

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Suncorp Group Limited ("SGL")

ABN

66 145 290 124

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Convertible preference shares ("CPS ₃ ") |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,000,000 |

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Please refer to the prospectus lodged with ASIC and ASX on 8 April 2014 (“Prospectus”) (see the Terms of the CPS₃ at pages 88 to 106 of the Prospectus). This summary should not be relied upon in substitution for the terms set out in the Prospectus. Capitalised terms have the meaning set out in the Prospectus and the CPS₃ Terms.

CPS₃ are fully paid, perpetual, unguaranteed and unsecured redeemable and convertible preference shares to be issued by SGL.

CPS₃ will mandatorily convert into Ordinary Shares on the Mandatory Conversion Date, subject to certain conditions (the Mandatory Conversion Conditions) being satisfied, unless CPS₃ have been Exchanged earlier.

The Scheduled Mandatory Conversion Date is 17 June 2022. If the Mandatory Conversion Conditions are not satisfied on that date, the Mandatory Conversion Date will be the next Dividend Payment Date on which those conditions are satisfied.

Upon Conversion on a Mandatory Conversion Date, CPS₃ Holders will receive approximately \$101 worth of Ordinary Shares per CPS₃ (based on the VWAP during the 20 Business Days before the Mandatory Conversion Date).

In certain circumstances (and subject to APRA’s prior written approval), SGL may choose to Exchange:

- all or some CPS₃ on the Optional Exchange Date;
- all or some CPS₃ after a Tax Event or a Regulatory Event; or
- all CPS₃ after a Potential Acquisition Event,

+ See chapter 19 for defined terms.

provided the Exchange Date in respect of that Potential Acquisition Event does not occur in the period from (but excluding) the Optional Exchange Date to (but excluding) the Scheduled Mandatory Conversion Date. Subject to certain conditions, CPS₃ must be Converted if an Acquisition Event occurs.

In addition, CPS₃ must be Converted if APRA gives notice requiring Conversion following a Non-Viability Trigger Event. If the CPS₃ cannot be Converted because SGL is prevented by applicable law or other reason, the CPS₃ will be Written Off (which means the rights of CPS₃ in respect of dividends and return of capital, will be broadly equivalent to the rights in respect of dividends and return of capital of a person holding the number of Ordinary Shares the CPS₃ holder would have held if Conversion had occurred).

Dividends on CPS₃ are preferred, non-cumulative, based on a floating rate and are expected to be fully franked. Dividends are scheduled to be paid quarterly in arrears, subject to the Directors in their absolute discretion resolving to pay a Dividend on the Dividend Payment Date, paying the Dividend on the CPS₃ on the Dividend Payment Date not resulting in the Eligible Capital of Suncorp Group not complying with APRA's then current prudential capital requirements as they are applied to Suncorp Group at the time, paying the Dividend not resulting in SGL becoming, or being likely to become, insolvent for the purposes of the Corporations Act and APRA not otherwise objecting to the payment of the Dividend on the Dividend Payment Date.

CPS₃ Holders generally do not have voting rights, except in the limited circumstances described in the CPS₃ Terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. CPS₃ are a new class of securities issued by SGL. CPS₃ rank equally on a winding up with CPS₂; being the 5,600,000 convertible preference shares issued on or about 6 November 2012 by SGL pursuant to a prospectus dated 3 October 2012, in respect of payment of dividends and a return of capital in the winding-up of SGL.</p>
<p>5 Issue price or consideration</p>	<p>\$100 per CPS₃</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>CPS₃ are being issued as part of SGL's ongoing funding and capital management strategy. SGL is issuing CPS₃ to raise proceeds which it expects to use to fund the capital needs of one or more Regulated Entities within the Suncorp Group.</p> <p>That capital will help to protect depositors, policy holders and other creditors of the relevant Regulated Entity by providing a loss-absorbing capital buffer that may support losses that may be incurred on SGL's assets.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Date of entry into uncertificated holdings is expected to be 9 May 2014.</p> <p>Holding Statements to be despatched by 13 May 2014.</p>

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	[1,286,600,980]	Ordinary
	[5,600,000]	CPS ₂
	[7,700,000]	Unsecured Subordinated Note
	[4,000,000]	CPS ₃

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	NIL	N/A

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends on CPS ₃ are preferred, non-cumulative, based on a floating rate and are expected to be fully franked. Dividends are scheduled to be paid quarterly in arrears, subject to the Directors in their absolute discretion resolving to pay Dividends on the Dividend Payment Date, paying the Dividend on the CPS ₃ on the Dividend Payment Date not resulting in the Eligible Capital of the Suncorp Group not complying with APRA's then prudential capital requirements as they are applied to the Suncorp Group at the time, paying the Dividend not resulting in SGL becoming, or being likely to become, insolvent for the purposes of the Corporations Act and APRA not otherwise objecting to the payment of the Dividend on the Dividend Payment Date. (see the Terms of the CPS ₃ at pages 88 to 106 of the Prospectus).
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+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities (tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

N/A

39 +Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Company Secretary

Date: 8 May 2014

Print name: Darren Charles Solomon

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