

23 November 2017

Manager, Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Suncorp announces Exchange of convertible preference shares (CPS2) (ASX: SUNPC) reinvested under the Suncorp Capital Notes 2 Reinvestment Offer

Suncorp today announces to CPS2 Holders that Suncorp will Exchange all 3,152,783 CPS2 which CPS2 Holders have elected to reinvest in accordance with the Reinvestment Offer contained in the replacement prospectus lodged by Suncorp with ASIC on 31 October 2017 on the Reinvestment Date of 24 November 2017, in accordance with the attached Exchange Notice.

Yours faithfully



Kristy Huxtable
Company Secretary

Suncorp CPS2 Exchange Notice

Suncorp Group Limited (Suncorp) gives notice under clause 5.1 of the terms of issue of the convertible preference shares issued on 6 November 2012 (CPS2) that 3,152,783 CPS2 which CPS2 Holders have elected to reinvest in accordance with the Reinvestment Offer contained in the replacement prospectus lodged by Suncorp with ASIC on 31 October 2017 will be Exchanged on the Reinvestment Date of 24 November 2017.

The Exchange Method is a Redemption in accordance with clause 8 of the terms of issue of CPS2 (CPS2 Terms). Suncorp will conduct the Redemption by way of a selective capital reduction for \$99.99999 immediately prior to a redemption for the balance of the paid up capital (\$0.00001) per Reinvestment CPS2.

The Redemption Price is \$100 per Reinvestment CPS2. Successful applicants in the Reinvestment Offer will also receive a Dividend of \$0.8185 per Reinvestment CPS2 (Pro Rata Dividend) determined by the Directors of Suncorp, in accordance with clause 2.3 of the CPS2 Terms.

The Pro Rata Dividend of \$0.8185 per Reinvestment CPS2 is equal to the dividend accrued over the period from (and including) 18 September 2017 to (but excluding) the Reinvestment Date of 24 November 2017, in respect of each Reinvestment CPS2 on issue. The Pro Rata Dividend is scheduled to be paid on the Reinvestment Date of 24 November 2017 and will be fully franked.

The aggregate Redemption Price will be \$315,278,300 (comprising \$315,278,268 on account of the selective capital reduction, and the balance on account of the redemption of the remaining paid up capital (\$0.00001) per CPS2).

The last date to participate in the Reinvestment Offer was 17 November 2017. On 24 November 2017 Suncorp will apply the Redemption Price to the application payment for Capital Notes 2. Subject to the CPS2 Terms, Suncorp will also pay the Pro Rata Dividend on 24 November 2017. Successful applicants in the Reinvestment Offer will be paid by direct credit to the accounts recorded with the Registrar (Link Market Services) at 10.00am (Sydney time) on 24 November 2017.

CPS2 Holders do not need to do anything in response to this notice. CPS2 held by CPS2 Holders who did not apply for, or who were not successful in applying for, all or some of their CPS2 to be reinvested under the Reinvestment Offer will remain on issue in accordance with the CPS2 Terms.

If you are not sure about what to do in respect of your CPS2, Suncorp recommends that you seek professional guidance from a licensed adviser, which takes into account your particular investment objectives and circumstances.

Definitions

Unless otherwise defined, capitalised words used in this Exchange Notice have the meanings given to them in the CPS2 Terms.

Ends

For more information contact:

Media	Brett Zarb	+61 417 256 563
Analysts/Investors	Andrew Dempster	+61 497 799 960