

Capital raising details

5 February 2009





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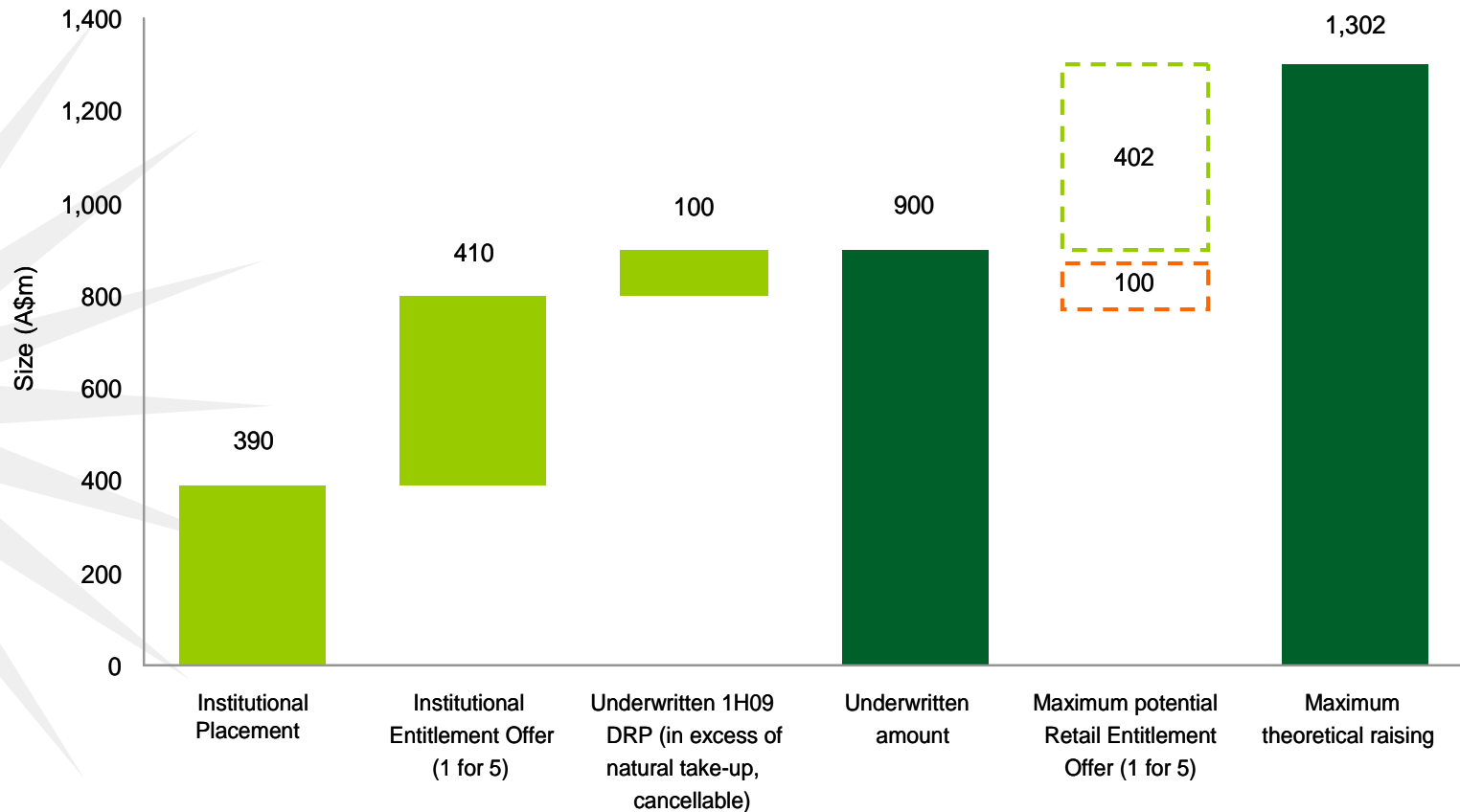
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Capital raising details

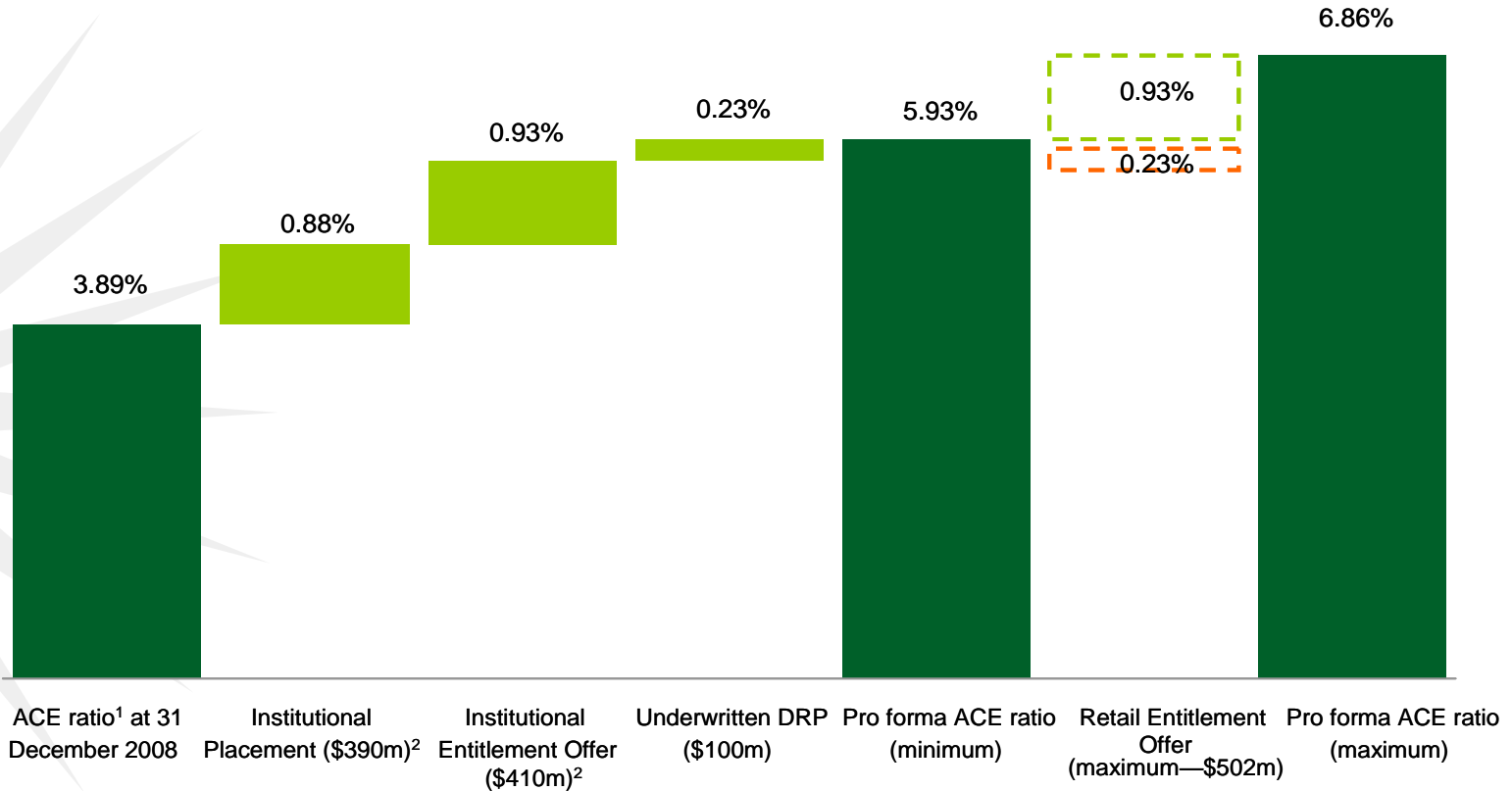
Suncorp today announces an underwritten capital raising to deliver a minimum of \$900 million





Improved capital position

Suncorp's ACE will increase to ~6% as a result of the capital raising



1 Adjusted Common Equity as a percentage of risk weighted assets
 2 Net of fees



Offer structure

Placement to raise \$390 million

- Fully underwritten¹

Entitlement Offer to raise up to \$912 million, underwritten to \$410 million

- Up to \$410 million Accelerated Institutional Entitlement Offer, fully underwritten¹
 - Conducted simultaneously with Placement
- Up to \$502 million Retail Entitlement Offer, non-underwritten
 - Offer closes 13 March 2009

\$4.50 Offer Price

- 35% discount to last closing price (adjusted for 20 cent interim dividend)
- 39% discount to 5-day VWAP (adjusted for 20 cent interim dividend)
- New shares do not rank for 1H09 dividend, which is expected to be 20 cents

Underwritten Dividend Re-investment Plan (DRP)

- \$100 million of 1H09 DRP underwritten¹ (in excess of natural take-up)
- Only exercised if Retail Entitlement Offer take-up is less than \$100 million
 - Underwritten size reduces with Retail Entitlement Offer take-up

¹ The underwriting agreements include a number of termination events, including material disruptions in financial conditions or markets



Summary timetable

Key Dates

Trading Halt	Thursday, 5 February 2009
Institutional Entitlement & Placement Bookbuild opens	Thursday, 5 February 2009
Institutional Shareholding Declaration forms due to Orient Capital	4.00pm (AEDT) Thursday, 5 February 2009
Institutional Entitlement & Placement Bookbuild closes	11.00am (AEDT) Friday, 6 February 2009
Ordinary Shares re-commence trading	Monday, 9 February 2009
Record Date	7.00pm (AEDT) Tuesday, 10 February 2009
Offer information dispatched to Eligible Retail Shareholders	Monday, 16 February 2009
Retail Entitlement Offer Period	16 February – 13 March 2009
Institutional settlement date	Wednesday, 18 February 2009
Institutional trading date (trade as separate ex-dividend class)	Thursday, 19 February 2009
Institutional shares trade with Ordinary Shares	Friday, 27 February 2009
Retail Entitlement Offer closes	Friday, 13 March 2009
Issue of New Shares under Retail Entitlement Offer	Monday, 23 March 2009
Retail trading date	Tuesday, 24 March 2009

Suncorp reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the dates of the Entitlement Offer, including extending the Entitlement Offer, closing the Entitlement Offer early or accepting late applications, either generally or in particular cases, without notice.

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Risks

This section discusses some of the key risks associated with an investment in Suncorp. Before investing in Suncorp, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Suncorp (including these materials, the Market Update dated 5 February 2009, 2008 Annual Results, 2008 Annual Results Presentation and other announcements that have been made available at www.suncorp.com.au or www.asx.com.au), carefully consider their personal circumstances and consult their stockbroker, accountant or other professional adviser before making an investment decision.

SPECIFIC RISKS

1H09 results may differ from Market Update—Suncorp's financial results for the six months to 31 December 2008 are due to be released on 24 February 2009 and may differ from those presented in the Market Update dated 5 February 2009. The guidance provided in the Market Update is subject to finalisation of Suncorp's accounts, and completion of the review by external auditors. As such, actual results for the six months to 31 December 2008 may differ from the guidance contained in the Market Update.

Credit risk—Credit risk is the risk that a borrower or counterparty will not meet its obligations in accordance with agreed terms. Suncorp is exposed to credit risk as a consequence of its lending activities and it maintains provisions to provide for bad and doubtful debts. If these provisions are inadequate there may be an adverse impact on Suncorp's financial performance and position.

Funding and liquidity risk—Banks and other financial institutions (including Suncorp) are currently subject to highly volatile credit market conditions. This volatility may result in (amongst other things):

- a reduction in the availability of markets from which to raise funds;
- an increase in the cost of funding and more onerous lending conditions; and
- an increase in potential counterparty default.

Suncorp accesses credit markets for a variety of funding sources as part of its operations. This access is supported by the recent initiatives of the Federal Government on deposits and wholesale funding. Continued volatility or further deterioration in credit markets may adversely impact the financial performance and position of Suncorp.

Catastrophes—Through its general insurance businesses, Suncorp is subject to claims arising from catastrophes caused by various events, including cyclones, earthquakes, tsunamis, wind, hail, fires, floods, volcanic activity and bushfires, in addition to man-made disasters. These events are inherently unpredictable in terms of their incidence and severity. The extent of insured losses from catastrophes is determined by the total amount of insured exposure in the area affected by the event and the severity of the event. While Suncorp manages its exposure to catastrophes through the purchase of catastrophe reinsurance, Suncorp cannot be assured that such coverage will be adequate or will continue to be available at acceptable levels or at all.



Risks (continued)

Estimation of claims provisions—Suncorp’s provisions for its insurance liabilities may prove to be inadequate to cover its ultimate liability under policies written by its insurance subsidiaries. Within its general insurance subsidiaries Suncorp maintains provisions to cover the estimated ultimate liability for claims, and within its life insurance subsidiary provisions for future policy benefits. Although Suncorp seeks to maintain outstanding claims provisions in its general insurance subsidiaries at a probability of adequacy of approximately 90%, actual future events and conditions may result in the current estimates of claims costs being inadequate. Moreover, additional costs of claims which cannot currently be foreseen, including costs arising from changes in the legal environment, may emerge in the future. Insufficient provisions for insurance liabilities could have a material adverse effect on Suncorp’s financial condition, results of operations and cash flows.

Investment income—Suncorp has a significant investment portfolio that supports liabilities arising from its general insurance and life insurance businesses, as well as generating a portion of Suncorp’s profits. Consequently, investment performance affects the Suncorp Group’s financial condition and results of operations.

Suncorp Group’s investment portfolio consists of assets which back:

- shareholder funds; and
- technical reserves, which represent assets to support outstanding claims and unearned premium liabilities.

The investment portfolio is managed in accordance with the Suncorp Group’s investment policy. The Group’s investment policy for shareholder funds and technical reserves is to invest in high quality fixed interest portfolios. There is risk, however, that adverse market volatility may affect investment.

Reinsurance—Suncorp enters into a number of reinsurance arrangements which allow Suncorp to limit its risk from particular lines of business or from specific events and to increase its capacity to write new policies. Under these arrangements, other insurers and reinsurers assume a portion of Suncorp’s exposure to reported and unreported losses in exchange for a premium. The availability, amount and cost of reinsurance depend on prevailing market conditions, in terms of price and available capacity, and may vary significantly. There are risks involved in reinsurance in relation to availability, price, conditions of reinsurance, determination of proper levels of outwards reinsurance, dispute of reinsurance claims, collection of reinsurance receivables and default risk of reinsurance counterparties. All of these risks may have a material adverse effect on Suncorp’s financial condition and results of operations.

Transaction risk—Suncorp may seek to grow in the future by merging with or acquiring other companies in the financial services industry. This may cause Suncorp to face operational and financial risks that could adversely affect Suncorp and its results of operations. Conversely, Suncorp may seek to sell or dispose of certain businesses in the future. This may result in a change in the operations of Suncorp and cause Suncorp to face operations and financial risks that could adversely affect Suncorp’s financial condition and results of operations.



Risks (continued)

Regulatory risk—Suncorp's business is subject to substantial regulatory and legal oversight. In particular, Suncorp is subject to prudential supervision by APRA, which requires Suncorp, amongst other things, to meet minimum capital requirements within its operations. Any significant regulatory developments, including changes to prudential regulatory requirements, accounting standards and tax laws, could have an adverse effect on how Suncorp conducts its business and on Suncorp's financial condition and results of operations. Suncorp's business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the Australian government. The nature and impact of future changes in such policies are not predictable and are beyond Suncorp's control. The general insurance, banking or wealth management industries could be subjected to changes or additions to existing governmental regulations that may impair Suncorp's financial performance. If Suncorp does not meet regulatory requirements, it may be subject to penalties, including fines or the suspension or cancellation of authority to conduct business. Non-compliance may also give rise to adverse publicity and damage to Suncorp's reputation.

Queensland legislation affecting Suncorp—Queensland legislation imposes certain restrictions on Suncorp including an obligation to maintain its head office in Queensland. These restrictions could potentially inhibit Suncorp's operations in the future as well as any future takeover of, or by, Suncorp.

Systems risk—General insurance and financial services businesses rely to a significant degree on information technology systems, with day-to-day operations of each aspect of business being computer based, as are the systems used to calculate and monitor underwriting risks, reserve modelling and reinsurance arrangements. Failure of such systems could result in business interruption, the loss of customers, damaged reputation and weakening of competitive position and could therefore adversely affect business and profitability.

Climate change—Climate change might lead to more significant and frequent weather related claims. Climate change may adversely impact the performance of general insurance and financial services businesses.



Risks (continued)

GENERAL RISKS

Market price—The market price of Suncorp shares will fluctuate due to various factors including investor perceptions, domestic and international investment markets and economic conditions, and other factors that may affect Suncorp's financial performance and position. The market price of Suncorp shares could trade on the ASX at a price below their issue price.

General economic conditions—As Suncorp conducts all of its business in Australia and New Zealand, its performance is influenced by the level and cyclical nature of business activity in Australia and New Zealand and, in particular, the State of Queensland, where its business is concentrated. Suncorp's business activity is also influenced by both domestic and international economic and political events. There can be no assurance that a weakening in either/or both of the Australian and New Zealand economies, and the Queensland economy in particular, will not have a material adverse effect on Suncorp's financial condition and results of operations.

Interest rate risk—Adverse movements in interest rates, both in Australia and abroad, may impact Suncorp's earnings in each of the Banking, General Insurance and Wealth Management businesses.

Credit ratings—The price of Suncorp shares and Suncorp's ability to access debt at a reasonable cost may be affected by a downgrade to its credit ratings.

Taxation implications—Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Suncorp shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Suncorp operates, may impact the future tax liabilities of Suncorp.

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