

30 MAY 2012

## **SUNCORP BANK INAUGURAL COVERED BOND OVER-SUBSCRIBED ISSUANCE UPSIZED TO A\$1.6B**

Suncorp Bank today confirmed it had priced its covered bond deal which was over-subscribed following its launch this morning.

In response to significant investor demand Suncorp Bank has issued an upsized 4.5 year fixed rate tranche, lifting the transaction from A\$750million to A\$1.1b priced at mid swap + 140bps. Suncorp also issued an A\$500m floating rate tranche for 2.5years priced at 105 bps over BBSW.

Suncorp Bank Chief Executive Officer David Foster said the covered bond program was a first for a non-major Australian bank and highlighted the strength of Suncorp Bank's liquidity and funding position.

"Suncorp Bank is in a unique position as the leading regional bank in Australia as our credit rating gives us access to the same funding markets as the major banks without the significant funding task," Mr Foster said.

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

"Having access to such a diverse range of funding tools, including covered bonds, enables us to further reduce our exposure to volatile international wholesale markets and ultimately improves the security of our portfolio.

"Our covered bond deal forms an important part of the Bank's funding program, and has attracted diverse investor interest both domestically and overseas following recent funding roadshows.

"We received a clear message from fund managers that they wanted to see Suncorp Bank issue in a fixed format and if possible a \$1b tranche size in order to demonstrate a deep and liquid tranche.

"Suncorp appreciates the overwhelming support the funds management community have shown with this transaction. A total of 54 investors participated across both tranches with 80% of the fixed rate orders coming from real money accounts. We were also pleased with the support shown from offshore accounts in Asia and Europe."

Barclays, Deutsche Bank AG, RBC Capital Markets and UBS were Joint Lead Managers.

Ends

For more information contact:

**Media:**

Amy McDonald, 07 3835 5580 or 0403 058 462

**Analysts/Investors:**

Sam Miller, 07 3135 2415