

25 September 2012

SUNCORP LAUNCHES CPS2 OFFER

Suncorp Group Limited (“Suncorp”) today announced its intention to raise approximately A\$350 million with the ability to raise more or less, through an offer of convertible preference shares (“CPS2”) which are expected to be quoted on the Australian Securities Exchange (“ASX”).

The proceeds from the Offer will be used for general corporate, funding and capital management purposes including to maintain appropriate levels of gearing following the proposed redemption of £253 million (A\$575 million) Tier 2 Subordinated Callable Notes issued by Suncorp-Metway Limited and redeemable on 23 October 2012.

John Nesbitt, Suncorp Group CFO said, “This offer will help Suncorp maintain its strong capital position and further enhance the quality and mix of its regulatory capital.”

CPS2 will qualify as Residual Tier 1 Capital for Australian Prudential Regulation Authority (“APRA”) purposes under its current capital prudential standards and will be fully eligible for inclusion as Additional Tier 1 Capital under APRA’s Basel III capital adequacy framework from 1 January 2013 until 17 December 2017¹.

Full details of this investment opportunity and the CPS2 Terms are set out in the Prospectus lodged with the Australian Securities and Investments Commission (“ASIC”) and ASX today.

The Prospectus is available to Australian investors at www.suncorpgroup.com.au or by calling the Suncorp CPS2 Offer Information Line below. A replacement Prospectus, containing the Margin and Application Forms, is expected to be made available on 3 October 2012.

UBS has been appointed as Structuring Adviser and Joint Lead Manager.

ANZ Securities, National Australia Bank, RBS Morgans and Westpac Institutional Bank have also been appointed as Joint Lead Managers.

Investors should read the Prospectus in full before deciding whether to invest in CPS2. Applications may only be made using the Application Form attached to or accompanying the replacement Prospectus.

Ends

For more information contact:

Securityholders and the general public:

Suncorp CPS2 Offer Information Line:
1300 882 012 (within Australia)
+61 2 8280 7450 (outside Australia)
Monday to Friday—8:00am to 7:30pm (Sydney time).

Media: Analysts/Investors:

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¹ Subject to obtaining ordinary shareholder approval by 31 March 2013 for certain amendments to the Suncorp Constitution to enable the CPS2 Terms to include APRA required non-viability related provisions, as described in the Prospectus. Pending shareholder approval, transitional arrangements would apply during the March quarter. If shareholder approval is not obtained by 31 March 2013, the CPS2 will remain on issue but will not be Basel III compliant and would only qualify as regulatory capital in accordance with APRA’s standard transitional treatment. Please read the Prospectus for further information.

More information about the Offer

The Offer comprises:

- an Institutional Offer to certain Institutional Investors;
- a Broker Firm Offer to Australian resident retail and high net worth clients of Syndicate Brokers;
- a Securityholder Offer to Eligible Securityholders; and
- a General Offer to members of the general public who are resident in Australia.

Key features of CPS2

- CPS2 are fully paid, unsecured preference shares to be issued by Suncorp.
- Suncorp may elect, at its option, to Exchange all or some CPS2 on the Optional Exchange Date (17 December 2017). CPS2 will Mandatorily Convert into ordinary shares of Suncorp on 17 December 2019, subject to certain conditions being satisfied, unless they are Exchanged earlier.
- Holders of CPS2 will receive discretionary, floating rate, non-cumulative and preferred dividends, which are scheduled to be paid quarterly (subject to certain Dividend Payment Tests). Dividends are expected to be fully franked.²
- The Dividend Rate will be calculated on a quarterly basis as the sum of the 90 day Bank Bill Rate plus the Margin, adjusted for franking credits.
- The Margin will be determined under the Bookbuild, and is expected to be in the range of 4.65% and 4.85% per annum.
- The minimum investment in CPS2 is \$5,000 (50 CPS2).

Indicative timetable

Key dates for the Offer	Date
Record date for determining Eligible Securityholders	17 September 2012
Lodgement of this Prospectus with ASIC	25 September 2012
Bookbuild	2 October 2012
Announcement of the Margin	3 October 2012
Lodgement of the replacement prospectus with ASIC	3 October 2012
Opening Date	3 October 2012

² A CPS2 Holder's ability to use franking credits will depend on their individual tax position.

Key dates for the Offer	Date
Closing Date for the Securityholder Offer and General Offer	30 October 2012
Closing Date for the Broker Firm Offer	5 November 2012
Issue Date	6 November 2012
CPS2 commence trading on ASX (deferred settlement basis)	7 November 2012
Holding Statements despatched by	8 November 2012
CPS2 commence trading on ASX (normal settlement basis)	9 November 2012

Key dates for CPS2	Date
Suncorp AGM	25 October 2012
First quarterly Dividend Payment Date	17 December 2012
Optional Exchange Date	17 December 2017
Scheduled Mandatory Conversion Date	17 December 2019

Dates may change

These dates are indicative only and may change without notice.

Suncorp and the Joint Lead Managers may agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late Applications, whether generally or in particular cases, or withdrawing the Offer at any time before CPS2 are issued, at their discretion.

Definitions

Unless otherwise defined, capitalised words used in this announcement have the meanings given to them in the Prospectus.

Disclaimer

This announcement does not constitute an offer of any securities (including the CPS2) for sale or issue. No action has been taken to register or qualify CPS2 or the Offer or to otherwise permit a public offering of CPS2 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the CPS2 nor the Ordinary Shares have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. The CPS2 are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.