

24 November 2011

SUNCORP PRICES AUSTRALIAN RMBS ISSUE TRANSACTION UPSIZED TO A\$1.25 BILLION

Suncorp today confirmed it had finalised pricing of its APOLLO Series 2011-1 RMBS issue which was over-subscribed following launch on 22 November. In response to significant investor demand Suncorp upsized the transaction from A\$750m to A\$1.25b.

Class	Rating	Size	WAL	Pricing over 1mth BBSW
A1	AAA/AAA	A\$912.50 million	2.72 yrs	135
A2	AAA/AAA	A\$250 million	5.88 yrs	150
AB	AAA/AAA	\$65 million	5.88 yrs	250
B	AA-/nr	\$22.50 million	5.88 yrs	425

Following investor meetings in Brisbane, Sydney and Melbourne, 18 investors participated in the transaction from a wide range of investor classes. The Australian Office of Financial Management (AOFM) bought all of the A2 notes and \$63m of the AB Notes. Two other investors participated in the AB notes.

A further two fund managers bought the B notes which were placed prior to launch.

Suncorp Bank CEO David Foster said this transaction was a pleasing result and was the first time Suncorp had issued into the RMBS markets since May 2010, highlighting the diversity of funding available to Australia's largest regional bank.

"The transaction further supports the Bank's strong funding and liquidity position, lengthens the balance sheet and underpins profitable growth for the Bank," he said.

"In the current climate of global market volatility, the broad investor support in multiple tranches was pleasing. It's testament to the quality of Australian mortgages as collateral which is valued by investors.

"It also demonstrates the maturity and resilience of the residential mortgage securities market in times of heightened uncertainty and reaffirms its importance to the efficient functioning of the broader banking industry."

Macquarie Bank Limited Arranged the transaction and was Joint Lead Manager and Joint Book runner together with RBS Australia and National Australia Bank.

The notes are backed by a pool of prime residential first ranking mortgage loans denominated in Australian dollars and originated by Suncorp. The notes are floating rate, principal pass-through, secured, limited recourse, rated securities. The notes may be called on any payment date after the outstanding amount of the notes amortises down to 10% of the original value.

Ends

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