Off-Market Buy-back Offer Document

Enclosed is an important offer from Suncorp Bank relating to your Unsecured Perpetual Floating Rate Subordinated Notes

This is an important document and requires your immediate attention

You should read the whole of this document carefully, before deciding whether to participate in the Buy-back Offer. If you are in doubt as to the action you should take, you should contact your financial, taxation or other professional adviser.

Suncorp-Metway Ltd ABN 66 010 831 722 AFSL 229882 ("Suncorp Bank") is the issuer of the Unsecured Perpetual Floating Rate Subordinated Notes.

SUNCORP BANK

Key Dates

Date	Event
2 May 2014	**Record Date** Notes held by Noteholders with a registered address in Australia or New Zealand at 7:00pm (AEST) on this day are eligible to be sold in the Buy-back Offer
5 May 2014	**Opening Date** Buy-back Offer opens
30 May 2014	**Interest Payment** Quarterly interest payment received by Noteholders for the 3 month period ending 15 May 2014
6 June 2014	**Closing date** Buy-back Offer closes – acceptances must be received by 7:00pm (AEST)
10 June 2014	**Results** Announcement of Buy-back results
20 June 2014	**Settlement** Proceeds will be transferred to registered bank accounts or mailed to participating Eligible Noteholders

How to participate

Step 1: Read the whole of this Offer Document carefully, before deciding whether to participate in the Buy-back Offer.

Step 2: Decide whether you wish to sell all or some of your Notes through the Buy-back Offer. If you are in doubt as to the action you should take, you should contact your financial, taxation or other professional adviser.

Step 3: If you decide to sell all or some of your Notes through the Buy-back Offer, complete the enclosed acceptance form and submit it so that it is received before 7:00pm (AEST) on Friday, 6 June 2014.

Table of contents

A Summary of the Buy-back Offer 5

B Key questions 7

C Tax implications 13

Not financial product advice

This document does not provide financial product advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider obtaining independent advice before making any financial decisions.

A

Eligibility to participate

You are eligible to participate in the Buy-back if you have Notes registered in your name on the Buy-back Record Date (7:00pm AEST on Friday, 2 May 2014) and you have a registered address in Australia or New Zealand.

Summary of the Buy-back Offer

A

Summary of the Buy-back Offer

Suncorp Bank is seeking to buy back all of the Unsecured Perpetual Floating Rate Subordinated Notes (Notes) (SBKHB) held by Eligible Noteholders.

Buy-back size	Suncorp Bank is seeking to buy back all of the Notes held by Eligible Noteholders. However, the final size of the Buy-back will depend on the level of acceptances by Eligible Noteholders.
Buy-back Offer price	The Buy-back Offer price is $80.00.[1]
Participation	Participation in the Buy-back Offer is entirely voluntary for all Eligible Noteholders.
Eligible Noteholders	You are eligible to participate in the Buy-back if you have Notes registered in your name on the Buy-back Offer Record Date (7:00pm AEST on Friday, 2 May 2014) and you have a registered address in Australia or New Zealand.
Notes not tendered	Notes that are not bought back through the Buy-back will remain on issue on their current terms and will remain listed on the ASX.
Timing	The Buy-back will be open from Monday, 5 May 2014 until Friday, 6 June 2014. Acceptance forms received after 7:00pm (AEST) on Friday, 6 June will not be accepted.

1 All references to $ in this Offer Document are references to Australian currency.

B

Enquiries

If you have any questions in relation to the Buy-back Offer or the content of this document, please call the Suncorp Investor Information Line on 1300 857 499 from within Australia or on +61 1300 857 499 from outside Australia between the hours of 8:30am to 5:00pm (AEST), Monday to Friday or consult your financial, taxation or other professional adviser.

Key questions

B

Key questions

What is the Buy-back?	The Buy-back is an offer by Suncorp Bank inviting Eligible Noteholders to sell all or some of their Notes to Suncorp Bank for $80.00 per Note.
What will happen to the Notes bought back?	Any Notes bought back will be cancelled, with the result that the number of Notes on issue will be reduced by the number of Notes bought back. Participating Noteholders will have no further rights in respect of Notes that are cancelled.
Do I have to participate in the Buy-back?	No, participation is entirely voluntary for Eligible Noteholders.
Why is Suncorp Bank implementing this Buy-back?	The Buy-back is being undertaken as part of Suncorp Bank's ongoing capital management program. The Notes were originally issued by Suncorp Bank under a different financial and regulatory environment. The Notes are eligible for inclusion in Suncorp Bank's regulatory capital ratio but from 1 January 2013 the Notes are subject to a 10-year transitional limit that will progressively see their inclusion in the regulatory capital reduced. The Buy-back is an opportunity for Suncorp Bank to manage its capital and an opportunity for Eligible Noteholders to sell their Notes at a premium to recent trading prices.
What are my options under the Buy-back Offer?	You can either: (a) Sell some or all of your Notes, by accepting the Buy-back Offer. Details of how to accept the Buy-back Offer are set out in the acceptance form. OR (b) Do nothing. You do not have to participate in the Buy-back if you do not wish to sell any of your Notes. If you do nothing, the number of Notes you hold will not change as a result of the Buy-back.

How do I accept the Buy-back Offer?

The way you accept the Buy-back Offer will depend on the type of holding you have. This will be specified on your acceptance form.

Completed acceptance forms must be received before 7:00pm (AEST) on Friday, 6 June 2014.

Acceptance forms once received are irrevocable.

(a) Issuer Sponsored Holdings

If you have an Issuer Sponsored Holding and wish to participate in the Buy-back, you need to complete and sign your personalised acceptance form and return it to the Registry at the following addresses:

Mailing Address
Suncorp-Metway Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Delivery Address
Suncorp-Metway Ltd
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

You can use the enclosed reply-paid envelope if you are posting in Australia. You should allow sufficient time for your acceptance form to be received by the Registry before 7:00pm (AEST) on Friday, 6 June 2014.

(b) CHESS Holdings

If you have a CHESS Holding, you will need to contact your controlling participant (usually your broker) in sufficient time for your controlling participant to process your acceptance form before 7:00pm (AEST) on Friday, 6 June 2014.

You should not send your acceptance form to the Registry if you have a CHESS Holding.

B

Key questions

What if I hold my Notes jointly with another person?	If you hold your Notes jointly with another person (for example, your spouse) you must complete and return the acceptance form in accordance with instructions for joint holdings on the acceptance form.
Can I accept the Buy-back Offer for part of my holding of Notes?	Yes, you can choose to sell all, some or none of your Notes. If you accept the Buy-back Offer to sell some or all of your Notes, you will need to hold that number of Notes when Suncorp Bank acquires Notes under the Buy-back Offer (expected to be 10 June 2014).
Is there a minimum number of Notes for which I can accept the Buy-back?	The minimum number of Notes for which you can accept the Buy-back Offer is 10; or all of your Notes if you hold 10 or fewer Notes.
What will happen to my Notes if I do not accept the Buy-back Offer?	If you choose not to participate in the Buy-back, your Notes will remain on issue on their current terms and remain listed on ASX. After the Buy-back is completed, it is likely that you will hold a larger percentage of the total Notes outstanding as any Notes bought back will be cancelled. The remaining Notes will continue to trade on ASX, under their current terms, albeit with a reduced number of Notes available as a result of the Notes cancelled under the Buy-back. It is likely that there will be reduced liquidity for the remaining Notes.
Can I transfer my rights to participate in the Buy-back Offer?	No. Your rights to participate in the Buy-back are personal and not transferable.

How long will the Buy-back Offer be open?	The Buy-back will be open from Monday, 5 May 2014 until Friday, 6 June 2014. Acceptance forms received after 7:00pm (AEST) on Friday, 6 June 2014 will not be accepted. Suncorp Bank may withdraw the Buy-back Offer by sending you a withdrawal notice, but generally not within one month of the date of the Buy-back Offer.
How will I receive payment for Notes bought back?	Payment for your Notes bought back will be made either via direct credit to your authorised account into which you receive your interest payments on your Notes or sent via cheque to your registered address by regular post.
Can I participate if I am resident outside Australia or New Zealand?	No. This Buy-back Offer is only available to residents of Australia or New Zealand.
What price will Suncorp Bank pay to buy back my Notes?	Suncorp Bank is offering a fixed price of $80.00 per Note.

B

Key questions

How have the Notes performed over recent times?

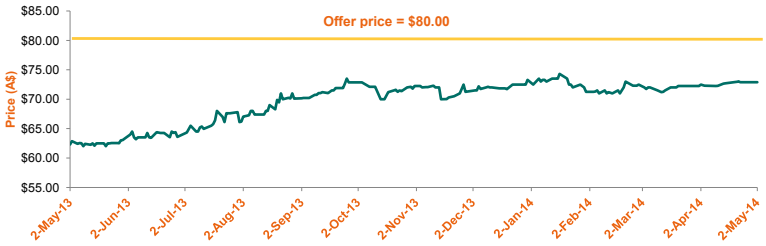
The market price of the Notes on the ASX may move higher or lower than the Buy-back Offer price while the Buy-back Offer is open. The market price of the Notes following the Buy-back Offer may be higher or lower than the Buy-back Offer price. You should consider the market price of the Notes before deciding whether to participate in the Buy-back Offer.

The closing price of Notes on the ASX on Friday, 2 May 2014, being the business day before Suncorp Bank made its initial announcement regarding the Buy-back was $72.90.

Details of the market price of the Notes can be found on the ASX website at www.asx.com.au where the Notes trade under the code SBKHB or in major daily newspapers or obtained from your broker or financial adviser.

The chart below shows the Notes trading performance over the past 12 months. Past performance should not be relied upon as being indicative of future performance.

1 year Notes trading performance



Premium to market price

C

Tax implications

C

Tax implications

Scope

The information contained in this section is general in nature, Australian specific and does not constitute advice. Noteholders should consider obtaining professional tax advice relevant to their facts, circumstances and specific country of residence. References in this section to legislative provisions are to provisions of the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 (each the "Act").

This section only applies to Noteholders who:

- are residents of Australia for tax purposes;
- do not hold their Notes as part of a securities trading business;
- do not hold their Notes as segregated exempt assets of a life insurance company or segregated current pension assets of a complying superannuation fund; and
- are not subject to the rules on the taxation of financial arrangements ("TOFA") in Division 230 of the Act. (Individuals would only be subject to the TOFA rules if they have made an election for the rules to apply).

Noteholders who are not Australian tax residents will need to consider the tax implications of participating in the Buy-back Offer in their country of tax residence, as well as Australian tax implications which can differ depending upon their particular circumstances.

Income tax and capital gains tax

Noteholders identified within the scope of this section will have their Notes treated as "traditional securities" for the purposes of sections 26BB and 70B of the Act. Accordingly, any gain or loss made by a Noteholder on their Notes, as a result of participating in the Buy-back Offer, should give rise to assessable income or an allowable deduction under those provisions. We note that section 70B does contain provisions where a loss is not allowable as a deduction in certain situations. Generally, Noteholders within the scope will not be affected as a result of participating in the Buy-back Offer.

A gain or loss should generally be calculated by comparing the fixed price per Note of $80.00 offered by Suncorp-Metway Limited in the Buy-back Offer, with the sum of (a) the cost of the Note in the hands of the Noteholder, and (b) any incidental costs associated with the Noteholder's acquisition of their Notes and/or their participation in the Buy-back Offer.

For example, if a Noteholder acquired their Notes on original issue (for $100 per Note), then a deductible loss of $20 per Note should arise as a result of the Noteholder's participation in the Buy-back Offer, assuming that the Noteholder has no incidental costs.

As the Notes are treated as "traditional securities", Noteholders will not be subject to capital gains tax implications as regards to any gain or loss made as a result of participating in the Buy-back Offer.

Stamp duty and GST

No stamp duty or GST will arise for a Noteholder as a result of participating in the Buy-back Offer.

Other information

Corporate Directory

Suncorp-Metway Ltd

Level 28

266 George Street

Brisbane Queensland 4000

AFSL 229882

Share Registry

Link Market Services Limited

Level 15, 324 Queen Street

Brisbane QLD 4000

Legal Advisor

Herbert Smith Freehills

Tax Adviser

Greenwood & Freehills

If you have any questions in relation to the Buy-back Offer after reading this Offer Document please call the Suncorp Investor Information Line on 1300 857 499 from within Australia or on +61 1300 857 499 from outside Australia between the hours of 8:30am to 5:00pm (AEST), Monday to Friday or consult your financial, taxation or other professional adviser.

SUNCORP BANK

26817 14/04/14 A