



Suncorp-Metway Ltd
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SUNCORP CREDIT RATING

Further to today's announcement confirming several approaches by parties expressing interest in acquiring Suncorp's banking and wealth management operations, please find attached a press release from Standard & Poor's regarding Suncorp's credit rating.

A handwritten signature in black ink, appearing to read "C R Chuter".

C R Chuter
Corporate Secretary



Press Release

Suncorp-Metway 'A+' Ratings Placed On CreditWatch Developing On Possible Sale Of Banking And Wealth Management Operations

Melbourne, Oct. 6, 2008—Standard & Poor's Ratings Services said today that it had placed its 'A+/A-1' ratings on Suncorp-Metway Ltd. (Suncorp) and Suncorp's core operating companies on CreditWatch with developing implications. The CreditWatch placement, which also applies to Suncorp's insurance operations, reflects uncertainty about Suncorp's future corporate structure following the potential divestment of its banking and wealth management operations. CreditWatch Developing indicates that the ratings assigned could be upgraded, downgraded, or affirmed, depending on the outcome of the divestment negotiations.

Suncorp announced earlier today that it had received several approaches by entities interested in acquiring its banking and wealth management operations. On a normalized basis, the banking and wealth management operations contribute more than 40% of Suncorp's group earnings. The bank holds a good market position in Queensland, and has sound asset quality and earnings profiles; however, Suncorp has a shorter term funding profile than many of its peers. Should Suncorp divest its banking and wealth management operations to an entity rated above 'A+', the final credit profile on these businesses is likely to improve. Conversely, acquisition of these assets by an entity rated below Suncorp's 'A+' rating would likely result in a weaker credit profile for these operations. In a divestment scenario, the rating on the group's remaining activities, namely its substantial general and life insurance operations, would be determined by the resulting corporate structure (whether independently listed or acquired), and the business and financial profiles.

"With the closure of offshore credit markets, funding for Australian banks has become more challenging in the past few weeks," Standard & Poor's credit analyst Mark Legge said. "This scenario, in particular, adversely affects those banks with shorter term liability profiles and those more exposed to offshore funding markets. Nevertheless, any refinancing pressure is expected to be short term, and we are comforted by the strongly supportive Australian banking regulatory system, including the ability of banks to access the Reserve Bank of Australia's window for securities eligible for repurchase."

Suncorp group's operating companies (all rated A+/Watch Dev/--) are: Suncorp Metway Insurance Ltd., Suncorp Life and Superannuation Ltd., GIO General Ltd., Vero Insurance Ltd., Vero Insurance New Zealand Ltd., Vero Liability Insurance Ltd., and AA Insurance Ltd.

About Standard & Poor's

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