



# NEWS RELEASE

20 December 2007

## SYDNEY STORMS UPDATE

Suncorp today advised that the severe storms that hit Sydney on 7 and 9 December are likely to cost the Group between an estimated \$150 million and \$180 million. Suncorp's reinsurance retention limits under its property catastrophe treaty are set at \$200 million.

The Group, which includes the Suncorp, GIO, AAMI, Apia, Vero, Just Car and Shannons insurance businesses, has received 21,000 claims since the storms. It estimates the final claims number will be approximately 23,000.

The majority of claims have been for personal insurance claims with only a small number of commercial claims lodged. Of the personal insurance claims, around 65 percent have been for motor whilst the remainder have been for home and contents.

Suncorp CEO John Mulcahy said the Group had an excellent track record of helping customers recover after major weather events and said all of its insurance businesses were focusing on helping customers recover quickly after the storms.

"Suncorp is in the business of paying insurance claims and we are committed to helping our customers get back on their feet as quickly as possible," Mr Mulcahy said.

"Our experience is that, by demonstrating our ability to meet customers' needs after an event such as this one, we can achieve long-term customer loyalty."

Mr Mulcahy said the Group had experienced a number of serious weather events during the first half of the 2008 financial year.

These events – which included New Zealand storms in July (\$20 million), the Lismore storms in October (\$60 million), as well as the 7 and 9 December storms in Sydney – would collectively cost the Group between \$230 million and \$260 million. This exceeds Suncorp's provision for weather events, which is approximately \$100 million per half year.

While these events will have a material impact on the Group's first half profit, it is too early to update the insurance trading margin until all matters affecting this calculation are completed. These include the half year end actuarial calculations and the mark to market impact of widening credit spreads on the Group's technical reserve investments.

It should be noted that the mark to market impact of widening credit spreads is purely a timing issue, which will unwind in future periods. There is no suggestion of credit losses in this portfolio.

The Group should be in a position to update the market more accurately towards the end of January 2008.

**ENDS**

*Page 1 of 2*



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## Teleconference details

A combined analyst, investor and media teleconference will be held at 0930 hours AEST (0830 hours Brisbane). Dial-in details are as follows:

<b>Conference ID:</b>	<b>29014175</b>
<b>International Dial In:</b>	<b>+61 2 8524 6650</b>
<b>Australia:</b>	<b>1800 148 258</b>
Belgium:	080071572
Canada:	18668374489
China North:	108006110127
China South:	108003610079
France:	0800908221
Germany:	08001814827
Hong Kong:	800965808
Indonesia:	0018030612145
Ireland:	1800720011
Italy:	800788772
Japan:	004422062118
Malaysia:	1800180708
Netherlands:	08000229451
New Zealand:	0800667018
Norway:	80010112
Philippines:	180016120005
Singapore:	8006162170
South Korea:	007986121097
Sweden:	020799376
Switzerland:	0800561529
Taiwan:	00801232398
Thailand:	0018006121124
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