NEWS RELEASE

18 September 2008

SUNCORP RECONFIRMS FY09 EARNINGS GUIDANCE, FUNDING PROGRAM ON TRACK

Suncorp today reconfirmed its full year earnings guidance for the financial year ending 30 June 2009 and said its underlying business had continued to perform strongly despite challenging market conditions.

In a presentation to JP Morgan's Australian investment conference in Edinburgh, CEO John Mulcahy said the Group was pleased with the way its businesses had performed so far this financial year.

"As a management team we anticipated a further deterioration in the external environment and took steps to reduce our cost base and accelerate our move to our end state business model. These initiatives are already having a positive effect," he said.

Mr Mulcahy said Suncorp was on target to achieve its funding requirements for the full financial year.

"Since June, we have successfully undertaken over $1 billion in private placements in the term debt market."

Mr Mulcahy said the merger of Suncorp's banking business had already achieved efficiencies in the back office and systems. He also said the Bank was conservatively operated and that, in terms of bad debt write-offs, it remained in a strong position relative to its competitors.

"Our banking business is focused on domestic transactions with high levels of security and conservative loan to value ratios. We have a very small consumer portfolio and further derisked our book by selling the credit card portfolio in February this year," Mr Mulcahy said.

"This has meant that, while our non-performing loans have historically been higher, our actual write-offs as a proportion of total lending have been around two-thirds of the average of the major Australian banks."

"We have no reason to believe that this percentage will not hold true during this credit cycle," he said.

Mr Mulcahy said the Group's general insurance business would benefit in 2009 from the full year effect of premium increases and increasing supply side competition which would have a positive effect on claims expenses.

"Assuming weather events remain within our normal expectations we would expect general insurance profitability to be restored and to have an insurance trading ratio in the 10% to 12% range including integration benefits," he said.

"This, in turn, will have a positive effect on the Group's capital position with ACE expected to be approximately 5% by the end of the calendar year."

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Mr Mulcahy said ratings services company Standard & Poor's yesterday reaffirmed Suncorp's 'A+' credit rating.

He also reiterated recent comments from Federal government and financial services regulators that the Australian financial services industry is one of the most robust and well capitalised across the globe.

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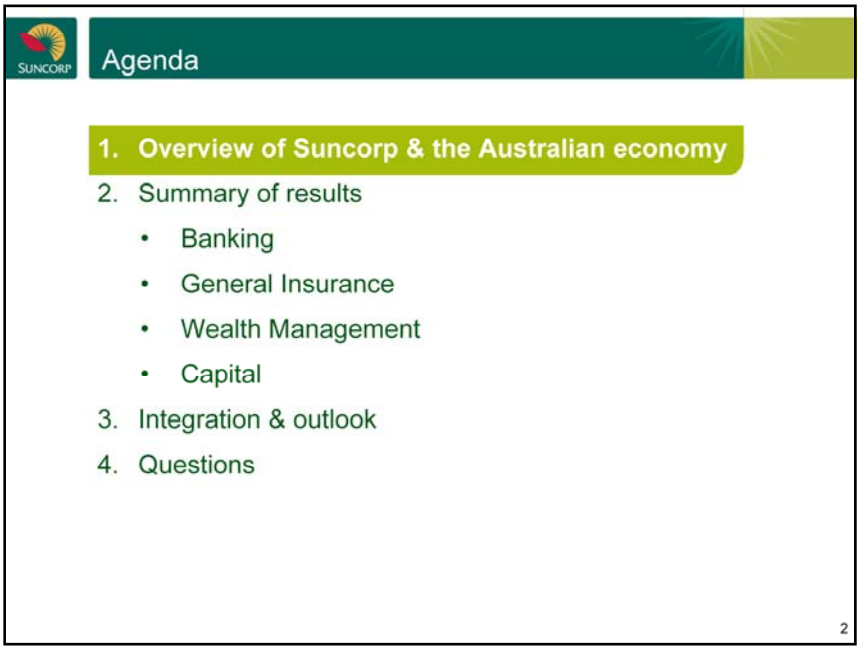
Suncorp-Metway Ltd

John Mulcahy, CEO

JP Morgan Australasian Conference
19 September 2008



Good morning everyone.

Today I would like to:

- Start with a quick overview of Suncorp.
- I will then give a quick summary of our Full Year Result announced on 26 August but in doing so I want to focus in on the key issues.
- Then I will update you with our progress on the Promina integration, and conclude with our outlook for the coming year.

SLIDE

So, to begin with
let me put up a slide that will be familiar to many of you.

We are Australia's largest general insurer by total Group GWP
Australia's sixth largest listed bank
offering both retail and business banking
and we have a strong presence in wealth management
offering both life insurance and investment products.

Our capital position is sound
and our funding program is in good shape.

Earlier this week
S&P reaffirmed the Group's financial strength ratings of A+ with a stable outlook.

At our full year results, announced in August,
the Board recommended a final dividend of 55 cents per share,
which maintained the full year dividend at 107 cents per share.

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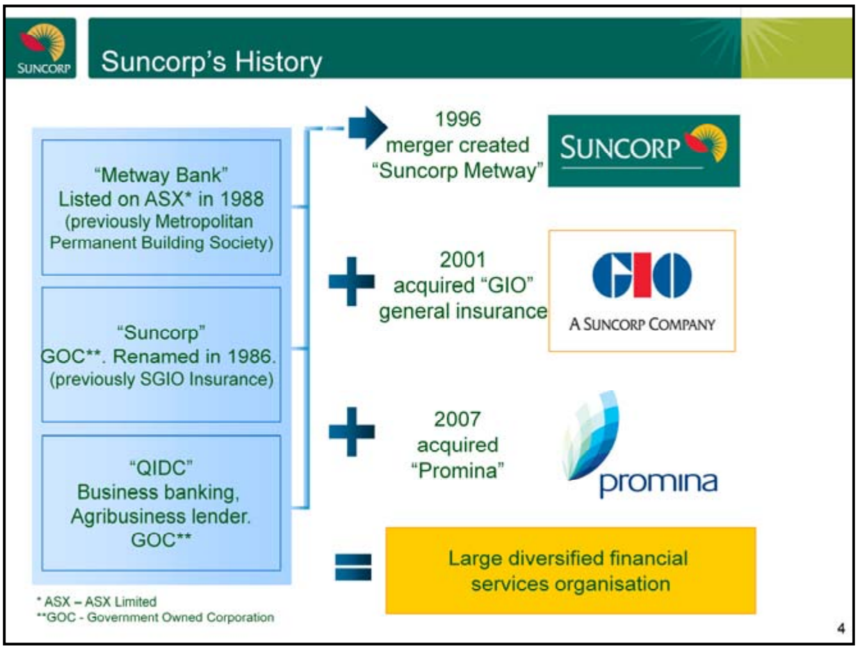

We have evolved as an organisation
through a combination of organic growth and corporate development.

This slide gives an overview of the major milestones in our history.
I won't go through it in detail
other than to say that our current focus is on integration
following the completion of the acquisition of the Promina Group in March 2007.

I will touch on this later in the presentation.

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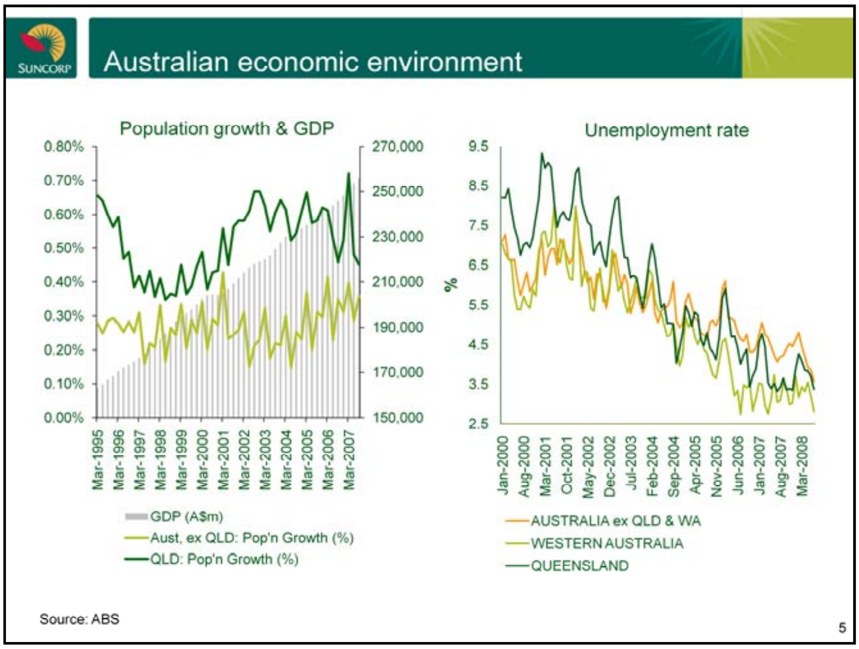
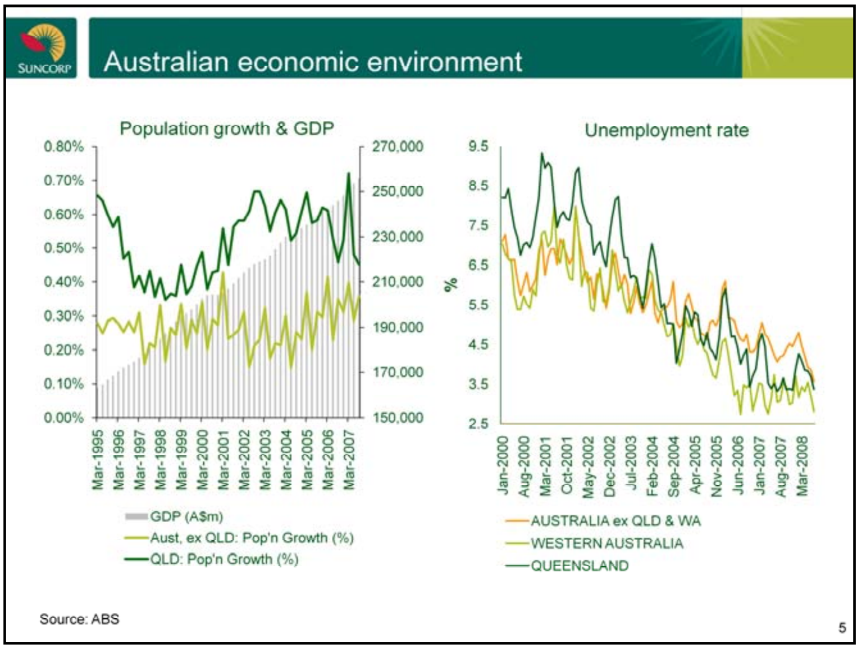


Now I'm sure you will have heard plenty
of commentary at this conference
about the outlook for the Australian economy
so I won't go over that again.

Let me just say
the Australian financial services industry
is one of the most robust and
well capitalised across the globe.
The industry's exposures to some of the issues
affecting other markets are relatively small
and extremely unlikely to impact the ongoing viability
of any of the major Australian financial services organisations.



While we are very much a national company
of particular relevance to Suncorp
is the economic outlook for Queensland
where we are headquartered
and where the majority of our banking operations are located.

In Queensland
the economy continues to perform strongly
with state growth exceeding National Gross Domestic Product
as it has done over the majority of the past decade.

Unemployment remains at very low levels
and will continue to be supported
by the strength in the resources sector.

Net migration flows into the state continue to be strong
and in our view this will continue to drive housing demand
thereby underpinning a more robust outlook
for the Queensland property sector
relative to the rest of the country.

Spending on infrastructure will remain high
irrespective of any cyclical downturn in the economy
as both the Government and non-government sectors
invest in projects
to support the continuing population growth.

SLIDE


Agenda
1. Overview of Suncorp & the Australian economy
2. Summary of results
• Banking
• General Insurance
• Wealth Management
• Capital
3. Integration & outlook
4. Questions
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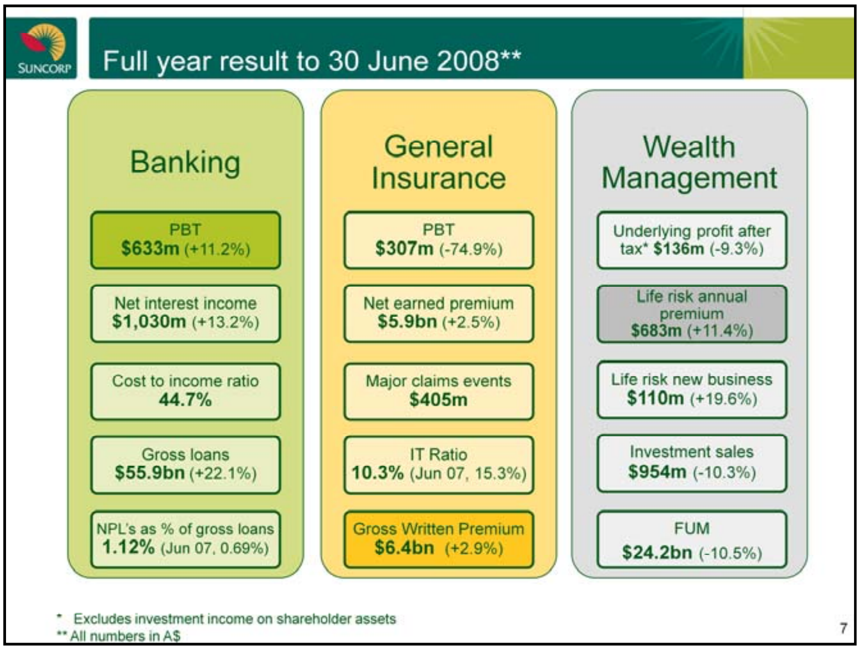


So
to briefly cover off on our most recent results
which were presented in August
in the middle of one of the most challenging
and demanding periods
in Suncorp's history.

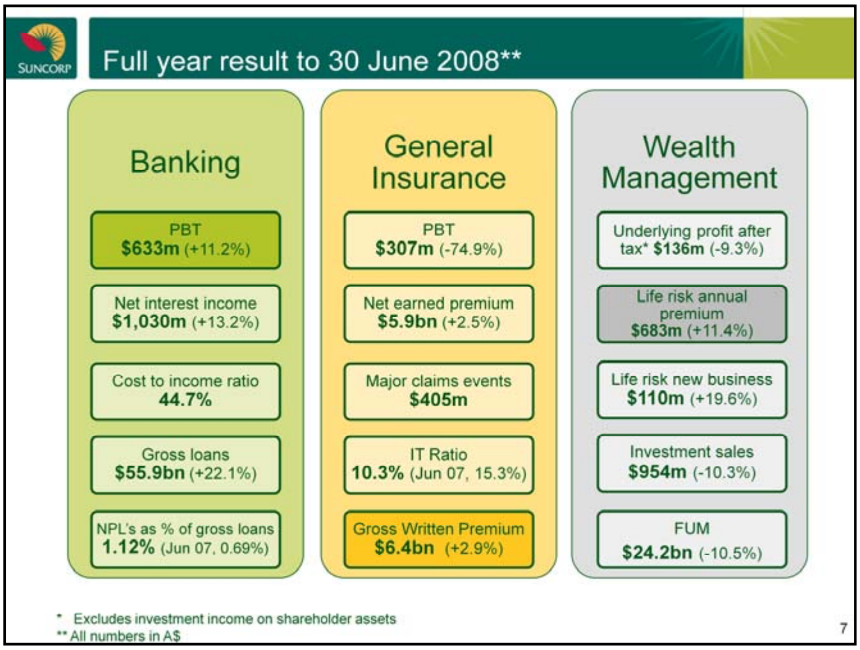
Our reported net profit after tax,
Promina acquisition items
and minority interests
was $556 million.

The result was clearly affected by the extreme weather events
in both Australia and New Zealand
as well as the global credit crisis
which as you know
has reduced the availability and increased the cost of funds
accessed by Australian banks on global markets.

Highly volatile equity markets
have also had a negative effect on our investment portfolios
in both the general insurer and wealth manager.

Excluding these impacts
the underlying performance of our three businesses
continued to be solid.

In the Bank
profit before tax grew by 11.2%
a very strong result in the context of the global credit crisis.



The general insurer had strong GWP growth
particularly in the home and motor portfolios
reflecting rate increases
that Suncorp has been progressively putting through its
personal lines portfolio over the past 18 months.

Overall profit declined
and this is largely explained by the increases in claims costs
associated with weather events
and the negative mark to market valuations of our investments
in both our technical reserves and shareholder funds portfolios.

The Wealth Management business had a decline in profit
of 9% to $136 million for the year
again impacted by market valuations of equities portfolios.

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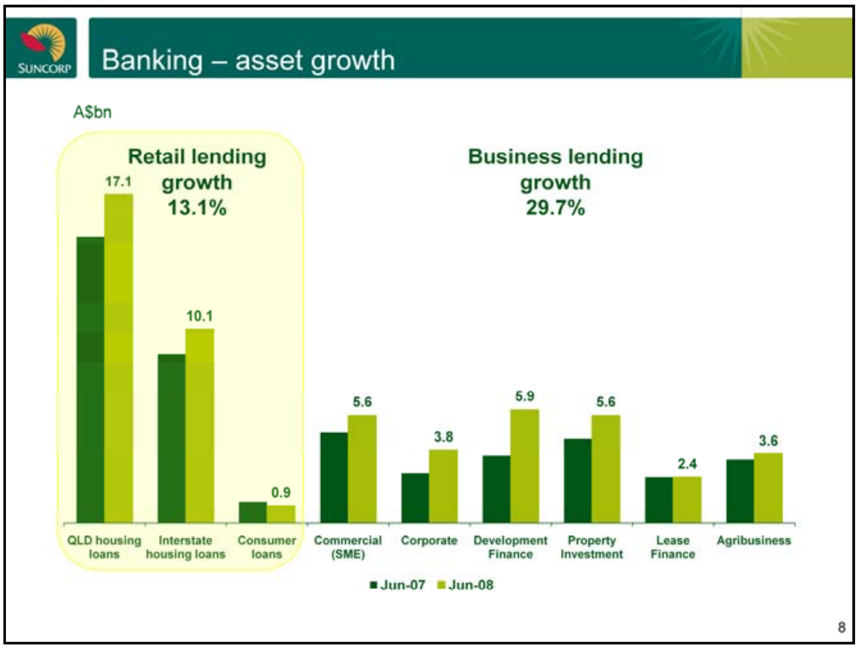


Now, in discussing the Bank I want to focus on three key issues:

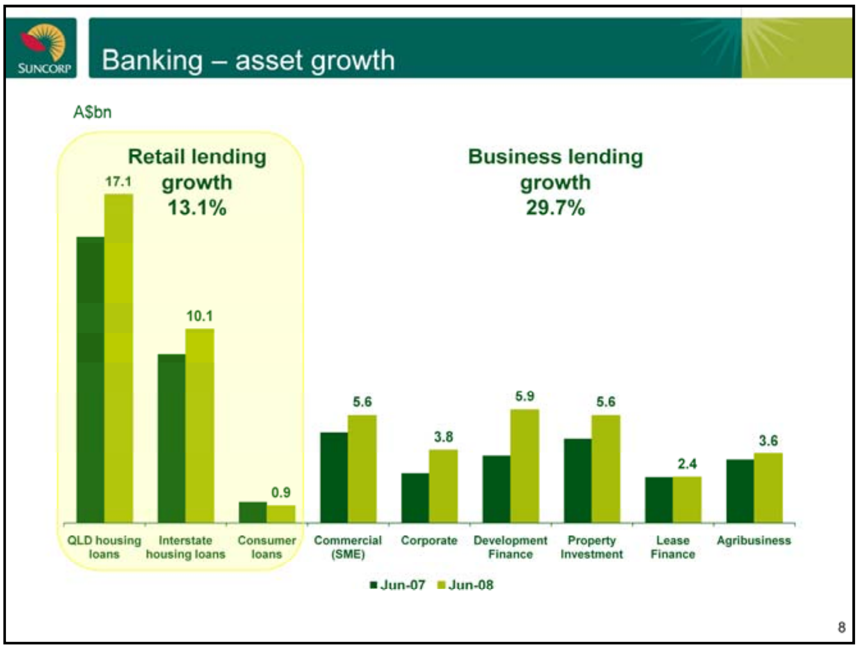
(1) Asset growth
why was it so strong and where will it end up in FY09?
(2) Bad Debts
how will Suncorp fare relative to the rest of the market? and
(3) Funding
how are we placed and what's the program going forward.

So, first to asset growth
and as you can see from this slide
our lending book grew strongly over the year
which you may find a little surprising
given where we are in the cycle
and the constraints around capital and funding.

But you need to get behind this growth
and the nature of Suncorp's lending book
to understand it in more detail.

For example
we have a lower percentage of our book
in the consumer/retail markets
where volumes can be managed fairly quickly though pricing.

In the business bank
we have a heavy weighting to property
where prior committed facilities
have continued to draw down strongly over the year.



And, we don't have an institutional bank
or undertake high-end corporate transactional lending
where the lending tap can be turned off very quickly.

From a geographic perspective
our exposure in Queensland
where conditions in the housing and middle tier markets have been strong
has supported reasonably robust lending despite the downturn.

So, while growth has been strong
our review of lending over the course of the year
determined that 80%-85%
is from what we describe as the core franchise.

In other words
pre-existing committed lines
or new lending to existing customers
where the credit is well known
and where there was clear capacity to meet the new pricing.

Looking forward,
and on the basis of a thorough review of our pipeline
we can confidently predict
that lending growth will slow significantly in FY09
and be very much in line with system growth
which is expected to be in the 8% - 10% range.

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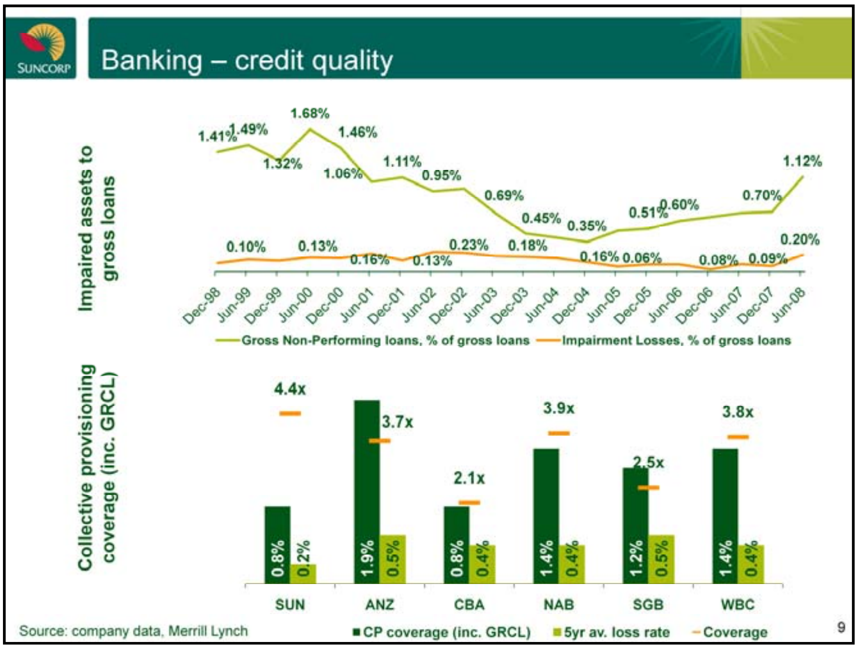

Suncorp’s book is different to our competitors
and this is why we believe we are in a strong relative position.

We have conservative LVR’s sitting across the portfolio
we have a very small consumer portfolio
and we further de-risked our book
by selling our credit card portfolio to
CitiBank in February this year.

That has meant that historically
while our NPL’s may have been higher
our actual write offs as a proportion of total lending
have been roughly in the 60 – 70% range
when compared to the average of the major Australian banks.

We have no reason to believe that this percentage will not hold true during this credit cycle

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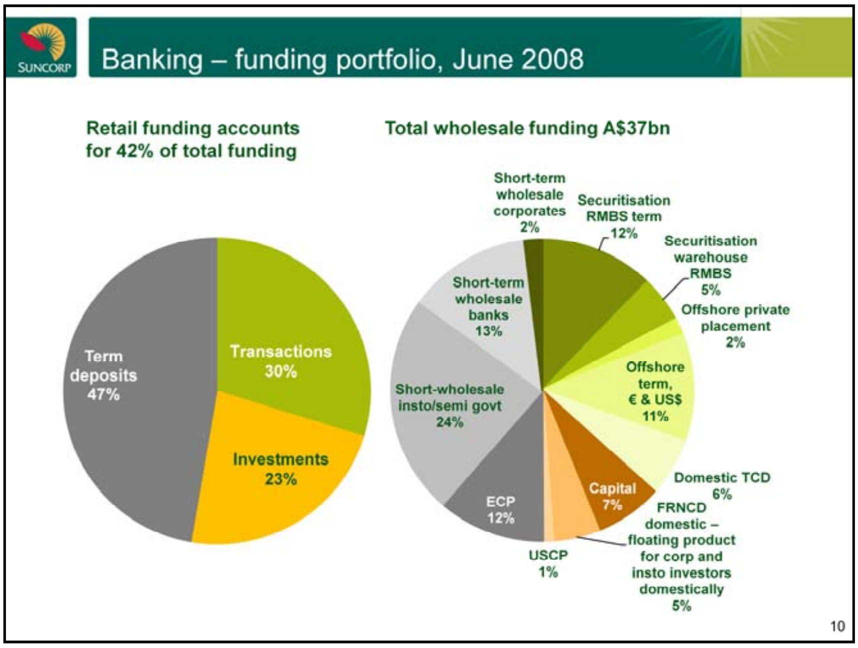


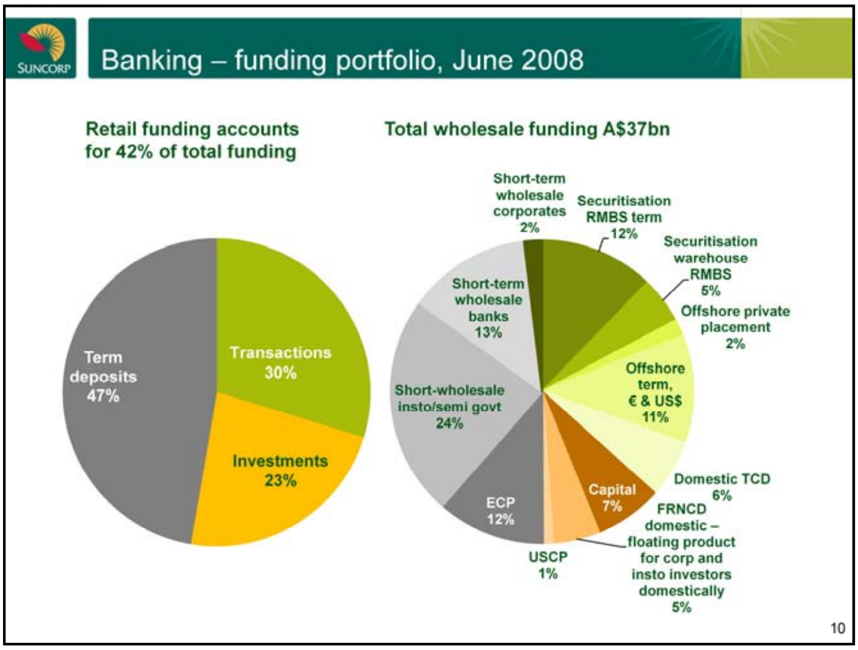
Now, to funding.
And firstly let me mention that in a highly competitive market
we have seen an 18.3% increase in retail deposits
when looking at the aggregate of retail term
transactions
and investment accounts.

On the wholesale funding side
over recent years the Bank has been following a strategy
of diversifying its wholesale funding base
which has enabled funding to continue to meet balance sheet demands
over the year to June 2008 during a period of intense market dislocation.

In fact we have exited the year to June 2008
with a balance sheet duration at 0.6 of a year
which is about where we entered the year in July 2007.
By any measure this is a pleasing outcome
when you consider the state of the debt markets over that period.

We anticipate that term funding of around $4 to $4.5 billion
with an average maturity of 3 years
will be required to meet our year to June 2009 term maturities
and budgeted lending growth of approximately 10%.

Lower growth would reduce the term funding requirement.



We expect that funding will come from domestic private placements
public issuance off the domestic TCD Programme
offshore private placements
and public issuance off the EMTN programme
as well as possible access to other international markets
including the Samurai Bond market.

Since June we have undertaken A$1.1 billion in private placements.

This means we are well on track to achieving the $4.0-$4.5bn
of term funding required in 08/09.

So the funding summary is:

Our credit is well known,
geographically, well diversified
and our term funding requirements for FY09
are manageable and achievable.

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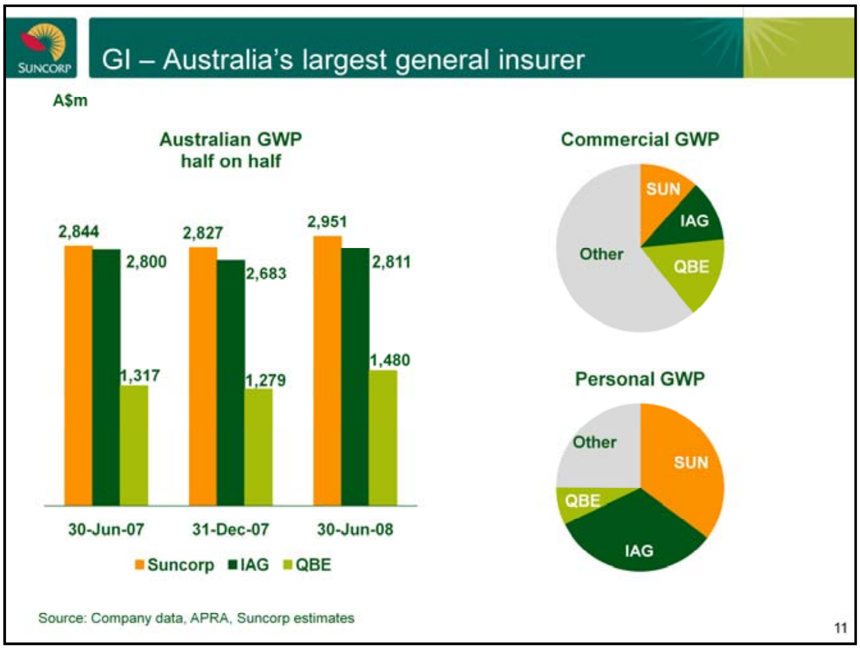

Now
let's spend some time talking about general insurance.

I want to make three key points here:

1. Suncorp is the largest general insurer in Australia by GWP.

2. We have a very strong stable of brands in a rational market and

3. We are seeing the benefits of premium increases
that we instigated
flowing through during the year
and we expect to see more
evidence of this in FY09.

These increases have been possible
primarily due to the unprecedented number of major events
that occurred over the financial year.

It should be noted
that premium increases
can take up to two years to fully wash through the book.

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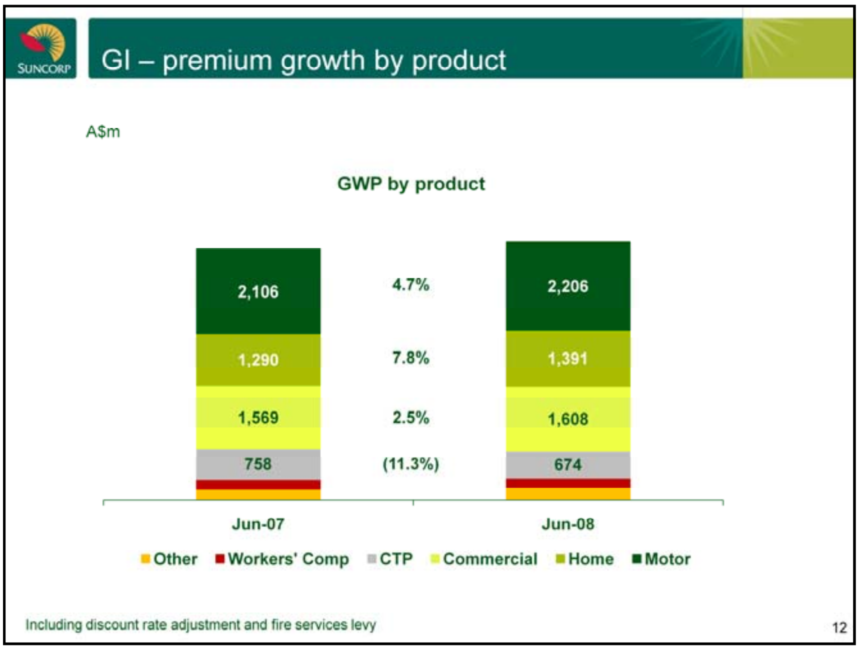


Let's take a brief look at GWP.

I won't spend a lot of time on this
but there are some key points to make:

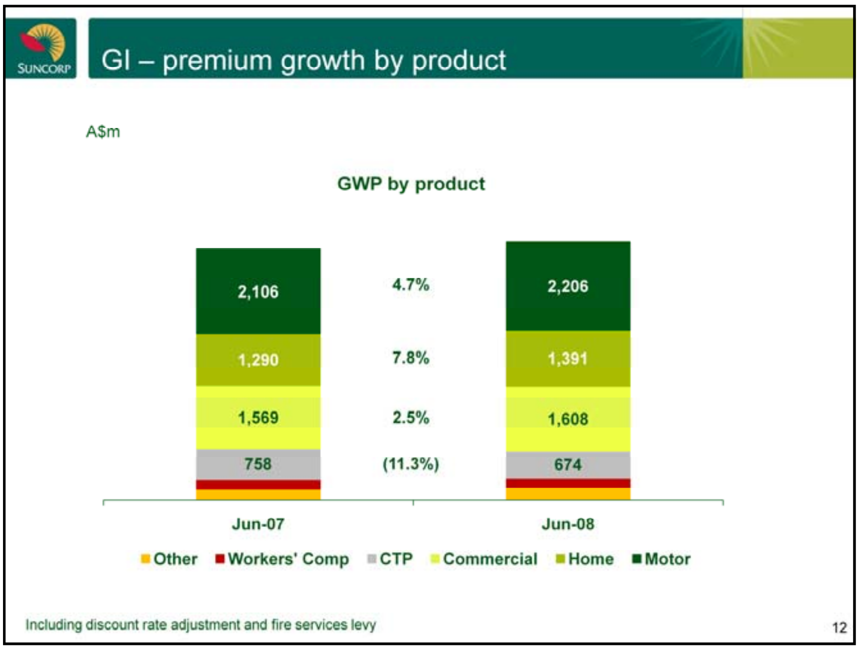
Both Home and Motor grew strongly over the year
and this largely reflects stronger rate growth
as the price increases put through both books
following the events over the last 18 months
start to have an effect on overall written premium.

Renewals across Home and Motor remain strong
despite the premium increases
But
inevitably,
there has been some impact on new business flow.

Our focus at this point in time however
is very much on
risk selection and appropriate pricing
rather than growing risks in force.

We are also seeing
some evidence of customers adjusting excess levels
which
while having an effect on written premium
should have an off-setting positive impact
on the claims line in future years.

In CTP
overall market shares remain relatively stable
which is a good result, particularly in Queensland.



I would call out Commercial Insurance for special mention
with positive growth of 2.5% for the year .

This is an outstanding result
in what continues to be a soft market overall.

It reflects a continuing pricing discipline and
a focus on retention strategies for existing profitable customers.

It's still a bit premature to be categoric
about a turning of the commercial insurance cycle
but there are now some very positive signs
particularly following a strong June renewal season.

SLIDE

Now, to those events.

This slide is outlining the major events for Suncorp.
A major event is usually classed as being over A$5 million in claims.
However, during the course of the 07/08 year
we experienced a larger than expected number of smaller events
and weather claims that fall below this threshold.

Collectively
these smaller events and weather claims
exceeded our longer run average by around $110 million
and resulted in a 2.5% to 3% ITR reduction
for the home and motor personal lines.

In addition
a second order impact post the major events
was a supply/demand imbalance
which resulted in upward inflationary pressure on claim repair costs
with the home portfolio being the most impacted.

Our review of claims trends in May, June, July and August
indicates that this effect has begun to abate
and our expectation is
that this will in fact be replaced by
increasing supply side competition as the economy slows.

We have also made the decision that for this year
our reinsurance programme will have an MER of A$150 million
and we have purchased aggregate cover from A$250 million.

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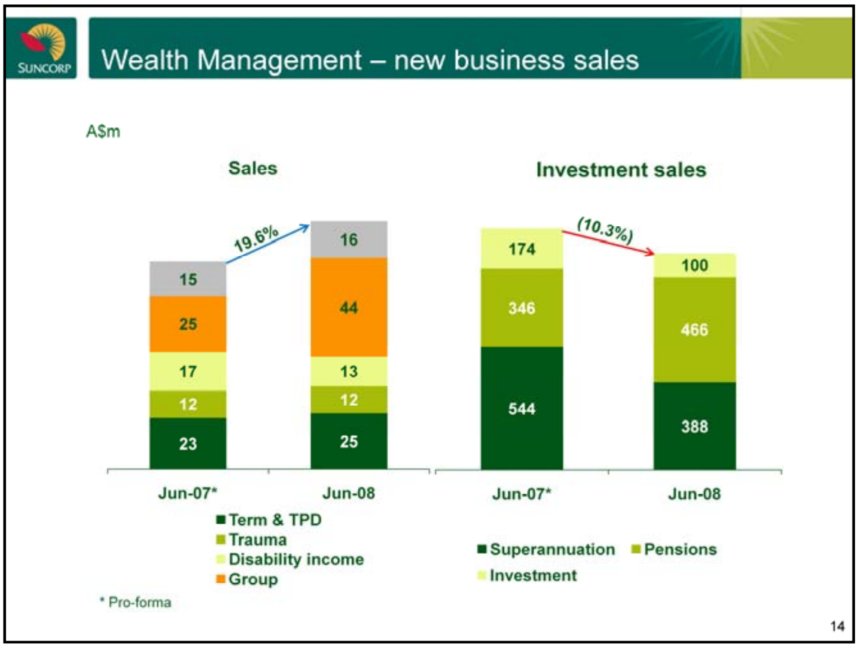

Now
let's touch briefly on the Wealth Management business.

The life risk portfolio performed well
and new business sales increased 19.6% to $110 million.

This was primarily driven by
a premium rate increases on Group risk policies.

Product innovation has been a driver here.
Unsurprisingly given market turmoil
investment sales decreased over the year.

This will naturally have an effect
with lower funds under management
and less fee income coming in during future years.

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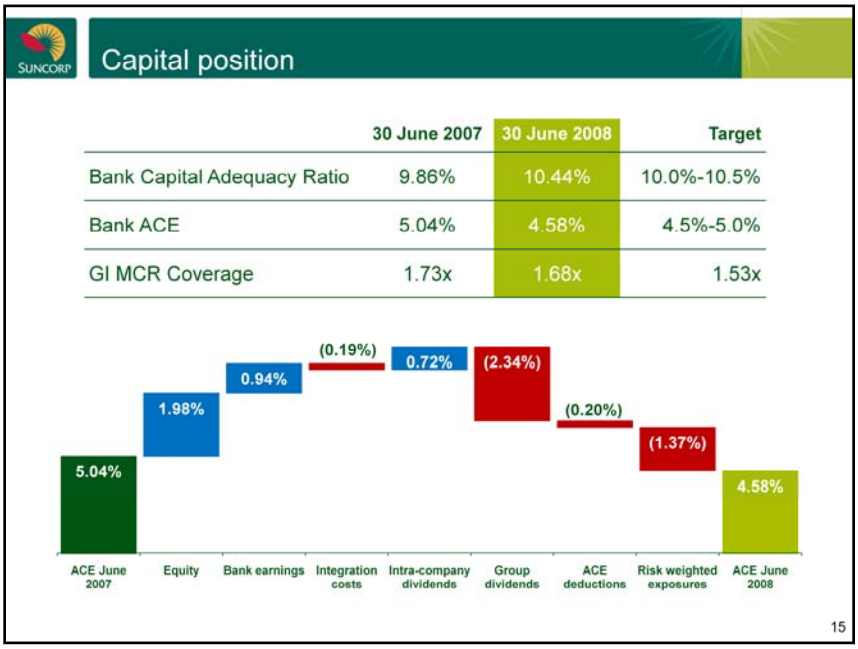


Turning now to Capital.
2008 has seen a number of strains on Suncorp's capital position.

The poor investment markets and weather events of 07/08
materially decreased internally generated capital.

Secondly, the closure of the securitisation markets
meant that this method of mitigating the growth in risk weighted exposures
was no longer available
resulting in an increase in the Bank's capital requirements.

To maintain our targeted capital ratios and dividends we have:

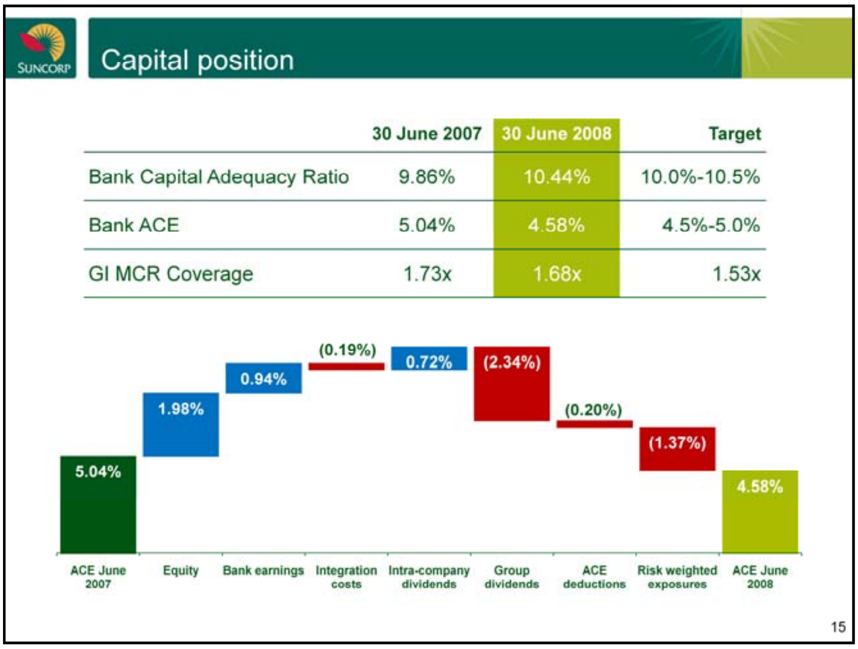
Underwritten the DRP participation on the interim dividend to 65%
which raised $194 million in capital
above the normal participation rate.

Successfully completed the Converting Preference Share issue
that raised $735 million in capital.

Resolved to underwrite the DRP participation on the final dividend to 100%.

In addition to these transactions
our move to a $150 million maximum event retention
in our 2009 reinsurance program
reduced the General Insurance Minimum Capital Requirement by $50 million.

These initiatives have enabled us
to maintain our capital ratios within target ranges
and in particular our main regulatory benchmark being CAP Ad
has increased from 9.86% to 10.44%.



We have sustained the ACE
by underwriting the DRP on the interim and final dividends.

The CPS
while boosting our regulatory ratios
does not impact ACE.

Importantly however
under a reasonable set of circumstances
we are targeting an ACE ratio of 5% plus by 31 December.

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Let’s move onto integration
and the outlook for the company.

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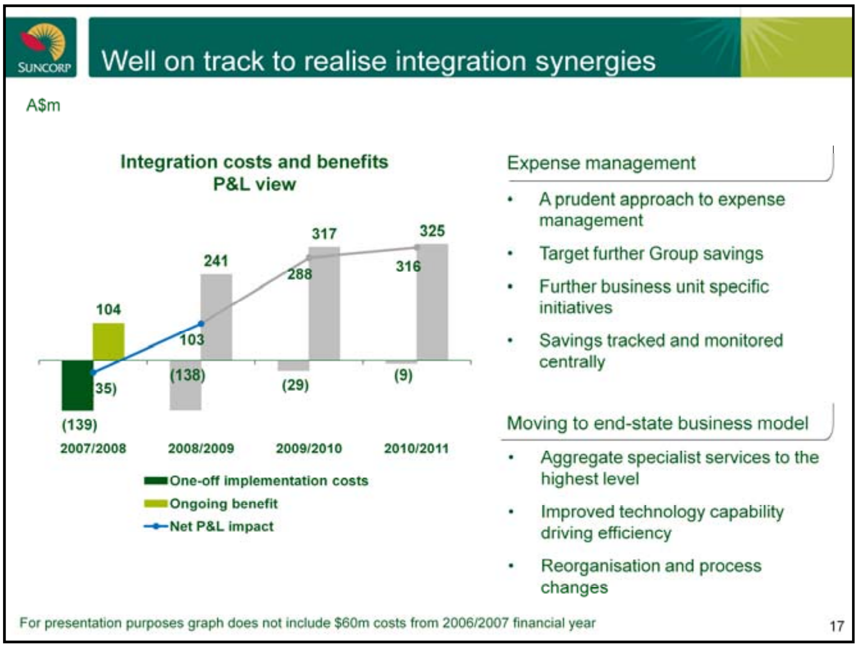

Our integration program remains very much on track
and on time
with overall P&L benefits of $104 million in 07/08
slightly ahead of target.

We still remain confident in our overall estimate
of one-off implementation
costs of $375 million.

However
given the current economic environment
we believe there is more that we can do
and therefore
we are doing all we can to accelerate the move to our
“end-state” business model.

As you would expect
we are undertaking a number of other expense management measures
to assist us in managing
our way through a deteriorating economic cycle.

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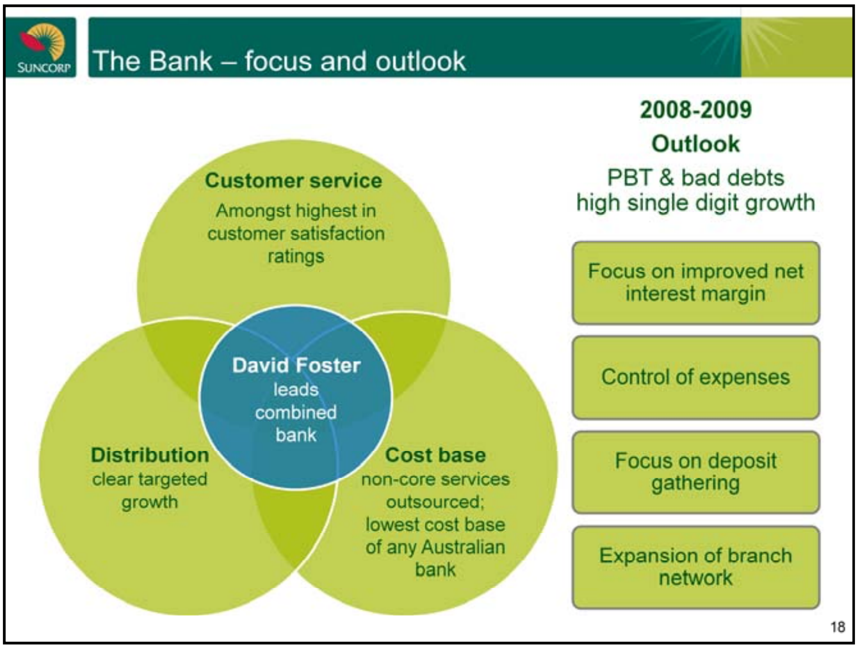

As part of our move
to the "end-state" business model
we have merged the Retail and Business banks
into one entity.

The bank has a clear niche in the Australian market
and should the merger of WBC and SGB go ahead
Suncorp will be the fifth largest listed bank in the country.

We expect profit before tax and bad debts in the bank
to be in the high single digits
with focus for the year on

- Improving the net interest margin
- Controlling expenses
- Gathering deposits

  and

- Expanding the branch network in a sensible and targeted manner

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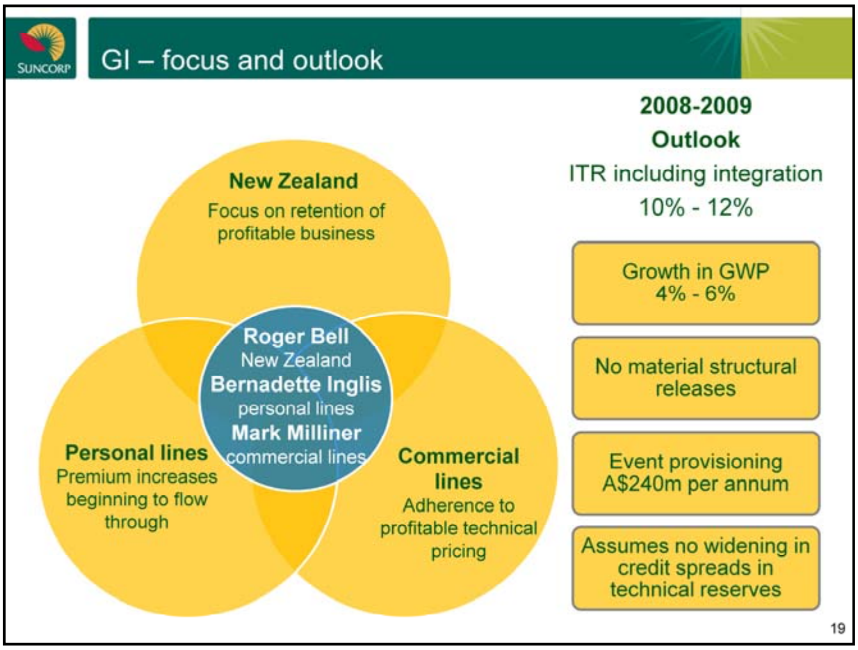

Suncorp's general insurance business
is made up of three distinct lines of business
personal lines
commercial lines
and New Zealand.

We expect the general insurance business to have
an Insurance Trading Ratio
including the benefits of integration
in the range of 10% - 12%
for the year.

This is assuming

- GWP growth of 4% - 6%
- No material structural releases
- No events outside of the increased major event provision of A$240 million for the year
- And no further widening of credit spreads in the technical reserves portfolio.

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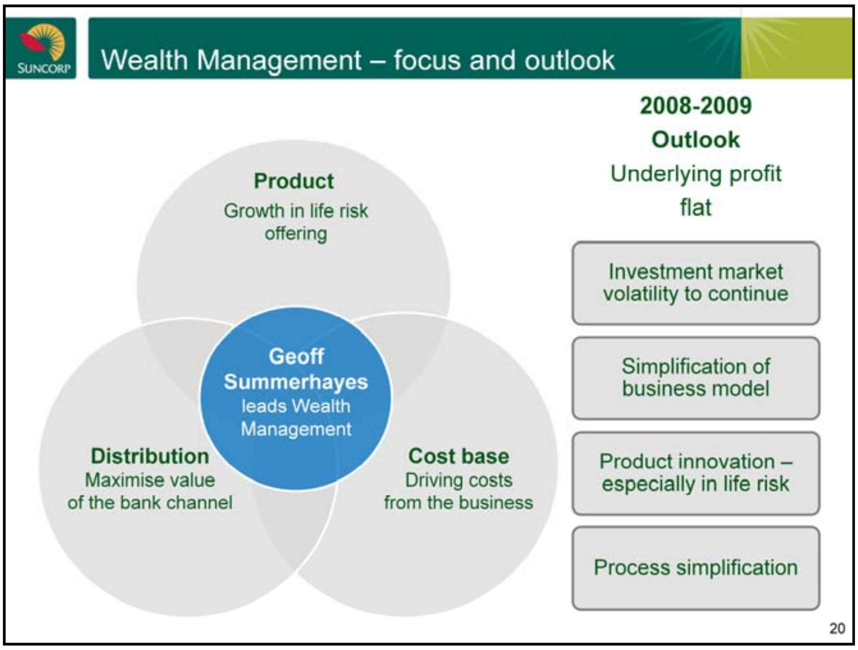

Finally
onto Wealth Management
where as part of our move to the end-state business model
this business is undergoing a simplification of its model and processes.

We are also concentrating
on further product innovation in this business.

We expect investment market volatility to continue
and accordingly
are forecasting a flat underlying profit for the year.

Finally, at a Group level
we expect to maintain the 2007/2008 final dividend of 107 cents per share
for this financial year.

I would now be happy to take any questions you may have.

SLIDE

SUNCORP

Suncorp-Metway Ltd

John Mulcahy, CEO

JP Morgan Australasian Conference
19 September 2008

Disclaimer

This report contains general information which is current as at 19 September 2008.

It is not a recommendation or advice in relation to Suncorp-Metway Limited or any product or service offered by the Suncorp Group.

This report should be read in conjunction with all other information concerning Suncorp-Metway Limited filed with the Australian Securities Exchange. Any statements made concerning future performance, earnings or financial position are indicative only, based on current information. Future performance can be affected by various risks, unknown factors and matters beyond the control of the Suncorp Group.

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