



ASX ANNOUNCEMENT

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SUNCORP PRICES AUSTRALIAN RMBS ISSUE TRANSACTION SIZE DOUBLED TO A\$1 BILLION

Suncorp today confirmed it had finalised pricing of its APOLLO Series 2010-1 RMBS issue which was over-subscribed following launch on 25 May.

In response to significant investor demand Suncorp doubled the size of the transaction from A\$500m to A\$1b.

Class	Rating	Size	WAL	Pricing over 1mth BBSW
A1	Aaa/AAA	A\$630 million	1.50 yrs	100
A2	Aaa/AAA	A\$300 million	6.00 yrs	110
AB	nr/AAA	\$50 million	5.1 yrs	retained
B	nr/AA-	\$20 million	5.1 yrs	retained

Following investor meetings in Brisbane, Sydney and Melbourne a total of 14 investors participated in the transaction with the majority of the Class A1 notes bought by domestic fund managers keen to support a very strong result.

The Australian Office of Financial Management (AOFM) bought all of the Class A2 notes.

Suncorp Bank CEO, David Foster, said this transaction was consistent with Suncorp's stated strategy of taking advantage of funding opportunities as they arose.

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

"The broad investor support in the A1 tranche was very pleasing, particularly with the backdrop of the current global market volatility. It is a testament to the quality of Australian mortgages as collateral which is highly valued by investors.

"It also reflects the maturity of Australian residential mortgage securities, demonstrates the resilience of that market in times of heightened uncertainty and reaffirms its importance to the efficient functioning of the broader banking industry. We applaud the support the AOFM has shown in this regard."

Suncorp has recently launched one of the most attractive home loan products in the market with a 1.20% discount to its standard variable rate for new customers for the first 12 months.

Suncorp arranged the transaction while Macquarie Bank Limited and Deutsche Bank Australia Branch were Joint Lead Managers and Joint Book Runners.

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.

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