

19 November 2019

Suncorp opens Capital Notes 3 Offer

Suncorp Group Limited (ASX: SUN ADR: SNMCY) (Suncorp) today announced the opening of the Capital Notes 3 offer (the Offer).

As announced on 15 November 2019, following the successful Bookbuild, \$300 million has been allocated on a firm basis under the Broker Firm and Institutional Offers and the Margin has been set at 3.00% p.a.

The total amount to be raised under the Offer will depend on the volume of applications received and accepted under the Reinvestment Offer and Securityholder Offer. Suncorp retains the right to scale back applications received under the Reinvestment Offer and Securityholder Offer.

Full details of this investment opportunity and the terms and conditions of Capital Notes 3, including the Margin and increased Offer size, are set out in the replacement Prospectus lodged today with the Australian Securities and Investment Commission (ASIC) and Australian Securities Exchange (ASX).

Participants wishing to invest in Capital Notes 3 should complete the Application Form (either electronic or paper) included in or accompanying the replacement Prospectus. The replacement Prospectus is available at www.suncorpgroup.com.au/sunph or by calling the Capital Notes 3 Offer Information Line (details below).

The Closing Date for the Reinvestment Offer and Securityholder Offer is 5:00pm (Sydney time) on 10 December 2019. If you wish to participate in the Reinvestment Offer or Securityholder Offer, your Application will need to be received by then. You are encouraged to apply as soon as possible after the Offer opens.

There are risks associated with an investment in Capital Notes 3. Investors should read and consider the replacement 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.

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 to certain Institutional Investors;
- a Broker Firm Offer made to Australian resident retail or high net worth clients of Syndicate Brokers;
- a Reinvestment Offer made to Eligible CPS3 Holders¹; and
- a Securityholder Offer made to Eligible Securityholders².

Key features of Capital Notes 3

- Capital Notes 3 are fully paid, perpetual, unsecured, subordinated notes to be issued by Suncorp;
- Holders of Capital Notes 3 will be eligible to receive floating rate, discretionary, non-cumulative Distributions, which are scheduled to be paid quarterly (subject to no Payment Condition existing). Distributions are expected to be fully franked;
- The Distribution Rate will be calculated on a quarterly basis as the sum of the 3-month Bank Bill Rate plus the Margin, multiplied by (1 – the corporate tax rate³);
- The Margin is 3.00% as determined under the Bookbuild;
- Capital Notes 3 are scheduled to be Converted into a variable number of Suncorp Ordinary Shares on 17 June 2028 (subject to certain conditions being satisfied), unless they are Exchanged earlier;
- Suncorp has the option to Exchange Capital Notes 3 on 17 June 2026 or following a Tax Event, a Regulatory Event or a Potential Acquisition Event, subject to APRA's prior written approval and certain other conditions. Investors should not assume APRA's approval will be given if requested;
- Suncorp must Convert all Capital Notes 3 if an Acquisition Event occurs (subject to certain conditions being satisfied);
- When a Non-Viability Trigger Event occurs, Capital Notes 3 must be Converted into Ordinary Shares or, if Conversion does not occur for any reason within 5 Business Days, Capital Notes 3 will be Written-Off, in which case Holders are likely to suffer a material loss;
- The minimum investment in Capital Notes 3 is \$5,000 (50 Capital Notes 3); and
- In respect of the Reinvestment Offer only, applications from Eligible CPS3 Holders may be for less than 50 Capital Notes 3, but only if that Eligible CPS3 Holder held 50 or less CPS3 as at 7:00pm (Sydney time) on 6 November 2019 and applies to reinvest all their CPS3 in Capital Notes 3.

¹ You are an Eligible CPS3 Holder if you were 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 are not in the United States or acting for the account or benefit of a person in the United States.

² You are an Eligible Securityholder if you were 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 are not in the United States, or acting for the account or benefit of a person in the United States.

³ Currently 30%.

Indicative timetable

Key dates for the Offer	Date
Lodgement of the replacement Prospectus with ASIC	19 November 2019
Opening Date	19 November 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

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

Key dates for CPS3 Holders	Date
Record date for determining Eligible CPS3 Holders for the Reinvestment Offer (7:00pm, Sydney time)	6 November 2019
Opening Date for the Reinvestment Offer	19 November 2019
Closing Date for the Reinvestment Offer (5:00pm, Sydney time)	10 December 2019
Closing Date for the Broker Firm Offer (applications in respect of the Reinvestment Offer) (5:00pm, Sydney time)	10 December 2019
Reinvestment CPS3 Repayment Date and, subject to the payment tests in the CPS3 Terms, scheduled dividend payment date ¹	17 December 2019
Optional exchange date for remaining CPS3	17 June 2020

Key dates for Securityholders	Date
Record date for determining Eligible Securityholders for the Securityholder Offer (7:00pm, Sydney time)	6 November 2019
Opening Date for the Securityholder Offer	19 November 2019
Closing Date for the Securityholder Offer (5:00pm, Sydney time)	10 December 2019

¹ 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.

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 the Capital Notes 3) 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. The 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.