ASX announcement

One Company Many Brands

29 October 2013

NSW FIRES UPDATE AND SUNCORP BANK APS330

Key Points

- Suncorp Group has received about 400 NSW bushfire claims estimated to cost between $60 million and $70 million
- Suncorp Bank total lending increased 0.3% over the quarter to $48.3 billion
- Home lending increased by 1.1% to $37.5 billion
- Suncorp Bank gross impaired assets reduced 7.7% to $467 million
- Suncorp Bank impairment losses of $18 million for the quarter, 15 basis points of gross lending assets

Suncorp Group today provided an update on the bushfires that have impacted communities in New South Wales in the past two weeks. The Group has received about 400 claims estimated to cost between $60 million and $70 million. The Group carries a full-year natural hazard events allowance of $565 million.

Suncorp Group CEO Patrick Snowball said assessors had been deployed to affected regions.

"With the fires now contained, we can begin the task of helping customers re-build their homes and communities following these devastating bushfires," he said.

Suncorp Bank also provided an update on assets, credit quality and capital as at 30 September 2013, as required under Australian Prudential Standard 330.

Growth in the Bank's core markets of home, agribusiness and small business lending was maintained despite subdued economic conditions and lower system growth levels.

Suncorp Bank continues to manage credit quality within stated risk tolerances by targeting low-risk lending. New lending is focused on owner occupiers seeking to borrow less than $500,000 in the Bank's target markets.

Suncorp Bank CEO David Foster said lending growth continued due to strong branch distribution in growth regions complemented by customer acquisition through improved servicing of brokers.

"Home lending continues to benefit from investments in channel and geographic expansion to deliver broad-based growth across major national markets," he said.

"We continue to grow and strengthen our business by meeting the needs of our customers with a simple and attractive product suite as they look for alternatives to the major banks."

Bank impairment losses of $18 million for the quarter were within the Bank's medium-term expectation. The overall reduction in gross impaired assets of 7.7% to $467 million reflects the planned run-off of the Non-core portfolio. Past due loans remain low.

The residual balance of the Non-core portfolio reduced by $340 million over the September quarter to $395 million, in line with expectations.

For more information

Media:	Michelle Barry (07) 3135 4321
Analysts/investors:	Samantha Miller (07) 3135 2415

Suncorp Group Limited ABN 66 145 290 124

Suncorp Bank APS330

the quarter ended 30 September 2013

Release date: 29 October 2013

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Basis of preparation

This document has been prepared by the Suncorp Bank to meet the disclosure obligations (including Remuneration Disclosures) 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 (SML) and its subsidiaries. Suncorp-Metway Ltd is an authorised deposit-taking institution and a wholly owned subsidiary of Suncorp Group Limited (SGL). Suncorp Group is represented by Suncorp Group Limited and its subsidiaries. The Suncorp Group Board Remuneration Committee (the Committee) is a sub-committee of the Suncorp Group Board (the Board) and advises and makes recommendations on all matters related to remuneration across the Group.

For the last four years, the Bank has been reported separate Core and Non-core sections. Following the resolution of the Non-core bank in June 2013, the Bank's APS 330 disclosures are now reported on a consolidated basis. All prior comparatives are for the consolidated Bank.

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. The financial information contained in 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 and Suncorp Metway Limited 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 30 September 2013 and should be read in conjunction with the definitions in Appendix 3 and other information concerning Suncorp Group filed with the Australian Securities Exchange.

The Remuneration Disclosure (Table 18) in Appendix 2 is effective as at 30 June 2013 and has undergone a voluntary review by an external auditor, KPMG. This will be disclosed annually.

Disclaimer

This report contains general information which is current as at 29 October 2013. 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 and Suncorp Bank 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 and Suncorp Bank 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).

Registered Office

Level 18, 36 Wickham Terrace
Brisbane Queensland 4000
Telephone: (07) 3835 5769
www.suncorpgroup.com.au

Investor Relations

Mark Ley
Head of Investor Relations
Telephone: (07) 3135 3991
mark.ley@suncorp.com.au

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Overview

Suncorp Bank achieved steady lending growth in its target markets of home, agribusiness and commercial (SME) lending. This growth was primarily delivered from non-Queensland markets which have benefited from previous expansion of the retail footprint in New South Wales and Western Australia, as well as customer acquisition through intermediated channels.

The corporate and property portfolio, representing the residual Non-core Bank, reduced to $395 million from $735 million. The reduction in this portfolio continues to further de-risk the Bank.

As a result of the reduction in the corporate and property portfolio, Suncorp Bank's credit risk weighted assets reduced $420 million during the September quarter.

Lending growth is underpinned by a broad and diversified funding capability with the Bank having access to a range of stable retail and wholesale funding markets. Over 66% of the lending portfolio is funded by customer deposits. Suncorp's 'A+/A1' credit ratings enable the Bank to access a range of domestic and global funding markets. Suncorp Bank continues to hold high levels of physical and contingent liquidity and as a result has a liquid asset ratio significantly stronger than its peer group.

Impairment losses for the quarter were $18 million, representing 0.15% of gross loans.

Suncorp Bank continues to manage credit quality within stated risk tolerances by targeting low risk lending. New lending is focused on owner occupiers seeking to borrow less than $500,000 in the Bank's target markets. Impaired assets decreased over first quarter and past due loans remain low as a percentage of gross lending.

Loans, advances and other receivables

	SEP-13 $M	JUN-13 $M	SEP-12 $M	SEP-13 vs JUN-13 %	SEP-13 vs SEP-12 %
Housing loans	30,134	29,399	27,826	2.5	8.3
Securitised housing loans	7,441	7,759	6,976	(4.1)	6.7
Total housing loans	37,575	37,158	34,802	1.1	8.0
Consumer loans	452	463	464	(2.4)	(2.6)
Retail loans	38,027	37,621	35,266	1.1	7.8
Commercial (SME)	5,553	5,531	5,058	0.4	9.8
Agribusiness	4,389	4,311	3,944	1.8	11.3
Corporate and property	395	735	3,972	(46.3)	(90.1)
Business loans	10,337	10,577	12,974	(2.3)	(20.3)
Total lending	**48,364**	**48,198**	**48,240**	**0.3**	**0.3**
Other receivables	99	101	1,247	(2.0)	(92.1)
Gross banking loans, advances and other receivables	48,463	48,299	49,487	0.3	(2.1)
Provision for impairment	(239)	(300)	(505)	(20.3)	(52.7)
Loans, advances and other receivables	**48,224**	**47,999**	**48,982**	**0.5**	**(1.5)**
Credit risk weighted assets	**24,944**	**25,364**	**27,463**	**(1.7)**	**(9.2)**
Geographical breakdown - Total lending					
Queensland	28,257	28,254	28,864	0.0	(2.1)
New South Wales	11,320	11,212	10,883	1.0	4.0
Victoria	4,286	4,273	4,311	0.3	(0.6)
Western Australia	3,080	3,066	2,906	0.5	6.0
South Australia and other	1,421	1,393	1,276	2.0	11.4
Outside of Queensland loans	20,107	19,944	19,376	0.8	3.8
Total lending	**48,364**	**48,198**	**48,240**	**0.3**	**0.3**

Personal Lending

Retail loans grew 1.1% in a low system credit growth environment, bringing the balance to $38 billion (including securitised assets) at 30 September 2013.

Home lending increased 1.1% to $37.6 billion as a result of investments in channel and geographic expansion to deliver broad based growth across major national markets.

The consumer lending portfolio, comprising personal loans and margin lending, decreased 2.4% over the quarter. This is consistent with market trends and ongoing consumer deleveraging.

Business Lending

Commercial (SME)

Suncorp Bank's commercial (SME) lending portfolio increased 0.4% to $5.5 billion over the quarter. Growth was impacted by subdued business operating conditions and intense competition for refinance lending. Enhancements to the service offering combined with competitive pricing and product propositions will enable Suncorp to continue to compete strongly in this segment.

Agribusiness

The agribusiness portfolio increased to $4.4 billion, up 1.8% over the quarter, increasing market share nationally and in Queensland. Sustained growth momentum is largely the result of building the Bank's profile in interstate markets, recapturing lost market share in Queensland and process initiatives put in place throughout the year. These initiatives will continue to underpin agribusiness lending performance moving forward.

Rural incomes remain under pressure with certain sectors continuing to be impacted by dry conditions and low prices. By contrast, indicators for the dairy, grain and cotton sectors suggest an improvement in operating conditions over the short-term. The Bank continues to see growth in the grain sector as a result.

The portfolio is well-diversified by sector with less than 35% concentration in beef and 25% in grain and mixed farming sectors. Over 30% of the portfolio is situated outside of Queensland with New South Wales the second largest market followed by Victoria. Bank market share continues to increase underpinned by growth seen across these key markets and sectors.

Corporate and Property

The corporate and property portfolio represents the residual Non-core Bank. The portfolio reduced by $340 million to $395 million at 30 September 2013. The reduction was largely due to a disposal of a performing loan for $227 million in September, which incurred a loss on sale of $3.4 million. It is expected that the net receivable balance will be below $100 million by 30 June 2014, in-line with previous guidance.

Impairment losses on loans and advances

	SEP-13 $M	JUN-13 $M	MAR-13 $M	SEP-13 vs JUN-13 %	SEP-13 vs MAR-13 %
Collective provision for impairment	(9)	(33)	(6)	(72.7)	50.0
Specific provision for impairment	26	122	81	(78.7)	(67.9)
Actual net write-offs	1	16	1	(93.8)	-
	18	**105**	**76**	**(82.9)**	**(76.3)**
Impairment losses to risk weighted assets (annualised)	**0.29%**	**1.66%**	**1.11%**		

Impairment losses were 29 basis points (annualised) to credit risk weighted assets and within the target operating range of 15 to 35 basis points. As a result of the Non-core resolution, the impairment losses for the Bank reduced by 137 basis points.

The Bank is well placed to ensure that impairment losses remain within the target operating range but, due to challenging economic conditions, they are expected to remain towards the upper end of the range.

Impaired and past due asset balances

	SEP-13 $M	JUN-13 $M	MAR-13 $M	SEP-13 vs JUN-13 %	SEP-13 vs MAR-13 %
Gross balances of individually impaired loans					
with specific provisions set aside	407	460	1,556	(11.5)	(73.8)
without specific provisions set aside	60	46	80	30.4	(25.0)
Gross impaired assets	467	506	1,636	(7.7)	(71.5)
Specific provision for impairment	(146)	(198)	(283)	(26.3)	(48.4)
Net impaired assets	321	308	1,353	4.2	(76.3)
Size of gross individually impaired assets					
Less than one million	35	32	38	9.4	(7.9)
Greater than one million but less than ten million	228	245	273	(6.9)	(16.5)
Greater than ten million	204	229	1,325	(10.9)	(84.6)
	467	506	1,636	(7.7)	(71.5)
Past due loans not shown as impaired assets	442	434	377	1.8	17.2
Gross non-performing loans	909	940	2,013	(3.3)	(54.8)
Analysis of movements in gross individually impaired assets					
Balance at the beginning of the period	506	1,636	1,860	(69.1)	(72.8)
Recognition of new impaired assets	74	169	33	(56.2)	124.2
Increases in previously recognised impaired assets	2	4	10	(50.0)	(80.0)
Impaired assets written off/sold during the period	(73)	(1,340)	(104)	(94.6)	(29.8)
Impaired assets which have been reclassed as performing assets or repaid	(42)	37	(163)	(213.5)	(74.3)
Balance at the end of the period	**467**	**506**	**1,636**	**(7.7)**	**(71.5)**

Impaired assets

Gross impaired assets decreased $39 million or 7.7% in the September quarter. A reduction in the corporate and property portfolio of $67 million was partially offset by an increase in agribusiness impairments of $27 million owing to a number of small exposures affected by adverse weather conditions. Impaired balances in the home lending and commercial/SME portfolios were flat.

Past due (not shown as impaired)

Past due loans increased $8 million or 1.8% in the September quarter with an increase in home lending exposures offset by a reduction in corporate and property balances. Past due commercial/SME and agribusiness balances remained flat. Past due performance is expected to remain stable, benefiting from robust risk management processes and the Bank's conservative target market of "middle Australia" i.e. owner occupiers with an average home loan size of less than $500,000.

Provision for impairment

	SEP-13 $M	JUN-13 $M	MAR-13 $M	SEP-13 vs JUN-13 %	SEP-13 vs MAR-13 %
Collective provision					
Balance at the beginning of the period	102	135	141	(24.4)	(27.7)
Charge against contribution to profit	(9)	(33)	(6)	(72.7)	50.0
Balance at the end of the period	93	102	135	(8.8)	(31.1)
Specific provision					
Balance at the beginning of the period	198	283	332	(30.0)	(40.4)
Charge against impairment losses	26	122	81	(78.7)	(67.9)
Write-off of impaired assets	(73)	(190)	(104)	(61.6)	(29.8)
Unwind of interest	(5)	(17)	(26)	(70.6)	(80.8)
Balance at the end of the period	146	198	283	(26.3)	(48.4)
Total provision for impairment - Banking activities	239	300	418	(20.3)	(42.8)
Equity reserve for credit loss					
Balance at the beginning of the period	131	136	133	(3.7)	(1.5)
Transfer to retained earnings	(6)	(5)	3	20.0	(300.0)
Balance at the end of the period	125	131	136	(4.6)	(8.1)
Pre-tax equivalent coverage	179	187	194	(4.5)	(8.0)
Total provision for impairment and equity reserve for credit loss - Banking activities	418	487	612	(14.3)	(31.8)

	%	%	%
Provision for impairment expressed as a percentage of gross impaired assets are as follows:			
Collective provision	19.9	20.2	8.3
Specific provision	31.3	39.1	17.3
Total provision	51.2	59.3	25.6
Equity reserve for credit loss coverage	38.2	37.0	11.9
Total provision and equity reserve for credit loss coverage	89.4	96.3	37.4

The Bank is well provisioned with total provision and equity reserve for credit losses (ERCL) coverage of 89.4%.

Appendices

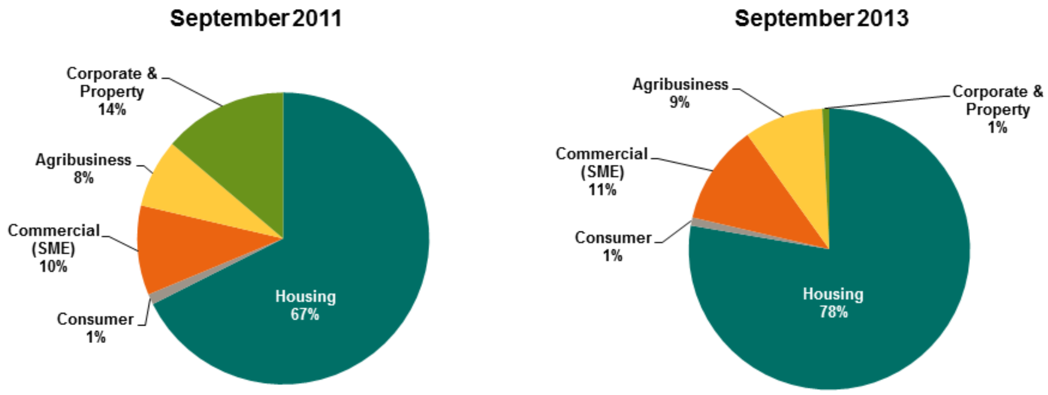
Appendix 1 – Suncorp Bank updated slide information

Suncorp Bank

High quality, low risk assets

- Significant de-risking of the lending portfolio has been undertaken since 2011 assisted by the non-core portfolio sale.
- Following the sale of the 'Non-core' loans in June 2013 and ongoing run-off during the September quarter, the Corporate and Property portfolio is expected to reduce to under $100 million by June 2014.
- Ongoing focus on low risk housing lending and complementary commercial/SME lending to the 'Middle Australia' target market.

Lending assets by segment (m)



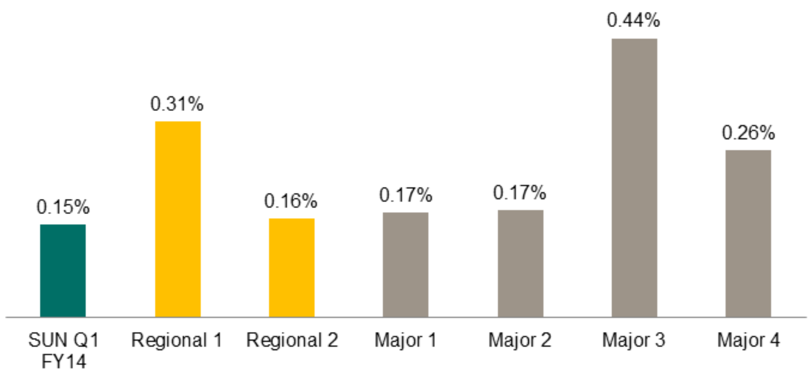
1

Credit Quality

Industry comparison

- A comparison against industry peers shows SUN is well positioned with the lowest impairment loss against the Regional and Major banks at 15bps of gross lending assets

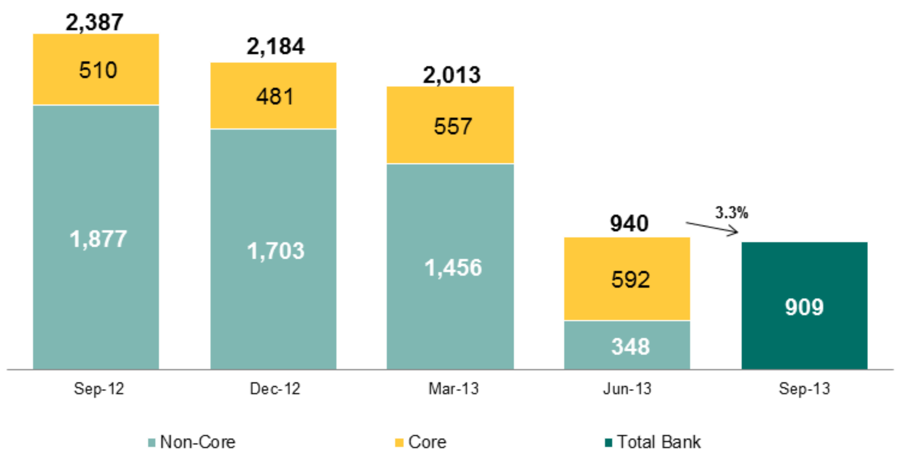
Loss Impairment to Gross Loans



Source: Latest Company reports for Regional and Major banks.

2

Credit Quality
Gross Non-Performing Loans ($Am)



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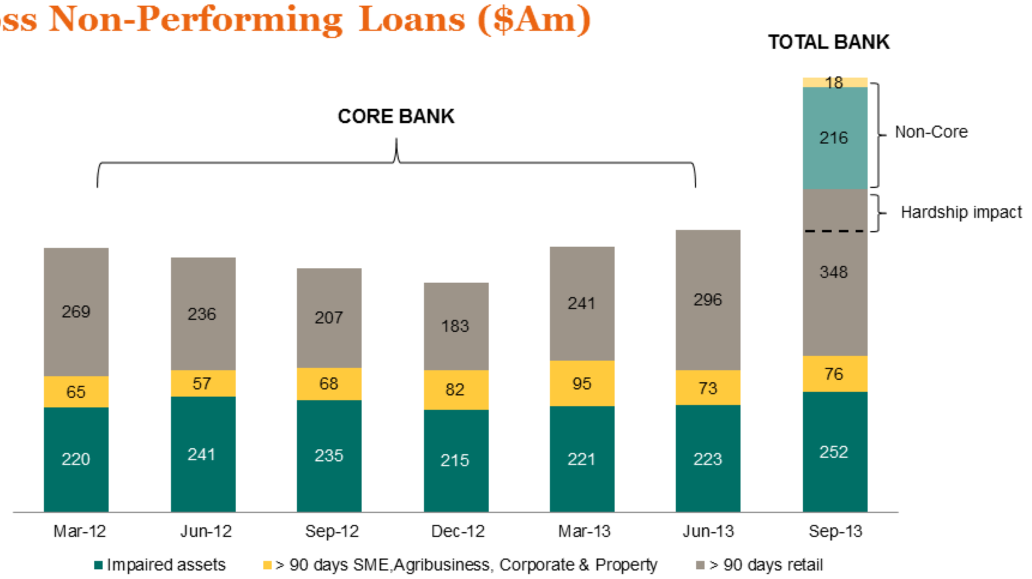
Credit Quality
Gross Non-Performing Loans ($Am)



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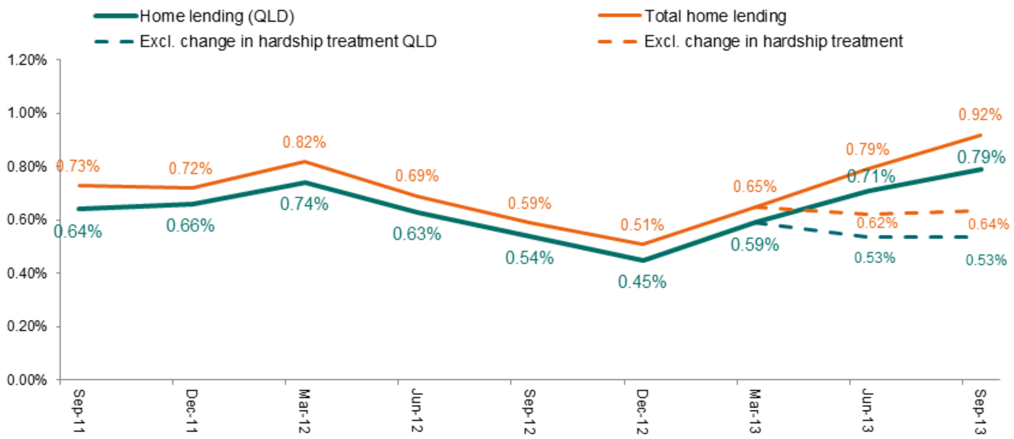
Appendices

Credit Quality

Past due home loans as a % of gross home loans

- Headline past due home loan balances reflect changes to the recognition of hardship loans
- Underlying past due home loan balances (excluding adjustments for hardship loans) increased $8 million in the September quarter to 64bps of gross loans



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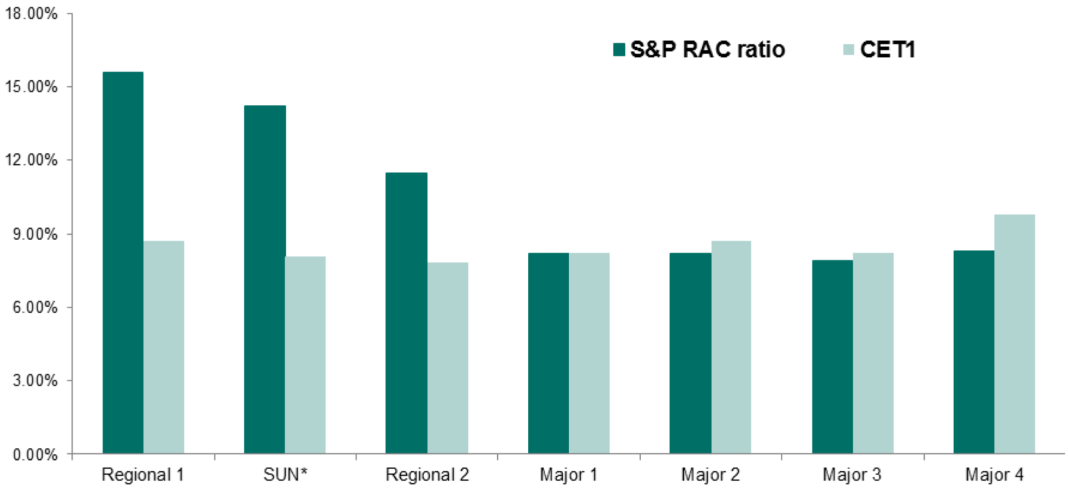
Capital

Strong capital position under APRA and S&P criteria



**Suncorp Bank's estimates of RACF ratio as at September 2013 , incorporating run off of the Non-core and increased CET1 of 8.06%*

Source: Latest company reports for Regional and Major banks and S&P credit reports

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Suncorp Bank targets

Sustainable growth over the medium term

Return on CET1	• 12 – 15%
Net Interest Margin	• 175 – 185bps
Cost to income ratio	• Less than 50%
Deposit to lending ratio	• 60 - 70%
Lending growth	• 7-10%, 1.0 to 1.3 x system

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Appendices

Appendix 2 – APS 330 tables

Table 3: Capital Adequacy

	CARRYING VALUE		AVG RISK WEIGHT	RISK-WEIGHTED ASSETS	
	SEP-13	JUN-13	SEP-13	SEP-13	JUN-13
	$M	$M	%	$M	$M
On-balance sheet credit risk-weighted assets					
Cash Items	361	247	15	53	30
Claims on Australian and foreign Governments	1,426	1,078	-	-	-
Claims on central banks, international banking agencies, regional development banks, ADIs and overseas banks	4,793	6,013	21	997	1,233
Claims on securitisation exposures	1,516	1,652	20	310	330
Claims secured against eligible residential mortgages	34,586	34,320	40	13,704	13,635
Past due claims	688	761	105	720	776
Other retail assets	626	664	83	517	549
Corporate	8,357	8,465	100	8,338	8,454
Other assets and claims	337	389	91	305	357
Total Banking assets[1]	52,690	53,589	47	24,944	25,364

[1] Total Banking assets differ from Banking segment assets due to the adoption of APRA classification of intangible assets, deferred tax, incorporation of trading book in the market risk capital charge and general reserve for credit losses for capital adequacy purposes.

	NOTIONAL AMOUNT	CREDIT EQUIVALENT	AVG RISK WEIGHT	RISK-WEIGHTED ASSETS	
	SEP-13	SEP-13	SEP-13	SEP-13	JUN-13
	$M	$M	%	$M	$M
Off-balance sheet positions					
Guarantees entered into in the normal course of business	310	308	74	229	226
Commitments to provide loans and advances	7,086	1,927	57	1,105	1,014
Foreign exchange contracts	5,911	236	30	71	102
Interest rate contracts	46,813	186	52	96	92
Securitisation exposures	4,049	62	85	53	49
CVA capital charge	-	-	-	168	182
Total off-balance sheet positions	64,169	2,719	63	1,722	1,665
Market risk capital charge				337	385
Operational risk capital charge				3,308	3,308
Total on-balance sheet credit risk-weighted assets				24,944	25,364
Total Assessed Risk				30,311	30,722
Risk-weighted capital ratios				%	%
Common Equity Tier 1				8.06	7.59
Tier 1				9.54	9.15
Tier 2				3.39	3.37
Total risk-weighted capital ratio				12.93	12.52

Table 4: Credit Risk

Table 4A: Credit risk by gross credit exposure – outstanding as at 30 September 2013

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	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	-	-	-	3,985	197	-	4,182	149	20	4,013	30
Construction & development	-	-	-	701	106	-	807	105	11	691	33
Financial services	636	2,404	5,056	584	168	422	9,270	-	-	9,270	-
Hospitality	-	-	-	1,015	43	-	1,058	49	-	1,009	19
Manufacturing	-	-	-	397	24	-	421	13	17	391	4
Professional services	-	-	-	258	13	-	271	3	4	264	2
Property investment	-	-	-	1,971	58	-	2,029	39	12	1,978	29
Real estate - Mortgage	-	-	-	33,657	1,478	-	35,135	30	341	34,764	7
Personal	-	-	-	453	11	-	464	-	8	456	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,914	137	-	2,051	79	29	1,943	22
Total gross credit risk	**636**	**2,404**	**5,056**	**44,936**	**2,235**	**422**	**55,689**	**467**	**442**	**54,780**	**146**
Securitisation Exposures (1)	-	-	1,516	3,918	45	17	5,496	-	-	5,496	-
Total including Securitisation Exposures	**636**	**2,404**	**6,572**	**48,854**	**2,280**	**439**	**61,185**	**467**	**442**	**60,276**	**146**
Impairment provision							(239)	(146)	(31)	(62)	
TOTAL							**60,946**	**321**	**411**	**60,214**	

(1) The securitisation exposures of $3,918 million included under “Loans advances and other receivables” qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank’s Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

(2) “Credit commitments” and “Derivative instruments” represent the credit equivalent amount of the Bank’s off-balance sheet exposures calculated in accordance with APS 112.

(3) Total loans, advances and other receivables include receivables due from related parties.

(4) Receivables due from other Banks includes collateral deposits provided to derivative counterparties.

Table 4: Credit Risk (continued)

Table 4A: Credit risk by gross credit exposure – outstanding as at 30 June 2013

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	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	-	-	-	3,919	184	-	4,103	129	24	3,950	31
Construction & development	-	-	-	790	116	-	906	155	33	718	57
Financial services	1,460	3,462	4,988	560	132	500	11,102	-	-	11,102	-
Hospitality	-	-	-	1,017	46	-	1,063	39	23	1,001	12
Manufacturing	-	-	-	393	29	-	422	13	2	407	5
Professional services	-	-	-	259	10	-	269	3	2	264	2
Property investment	-	-	-	2,205	77	-	2,282	44	18	2,220	44
Real estate - Mortgage	-	-	-	33,371	1,224	-	34,595	29	290	34,276	6
Personal	-	-	-	462	8	-	470	-	7	463	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,967	163	-	2,130	94	35	2,001	41
Total gross credit risk	**1,460**	**3,462**	**4,988**	**44,944**	**1,989**	**500**	**57,343**	**506**	**434**	**56,403**	**198**
Securitisation Exposures (1)	-	-	1,652	3,721	41	16	5,430	-	-	5,430	-
Total including Securitisation Exposures	**1,460**	**3,462**	**6,640**	**48,665**	**2,030**	**516**	**62,773**	**506**	**434**	**61,833**	**198**
Impairment provision							(300)	(198)	(38)	(64)	
TOTAL							**62,473**	**308**	**396**	**61,769**	

(1) The securitisation exposures of $3,721 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

(2) "Credit commitments" and "Derivative instruments" represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS 112.

(3) Total loans, advances and other receivables includes receivables due from related parties.

(4) Receivables due from other Banks includes collateral deposits provided to derivative counterparties.

Table 4: Credit Risk (continued)

Table 4A: Credit risk by gross credit exposure – average gross exposure over period 1 July to 30 September 2013

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	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	-	-	-	3,952	190	-	4,142	139	22	3,981	31
Construction & development	-	-	-	746	111	-	857	130	22	705	45
Financial services	1,048	2,933	5,022	572	150	461	10,186	-	-	10,186	-
Hospitality	-	-	-	1,016	45	-	1,061	44	12	1,005	16
Manufacturing	-	-	-	395	26	-	421	13	10	398	5
Professional services	-	-	-	259	11	-	270	3	3	264	2
Property investment	-	-	-	2,088	68	-	2,156	42	15	2,099	37
Real estate - Mortgage	-	-	-	33,514	1,351	-	34,865	30	316	34,519	7
Personal	-	-	-	458	9	-	467	-	8	459	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,941	150	-	2,091	87	32	1,972	32
Total gross credit risk	**1,048**	**2,933**	**5,022**	**44,942**	**2,111**	**461**	**56,517**	**488**	**440**	**55,589**	**175**
Securitisation Exposures (1)	-	-	1,584	3,819	43	17	5,463	-	-	5,463	-
Total including Securitisation Exposures	**1,048**	**2,933**	**6,606**	**48,761**	**2,154**	**478**	**61,980**	**488**	**440**	**61,052**	**175**
Impairment provision							(270)	(172)	(35)	(63)	
TOTAL							**61,710**	**316**	**405**	**60,989**	

(1) The securitisation exposures of $3,819 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

(2) "Credit commitments" and "Derivative instruments" represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS 112.

(3) Total loans, advances and other receivables includes receivables due from related parties.

(4) Receivables due from other Banks includes collateral deposits provided to derivative counterparties

Table 4: Credit Risk (continued)

Table 4A: Credit risk by gross credit exposure – average gross exposure over period 1 April to 30 June 2013

	RECEIVABLES DUE FROM OTHER BANKS (4)	TRADING SECURITIES	INVESTMENT SECURITIES	LOANS, ADVANCES AND OTHER RECEIVABLES (3)	CREDIT COMMITMENTS (2)	DERIVATIVE INSTRUMENTS (2)	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	-	-	-	3,865	175	-	4,040	116	36	3,888	28
Construction & development	-	-	-	1,382	108	-	1,490	552	34	904	118
Financial services	1,355	2,998	4,712	484	163	442	10,154	-	-	10,154	-
Hospitality	-	-	-	1,050	51	-	1,101	59	17	1,025	10
Manufacturing	-	-	-	405	25	-	430	13	2	415	5
Professional services	-	-	-	243	10	-	253	4	2	247	2
Property investment	-	-	-	2,645	74	-	2,719	202	13	2,504	44
Real estate - Mortgage	-	-	-	33,664	1,108	-	34,772	33	263	34,476	6
Personal	-	-	-	425	21	-	446	-	6	440	-
Government/public authorities	-	-	-	1	-	-	1	-	-	1	-
Other commercial & industrial	-	-	-	1,909	153	-	2,062	95	34	1,933	29
Total gross credit risk	**1,355**	**2,998**	**4,712**	**46,073**	**1,888**	**442**	**57,468**	**1,074**	**407**	**55,987**	**242**
Securitisation Exposures (1)	-	-	1,666	3,250	37	14	4,967	-	-	4,967	-
Total including Securitisation Exposures	**1,355**	**2,998**	**6,378**	**49,323**	**1,925**	**456**	**62,435**	**1,074**	**407**	**60,954**	**242**
Impairment provision							(361)	(242)	(39)	(80)	
TOTAL							**62,074**	**832**	**368**	**60,874**	

(1) The securitisation exposures of $3,250 million included under "Loans advances and other receivables" qualify for regulatory capital relief under APS 120 and therefore does not contribute to the Bank's Total gross credit risk. The remaining securitisation exposures carry credit risk commensurate with their respective asset classes in accordance with APS 120.

(2) "Credit commitments" and "Derivative instruments" represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS 112.

(3) Total loans, advances and other receivables includes receivables due from related parties.

(4) Receivables due from other Banks includes collateral deposits provided to derivative counterparties.

Table 4: Credit Risk (continued)

Table 4B: Credit risk by portfolio – 30 September 2013

	GROSS CREDIT RISK EXPOSURE	AVERAGE GROSS EXPOSURE	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	SPECIFIC PROVISIONS	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS	LOSSES ON DISPOSAL OF LOANS AND ADVANCES
	$M	$M	$M	$M	$M	$M	$M
Claims secured against eligible residential mortgages	35,135	34,865	30	341	7	6	-
Other retail	464	467	-	8	-	2	-
Financial services	9,269	10,186	-	-	-	-	-
Government and public authorities	1	1	-	-	-	-	-
Corporate and other claims	10,819	10,998	437	93	139	19	5
Total	55,688	56,517	467	442	146	27	5

Table 4B: Credit risk by portfolio – 30 June 2013

	GROSS CREDIT RISK EXPOSURE	AVERAGE GROSS EXPOSURE	IMPAIRED ASSETS	PAST DUE NOT IMPAIRED > 90 DAYS	SPECIFIC PROVISIONS	CHARGES FOR SPECIFIC PROVISIONS & WRITE OFFS	LOSSES ON DISPOSAL OF LOANS AND ADVANCES
	$M	$M	$M	$M	$M	$M	$M
Claims secured against eligible residential mortgages	34,595	34,772	29	290	6	4	-
Other retail	470	446	-	7	-	1	-
Financial services	11,102	10,154	-	-	-	-	-
Government and public authorities	1	1	-	-	-	-	-
Corporate and other claims	11,175	12,095	477	137	192	121	527
Total	57,343	57,468	506	434	198	126	527

Table 4C: General reserves for credit losses

	SEP-13	JUN-13
	$M	$M
Collective provision for impairment	93	102
Ineligible Collective Provisions on Past Due not Impaired	(31)	(38)
Eligible Collective Provisions	62	64
Equity Reserve for credit losses	125	131
General Reserve for Credit losses	187	195

Appendices

Table 5: Securitisation Exposures

Table 5A: Summary of securitisation activity for the period

	EXPOSURES SECURITISED		RECOGNISED GAIN OR (LOSS) ON SALE	
	SEP-13	JUN-13	SEP-13	JUN-13
	$M	$M	$M	$M
Residential mortgages	452	1,148	-	-
Total exposures securitised during the period	452	1,148	-	-

Table 5B(i): Aggregate of on-balance sheet securitisation exposures by exposure type

	EXPOSURE	EXPOSURE
	SEP-13	JUN-13
Exposure type	$M	$M
Debt securities	1,516	1,652
Total on-balance sheet securitisation exposures	1,516	1,652

Table 5B(ii): Aggregate of off-balance sheet securitisation exposures by exposure type

	PRINCIPAL OR NOTIONAL EXPOSURE	PRINCIPAL OR NOTIONAL EXPOSURE
	SEP-13	JUN-13
Exposure type	$M	$M
Liquidity facilities	89	82
Derivative exposures	3,960	3,748
Total off-balance sheet securitisation exposures	4,049	3,830

Appendices

Appendix 3 Table 18: Remuneration Disclosure requirements

Basis of preparation

The Remuneration disclosure is effective as at 30 June 2013 and has undergone a voluntary review by an external auditor, KPMG. Table 18 will be disclosed annually.

Remuneration Disclosure overview

This Remuneration Disclosure forms part of the APS 330 Capital Disclosure and has been endorsed by the Remuneration Committee and approved by the Board.

The disclosure is structured as follows:

- Section 1: provides clarity on remuneration policies, practices and results and outlines the linkages between remuneration and strategic objectives, both financial and non-financial. References are made to Suncorp Group's remuneration framework and governance as these define the remuneration arrangements within Suncorp Bank; and
- Section 2: sets out the aggregated remuneration details for Senior Managers (Executives) and Material Risk Taker (MRT) roles for Suncorp Bank.

The table below identifies the definitions considered for the purpose of the Remuneration Disclosure requirements under Australian Prudential Standard (APS) 330.

Reference	Detail
Remuneration Disclosure completed on a Level 2 basis	Suncorp Bank is a Business Unit of SGL and represented by SML and its subsidiaries. SML is an authorised deposit-taking institution and a wholly owned subsidiary of SGL. Therefore this Remuneration Disclosure is completed on a Level 2[1] basis.
Senior Managers (Executives)	As Suncorp Bank is represented by SML and its subsidiaries, the KMP[2] roles (excluding the non-executive directors) for SGL are considered as the Senior Managers for the purpose of this aggregated Remuneration Disclosure. Eleven roles are included in this category. This disclosure requirement is provided in Section 2.
Material Risk Takers (MRT) roles for Suncorp Bank	On 28 June 2012 the Board approved Suncorp's definition of 'Material Risk Taker' to align with the 'responsible persons[3]' definition within Suncorp's Fit and Proper Policy as it applies to Australia. For the purpose of this disclosure, 11 roles within Suncorp Bank have been identified as MRT roles. For the purpose of this report, specified EGM[4] and other senior roles within Suncorp Bank are identified as MRT roles. This disclosure requirement is provided in Section 2.
All employees	Section 1 details the qualitative disclosure requirements covering all employees of Suncorp Bank as required under Table 18 E of the APS 330 legislation.

[1] Under Application Paragraph 3, 'where a locally incorporated ADI is a subsidiary of an authorised non-operating holding company (authorised NOHC), the authorised NOHC must ensure that the requirements under this Prudential Standard are met on a Level 2 basis' (APS 330 legislation June 2013).

[2] Key Management Personnel.

[3] As defined in the Australian Prudential Regulation Authority (APRA) Prudential Standard CPS 520 (Fit and Proper).

[4] Executive General Managers.

Appendices

Section 1

i. Remuneration governance framework

The Suncorp Group Board (the Board) is committed to remunerating fairly and responsibly. Suncorp Group's reward philosophy is to provide competitive rewards that motivate appropriately to deliver superior and sustainable performance for shareholders.

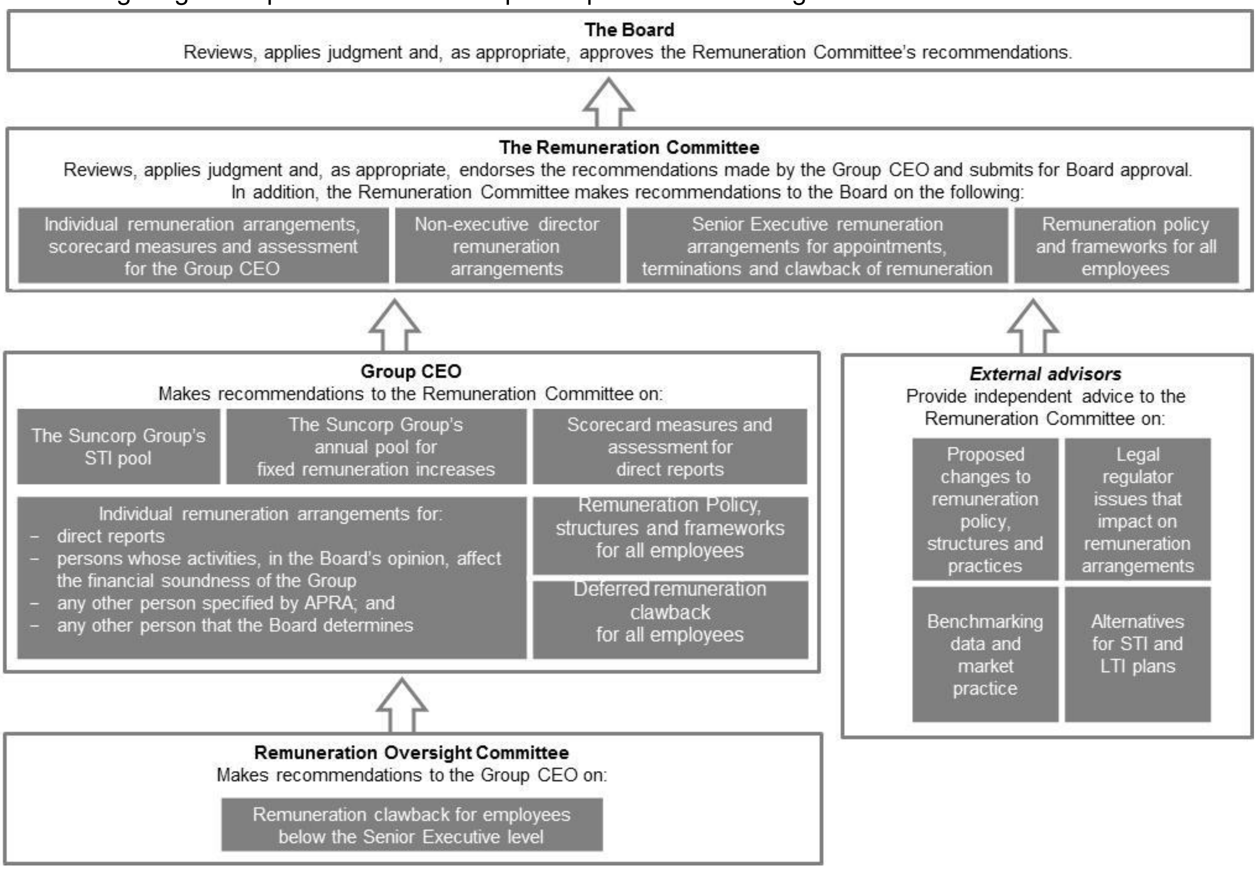
The Remuneration Committee (the Committee) advises and makes recommendations to the Board on remuneration related matters. This Committee operates to its own Board-approved Charter and consists of five independent non-executives directors.

The Committee met five times during FY13[5] and fully discharged its responsibilities in accordance with its Charter. The Committee's Charter, which the Board reviews annually for appropriateness, was confirmed in June 2013. This Charter is available on the Company's website at suncorpgroup.com.au.

The Committee consists of five independent non-executive directors (the Board Chairman is an ex-officio member), and is chaired by Ms. Ilana Atlas, an independent non-executive director with extensive experience in human resource management and remuneration governance.

The FY13 aggregated remuneration for the Committee members' as required under Table 18A (section g) is provided in Section 2.

The following diagram represents the Suncorp Group's remuneration governance framework:



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[5] Refers to the period from 1 July 2012 to 30 June 2013.

The Committee annually reviews the remuneration structure of the Senior Managers and MRT roles for Suncorp Group. This is in accordance with the Combined Prudential Standard (CPS) 510.

The Committee appointed PricewaterhouseCoopers (PwC) as the lead external adviser for remuneration matters for 2013. PwC receives instructions from, and reports to, the Committee. As defined in the *Corporations Act 2001*, PwC did not provide remuneration recommendations and was not a 'remuneration consultant' during FY13.

ii. Group Remuneration Policy and framework

The Board is committed to remunerating fairly and responsibly. Suncorp Group's reward philosophy, which remains unchanged from prior years, is to provide competitive rewards that motivate appropriately to deliver superior and sustainable performance for shareholders.

The Group Remuneration Policy:

- Covers all directors and employees in Australia and overseas, and provides a framework for the governance, structure and operation of Suncorp Group's remuneration systems; and
- Details the accountabilities of the Board, the Committee and management and the governance requirements for all levels of remuneration including for individuals performing risk and financial control roles, third party service contracts and Non-Corporate Incentive Plans.

This policy is reviewed annually, and the other remuneration governance arrangements are reviewed periodically, at least every two years. The Group Remuneration Policy and the supporting standards were last endorsed by the Committee and approved by the Board in June 2013. These were updated to incorporate new regulation and legislative changes.

The reward strategy, derived from linking the reward philosophy with business strategy and risk tolerance, is based on six reward principles which together aim to create and protect shareholder value:

- Align reward with sustainable performance;
- Align effective risk management with reward;
- Balance stakeholder interests;
- Deliver a competitive advantage;
- Ensure gender pay equality; and
- Support Suncorp Group's values and culture.

The Group Remuneration Policy provides a governance framework for the structure and operation of remuneration systems within the context of the long-term financial soundness and risk management framework for all employees of Suncorp Group including Suncorp Bank.

Similar to industry standard, the reward framework for all employees at Suncorp Bank comprises of a mix of fixed and at-risk remuneration. This mix has been demonstrated in the form of a table on the following page. Fixed remuneration is based on industry practice and individual performance. The at-risk components must satisfy performance and risk-related requirements, and are explicitly linked to short term and long term performance of Suncorp Group and prudent risk management. The at-risk components include short term and long term performance linked remuneration that is subject to clawback in part or whole.

Total remuneration opportunity for all employees is evaluated on an annual basis. Fixed remuneration is targeted at market median.

The reward approval matrix is a governance tool that supports the management of the reward framework. It helps ensure appropriate approval is obtained prior to setting or changing remuneration arrangements for all employees at Suncorp Group.

The total remuneration mix varies depending on the level of the role. As the level and complexity of roles increases, the proportion of at-risk remuneration increases. As a result, the proportion of STI that is deferred also increases which is subject to clawback (refer to section iii).

Appendices

Table 18: Remuneration Disclosure requirements (continued)

ii. Group Remuneration Policy and framework (continued)

The table below provides a summary of the remuneration components for all employees of Suncorp Bank and their linkage to strategic objectives:

	Component	Delivery	Performance and risk alignment	Strategic Priority
Fixed remuneration	**Fixed remuneration** Base remuneration (base salary, salary sacrificed benefits, and other benefits) plus superannuation	Base remuneration is paid in cash. Superannuation paid at a rate of 9% of base remuneration or the maximum contribution base[1], whichever is the lesser.	• Reward commensurate with the size and complexity of the role, individual responsibilities, individual performance, experience and skills. Aligned to market median. Reviewed annually considering: – Individual performance and contribution to the Suncorp Group and Suncorp Bank; and – External market competitiveness. • Superannuation contributions paid according to statutory requirements.	Attract and retain highly engaged and enabled talent.
'At risk' remuneration	**Short-term incentives (including deferral)**	Suncorp Bank employees can participate in one of the two types of short term incentive plans. • Suncorp Group's Corporate Incentive Plan; or • In certain circumstances, a Non-Corporate Incentive Plan is applicable for roles where the type of remuneration plan within the market place necessitates a different approach to reward and recognition. . **Deferral** Based on the amount of incentive received, a portion of the incentive payment (for Corporate incentive Plan or Non-Corporate Incentive Plan) is deferred as cash for a period of two years and is subject to potential clawback (in part or whole) at the end of the deferral period.	• The Board approves funding (i.e. the pool) for the Corporate Incentive Plan and the Non-Corporate Incentive Plan annually. • The following are considered to approve the funding: – Suncorp Group and Suncorp Bank performance against key financial and non-financial scorecard measures; – Long- term financial soundness of Suncorp Group and Suncorp Bank; and – The current economic environment. • The Board has the authority to adjust all performance based remuneration downwards to zero, for either individuals or classes of individuals, where deemed appropriate to: – Protect financial soundness of Suncorp Group; – Address non-compliance with code of conduct and related policies, standards, guidelines and procedures; – Respond to unforeseen significant or unintended circumstances; and – Address any other factors as determined by the Suncorp Group board. • Both Corporate Incentive Plan and Non-corporate incentive plans consider Suncorp Group, Suncorp Bank and individual performance to reward employees appropirately. • Deferral and potential clawback encourage a longer term focus. • The Non-corporate Incentive Plans are compliant with the Group Remuneration Policy and the Group Remuneration Policy takes precedence at all times. • The Suncorp Group remuneration governance framework allows for the Board to clawback in part or whole all performance based incentive, if, in the Board's judgement, such an adjustment should occur.	Motivate superior performance and link remuneration to annual business performance. Deferral encourages long-term focus, risk management and alignment with shareholders' interests.
'At risk' remuneration	**Long-term incentives**	Applicable for Senior Executives and Material Risk Taker roles for Suncorp Bank (as identified in Section 2) Performance rights that vest subject to performance hurdles being met and potential clawback[3].	• Rewards executives for their contribution to the creation of long-term shareholder value via exposure to equity in Suncorp Group Limited. • Focuses executives on achievement of Total Shareholder Return (**TSR**) through the use of an external, objective, relative TSR measure to determine outcomes. • The remuneration governance framework allows the Board to exercise its judgment to reduce LTI if, in the Board's judgment, such an adjustment should occur. • Executives cannot hedge equity instruments that are unvested or subject to restrictions.	Motivate superior performance and link remuneration to long-term business performance. Align remuneration with shareholders' interests.

[1] Employer contributions of 9% of ordinary time earnings are paid up to the maximum contribution base, which for the financial year ending 30 June 2013 was $45,750 per quarter.

[2] Paid in cash, unless the individual nominates to have all or part of their award paid into superannuation or Suncorp shares (subject to relevant limits).

[3] Clawback on LTI is applicable from the October 2010 Grant onwards.

Table 18: Remuneration Disclosure requirements (continued)

iii. Aligning remuneration with risk management

Compliance with the Suncorp Group Risk Appetite Statement is a significant consideration of overall performance to deliver an organisation-wide focus on the prudent management of the risks the Group faces.

Risk management practices are governed by an integrated framework incorporating Suncorp Group policies (including the Remuneration Policy). The performance of each business unit is reviewed by the Group Chief Executive Officer (CEO), Group Chief Risk Officer (CRO) and Group Chief Financial Officer (CFO) and measured with reference to how risk is managed. Individual adherence to risk management policies is also considered.

In determining at-risk remuneration for Senior Managers and MRT roles, the Board ensures that risk management is a specific performance goal.

Risk assessment is also included in the Group scorecard through:

- A separately weighted risk measure;
- Return on eligible capital (a proxy for risk-adjusted return on capital) embedded in the financial measures; and
- An assessment based on behavioural and cultural measures, which consider adherence to the risk management framework.

The Committee's starting point when considering STI outcomes is the Group scorecard outcome. The Committee and Board then consider additional factors, such as the long-term financial soundness of outcomes, before the Board makes its final determination of the overall STI pool.

At an operational level, Suncorp Bank has a number of divisional policies that are integrated with Group governance policies to ensure Group assets are protected.

Table 18: Remuneration Disclosure requirements (continued)

iii. Aligning remuneration with risk management (continued)

The table below provides the key risks and the measures for Suncorp Bank which are updated periodically to ensure that they comply with the legislative standards:

Key Risks	Key measures	Review of the measures
Financial risks (credit risk, market risk, liquidity risks	Metrics embedded within Scorecard KPI's include compliance with Board delegated trigger limits for key credit, liquidity and market risk limits	• Compliance with credit. Liquidity and market risk limits are monitored continuously
Operational Risks	A number of measures are used to evaluate Operational risk including: • Data Quality Metrics across customer and operational systems • Manager Risk Assessment Ratings and Incident Reporting • Internal and External Audit Findings	• Data Quality Metrics are reviewed monthly, quarterly and annually • Manager Risk Assessment Ratings performance is assessed Monthly and Quarterly • Internal and External Audits are performed in accordance with the Annual Audit Program
Compliance risks	• Internal and External Audit Findings • Branch Inspection Rating • Scorecard KPI incorporation of acceptable behaviours • Completion of Annual Mandatory Compliance Training Program	• Compliance measures are reviewed on a quarterly and half yearly cycle

Risk is embedded throughout the remuneration framework, details of the application are provided in the section below.

Deferral and clawback

For all employees that participate in Suncorp's Corporate Incentive Plan and Non-Corporate Incentive Plan, based on the amount of incentive received, a portion of the incentive is deferred for a period of two years. A two year deferral period is considered appropriate to identify, if any, instances of significant adverse outcomes.

At the end of the deferral period, the deferred Corporate Incentive Plan portion may be reduced or forfeited (referred to as 'clawback') in the event significant adverse outcomes are caused by decisions, or actions taken, judged by the Board to be contrary to Suncorp Group's interests.

During the deferral period, Group Risk facilitate the sourcing and collation of relevant details regarding any instances of individual, Business Unit or Group non-compliance and/or performance issues quarterly for presentation to the Remuneration Oversight Committee (ROC). The Group Executive Human Resources, the Group CRO, the Group CFO and the Group Executive Company Secretary and General Counsel form this committee.

The ROC meets quarterly to review significant losses and agree remuneration clawback recommendations for all employees (excluding the Group CEO and executives reporting to the Group CEO, for whom issues are reviewed separately, by the Chairmen of the Remuneration, Risk and Audit Committees).

Appendices

Table 18: Remuneration Disclosure requirements (continued)

iii. Aligning remuneration with risk management (continued)

The Board considers the following when determining if the deferred portion should be adjusted, because of significant adverse outcomes that reflect on the original assessment of performance:

- Significant losses arising as a consequence of poor quality business that has, in the opinion of the Board, been demonstrated to have been generated:
  - In breach of duly adopted policies and procedures;
  - As a result of the exercise of bad judgement (either at the time business was written, or when a deterioration should have been recognised and provided for); or
  - In an environment where policies, procedures or protocols were weak or inadequate

  In each case having regard to the role and responsibility of the individual concerned;
- Financial misconduct (including embezzlement, fraud or theft);
- Actions resulting in company or business unit financial misstatements;
- Significant legal, regulatory, and/or policy non-compliance;
- Significant issues that impact our standing with regulators to conduct business; and
- Any significant individual performance issues involving acts deemed to have been significantly harmful to the Company, the Company's reputation, the Company's employees or the Company's customers (e.g. ethical misconduct).

The above points are relevant if uncovered during the deferral period.

In summary, in the event an incentive decision and allocation is found to have been made based on materially inaccurate information, at the discretion of the Board, the deferred incentive portion may be clawed back in part or whole.

Risk and financial control personnel

Separate performance and remuneration review processes govern remuneration decisions concerning employees working in the areas of risk and financial control. Their performance is assessed according to objectives specific to their roles which are independent of the business that they oversee. Remuneration is reviewed and benchmarked against the market and internally to ensure that it is set at an appropriate level.

In addition, employees working in risk roles across Suncorp Group typically have a comparatively higher percentage of risk-based measures in their scorecard.

Material Risk Taker roles

The Board approved definition of MRT roles aligns with the ‘responsible persons’ definition in the Fit and Proper Policy, as it applies to Australia.

All new appointments for these roles, and changes to the remuneration arrangement requires approval from the Group CEO. Within pre-defined parameters, delegated authority has been granted by the Board to the Group CEO to approve appointments or changes to remuneration and terms of employment.

The Board has final oversight and reviews the remuneration arrangements of all MRT roles on an annual basis.

For the purpose of this report, the specified EGMs and other senior roles within Suncorp Bank are identified as MRT roles.

Table 18: Remuneration Disclosure requirements (continued)

iv. Performance Assessment

A balanced scorecard approach is adopted to assess performance for all employees at Suncorp Group. The Balanced Scorecard is one of several initiatives in place across the Suncorp Group to promote a culture of prudent risk-taking in accordance with Suncorp Group policies, standards, guidelines and procedures, and with the Suncorp Group values. To embed a culture of prudent risk-taking, risk based performance measures at all organisational levels are consistent and integrated with our risk management framework.

The various performance measures for all employees of Suncorp Group are broadly categorised as:

- Financial
- Risk
- Customer
- People
- Other measures – which includes individual measures

Both Corporate Incentive Plan and Non-Corporate Incentive Plans measure performance against a scorecard of financial and non-financial performance objectives.

Performance outcomes are measured based on challenging, robust assessment of achieving pre-determined targets. For Suncorp Bank, performance against goals is the basis to calculate incentive payments, as a result of which:

- Goals are reviewed at least annually to ensure that they are aligned with the Suncorp Bank strategy;
- Funding for the plans is assessed against the achievement of strategic business objectives of the business to ensure it delivers the long term strategy; and
- Deferral mechanisms are used in accordance with APRA Guidelines and Associated Standards and Suncorp Group policies.

Table 18A: Total value of remuneration awards for senior managers/material risk-takers

Section 2: Quantitative disclosure requirements

The members of the Committee receive fixed remuneration paid as director fees, and do not participate in performance-based incentives. The table below provides an aggregated summary of the fees paid in FY13 to the Committee members.

2013 FEE P.A.[1]	
Details	**Fees ($000)**
Ex-officio - Chairman of the Board	570
Committee members including Remuneration Committee Chair	1,113

[1] The above fees exclude Superannuation Guarantee Cap.

The fees of the Chairman of the Board has been separately provided as he is ex-officio to the Committee.

The table below provides a summary of the variable remuneration, guaranteed bonuses, sign on bonuses and severance payments made to the roles identified for the purpose of this disclosure.

Variable remuneration, guaranteed bonuses, sign-on award and severance payment	Number of employees who received payment	Amount ($000)
Senior managers		
Variable remuneration award - discretionary bonus	11	Not required as per disclosure requirement
Guarantee Bonus	-	Nil
Sign-on award	-	Nil
Severance payment	-	Nil
Material risk-takers		
Variable remuneration award - discretionary bonus	11	Not required as per disclosure requirement
Guarantee Bonus	-	Nil
Sign-on award	-	Nil
Severance payment	-	Nil

Table 18A: Total value of remuneration awards for senior managers/material risk-takers (continued)

Section 2: Quantitative disclosure requirements (continued)

The table below contains aggregated remuneration details for Senior Managers as calculated in accordance with Australian Accounting Standards[6], as required under paragraph 18(j) of Table 18:

Remuneration data for Senior Managers for Suncorp Group Limited	Number of employees	Unrestricted remuneration ($000)	Number of employees	Deferred remuneration ($000)
Fixed remuneration				
Cash-based[1]	11	9,139	-	-
Shares and share-linked instruments[2]	-	-	-	-
Other[3]	11	379	-	-
Variable remuneration				
Cash-based[4]	11	7,948	11	5,419
Share linked instruments[5]	-	-	11	4,766
Other	-	-	-	-

1. Represents actual fixed remuneration received, including salary sacrificed benefits and employer superannuation.
2. Represents exempt shares awarded in FY12. The Suncorp Group granted to each eligible employee ordinary shares of the Company to the value of $750 under the EESP.
3. Represents non-monetary benefits including airfares and insurances and annual leave and long service leave accrued during the year.
4. Cash incentives earned in FY13. The deferred cash portion of awards includes interest accrued on prior year deferred STI's and is subject to potential clawback during the deferral period.
5. Equity-settled performance rights issued as LTI are expensed to the profit or loss based on their fair value at grant date over the period from grant date to vesting date. For cash-settled performance rights, the fair value is remeasured at year end with changes in fair value recognised as an expense. The fair value is assessed using a Monte-Carlo model and reflects the fact that an individual's entitlement to the shares is dependent on relative TSR performance. The values realised in subsequent years may differ to the accounting expense reported, depending on the extent to which the performance hurdles are met.

[6] To be consistent with other disclosures, KMPs for SGL (excluding non-executive directors) are considered as Senior Managers for the purpose of APS Remuneration Disclosure requirements.

Table 18A: Total value of remuneration awards for senior managers/material risk-takers (continued)

Section 2: Quantitative disclosure requirements (continued)

The table containing aggregated remuneration details for MRT roles for Suncorp Bank as calculated in accordance with Australian Accounting Standards, as required under paragraph 18(j) of Table 18:

Remuneration data for Material Risk Takers of Suncorp Group	Number of employees	Unrestricted remuneration ($000)	Number of employees	Deferred remuneration ($000)
Fixed remuneration				
Cash-based[1]	11	3,818	-	-
Shares and share-linked instruments[2]	1	1	-	-
Other[3]	11	175	-	-
Variable remuneration				
Cash-based[4]	11	1,598	11	684
Shares and share-linked instruments[5]	-	-	10	538
Other	-	-	-	-

1. Represents actual fixed remuneration received, including salary sacrificed benefits and employer superannuation.
2. Represents exempt shares awarded in FY12. The Suncorp Group granted to each eligible employee ordinary shares of the Company to the value of $750 under the EESP. The value represented in the table is rounded to the nearest thousand.
3. Represents non-monetary benefits including insurances and annual leave and long service leave accrued during the year.
4. Cash incentives earned in FY13. The deferred cash portion of awards includes interest accrued on prior year deferred STI's and is subject to potential clawback during the deferral period.
5. Equity-settled performance rights issued as LTI are expensed to the profit or loss based on their fair value at grant date over the period from grant date to vesting date. For cash-settled performance rights, the fair value is remeasured at year end with changes in fair value recognised as an expense. The fair value is assessed using a Monte-Carlo model and reflects the fact that an individual's entitlement to the shares is dependent on relative TSR performance. The values realised in subsequent years may differ to the accounting expense reported, depending on the extent to which the performance hurdles are met.

Table 18A: Total value of remuneration awards for senior managers/material risk-takers (continued)

Section 2: Quantitative disclosure requirements (continued)

The following table summarise the requirements under paragraphs 18 (i), (j) and (k) of table 18A for Senior Managers[7]:

Movement in deferred remuneration	Outstanding at 30 June 2013 ($000)				Paid during the year ($000)			
	Cash	Shares and share-linked instruments	Other	Total	Cash	Shares and share- linked instruments	Other	Total
Deferred remuneration pre-adjustment	**12,602[1]**	**23,910[2]**	**-**	**36,512**	**1,083[5]**	**11,676[6]**	**-**	**12,759**
Adjustments - implicit mark-to-market value of shares	-	7,866[3]	-	7,866	-	1,475[7]	-	1,475
Adjustments - explicit clawbacks	-	-	-	-	-	(2,822)[8]	-	(2,822)
Deferred remuneration post-adjustment	**12,602**	**31,776[4]**	**-**	**44,378**	**1,083**	**10,329[9]**	**-**	**11,412**

1. Deferred cash portion of STI's awarded in 2011, 2012 and 2013 financial years, together with interest accrued on outstanding deferral.
2. Represents market value calculated by the number of performance shares granted but not vested as at 30 June 2013, multiplied by the closing share price as traded on the ASX on the date of grant.
3. Adjustment represents movement in market value at grant date to market value at 30 June 2013 of performance rights yet to vest.
4. Represents market value as at 30 June 2013 calculated by the number of performance shares granted but not vested multiplied by the closing share price as traded on the ASX on 28 June 2013, being the last trading day prior to 30 June 2013.
5. Deferred cash portion of STI awarded in 2010, which vested on 31 July 2012 and was paid on 8 August 2012, includes interest accrued during the deferral period.
6. Represents the market value at date of grant of performance rights vested during the current financial year.
7. Adjustment represents movement in market value at grant date to market value at date of vesting.
8. Represents market value at grant date of performance rights forfeited during the current financial year.
9. Represents the market value at date of vesting of performance rights vested during the current financial year.
10. There are no current retained arrangements for the identified roles.

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[7] To be consistent with other disclosures, KMPs for SGL (excluding non-executive directors) are considered as Senior Managers for the purpose of APS Remuneration Disclosure requirements.

Table 18A: Total value of remuneration awards for senior managers/material risk-takers (continued)

Section 2: Quantitative disclosure requirements (continued)

The following table summarise the requirements under paragraphs 18 (i), (j) and (k) of table 18A for MRT roles for Suncorp Bank:

Movement in deferred remuneration	Outstanding at 30 June 2013 ($000)				Paid during the year ($000)			
	Cash	Shares and share-linked instruments	Other	Total	Cash	Shares and share-linked instruments	Other	Total
Deferred remuneration pre-adjustment	**1,552**[1]	**2,941**[2]	**-**	**4,493**	**-**	**1,362**[5]	**-**	**1,362**
Adjustments - implicit mark-to-market value of shares	-	1,038[3]	-	1,038	-	36[6]	-	36
Adjustments - explicit clawbacks	-	-	-	-	-	(598)[7]	-	(598)
Deferred remuneration post-adjustment	**1,552**	**3,979**[4]	**-**	**5,531**	**-**	**800**[8]	**-**	**800**

1. Deferred cash portion of STI's awarded in 2011, 2012 and 2013 financial years, together with interest accrued on outstanding deferral.
2. Represents market value calculated by the number of performance shares granted but not vested as at 30 June 2013, multiplied by the closing share price as traded on the ASX on the date of grant.
3. Adjustment represents movement in market value at grant date to market value at 30 June 2013 of performance rights yet to vest.
4. Represents market value as at 30 June 2013 calculated by the number of performance shares granted but not vested multiplied by the closing share price as traded on the ASX on 28 June 2013, being the last trading day prior to 30 June 2013.
5. Represents the market value at date of grant of performance rights vested during the current financial year.
6. Adjustment represents movement in market value at grant date to market value at date of vesting.
7. Represents market value at grant date of performance rights forfeited during the current financial year.
8. Represents the market value at date of vesting of performance rights vested during the current financial year.
9. There are no current retained arrangements for the identified roles.

Appendices

Appendix 4 – Definitions

Capital adequacy ratio	Capital base divided by total assessed risk, as defined by APRA
Common equity tier 1	Common equity tier 1 includes ordinary shareholder equity and retained profits less tier 1 and tier 2 regulatory deductions
Common equity tier 1 ratio	Common 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
Material Risk Takers (MRT) roles for Suncorp Bank	Suncorp's definition of 'Material Risk Taker' (MRT) aligns with the 'responsible persons[8]' definition within Suncorp's Fit and Proper Policy as it applies to Australia. For the purpose of this report, specified Executive General Managers and other senior roles within Suncorp Bank are identified as MRT roles.
Past due	Loans outstanding for more than 90 days
Remuneration Disclosure completed on a Level 2 basis	Suncorp Bank is a Business Unit of Suncorp Group Limited (SGL) and represented by Suncorp Metway Limited (SML) and its subsidiaries. SML is an authorised deposit-taking institution and a wholly owned subsidiary of SGL. Therefore the Remuneration Disclosure is completed on a Level 2[9] basis.
Risk weighted assets	Total of the carrying value of each asset class multiplied by their assigned risk weighting, as defined by APRA
Senior Manager (Executives)	Key management personnel roles (excluding the non-executive directors) for SGL are considered as the Senior Managers for the purpose of the aggregated Remuneration Disclosure. Eleven roles are included in this category.
Total assessed risk	Risk weighted assets, off balance sheet positions and market risk capital charge and operational risk charge, as defined by APRA

[8] As defined in the Australian Prudential Regulation Authority (APRA) Prudential Standard CPS 520 (Fit and Proper).

[9] Under Application Paragraph 3, 'where a locally incorporated ADI is a subsidiary of an authorised non-operating holding company (authorised NOHC), the authorised NOHC must ensure that the requirements under this Prudential Standard are met on a Level 2 basis' (APS 330 legislation June 2013).