

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

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 ("CPS2") |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approximately 3,500,000, but may be more or less |

+ See chapter 19 for defined terms.

3 Principal terms of the +securities (eg, 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 on 25 September 2012 (“Prospectus”), particularly sections 1.2 and 2. 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 CPS2 Terms.

CPS2 are fully paid, perpetual, unsecured redeemable and convertible preference shares to be issued by SGL.

CPS2 will mandatorily convert into Ordinary Shares on the Mandatory Conversion Date, subject to certain conditions (the Mandatory Conversion Conditions) being satisfied, unless CPS2 have been Exchanged earlier.

The Scheduled Mandatory Conversion Date is 17 December 2019. 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, CPS2 Holders will receive approximately \$101 worth of Ordinary Shares per CPS2 (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 CPS2 on the Optional Exchange Date;
- all or some CPS2 after a Tax Event or a Regulatory Event; or
- all CPS2 after a Potential Acquisition Event, 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, CPS2 must be Converted if an Acquisition Event occurs.

In addition, CPS2 must be Converted if APRA gives notice requiring Conversion following a Non-Viability Trigger Event. If the CPS2 cannot be Converted because SGL is prevented by applicable law or other reason, the CPS2 will be Written Off (which means the rights of CPS2 in respect of dividends and, subject to the approval by the members of SGL by special resolution, 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 CPS2 holder would have held if Conversion had occurred).

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment 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>Dividends on CPS2 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 CPS2 on the Dividend Payment Date not resulting in the Eligible Capital of the Group not complying with APRA's then current capital adequacy guidelines as they are applied to the 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 Dividend being paid on the Dividend Payment Date.</p> <p>CPS2 Holders generally do not have voting rights, except in the limited circumstances described in the CPS2 Terms.</p> <p>No. The only existing class of quoted securities is SGL's ordinary shares which rank junior to CPS2.</p>
<p>5 Issue price or consideration</p>	<p>\$100 per CPS2</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>SGL is issuing the CPS2 to raise funds and to create regulatory capital which satisfies the Australian Prudential Regulation Authority's ("APRA") regulatory capital requirements. The CPS2 and SGL's other equity capital help to protect Suncorp Group's depositors, policy holders and other creditors by providing a loss-absorbing capital buffer which support losses that are incurred on SGL's assets.</p> <p>The proceeds from the Offer will be used for general corporate, funding and capital management purposes including to maintain appropriate levels of gearing following the proposed redemption of £253 million (A\$575 million) Tier 2 Subordinated Callable Notes issued by Suncorp-Metway Limited and redeemable on 23 October 2012.</p>

+ See chapter 19 for defined terms.

6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A?	No If Yes, complete sections 6b – 6h in relation to the ⁺ securities the subject of this Appendix 3B, and comply with section 6i
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	N/A
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 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates

Date of entry into uncertificated holdings is expected to be 6 November 2012.
Holding Statements to be despatched by 8 November 2012.

	Number	⁺ Class
8 Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	1,286,600,980	Ordinary
	Approximately 3,500,000, but may be more or less	CPS2

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

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Dividends on CPS2 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 CPS2 on the Dividend Payment Date not resulting in the Eligible Capital of the Group not complying with APRA's then current capital adequacy guidelines as they are applied to the 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 Dividend being paid on the Dividend Payment Date. (see sections 1.2 and 2 of the Prospectus).

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

N/A

+ See chapter 19 for defined terms.

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 issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	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 prospectus or Product Disclosure Statement 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
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

+ See chapter 19 for defined terms.

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 date of allotment with an existing +class of quoted +securities? N/A

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

41 Reason for request for quotation now N/A

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

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

	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 not available now, 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: *Darren Solomon* Date: *25/09/2012*
(Director/Company secretary)

Print name: Darren Charles Solomon

====

Appendix 3B – Annexure 1 [not applicable]

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
"C"	
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	
Total ["A" x 0.15] – "C"	<i>[Note: this is the remaining placement</i>

	<i>capacity under rule 7.1]</i>
--	---------------------------------

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
Step 2: Calculate 10% of “A”	
“D”	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p>Total ["A" x 0.10] – "E"</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.