ASX announcement

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SUNCORP GROUP

15 May 2012

SUNCORP BANK APS330 & GENERAL INSURANCE UPDATE

Key Points

- Core Bank total lending increased 3% over the quarter to $42.0 billion
- Core Bank impairment losses of $13 million for the quarter
- Core Bank non-performing loans of $554 million have increased but remain low as a proportion of total lending
- Non-core portfolio reduced $0.4 billion to $5.3 billion
- Non-core impairment losses of $74 million for the quarter
- Non-core non-performing loans reduced by $0.2 billion for the quarter to $2.2 billion
- General Insurance natural hazard claims for 10 months to 30 April 2012 of $714 million, $253 million above allowance
- Improved underlying trends in General Insurance

Suncorp Bank today provided an update on assets, credit quality and capital as at 31 March 2012 as required under Australian Prudential Standard 330.

Momentum in home and business lending growth was maintained despite subdued economic conditions and lower system growth levels.

Suncorp Bank CEO David Foster said credit growth across the market continued to trend below the average of recent years reflecting subdued consumer confidence. Suncorp Bank recorded above system growth reflecting Queensland's recovery from last year's natural disasters. Growth was also driven by the expanded operations in Western Australia and New South Wales and improved servicing of the broker channel.

"Consumers are actively paying down debt at a faster rate than obliged. This trend is weighing on the overall banking system but Suncorp Bank continues to grow as consumers look for alternatives to the major banks," he said.

"The Core Bank has maintained its focus on offering a simple and attractive product proposition across its chosen markets. Lending growth in the quarter was delivered through the Bank's expanding operations, as well as leveraging opportunities to grow across both the direct and intermediated channels.

Core Bank impairment losses of $13 million for the quarter were within the Bank's medium term expectation. Impaired assets increased to $220 million, or 0.52% of lending assets, predominantly due to the impairment of two mid-sized business lending exposures.

"Past due loan balances remain well below the June 2011 peak, although a seasonal uptick was observed."

While there was an uptick in arrears in the quarter, the Core Bank's non performing loans remain low as a proportion of the total portfolio. This reflects Suncorp's conservative target market which primarily comprises owner-occupiers with an average home loan size of less than $300,000. The Core Bank has limited exposure to "low doc" loans.

The Core Bank's deposit to lending ratio of 69.8% remains at the top end of the Bank's 60% to 70% target range.

The non-core portfolio run-off continued into the March quarter with the overall balance decreasing by $0.4 billion to $5.3 billion.

Impairment losses for the Non-core Bank of $74 million were primarily due to the expectation of longer realisation on impaired assets and a single newly impaired asset. The impaired asset balance reduced slightly to $2.1 billion in the quarter and past due balances have reduced significantly to $60 million.

General Insurance Update

Suncorp's General Insurance operations have been impacted by ongoing adverse natural hazard claims. For the 10 months to 30 April 2012, natural hazard claims costs of $714 million are $253 million above the long-run expectation of $461 million. The natural hazard events are outlined below:

Date	Event	Net costs $m
Oct 2011	South-East Queensland hail	14
Nov 2011	NSW/Vic flooding	16
Dec 2011	Christchurch earthquake	14
Dec 2011	Melbourne hail	250
Jan 2012	NSW/Qld storms	17
Feb 2012	Roma/SW Qld/Northern NSW floods	76
Feb 2012	NSW storms/floods	17
Mar 2012	NSW/Vic floods	41
Mar 2012	Qld storms/floods	37
Other natural hazard attritional claims		232
Total natural hazard claims to 30 April 2012		**714**
Less: allowance for natural hazards		(461)
Natural hazard costs above allowance as at 30 April 2012		**253**

While natural hazard claims have been above allowances, the underlying performance of Suncorp's General Insurance operations has improved ahead of expectations. Suncorp's building block programs continue to deliver benefits and the positive premium growth seen in the first half has gained momentum, with a return to unit growth in motor and home portfolios.

A further update will be provided at the Group's Investor Day on 29 May 2012.

Investment strategy update

Suncorp has completed a review of the investment strategy for the General Insurance business. To provide greater flexibility and diversification, the asset allocation within the Australian General insurance Shareholder Funds portfolio has been adjusted from 100% investment grade credit to 78% investment grade credit, 2% cash, 10% Australian equities and 10% international equities. Currency exposure has been hedged.

Ends

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Suncorp Group Limited ABN 66 145 290 124

Suncorp Bank APS330

the quarter ended 31 March 2012

Release date: 15 May 2012

One Company
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Basis of Preparation

This document has been prepared by the Suncorp Bank to meet the disclosure obligations set down under the Australian Prudential Regulation Authority (APRA) Australian Prudential Standard (APS) 330 Capital Adequacy: Public Disclosure of Prudential Information.

Suncorp Bank is represented by Suncorp-Metway Ltd and its subsidiaries. Suncorp-Metway Ltd is an authorised deposit-taking institution and a wholly owned subsidiary of Suncorp Group Limited. Suncorp Group is represented by Suncorp Group Limited and its subsidiaries.

In addition to presenting consolidated information on the Suncorp Bank, this document is disaggregated into Core and Non-Core Banks to allow separate analysis given their unique lending profiles. The Core and Non-core Bank tables represent an indicative view of relative performance and are presented separately in this document, with consolidated tables available in the appendices.

Other than statutory information required by a regulator (including APRA), all financial information is measured in accordance with Australian Accounting Standards. All figures have been quoted in Australian dollars and have been rounded to the nearest million.

This document has not been audited nor reviewed in accordance with Australian Auditing Standards. It should be read in conjunction with the Suncorp Group's consolidated annual and interim financial reports which have been either audited or reviewed in accordance with Australian Auditing Standards.

This disclosure was prepared as at 31 March 2012 and should be read in conjunction with the definitions in Appendix 3 and other information concerning Suncorp Group filed with the Australian Securities Exchange.

Disclaimer

This report contains general information which is current as at 15 May 2012. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to the Suncorp Group or any product or service offered by its entities. It is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

The information in this report is for general information only. To the extent that the information may constitute forward-looking statements, the information reflects Suncorp Group's intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices at the date of this report. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, many of which are beyond Suncorp Group's control, which may cause actual results to differ materially from those expressed or implied.

Suncorp Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report (subject to stock exchange disclosure requirements).

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Core Bank

Loans, advances and other receivables

	MAR-12	DEC-11	MAR-11	MAR-12 vs DEC-11	MAR-12 vs MAR-11
	$M	$M	$M	%	%
Housing loans	28,482	27,200	26,446	4.7	7.7
Securitised housing loans	4,421	4,659	4,199	(5.1)	5.3
Total housing loans	32,903	31,859	30,646	3.3	7.4
Consumer loans	505	510	565	(1.0)	(10.6)
Retail loans	33,408	32,369	31,211	3.2	7.0
Commercial (SME)	4,890	4,829	4,426	1.3	10.5
Agribusiness	3,680	3,576	3,431	2.9	7.3
Business loans (1)	8,570	8,405	7,857	2.0	9.1
Total lending	**41,978**	**40,774**	**39,068**	**3.0**	**7.4**
Other receivables (2)	89	120	153	(25.8)	(41.8)
Gross banking loans, advances and other receivables	42,067	40,894	39,221	2.9	7.3
Provision for impairment	(128)	(120)	(124)	6.7	3.2
Loans, advances and other receivables	**41,939**	**40,774**	**39,097**	**2.9**	**7.3**
Credit risk weighted assets	**21,883**	**21,307**	**20,447**	**2.7**	**7.0**

(1) Business loan balances have been adjusted to reflect interest not brought to account.
(2) Other receivables are primarily collateral deposits provided to derivative counterparties.

Overview

The Core Bank continued to demonstrate strong momentum in the March quarter despite challenging market conditions. Home lending growth was 3.3%, while the business lending portfolio maintained a sound growth trajectory in the lead up to the Bank's traditionally stronger final quarter.

System credit growth continues to trend below the average of recent years reflecting consumer caution and subdued small business confidence. Recent analysis from the Reserve Bank shows that consumers are actively paying down debt at a faster rate than obliged.

Despite these pressures, the Core Bank has maintained its focus on offering a simple and attractive product proposition across its chosen markets. Lending growth in the quarter was delivered in the Bank's home state of Queensland and through the Bank's expanded operations in Western Australia and New South Wales. The Bank has also leveraged opportunities to grow across both the Direct and Intermediated channels.

The Core Bank's impaired assets and past due loans remain low as a percentage of gross lending, reflecting Suncorp's conservative portfolio which comprises a high proportion of owner occupiers with an average home loan size of less than $300,000. The Bank has limited exposure to "low doc" mortgages. Impaired assets increased to $220 million in quarter, or 0.52% of lending assets, predominantly due to the impairment of two mid-sized business lending exposures.

The Core Bank's deposit to lending ratio of 69.8% remains at the top end of the Bank's 60% to 70% target range. Momentum has been maintained in growing the number of transactional accounts and increasing complete customer penetration. The Core Bank also delivered growth in its established Term Deposit franchise to support the strong levels of lending growth in the March quarter.

Personal Lending

Housing lending

Home lending, including securitised assets, totaled $32.9 billion, up 3.3% over the quarter.

The home lending portfolio has sustained above system growth for the last 6 months. The loan growth is attributable to an attractive product proposition, Queensland's recovery from last year's natural disasters, and robust performance in the expanded operations in Western Australia and New South Wales. Performance in the Core Bank's indirect channel was bolstered in the quarter through the introduction of a new commission structure to improve conversion rates. The new structure emphasises customer retention over the medium term.

The Core Bank continued to grow its share of new business with 4% of new home lending being written by Suncorp in the March quarter. The current momentum is expected to continue into the final quarter of the financial year with the Bank maintaining a healthy pipeline of loans ready to settle.

Consumer lending

Consumer (personal and margin) lending balances of $505 million were down 1.0% over the quarter.

Consumers remain cautious in accumulating discretionary debt given the current economic uncertainty.

Business Lending

Commercial (SME)

Suncorp Bank's commercial (SME) lending of $4.9 billion was up 1.3% over the quarter.

The Commercial portfolio continued to deliver growth broadly in-line with system in its chosen markets, with the Bank balancing its appetite for growth against the need to maintain sound credit quality across the portfolio. Growth in the quarter was supported by on-going efforts to broaden the Core Bank's market reach and leverage investment in the distribution network, both in and outside of Queensland.

Agribusiness

The Agribusiness portfolio grew to $3.7 billion, up 2.9% over the quarter.

Agribusiness delivered strong growth with the pipeline of new business continuing to build in the lead up to the traditionally strong final quarter. The robust pipeline reflects continued investment in the Suncorp brand in the Agribusiness sector, including the recent sponsorship of the "Year of the Farmer", as well as investment in the Bank's expanding operations.

Impairment losses on loans and advances

	MAR-12 $M	DEC-11 $M	SEP-11 $M	MAR-12 vs DEC-11 %	MAR-12 vs SEP-11 %
Collective provision for impairment	4	(2)	(4)	n/a	n/a
Specific provision for impairment	7	6	7	16.7	-
Actual net write-offs	2	(2)	4	n/a	n/a
	13	**2**	**7**	**550.0**	**85.7**
Impairment losses to credit risk weighted assets (annualised)	**0.24%**	**0.04%**	**0.13%**		

In the March quarter, impairment losses of 24 basis points (annualised) of credit risk weighted assets was within the Core Bank's medium term expectation.

The quarter-on-quarter increase in impairment losses relates largely to collective provision charges. This reflects the uptick in arrears and the outcomes of regular review of collective provision factors for smaller exposures.

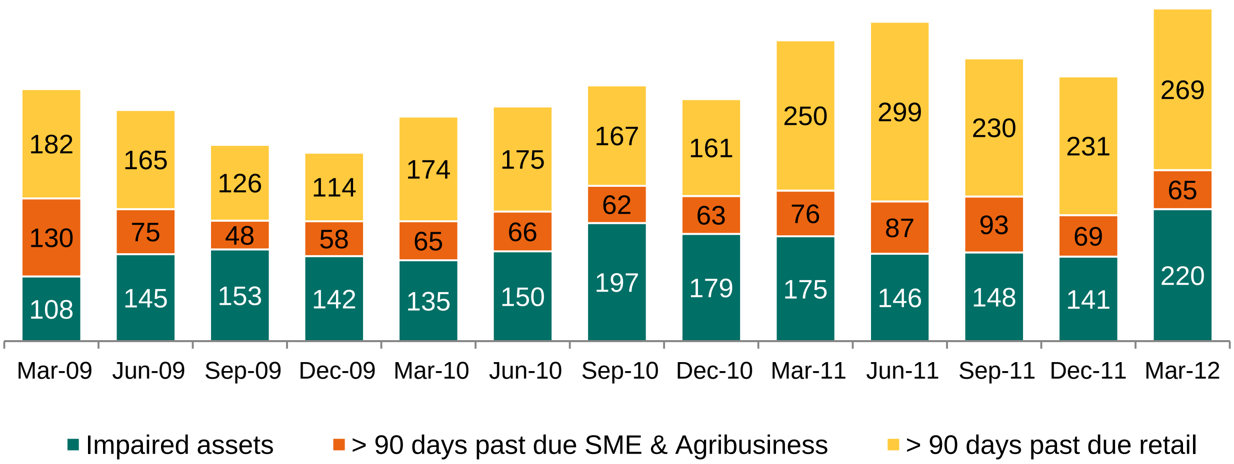
Impaired and past due asset balances

	MAR-12 $M	DEC-11 $M	SEP-11 $M	MAR-12 vs DEC-11 %	MAR-12 vs SEP-11 %
Gross balances of individually impaired loans					
with specific provisions set aside	185	124	132	49.2	40.2
without specific provisions set aside	35	17	16	105.9	118.8
Gross impaired assets	220	141	148	56.0	48.6
Specific provision for impairment	(49)	(45)	(44)	8.9	11.4
Net impaired assets	171	96	104	78.1	64.4
Size of gross impaired assets					
Less than one million	22	21	23	4.8	(4.3)
Greater than one million but less than ten million	129	101	94	27.7	37.2
Greater than ten million	69	19	31	263.2	122.6
	220	141	148	56.0	48.6
Past due loans not shown as impaired assets	334	300	323	11.3	3.4
Gross non-performing loans	554	441	471	25.6	17.6
Analysis of movements in gross impaired assets					
Balance at the beginning of the period	141	148	146	(4.7)	(3.4)
Recognition of new impaired assets	87	19	18	357.9	383.3
Increases in previously recognised impaired assets	1	-	1	n/a	-
Impaired assets written off/sold during the period	(2)	(3)	-	(33.3)	n/a
Impaired assets which have been reclassed as performing assets or repaid	(7)	(23)	(17)	(69.6)	(58.8)
Balance at the end of the period	**220**	**141**	**148**	**56.0**	**48.6**

Impaired assets

Core gross impaired assets increased by $79 million during the third quarter to $220 million. The increase predominantly relates to two mid-sized business lending exposures. The Housing portfolio contributed $12 million to the increase in impaired assets.

Core Bank impaired & past due balances ($m)

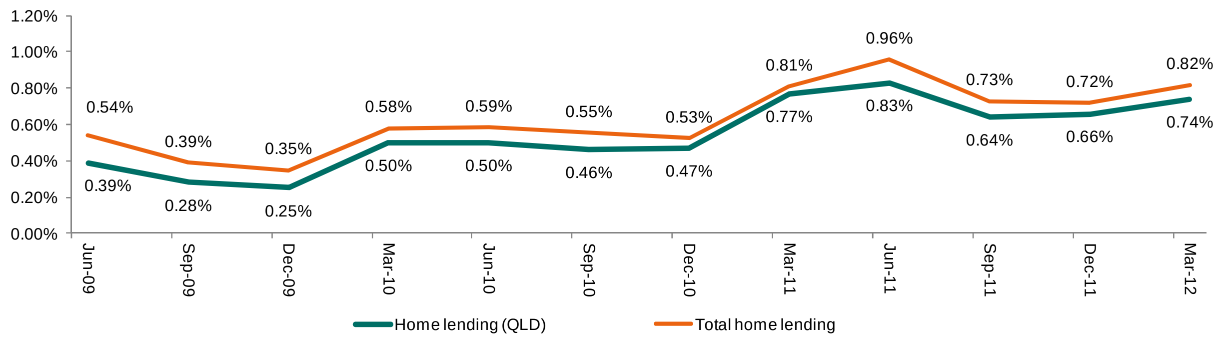


Past due (not shown as impaired)

Core past due loans increased 11% in the quarter to $334 million with no particular state specific concentration. The Queensland home lending portfolio is well seasoned and past due performance in Suncorp's home state continues to trend below the national average. Past due balances have remained stable since February 2012 and remain below the June 2011 high point.

The Core Bank's past due loans remain low as a percentage of gross lending, reflecting Suncorp's conservative target market of owner occupiers with an average home loan size of less than $300,000. "Low doc" mortgages represent approximately 6% of the home lending portfolio.

Past due loans (90 days) to gross loans



Provision for impairment

	MAR-12 $M	DEC-11 $M	SEP-11 $M	MAR-12 vs DEC-11 %	MAR-12 vs SEP-11 %
Collective provision					
Balance at the beginning of the period	75	77	81	(2.6)	(7.4)
Charge against contribution to profit	4	(2)	(4)	n/a	n/a
Balance at the end of the period	79	75	77	5.3	2.6
Specific provision					
Balance at the beginning of the period	45	44	39	2.3	15.4
Charge against impairment losses	7	6	7	16.7	-
Write-off of impaired assets	(1)	(3)	-	(66.7)	n/a
Unwind of interest	(2)	(2)	(2)	-	-
Balance at the end of the period	49	45	44	8.9	11.4
Total provision for impairment - Core Banking activities	128	120	121	6.7	5.8
Equity reserve for credit loss					
Balance at the beginning of the period	107	102	74	4.9	44.6
Transfer (to)/from retained earnings	(5)	5	28	n/a	n/a
Balance at the end of the period	102	107	102	(4.7)	-
Pre-tax equivalent coverage	146	153	146	(4.6)	-
Total provision for impairment and equity reserve for credit loss coverage - Core Banking activities	274	273	267	0.4	2.6

	MAR-12 %	DEC-11 %	SEP-11 %
Provision for impairment expressed as a percentage of gross impaired assets are as follows:			
Collective provision	35.9	53.2	52.0
Specific provision	22.3	31.9	29.7
Total provision	58.2	85.1	81.8
Equity reserve for credit loss coverage	66.4	108.5	98.6
Total provision and equity reserve for credit loss coverage	124.5	193.6	180.4

The Core Bank continues to be well provisioned. Total provision and ERCL (Equity Reserve for Credit Losses) coverage remains over 100%. The two material new impaired assets are well secured against good quality assets and required only limited specific provisioning.

Non-core Bank

Loans, advances and other receivables

	MAR-12	DEC-11	MAR-11	MAR-12 vs DEC-11	MAR-12 vs MAR-11
	$M	$M	$M	%	%
Corporate	1,161	1,215	1,900	(4.4)	(38.9)
Development finance	1,715	1,848	2,698	(7.2)	(36.4)
Property investment	2,233	2,350	3,598	(5.0)	(37.9)
Lease finance	190	249	438	(23.7)	(56.6)
Non-core portfolio (1)	5,299	5,662	8,634	(6.4)	(38.6)
Other receivables (2)	1,825	1,776	2,576	2.8	(29.2)
Gross banking loans, advances and other receivables	7,124	7,438	11,210	(4.2)	(36.4)
Provision for impairment	(434)	(433)	(479)	0.2	(9.4)
Loans, advances and other receivables	**6,690**	**7,005**	**10,731**	**(4.5)**	**(37.7)**
Credit risk weighted assets	**6,228**	**6,660**	**10,231**	**(6.5)**	**(39.1)**

(1) The March 2011 comparsion has been adjusted to reflect interest not brought to account.
(2) Other receivables are primarily collateral deposits provided to derivative counterparties.

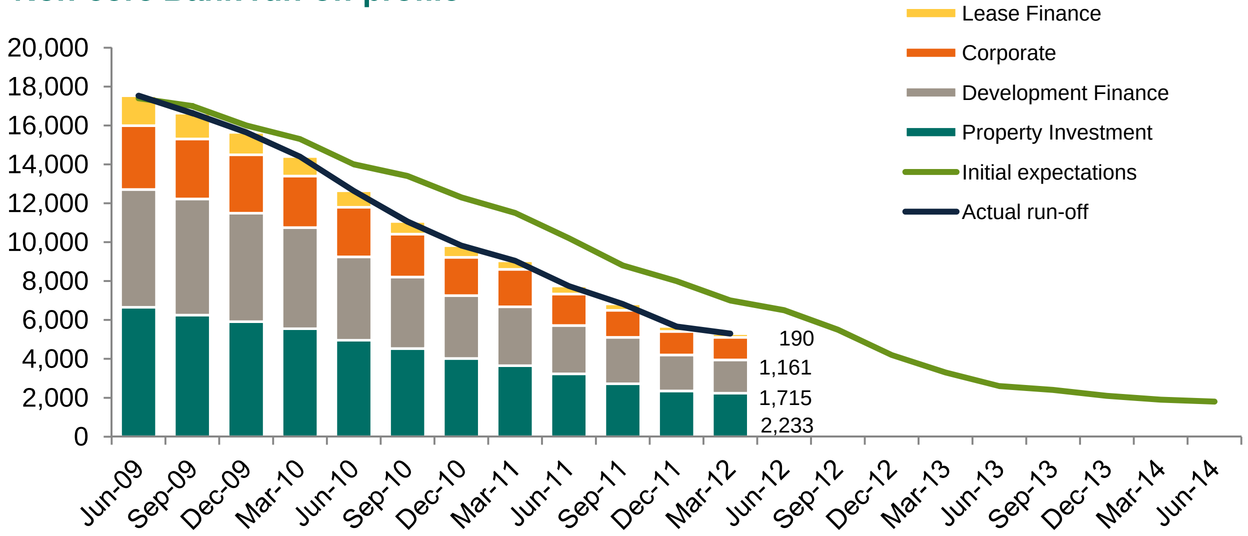
Overview

The Non-core portfolio run-off continued into the March quarter, with a reduction of $0.4 billion to $5.3 billion.

Gross non-performing loans, which includes both impaired and past due balances, reduced by $0.2 billion to $2.2 billion reflecting asset sales, repayments and two exposures returning to performing status.

The number of loans with an outstanding balance at $50 million or greater reduced from 44 to 42 over the quarter.

Non-core Bank run-off profile



Business Portfolios

Development finance

The Development finance portfolio continues to decline, reducing a further $0.1 billion since December 2011 to $1.7 billion.

The performing exposures have now matured through their construction risk phase. Conditions in the development finance property markets remain difficult with excess supply in some areas, particularly for higher-end product and vacant land. Sale opportunities are available for completed projects.

The portfolio includes $1.4 billion of impaired assets across a combination of asset classes, including vacant land and a small number of assets which carry continuing development risk. Less than half of the impaired portfolio is secured against assets in Queensland.

Corporate lending

The Corporate lending portfolio continued to run off over the March quarter, albeit at a lower rate than the previous period. The portfolio of $1.2 billion includes $0.1 billion of impaired assets.

Refinance markets are generally robust in this segment of the portfolio, although appetite remains exposure-specific. Many customers have favourable pricing terms and this has discouraged refinancing.

Property investment

Property investment includes assets such as shopping centres, commercial offices, and industrial warehouses and excludes construction projects.

Since December 2011, the property investment portfolio has reduced by $0.1 billion to $2.2 billion. The portfolio includes $0.6 billion of impaired assets.

With vacancy rates remaining at relatively low levels, appetite has slowly improved for investors and financiers in this segment. Loan to valuation ratios following property price depreciation does constrain refinance activity. However, purchasers are showing interest in acquiring quality properties in proven locations.

Lease finance

In line with the natural portfolio amortisation, the lease finance receivables balance reduced $0.1 billion over the quarter.

The Bank is in advanced negotiations regarding the sale of a significant portion of the Lease finance portfolio.

Impairment losses on loans and advances

	MAR-12 $M	DEC-11 $M	SEP-11 $M	MAR-12 vs DEC-11 %	MAR-12 vs SEP-11 %
Collective provision for impairment	(19)	(2)	(3)	850.0	533.3
Specific provision for impairment	87	72	43	20.8	102.3
Actual net write-offs	6	6	6	-	-
	74	**76**	**46**	**(2.6)**	**60.9**
Impairment losses to credit risk weighted assets (annualised)	**4.78%**	**4.54%**	**2.35%**		

Impairment losses were slightly lower in the March quarter. The charge of $74 million comprised:

- IFRS expenses due to work out date extensions of $27 million. Work out periods by their nature will continue to fluctuate given the individual circumstances of each exposure, as well as broader market conditions;
- specific provisions on newly impaired balances of $29 million, which predominantly related to a large single-name exposure that moved to impaired status in the quarter; and
- further provisioning on existing impaired exposures.

Impaired and past due asset balances

	MAR-12 $M	DEC-11 $M	SEP-11 $M	MAR-12 vs DEC-11 %	MAR-12 vs SEP-11 %
Gross balances of individually impaired loans					
with specific provisions set aside	2,116	2,138	2,155	(1.0)	(1.8)
without specific provisions set aside	27	25	29	8.0	(6.9)
Gross impaired assets	2,143	2,163	2,184	(0.9)	(1.9)
Specific provision for impairment	(362)	(342)	(327)	5.8	10.7
Net impaired assets	1,781	1,821	1,857	(2.2)	(4.1)
Size of gross impaired assets					
Less than one million	7	10	7	(30.0)	-
Greater than one million but less than ten million	197	192	194	2.6	1.5
Greater than ten million	1,939	1,961	1,983	(1.1)	(2.2)
	2,143	2,163	2,184	(0.9)	(1.9)
Past due loans not shown as impaired assets	60	226	257	(73.5)	(76.7)
Gross non-performing loans	2,203	2,389	2,441	(7.8)	(9.8)
Analysis of movements in gross individually impaired assets					
Balance at the beginning of the period	2,163	2,184	2,235	(1.0)	(3.2)
Recognition of new impaired assets	198	35	53	465.7	273.6
Increases in previously recognised impaired assets	9	7	12	28.6	(25.0)
Impaired assets written off/sold during the period	(28)	(19)	(27)	47.4	3.7
Impaired assets which have been reclassed as performing assets or repaid	(199)	(44)	(89)	352.3	123.6
Balance at the end of the period	**2,143**	**2,163**	**2,184**	**(0.9)**	**(1.9)**

Gross non-performing loans

Gross non-performing loans, which includes both impaired and past due balances, reduced by $0.2 billion to $2.2 billion reflecting asset sales, repayments and two groups returning to performing status.

Impaired assets

Impaired asset balances trended down slightly to $2.1 billion in the March quarter, despite the impaired portfolio absorbing a large single-name exposure that was previously classified as past due. This increase was offset by two groups returning to performing status, as well as asset sales and other repayments that continue to trend at similar levels to prior periods.

The market for distressed assets remains cautious and is some way from a full recovery. These conditions are expected to continue, adding uncertainty to the workout periods for impaired accounts.

Past due (not shown as impaired)

Past due loans decreased significantly in the March quarter to $60 million. This is mainly attributable to one group moving from past due to impaired status.

Provision for impairment

	MAR-12	DEC-11	SEP-11	MAR-12 vs DEC-11	MAR-12 vs SEP-11
	$M	$M	$M	%	%
Collective provision					
Balance at the beginning of the period	91	93	96	(2.2)	(5.2)
Charge against contribution to profit	(19)	(2)	(3)	850.0	533.3
Balance at the end of the period	72	91	93	(20.9)	(22.6)
Specific provision					
Balance at the beginning of the period	342	327	348	4.6	(1.7)
Charge against impairment losses	87	72	43	20.8	102.3
Write-off of impaired assets	(35)	(20)	(27)	75.0	29.6
Unwind of interest	(32)	(37)	(37)	(13.5)	(13.5)
Balance at the end of the period	362	342	327	5.8	10.7
Total provision for impairment - Non-Core Banking activities	434	433	420	0.2	3.3
Equity reserve for credit loss					
Balance at the beginning of the period	69	70	83	(1.4)	(16.9)
Transfer (to)/from retained earnings	(15)	(1)	(13)	1,400.0	15.4
Balance at the end of the period	54	69	70	(21.7)	(22.9)
Pre-tax equivalent coverage	77	98	100	(21.4)	(23.0)
Total provision for impairment and equity reserve for credit loss coverage - Non-core Banking activities	511	531	520	(3.8)	(1.7)

	MAR-12	DEC-11	SEP-11
	%	%	%
Provision for impairment expressed as a percentage of gross impaired assets are as follows:			
Collective provision	3.4	4.2	4.3
Specific provision	16.9	15.8	15.0
Total provision	20.3	20.0	19.2
Equity reserve for credit loss coverage	3.6	4.5	4.6
Total provision and equity reserve for credit loss coverage	23.8	24.5	23.8

The Non-core portfolio has been closed to new business for over three and a half years. Throughout this period, the Bank has subjected underlying security valuations and expected work-out periods to regular review and assessment in order to ensure the portfolio remains appropriately provisioned and capitalised.

The level of provisioning coverage reflects the lengthy seasoning in the portfolio and detailed assessment of the underlying security. Provision levels will continue to be reviewed and adjusted based on economic, market and exposure-specific conditions.

Appendix 1 – Consolidated Bank

Loans, advances and other receivables

	CORE MAR-12 $M	NON-CORE MAR-12 $M	TOTAL MAR-12 $M	TOTAL DEC-11 $M	TOTAL MAR-11 $M	MAR-12 vs DEC-11 %	MAR-12 vs MAR-11 %
Housing loans	28,482	-	28,482	27,200	26,446	4.7	7.7
Securitised housing loans	4,421	-	4,421	4,659	4,199	(5.1)	5.3
Total housing loans	32,903	-	32,903	31,859	30,646	3.3	7.4
Consumer loans	505	-	505	510	565	(1.0)	(10.6)
Retail loans	33,408	-	33,408	32,369	31,211	3.2	7.0
Commercial (SME)	4,890	-	4,890	4,829	4,426	1.3	10.5
Corporate	-	1,161	1,161	1,215	1,900	(4.4)	(38.9)
Development finance	-	1,715	1,715	1,848	2,698	(7.2)	(36.4)
Property investment	-	2,233	2,233	2,350	3,598	(5.0)	(37.9)
Lease finance	-	190	190	249	438	(23.7)	(56.6)
Agribusiness	3,680	-	3,680	3,576	3,431	2.9	7.3
Business loans (1)	8,570	5,299	13,869	14,067	16,491	(1.4)	(15.9)
Total lending	**41,978**	**5,299**	**47,277**	**46,436**	**47,702**	**1.8**	**(0.9)**
Other receivables (2)	89	1,825	1,914	1,896	2,729	0.9	(29.9)
Gross banking loans, advances and other receivables	42,067	7,124	49,191	48,332	50,431	1.8	(2.5)
Provision for impairment	(128)	(434)	(562)	(553)	(603)	1.6	(6.8)
Loans, advances and other receivables	**41,939**	**6,690**	**48,629**	**47,779**	**49,828**	**1.8**	**(2.4)**
Credit risk weighted assets	**21,883**	**6,228**	**28,111**	**27,967**	**30,678**	**0.5**	**(8.4)**
Geographical breakdown - Total lending							
Queensland	26,076	2,511	28,587	28,256	28,871	1.2	(1.0)
New South Wales	8,580	1,821	10,401	10,055	10,276	3.4	1.2
Victoria	3,696	676	4,372	4,370	4,887	0.0	(10.5)
Western Australia	2,465	225	2,690	2,580	2,483	4.3	8.3
South Australia and other	1,161	66	1,227	1,175	1,185	4.4	3.5
Outside of Queensland loans	15,902	2,788	18,690	18,180	18,831	2.8	(0.7)
Total lending	**41,978**	**5,299**	**47,277**	**46,436**	**47,702**	**1.8**	**(0.9)**

(1) Business loan balances have been adjusted to reflect interest not brought to account.
(2) Other receivables are primarily collateral deposits provided to derivative counterparties.

Impairment losses on loans and advances

	CORE MAR-12 $M	NON-CORE MAR-12 $M	TOTAL MAR-12 $M	CORE DEC-11 $M	NON-CORE DEC-11 $M	TOTAL DEC-11 $M	CORE SEP-11 $M	NON-CORE SEP-11 $M	TOTAL SEP-11 $M
Collective provision for impairment	4	(19)	(15)	(2)	(2)	(4)	(4)	(3)	(7)
Specific provision for impairment	7	87	94	6	72	78	7	43	50
Actual net write-offs	2	6	8	(2)	6	4	4	6	10
	13	**74**	**87**	**2**	**76**	**78**	**7**	**46**	**53**
Impairment losses to risk weighted assets (annualised)	**0.24%**	**4.78%**	**1.24%**	**0.04%**	**4.54%**	**1.11%**	**0.13%**	**2.35%**	**0.72%**

Impaired asset balances

	CORE MAR-12 $M	NON-CORE MAR-12 $M	TOTAL MAR-12 $M	CORE DEC-11 $M	NON-CORE DEC-11 $M	TOTAL DEC-11 $M	CORE SEP-11 $M	NON-CORE SEP-11 $M	TOTAL SEP-11 $M
Gross balances of individually impaired loans									
with specific provisions set aside	185	2,116	2,301	124	2,138	2,262	132	2,155	2,287
without specific provisions set aside	35	27	62	17	25	42	16	29	45
Gross impaired assets	220	2,143	2,363	141	2,163	2,304	148	2,184	2,332
Specific provision for impairment	(49)	(362)	(411)	(45)	(342)	(387)	(44)	(327)	(371)
Net impaired assets	171	1,781	1,952	96	1,821	1,917	104	1,857	1,961
Size of gross individually impaired assets									
Less than one million	22	7	29	21	10	31	23	7	30
Greater than one million but less than ten million	129	197	326	101	192	293	94	194	288
Greater than ten million	69	1,939	2,008	19	1,961	1,980	31	1,983	2,014
	220	2,143	2,363	141	2,163	2,304	148	2,184	2,332
Past due loans not shown as impaired assets	334	60	394	300	226	526	323	257	580
Gross non-performing loans	554	2,203	2,757	441	2,389	2,830	471	2,441	2,912
Analysis of movements in gross individually impaired assets									
Balance at the beginning of the period	141	2,163	2,304	148	2,184	2,332	146	2,235	2,381
Recognition of new impaired assets	87	198	285	19	35	54	18	53	71
Increases in previously recognised impaired assets	1	9	10	-	7	7	1	12	13
Impaired assets written off/sold during the period	(2)	(28)	(30)	(3)	(19)	(22)	-	(27)	(27)
Impaired assets which have been reclassed as performing assets or repaid	(7)	(199)	(206)	(23)	(44)	(67)	(17)	(89)	(106)
Balance at the end of the period	**220**	**2,143**	**2,363**	**141**	**2,163**	**2,304**	**148**	**2,184**	**2,332**

Provision for impairment

	CORE MAR-12 $M	NON-CORE MAR-12 $M	TOTAL MAR-12 $M	CORE DEC-11 $M	NON-CORE DEC-11 $M	TOTAL DEC-11 $M	CORE SEP-11 $M	NON-CORE SEP-11 $M	TOTAL SEP-11 $M
Collective provision									
Balance at the beginning of the period	75	91	166	77	93	170	81	96	177
Charge against contribution to profit	4	(19)	(15)	(2)	(2)	(4)	(4)	(3)	(7)
Balance at the end of the period	79	72	151	75	91	166	77	93	170
Specific provision									
Balance at the beginning of the period	45	342	387	44	327	371	39	348	387
Charge against impairment losses	7	87	94	6	72	78	7	43	50
Write-off of impaired assets	(1)	(35)	(36)	(3)	(20)	(23)	-	(27)	(27)
Unwind of interest	(2)	(32)	(34)	(2)	(37)	(39)	(2)	(37)	(39)
Balance at the end of the period	49	362	411	45	342	387	44	327	371
Total provision for impairment - Banking activities	128	434	562	120	433	553	121	420	541
Equity reserve for credit loss									
Balance at the beginning of the period	107	69	176	102	70	172	74	83	157
Transfer to retained earnings	(5)	(15)	(20)	5	(1)	4	28	(13)	15
Balance at the end of the period	102	54	156	107	69	176	102	70	172
Pre-tax equivalent coverage	146	77	223	153	98	251	146	100	246
Total provision for impairment and equity reserve for credit loss - Banking activities	274	511	785	273	531	804	267	520	787
	%	%	%	%	%	%	%	%	%
Provision for impairment expressed as a percentage of gross impaired assets are as follows:									
Collective provision	35.9	3.4	6.4	53.2	4.2	7.2	52.0	4.3	7.3
Specific provision	22.3	16.9	17.4	31.9	15.8	16.8	29.7	15.0	15.9
Total provision	58.2	20.3	23.8	85.1	20.0	24.0	81.8	19.2	23.2
Equity reserve for credit loss coverage	66.4	3.6	9.4	108.5	4.5	10.9	98.6	4.6	10.5
Total provision and equity reserve for credit loss coverage	124.5	23.8	33.2	193.6	24.5	34.9	180.4	23.8	33.7

Appendix 2 – APS330 tables

Table 16
On balance sheet risk weighted assets

	CARRY VALUE		AVG Risk Weight	Risk Weighted Assets	
	MAR-12	DEC-11	Mar-12	Mar-12	Dec-11
	$M	$M	%	$M	$M
On Balance Sheet Risk weighted assets					
Assets					
Cash Items	182	289	9	17	15
Claims on Australian and foreign Governments	1,333	1,501	0	1	2
Claims on central banks, international banking agencies, regional development banks, ADIs and	6,208	5,425	20	1,242	1,085
Claims on securitisation exposures	1,536	1,660	20	307	332
Claims secured against eligible residential mortgages	31,111	29,966	40	12,486	12,126
Past due claims	2,416	2,509	134	3,227	3,433
Other assets and claims	10,954	11,085	99	10,831	10,974
Total Banking Assets	**53,740**	**52,435**	**52**	**28,111**	**27,967**

Table 16
Off balance sheet risk weighted assets

	Notional Amount	Credit Equivalent	AVG Risk Weight	Risk Weighted Assets	
	MAR-12	MAR-12	MAR-12	Mar-12	Dec-11
	$M	$M	%	$M	$M
Off Balance Sheet Posiitions					
Guarantees entered into the normal course of business	157	151	100	151	156
Commitments to provide loans and receivables	6,580	1,620	62	1,005	944
Capital commitments	0	0	0	0	0
Foreign Exchange contracts	11,024	325	29	94	88
Interest rate contracts	48,568	190	75	143	151
Securitisation exposures	2,698	34	85	29	30
Total Off Balance Sheet	69,027	2,320	**61**	1,422	1,369
Market Risk Capital Charge				510	387
Operational Risk Capital Charge				3,059	3,059
Total on balance sheet risk weighted assets				28,111	27,967
Total Assessed Risk				**33,102**	**32,782**
Risk weighted capital ratios				%	%
Tier 1				9.87	9.87
Tier 2				3.14	3.22
Total risk weighted capital ratios				**13.01**	**13.09**

Table 17A
Credit risk by gross credit exposure – outstanding as at 31 March 2012

	RECEIVABLES DUE FROM OTHER BANKS	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES	CREDIT COMMITMENTS	DERIVATIVE INSTRUMENTS	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Agribusiness	-	-	-	3,465	158	-	3,623	189	25	3,409	39
Construction & development	-	-	-	2,710	100	-	2,810	1,460	25	1,325	302
Financial services	85	4,551	4,923	2,529	11	515	12,614	-	-	12,614	-
Hospitality	-	-	-	1,089	52	-	1,141	92	4	1,045	1
Manufacturing	-	-	-	487	32	-	519	8	6	505	6
Professional services	-	-	-	312	13	-	325	4	1	320	-
Property investment	-	-	-	3,333	100	-	3,433	484	41	2,908	53
Mortgage	-	-	-	30,396	1,194	-	31,590	33	264	31,293	7
Personal	-	-	-	402	9	-	411	-	4	407	-
Government/public authorities	-	-	-	2	-	-	2	-	-	2	-
Other commercial & industrial	-	-	-	2,015	102	-	2,117	93	24	2,000	3
Total gross credit risk	**85**	**4,551**	**4,923**	**46,740**	**1,771**	**515**	**58,585**	**2,363**	**394**	**55,828**	**411**
Securitisation Exposures [(1)]	-	-	1,536	2,629	24	10	4,199	**-**	**-**	**4,199**	**-**
Total including Securitisation Exposures	**85**	**4,551**	**6,459**	**49,369**	**1,795**	**525**	**62,784**	**2,363**	**394**	**60,027**	**411**
Impairment provision							(562)	(411)	(33)	(118)	-
TOTAL							**62,222**	**1,952**	**361**	**59,909**	**411**

(1) Securitisation exposures included in Loans, advances and other receivables qualify for regulatory capital relief and therefore does not contribute to the Bank's Total credit risk.

(2) Total loans, advances and other receivables includes intercompany receivables of $178m.

Table 17A
Credit risk by gross credit exposure – outstanding as at 31 December 2011

	RECEIVABLES DUE FROM OTHER BANKS	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES	CREDIT COMMITMENTS	DERIVATIVE INSTRUMENTS	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Agribusiness	-	-	-	3,404	152	-	3,556	200	23	3,333	40
Construction & development	-	-	-	2,865	84	-	2,949	1,416	174	1,359	278
Financial services	169	3,641	5,003	2,466	13	480	11,772	-	-	11,772	-
Hospitality	-	-	-	1,110	37	-	1,147	57	6	1,084	1
Manufacturing	-	-	-	490	26	-	516	8	7	501	6
Professional services	-	-	-	324	14	-	338	4	1	333	1
Property investment	-	-	-	3,390	94	-	3,484	511	55	2,918	53
Mortgage	-	-	-	29,256	1,134	-	30,390	24	228	30,138	5
Personal	-	-	-	407	6	-	413	-	4	409	-
Government/public authorities	-	-	-	3	-	-	3	-	-	3	-
Other commercial & industrial	-	-	-	1,999	106	-	2,105	84	28	1,993	3
Total gross credit risk	**169**	**3,641**	**5,003**	**45,714**	**1,666**	**480**	**56,673**	**2,304**	**526**	**53,843**	**387**
Securitisation Exposures (1)	-	-	1,664	2,771	24	11	4,470	-	-	4,470	-
Total including Securitisation Exposures	**169**	**3,641**	**6,667**	**48,485**	**1,690**	**491**	**61,143**	**2,304**	**526**	**58,313**	**387**
Impairment provision							(553)	(387)	(59)	(107)	-
TOTAL							**60,590**	**1,917**	**467**	**58,206**	**387**

(1) Securitisation exposures included in Loans, advances and other receivables qualify for regulatory capital relief and therefore does not contribute to the Bank's Total credit risk.

Table 17A
Credit risk by gross credit exposure – average gross exposure over period 1 January to 31 March 2012

	RECEIVABLES DUE FROM OTHER BANKS	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES	CREDIT COMMITMENTS	DERIVATIVE INSTRUMENTS	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Agribusiness	-	-	-	3,435	155	-	3,590	195	24	3,371	40
Construction & development	-	-	-	2,788	92	-	2,880	1,438	100	1,342	290
Financial services	127	4,096	4,963	2,498	12	498	12,194	-	-	12,194	-
Hospitality	-	-	-	1,100	45	-	1,145	75	5	1,065	1
Manufacturing	-	-	-	489	29	-	518	8	7	503	6
Professional services	-	-	-	318	14	-	332	4	1	327	1
Property investment	-	-	-	3,362	97	-	3,459	498	48	2,913	53
Real estate -	-	-	-	29,826	1,164	-	30,990	29	246	30,715	6
Personal	-	-	-	405	8	-	413	-	4	409	-
Government/public authorities	-	-	-	3	-	-	3	-	-	3	-
Other commercial & industrial	-	-	-	2,007	104	-	2,111	89	26	1,996	3
Total gross credit risk	**127**	**4,096**	**4,963**	**46,231**	**1,720**	**498**	**57,635**	**2,336**	**461**	**54,838**	**400**
Securitisation Exposures [(1)]	-	-	1,600	2,700	24	11	4,335	-	-	4,335	-
Total including Securitisation Exposures	**127**	**4,096**	**6,563**	**48,931**	**1,744**	**509**	**61,970**	**2,336**	**461**	**59,173**	**400**
Impairment provision							(558)	(399)	(46)	(113)	-
TOTAL							**61,412**	**1,937**	**415**	**59,060**	**400**

(1) Securitisation exposures included in Loans, advances and other receivables qualify for regulatory capital relief and therefore does not contribute to the Bank's Total credit risk.

Table 17A
Credit risk by gross credit exposure – average gross exposure over period 1 October to 31 December 2011

	RECEIVABLES DUE FROM OTHER BANKS	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES	CREDIT COMMITMENTS	DERIVATIVE INSTRUMENTS	TOTAL CREDIT RISK	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED >90 DAYS	TOTAL NOT PAST DUE OR IMPAIRED	SPECIFIC PROVISIONS
	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M	$M
Agribusiness	-	-	-	3,373	152	-	3,525	202	23	3,300	43
Construction & development	-	-	-	2,914	97	-	3,011	1,424	197	1,390	262
Financial services	215	4,083	5,263	2,459	12	561	12,593	-	-	12,593	-
Hospitality	-	-	-	1,129	38	-	1,167	53	8	1,106	1
Manufacturing	-	-	-	506	25	-	531	12	4	515	6
Professional services	-	-	-	333	13	-	346	4	2	340	1
Property investment	-	-	-	3,438	88	-	3,526	514	62	2,950	57
Real estate -	-	-	-	29,434	993	-	30,427	24	227	30,176	6
Personal	-	-	-	376	9	-	385	-	4	381	-
Government/public authorities	-	-	-	3	-	-	3	-	-	3	-
Other commercial & industrial	-	-	-	2,078	117	-	2,195	87	27	2,081	5
Total gross credit risk	**215**	**4,083**	**5,263**	**46,043**	**1,544**	**561**	**57,709**	**2,320**	**554**	**54,835**	**381**
Securitisation Exposures [(1)]	-	-	1,696	2,217	26	9	3,948	-	-	3,948	-
Total including Securitisation Exposures	**215**	**4,083**	**6,959**	**48,260**	**1,570**	**570**	**61,657**	**2,320**	**554**	**58,783**	**381**
Impairment provision							(548)	(379)	(65)	(104)	-
TOTAL							**61,109**	**1,941**	**489**	**58,679**	**381**

(1) Securitisation exposures included in Loans, advances and other receivables qualify for regulatory capital relief and therefore does not contribute to the Bank's Total credit risk.

Table 17B
Credit risk by portfolio – 31 March 2012

	GROSS CREDIT RISK EXPOSURE $M	AVERAGE GROSS EXPOSURE $M	IMPAIRED ASSETS $M	PAST DUE NOT IMPAIRED > 90 DAYS $M	SPECIFIC PROVISIONS $M	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS $M
Claims secured against eligible residential mortgages	31,590	30,990	33	264	7	2
Other retail	411	413	-	4	-	2
Financial services	12,614	12,194	-	-	-	-
Government and public authorities	2	3	-	-	-	-
Corporate and other claims	13,968	14,035	2,330	126	404	97
Total	58,585	57,635	2,363	394	411	101

Credit risk by portfolio – 31 December 2011

	GROSS CREDIT RISK EXPOSURE $M	AVERAGE GROSS EXPOSURE $M	IMPAIRED ASSETS $M	PAST DUE NOT IMPAIRED > 90 DAYS $M	SPECIFIC PROVISIONS $M	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS $M
Claims secured against eligible residential mortgages	30,390	30,427	24	228	5	1
Other retail	413	385	-	4	-	3
Financial services	11,772	12,593	-	-	-	-
Government and public authorities	3	3	-	-	-	-
Corporate and other claims	14,095	14,301	2,280	294	382	78
Total	56,673	57,709	2,304	526	387	82

Table 17C
General reserves for credit losses

	MAR-12 $M	DEC-11 $M
Collective provision for impairment	151	166
Ineligible Collective Provisions on Past Due not Impaired	(33)	(59)
Eligible Collective Provisions	**118**	**107**
FITB relating to eligible collective provision	(35)	(32)
Equity Reserve for credit losses	156	176
General Reserve for Credit losses	**239**	**251**

Table 18A: Summary of securitisation activity for the period

	Exposures securitised		Recognised gain (or loss) on sale	
	31-Mar-2012	31-Dec-2011	31-Mar-2012	31-Dec-2011
	$m	$m	$m	$m
Residential mortgages	-	1,249	-	-
Total exposures securitised during the period	**-**	**1,249**	**-**	**-**

Table 18B(i): Aggregate of on-balance sheet securitisation exposures by exposure type

	Exposure	Exposure
	31-Mar-2012	31-Dec-2011
Exposure type	$m	$m
Debt securities	1,536	1,664
Total on-balance sheet securitisation exposures	1,536	1,664

Table 18B(ii): Aggregate of off-balance sheet securitisation exposures by exposure type

	Notional Exposure	Notional Exposure
	31-Mar-2012	31-Dec-2011
Exposure type	$m	$m
Liquidity facilities	58	58
Derivative exposures	2,640	2,784
Total off-balance sheet securitisation exposures	2,698	2,842

Appendix 3 – Definitions

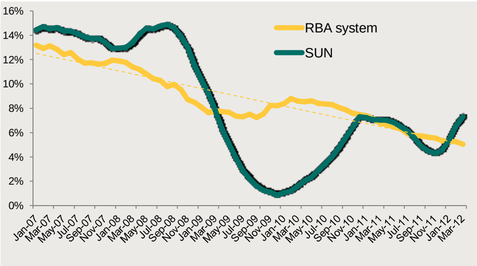
Capital adequacy ratio	Capital base divided by total assessed risk, as defined by APRA
Core equity tier 1	Core equity tier 1 includes ordinary shareholder equity and retained profits less tier 1 and tier 2 regulatory deductions
Core equity tier 1 ratio	Core equity tier 1 divided by total assessed risk
Deposit to loan ratio	Total retail deposits divided by total loans and advances, excluding other receivables
Equity reserve for credit losses	The equity reserve for credit losses represents the difference between the collective provisions for impairment and the estimate of credit losses across the credit cycle based on guidance provided by APRA
Gross non-performing loans	Gross impaired assets plus past due loans
Impairment losses to gross loans and advances	Impairment losses on loans and advances divided by gross banking loans, advances and other receivables
Impairment losses to risk weighted assets	Impairment losses on loans and advances divided by risk weighted assets
Past due	Loans outstanding for more than 90 days
Risk weighted assets	Total of the carrying value of each asset class multiplied by their assigned risk weighting, as defined by APRA
Total assessed risk	Risk weighted assets, off balance sheet positions and market risk capital charge and operational risk charge, as defined by APRA

Appendix 4 – Suncorp Bank updated Slide Information

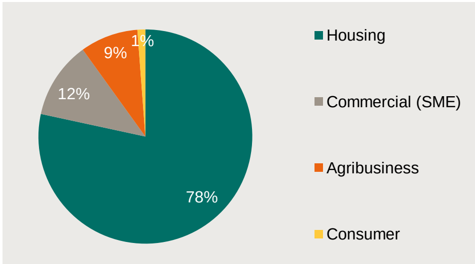
Core Bank

Returning to above system home lending growth

Mortgage growth vs. RBA system (12 month rolling) update



Core lending assets ($42.0bn)



- Overall growth of 3% in the March quarter.
- Agribusiness continued to perform with an increase of 2.9%
- Conditions more subdued for SME with a 1.3% increase
- Deposit to lending ratio maintained at 69.8%

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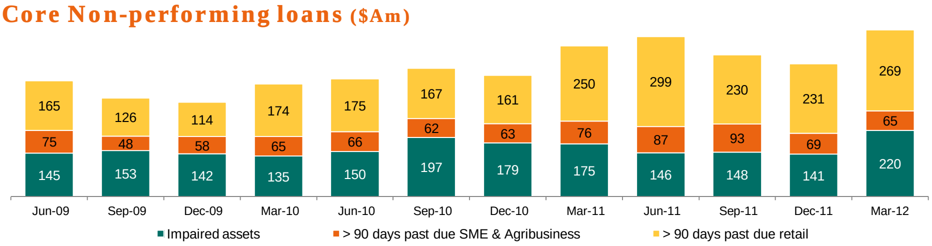
Suncorp Group Limited
March 2012

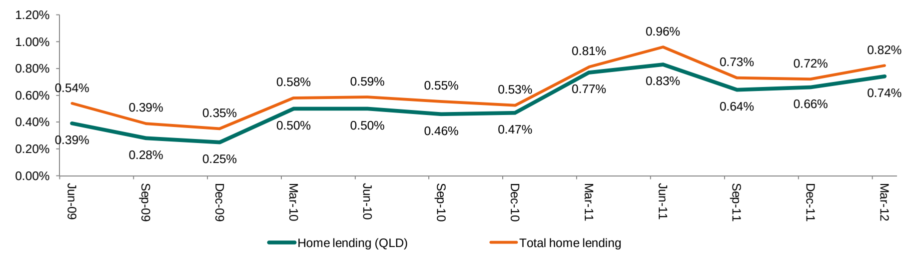
One Company Many Brands SUNCORP GROUP

Core Bank - credit quality

Core Non-performing loans ($Am)



Past due loans (90 days) to gross loans



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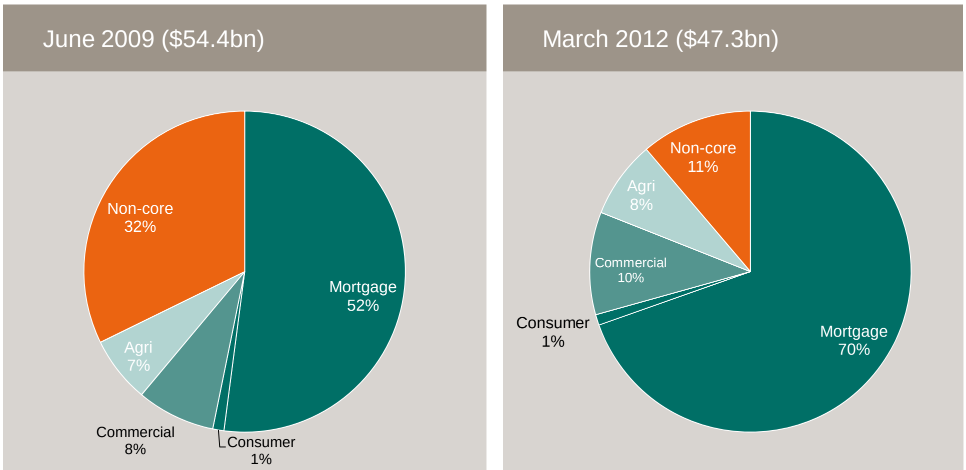
Suncorp Group Limited
March 2012

One Company Many Brands SUNCORP GROUP

Suncorp Bank change in portfolio mix

Non-core portfolio is now only 11% of total lending assets



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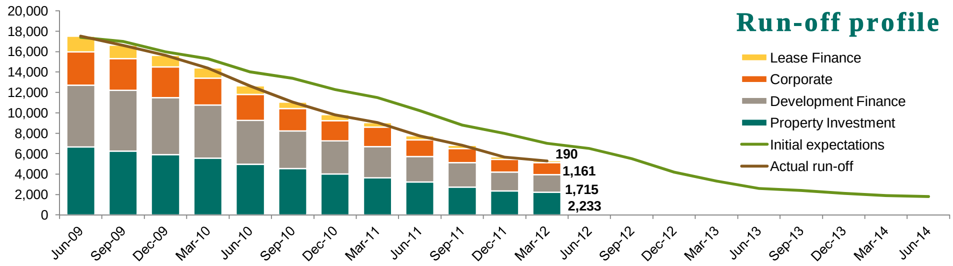
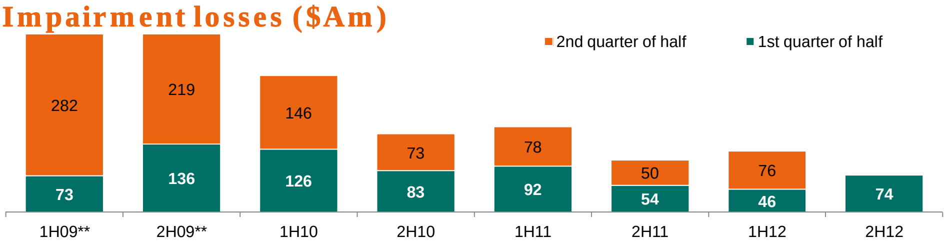
Non-core Bank

Continuing to run-off ahead of expectations....down to $5.3bn



Impairment losses ($Am)



** Reporting periods prior to Core/Non-core reporting split

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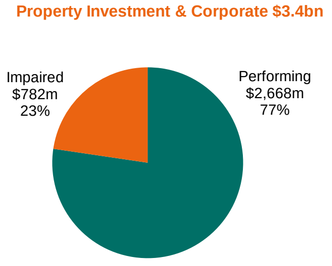
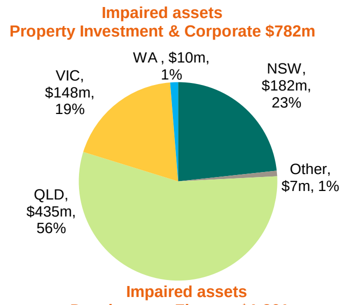
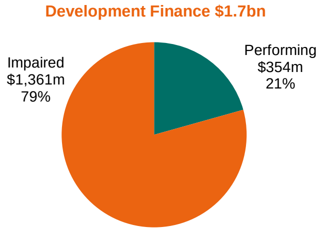
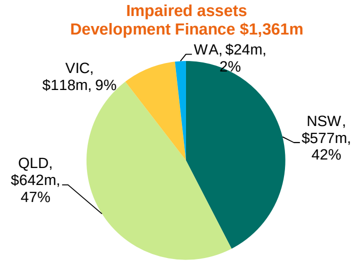
Non-core Portfolio Splits









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Suncorp Group Limited
March 2012

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