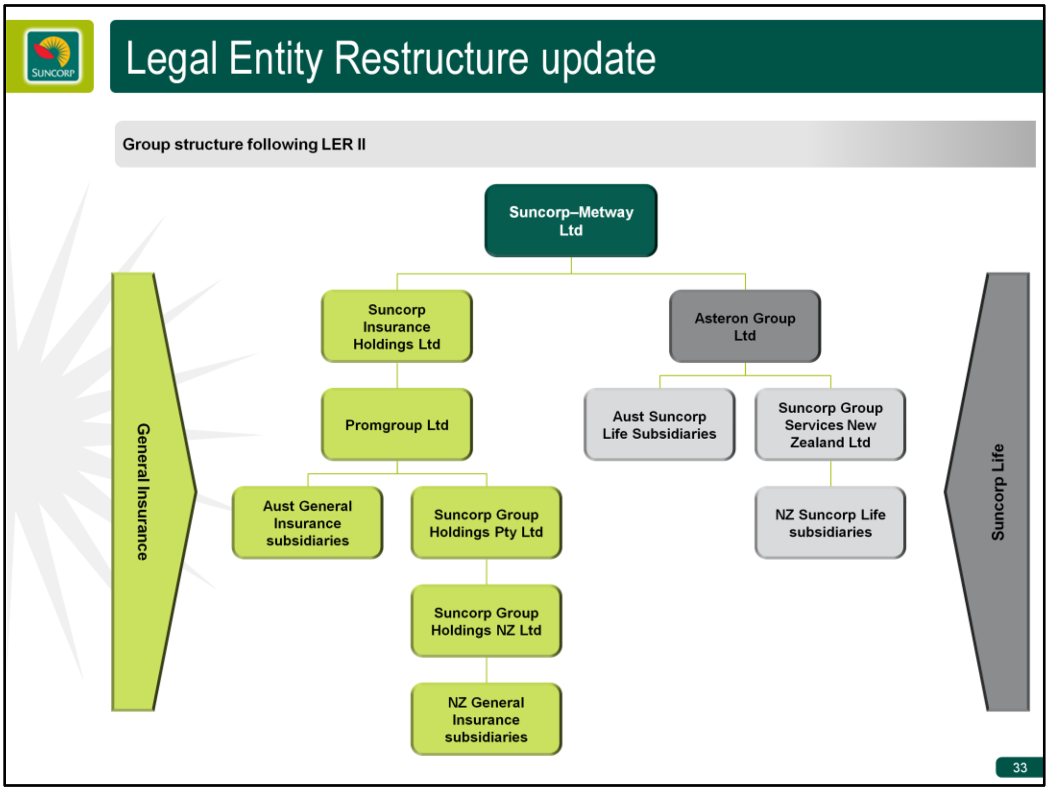
In December 2008 the first phase of the program, LER-1, was completed and restructured the General Insurance entities under Promgroup Ltd.

The focus of LER-II has been to align the Suncorp Life and New Zealand legal entities.

After execution, the structure will align the Suncorp Life entities under Asteron Group Limited, with separate line groupings for the Australian and New Zealand subsidiaries. New Zealand General Insurance subsidiaries will remain aligned under Promgroup Ltd.

Approximately nine Australian and seven New Zealand dormant entities have been identified for liquidation (or amalgamation). This will further "clean-up" our organisational structure.

LER-II has been delayed by the need to obtain some rulings from various Revenue authorities. We expect to receive these in the coming weeks at which time we will complete the LER II restructure



We are also continuing to work through the benefits and implications of a NOHC structure and, obviously, LER II is compatible with any restructuring of the group under a NOHC as the parent entity.

While there remain no insurmountable roadblocks affecting the ability of the Group to execute a NOHC structure, the Board understandably want to take account of the views of the incoming CEO and ensure the program of work can be timed to coincide with any operational review he may undertake.

On that note I'll hand back to Chris Skilton…..

Thanks Clayton…..Finally to the Group's outlook and I don't intend to go through this in detail other than to make a couple of obvious points.

The first is the most obvious. On September 1, Suncorp will have a new Chief Executive. Now, I'm sure you would agree that it makes no sense for Patrick to be locked into a range of specific outcomes framed by his predecessor.

Patrick will no doubt have a big agenda for Suncorp, one that I'm sure he will lay out in front of the market at the appropriate time.

The second point I'd make is a cautionary one, and one that has already been sounded by many of the CEO's reporting in this cycle. It is that while we have seen external conditions stabilise and there has been some evidence of recovery it is still too early to declare the end of uncertainty.

This will have a flow on effect in terms of the guidance that will be provided to the market. The past year has proven that many predictions are just that – predictions. The advent of quarterly credit quality reporting under APS330 is indicative of a trend that will provide more clarity around actual experience.

I said earlier in the presentation that Suncorp had responded appropriately to the crisis. I genuinely believe this. There has been much change completed and more initiated, in order to position this business for the future. Some of it has been uncomfortable. All of it has been necessary. With Patrick's arrival I'm sure there will be more to come.

As this is my last time on the podium, from a Suncorp perspective at least, I do want to thank all associated with the investment markets who I have had cause to interact with over the past eight years.

Your analysis has always been forensic, your questioning (nearly) always insightful and your treatment of me has been fair. In turn I have always sought to be available to you, open to your criticism and as free of spin as one can be in these modern times.

I sincerely hope our paths will cross again in the future.

With that I will hand over to our Chairman, John Story

Agenda

- Introduction & overview – Chris Skilton
- Divisional performance – Chris Skilton
  - Banking
  - General Insurance
  - Life
- Technical topics – Clayton Herbert
  - Capital
  - Integration
  - Reinsurance
  - Investment returns
  - Legal Entity Restructure update
- Outlook – Chris Skilton
- **Closing comments – John Story**
- Questions

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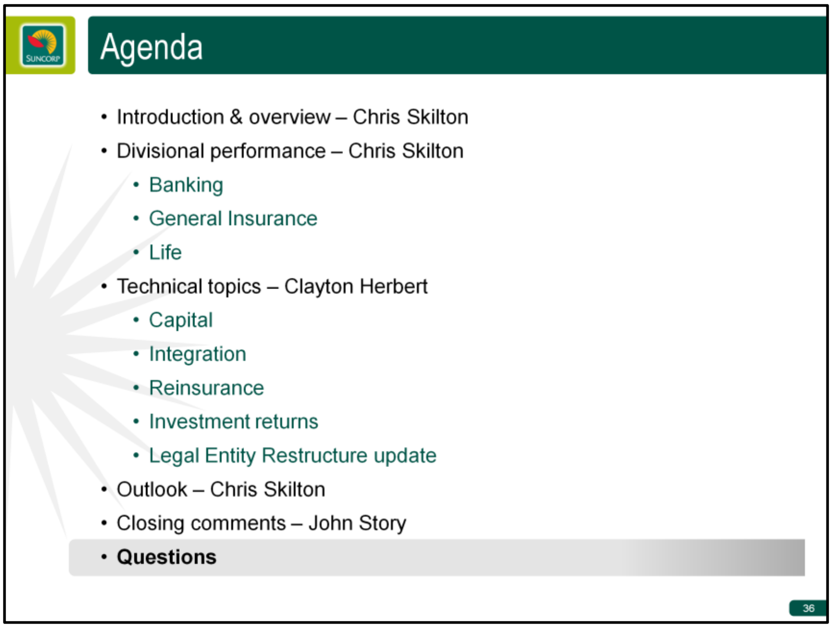

And now I'll hand over to Steve Johnston to moderate questions…..


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