

11 November 2019

Suncorp launches new capital notes offer

Suncorp Group Limited (ASX:SUN ADR: SNMCY) (Suncorp) today announced its intention to raise \$250 million with the ability to raise more or less, through the offer of Suncorp Capital Notes 3 (the Offer). Capital Notes 3 are expected to be quoted and tradable on the Australian Securities Exchange (ASX) under the code SUNPH.

Capital Notes 3 are fully paid, perpetual, unsecured, subordinated and mandatorily convertible notes issued by Suncorp. Distributions are floating rate, discretionary, non-cumulative, expected to be fully franked and scheduled to be paid quarterly.

The Distribution Rate is equal to the sum of the 3-month Bank Bill Rate plus the Margin (expected to be in the range of 3.00% to 3.20%), multiplied by $(1 - \text{the corporate tax rate}^1)$.

Capital Notes 3 will qualify as Eligible Additional Tier 1 Capital for Australian Prudential Regulation Authority purposes. The proceeds of the Offer are expected to be used to fund the capital needs of one or more regulated entities within the Suncorp Group and for general corporate and funding purposes, including the partial refinancing of Suncorp convertible preference shares issued in 2014 (CPS3) (ASX: SUNPE) through the Reinvestment Offer.

Suncorp currently has an option to convert, redeem or resell the CPS3 on 17 June 2020 and will consider converting, redeeming or reselling the outstanding CPS3 that are not reinvested in Capital Notes 3 on that date, subject to various factors (including satisfactory completion of the Offer and, market conditions closer to 17 June 2020 and any required regulatory approvals).

Eligible CPS3 Holders may apply to reinvest all or some of their holding in Capital Notes 3 under the Reinvestment Offer². Eligible CPS3 Holders who successfully apply to participate in the Reinvestment Offer are expected to receive one Capital Note 3 for every CPS3 reinvested plus the usual quarterly dividend on 17 December 2019³. If for whatever reason the Issue Date is different to 17 December 2019, there will be a payment of a pro rata dividend to those CPS3 Holders who participate in the Reinvestment Offer. CPS3 Holders that choose not to participate in the Reinvestment Offer will continue to hold their CPS3 in accordance with the CPS3 Terms.

Full details of the Offer along with the Terms of Capital Notes 3 are set out in the Prospectus lodged with the Australian Securities and Investments Commission (ASIC) and ASX today (Prospectus).

The Prospectus is available to Australian investors at www.suncorpgroup.com.au/sunph or by telephoning the Suncorp Capital Notes 3 Offer Information Line as per the details on the next page. A replacement Prospectus containing the Margin and an Application Form, is expected to be made available on 19 November 2019 when the Offer opens.

Goldman Sachs has been appointed as Arranger. Commonwealth Bank of Australia, Morgans, National Australia Bank, UBS and Westpac Institutional Bank have been appointed as Joint Lead Managers.

¹ Currently 30%.

² An Eligible CPS3 Holder is a registered holder of CPS3 at 7.00pm (Sydney time) on 6 November 2019; shown on the CPS3 register as having an address in Australia; and is not in the United States or acting for the account or benefit of a person in the United States.

³ Payment of the scheduled CPS3 dividend and any pro rata dividend is subject to the payment tests in the CPS3 Terms (including that the Board resolves to pay the dividend).

There are risks associated with investing in Capital Notes 3. Investors should read and consider the Prospectus in full before deciding whether to invest in Capital Notes 3. Suncorp strongly recommends that investors seek professional advice from a licensed adviser, which takes into account their particular investment objectives and circumstances, before deciding whether to participate in the Offer. Capital Notes 3 are not guaranteed by, nor are they deposits or policy liabilities of any member of the Suncorp Group.

Applications for Capital Notes 3 under the Prospectus may only be made during the Offer Period pursuant to an Application Form (either electronic or paper) that is attached to, or accompanies the Prospectus. Broker Firm Applicants should contact their Syndicate Broker to apply under the Broker Firm Offer.

Ends

For more information contact:

Securityholders	Suncorp Capital Notes 3 Offer Information Line	1300 402 422 (within Australia) or +61 1300 402 422 (outside Australia) Monday to Friday, 8:00am to 7:30pm (Sydney time) Website: www.suncorpgroup.com.au/sunph
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Further information about the Offer

The Offer comprises:

- an Institutional Offer made to certain Institutional Investors;
- a Broker Firm Offer made to Australian resident retail and high net worth clients of Syndicate Brokers;
- a Reinvestment Offer made to Eligible CPS3 Holders; and
- a Securityholder Offer made to Eligible Securityholders⁴.

⁴ An Eligible Securityholder is a registered holder of Suncorp Ordinary Shares, SML Floating Rate Notes, CPS3, Capital Notes 1 or Capital Notes 2 at 7:00pm (Sydney time) on 6 November 2019; shown on the applicable register as having an address in Australia; and is not in the United States, or acting for the account or benefit of a person in the United States.

Indicative timetable

Key dates for the Offer	Date
Record date for determining Eligible CPS3 Holders for the Reinvestment Offer and Eligible Securityholders (7:00pm, Sydney time)	6 November 2019
Lodgement of the Prospectus with ASIC	11 November 2019
Bookbuild to determine the Margin	18 November 2019
Announcement of the Margin	18 November 2019
Lodgement of the replacement Prospectus with ASIC	19 November 2019
Opening Date for the Reinvestment Offer and Securityholder Offer	19 November 2019
Opening Date for the Broker Firm Offer	19 November 2019
Closing Date for the Reinvestment Offer and the Securityholder Offer (5:00pm, Sydney time)	10 December 2019
Closing Date for the Broker Firm Offer (excluding applications in respect of the Reinvestment Offer) (10:00am, Sydney time)	13 December 2019
Issue Date	17 December 2019
Reinvestment CPS3 Repayment Date and scheduled dividend payment date ⁵	17 December 2019
Capital Notes 3 commence trading on ASX (deferred settlement basis)	18 December 2019
Holding Statements despatched by	19 December 2019
Capital Notes 3 commence trading on ASX (normal settlement basis)	20 December 2019
Key dates for Capital Notes 3	Date
First quarterly Distribution Payment Date	17 March 2020
Optional Exchange Date	17 June 2026
Scheduled Mandatory Conversion Date	17 June 2028

⁵ Payment of the CPS3 dividend is subject to the payment tests in the CPS3 Terms.

Dates may change

These dates are indicative only and may change without notice.

Suncorp, the Arranger and the Joint Lead Managers may at their discretion agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late Applications, whether generally or in particular cases, or withdrawing the Offer at any time before Capital Notes 3 are issued.

You are encouraged to apply as soon as possible after the Opening Date.

Definitions

Unless otherwise defined, capitalised words used in this announcement have the meanings given to them in the Prospectus.

Disclaimer

This announcement does not constitute an offer of any securities (including Capital Notes 3 or CPS3) for sale or issue. No action has been taken to register or qualify Capital Notes 3 or the Offer or to otherwise permit a public offering of Capital Notes 3 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the Capital Notes 3 nor the Ordinary Shares have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. Capital Notes 3 are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.