

8 April 2014

SUNCORP OPENS CPS3 OFFER

Suncorp Group Limited ("Suncorp") today announced that it has opened its proposed offer of convertible preference shares ("CPS3").

As announced on Tuesday 1 April 2014, the size of the offer has increased from A\$250 million to A\$360 million with the ability to raise more or less and the Margin set under the Bookbuild is 3.40% per annum. The final size of the offer will depend on the volume of applications received and accepted under the Securityholder Offer.

Full details of the CPS3 Offer are set out in the Replacement Prospectus lodged with the Australian Securities and Investments Commission ("ASIC") and ASX today.

Anyone wishing to acquire CPS3 will need to complete an Application Form (either electronic or paper) which is included with or accompanies the Replacement Prospectus and which you can access at www.suncorpgroup.com.au/cps3, or by calling the CPS3 Offer Information Line below.

Investors should read the Replacement Prospectus in full before deciding whether to apply to invest in CPS3.

There are risks associated in an investment in CPS3. It is important that investors read the Replacement Prospectus for a full description of the risks associated with an investment in CPS3 and Suncorp's business before making a decision to invest in CPS3. CPS3 are not guaranteed by, nor are they deposit or policy liabilities of, any member of the Suncorp Group.

Applications may only be made using the Application Form attached to or accompanying the Replacement Prospectus.

Suncorp reserves the right to scale back Applications if there is excess demand.

Full details of this investment opportunity and the terms and conditions of the CPS3 are set out in the Replacement Prospectus lodged with the Australian Securities and Investments Commission and ASX today. The Replacement Prospectus is available to Australian investors at www.suncorpgroup.com.au/cps3, or by calling the CPS3 Offer Information Line below.

Ends

For more information contact:

Securityholders:

CPS3 Offer Information Line:
1300 882 012 (within Australia)
+61 1300 882 012 (outside Australia)
Monday to Friday—8:00am to 7:30pm (Sydney time).

Media:

Michelle Barry, 0402 892 789

Analysts/Investors:

Nick Perchey, 0410 692 512

More information about the Offer

The Offer opens today and provides eligible applicants with the opportunity to invest in CPS3, issued by Suncorp.

The Offer comprises:

- a Broker Firm Offer to Australian resident retail and high net worth clients of Syndicate Brokers; and
- a Securityholder Offer to Eligible Securityholders. A registered holder of Ordinary Shares, Floating Rate Capital Notes, CPS 2 or Subordinated Notes at 7:00pm (Sydney time) on 24 March 2014; who is shown on the applicable register as having an address in Australia; and who is not in the United States or acting as a nominee for a person in the United States.

Key features of Suncorp CPS3

- CPS3 are fully paid, unsecured, convertible preference shares to be issued by Suncorp.
- CPS3 are perpetual in nature and have no fixed maturity date.
- Suncorp may elect, at its option, to Exchange all or some CPS3 on the Optional Exchange Date 17 June 2020. CPS3 will Mandatorily Convert into ordinary shares of Suncorp on 17 June 2022, subject to certain conditions being satisfied, unless they are Exchanged earlier.
- Holders of CPS3 will receive discretionary, floating rate, non-cumulative and preferred dividends, which are scheduled to be paid quarterly (subject to certain Dividend Payment Tests). Dividends are expected to be fully franked.¹
- The Dividend Rate will be calculated on a quarterly basis as the sum of the 90 day Bank Bill Rate plus the Margin, adjusted for Suncorp's tax rate.
- The Margin determined following the Bookbuild is 3.40%.
- The minimum investment in CPS3 is \$5,000 (50 CPS3).

- **Indicative timetable**

Key dates for the Offer	Date
Lodgement of the Replacement Prospectus with ASIC	8 April 2014
Opening Date	8 April 2014
Closing Date for the Securityholder Offer	30 April 2014
Closing Date for the Broker Firm Offer	6 May 2014
Issue Date	8 May 2014
CPS3 commence trading on ASX (deferred settlement basis)	9 May 2014
Holding Statements despatched by	13 May 2014

¹ A CPS3 Holder's ability to use franking credits will depend on their individual tax position.

CPS3 commence trading on ASX (normal settlement basis)	14 May 2014
Key dates for CPS3	Date
First quarterly Dividend Payment Date	17 June 2014
Optional Exchange Date	17 June 2020
Scheduled Mandatory Conversion Date	17 June 2022

Dates may change

These dates are indicative only and may change without notice.

Suncorp and the Joint Lead Managers may agree to vary the timetable, including to extend any Closing Date, close the Offer early without notice or accept late Applications, whether generally or in particular cases, or withdraw the Offer at any time before CPS3 are issued, at their discretion.

Definitions

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

Disclaimer

This announcement does not constitute an offer of any securities (including the CPS3) for sale or issue. No action has been taken to register or qualify CPS3 or the Offer or to otherwise permit a public offering of CPS3 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the CPS3 nor the Ordinary Shares have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. The CPS3 are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.