



Suncorp Group Limited CPS3 Offer

31 March 2014

Important Notice

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Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162) and National Australia Bank Limited (ABN 12 004 044 937) are the joint lead managers to the Offer ("Joint Lead Managers"). UBS AG, Australia Branch (ABN 47 088 129 613) ("UBS") is the Arranger and a Joint Lead Manager to the Offer.

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CPS3 are complex and may not be suitable for all investors. The investment performance of CPS3 is not guaranteed by Suncorp or any other member of the Suncorp Group. The risks associated with investing in these securities could result in the loss of your investment. Information about the risks associated with investing in CPS3 are detailed in the Prospectus.

All amounts are in Australian dollars unless otherwise indicated.

Unless otherwise defined, capitalised terms in this presentation have the meaning in the Prospectus.

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Section 1

Offer summary

Summary

Offer summary

Issuer	<ul style="list-style-type: none"> Suncorp Group Limited (Suncorp) <ul style="list-style-type: none"> Top 20 ASX-listed company¹ Market capitalisation of \$16.4 billion¹ A financial services group in Australia and New Zealand
Security	<ul style="list-style-type: none"> Suncorp Convertible Preference Shares (CPS3)
Offer size	<ul style="list-style-type: none"> \$250 million with the ability to raise more or less
Term	<ul style="list-style-type: none"> Optional Exchange Date: 17 June 2020 Scheduled Mandatory Conversion Date: 17 June 2022 CPS3 are perpetual and do not have a fixed maturity date, however, Suncorp may elect to Exchange all or some CPS3 on the Optional Exchange Date or upon a Regulatory Event, Tax Event or Potential Acquisition Event occurring CPS3 will convert into Ordinary Shares on the Scheduled Mandatory Conversion Date (or upon an Acquisition Event occurring), provided certain conditions are satisfied and upon a Non-Viability Trigger Event occurring
Dividend Payments	<ul style="list-style-type: none"> Dividend payments are preferred, discretionary, non-cumulative floating rate payments and are expected to be fully franked Margin expected to be 3.40% – 3.60% over 3 month BBSW, to be determined under the Bookbuild
Use of proceeds	<ul style="list-style-type: none"> Suncorp 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
Offer structure	<ul style="list-style-type: none"> Institutional Offer, Broker Firm Offer, Securityholder Offer
Bookbuild date³	<ul style="list-style-type: none"> Expected to be 7 April 2014
JLMs	<ul style="list-style-type: none"> Deutsche Bank, National Australia Bank, UBS
Quotation	<ul style="list-style-type: none"> Suncorp will apply for CPS3 to be quoted on ASX under ASX code “SUNPE”

Notes:

- Based on the market capitalisation of the ordinary shares of Suncorp Group Limited as at 27 March 2014;
- A Dividend is only payable if the Directors resolve to pay it and the other conditions to payment are met. These include that the payment not be contrary to APRA requirements.
- Dates are indicative only and may change without notice. Suncorp and the Joint Lead Managers may agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late Applications, whether generally or in particular cases, or withdrawing the Offer at any time before CPS3 are issued, at their discretion



Section 2

About Suncorp

Suncorp Group

Leading financial services brands in Australia and New Zealand

Top 20 ASX listed company

\$16.4 billion market capitalisation¹

\$94 billion in group assets²

15,000 employees in Australia and New Zealand

9 million customers

End to end ownership of brands



Section 2

About Suncorp

Notes:

1 Based on the market capitalisation of the ordinary shares of Suncorp Group Limited as at 27 March 2014;

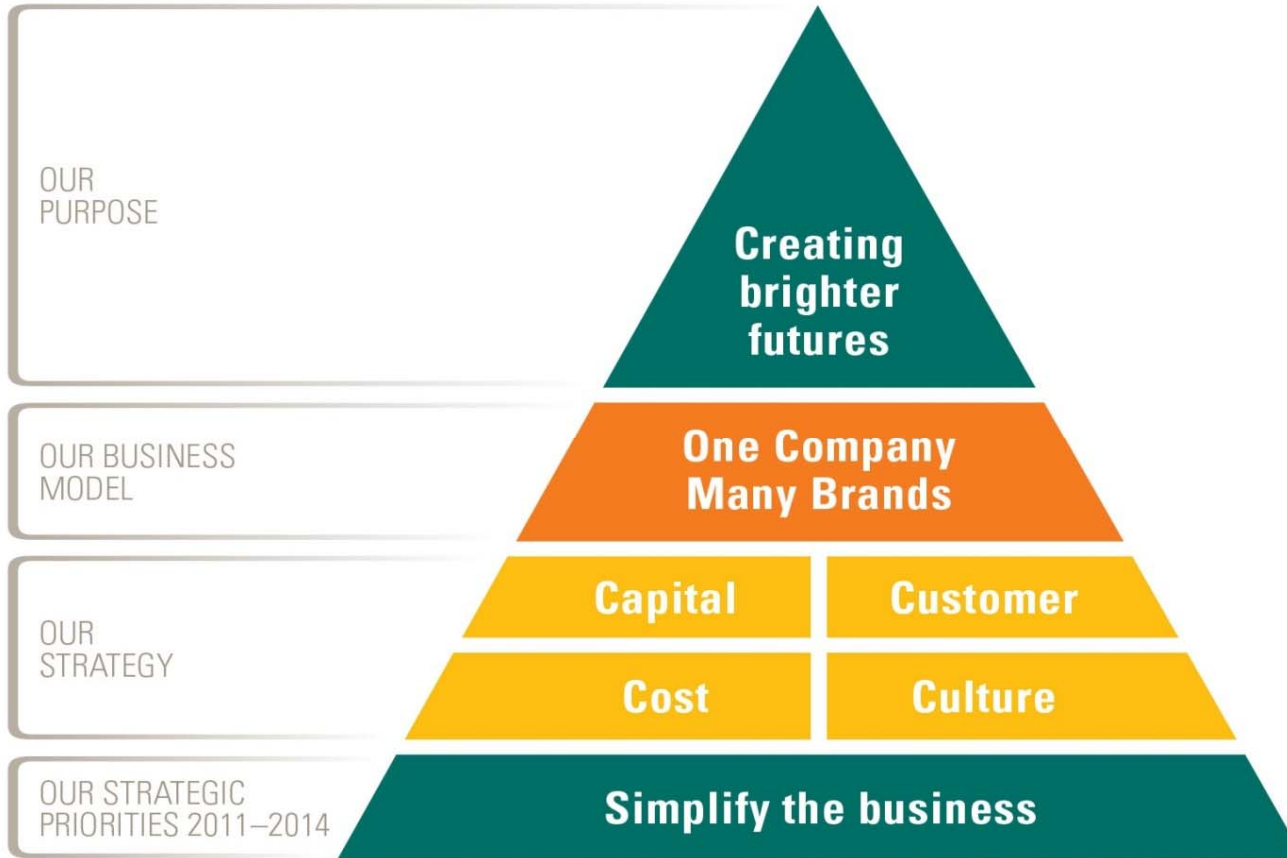
2 As at 31 December 2013

One Company
Many Brands



Suncorp Strategy

One Company



Many Brands

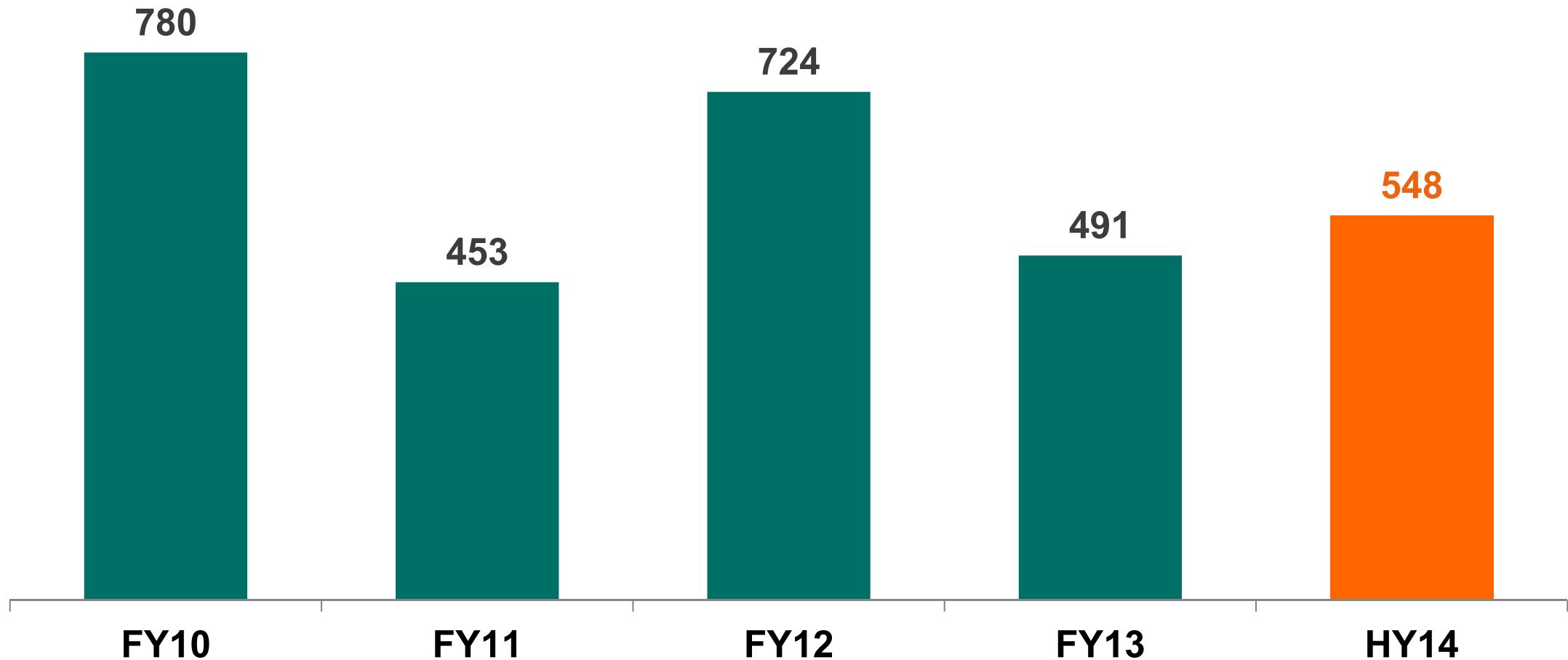
<p>Cost</p>	<ul style="list-style-type: none"> • Deliver cost benefits from third party procured goods / services • Share scale on infrastructure (real estate, enterprise technology) and non-unique business services
<p>Customer</p>	<ul style="list-style-type: none"> • Increase the value of our 9 million customers connections by selling multiple products from all business lines
<p>Capital</p>	<ul style="list-style-type: none"> • Demonstrate a capital diversification benefit
<p>Culture</p>	<ul style="list-style-type: none"> • Operate as 'One Company. Many Brands. One Team'

Half year ended 31 December 2013

\$m	HY14	HY13	%Δ
General Insurance	470	564	(17)
Bank	105	4	large
Suncorp Life	22	51	(57)
Business line NPAT	597	619	(4)
Other profit and acquisition amortisation	(49)	(45)	9
NPAT	548	574	(5)

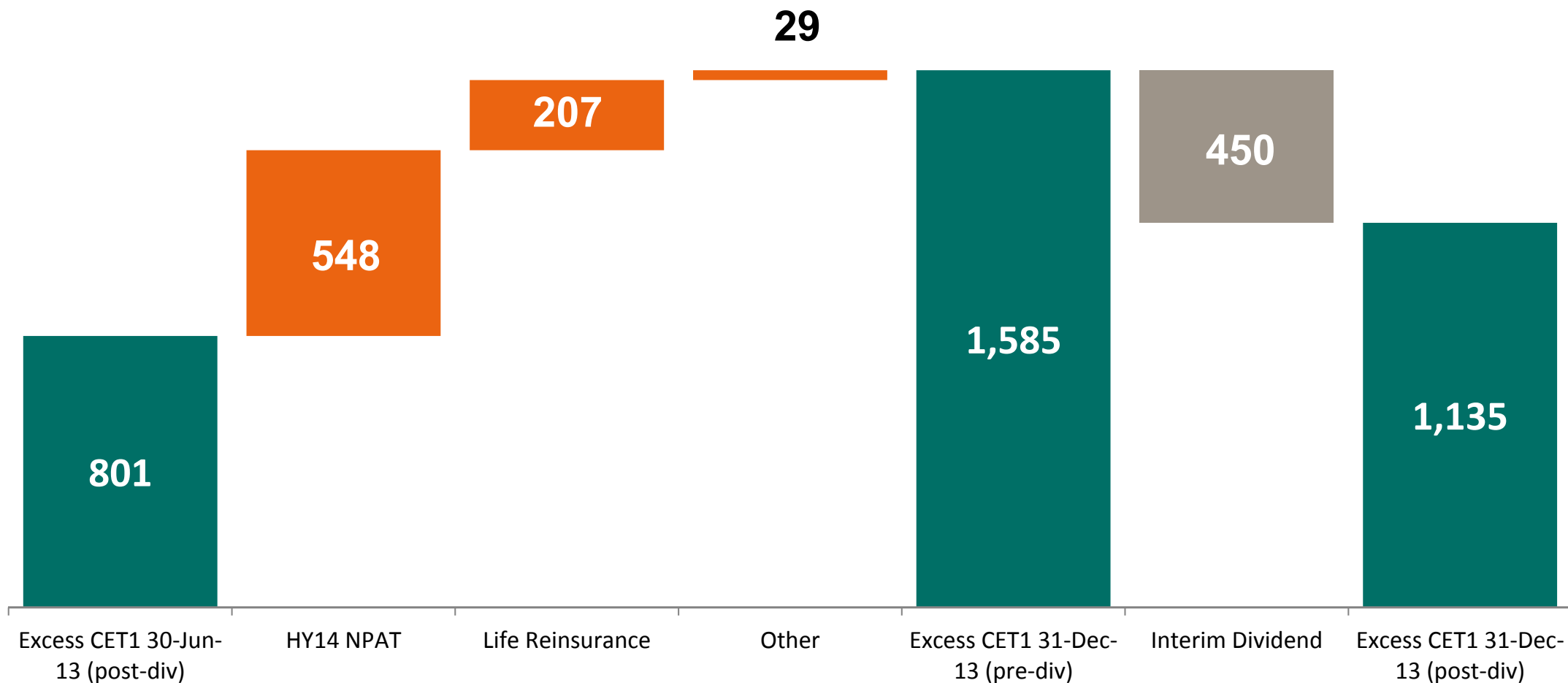
Suncorp Group NPAT (\$m)

Building Blocks delivering and Non-core resolved



HY14 capital movements (\$m)

CET1 excess over \$1.1 billion



Pro forma capital adequacy

As at 31 December 2013

\$m	General Insurance	Bank ¹	Life	NOHC and other Group entities	Suncorp Group Total	Pro forma adjustments ²	Pro forma Suncorp Group total ³
CET1 Capital	3,532	2,535	517	402	6,986	(6)	6,980
Additional Tier 1 Capital	—	450	—	110	560	250 ²	810
Tier 2 Capital	643	1,027	100	—	1,770		1,770
Total capital	4,175	4,012	617	512	9,316	244	9,560
Target capital	3,095	3,841	504	169	7,609		7,609

Notes:

- 1 Represents the capital position of the statutory banking group, which comprises the capital of the regulatory banking group together with the addition of the Banking NOHC and non-regulated banking subsidiaries.
- 2 Assumes \$250m of CPS3 were issued on 31 December 2013. Issue transaction costs of \$6m are classified as a Common Equity Tier 1 Capital deduction. The actual issue amount may be more or less than \$250m.
- 3 Assumes on issue as advised by APRA:
 - CPS3 will continue to be classified as Additional Tier 1 Capital in Suncorp, the NOHC for the Suncorp Group, prior to deployment to other Regulated Entities within the Suncorp Group
 - Following the introduction of the Conglomerates Proposal, CPS3 will not constitute Additional Tier 1 Capital and any other form of regulatory capital of Suncorp. However, Suncorp expects capital deployed to Regulated Entities to continue to contribute to Additional Tier 1 Capital of the relevant Regulated Entities of the Suncorp Group.



Section 3

Key features of CPS3

CPS3 key features

General

Issuer	<ul style="list-style-type: none">• Suncorp Group Limited (Suncorp)
Security	<ul style="list-style-type: none">• Fully-paid, unsecured, non-cumulative convertible preference shares
Offer size	<ul style="list-style-type: none">• \$250 million with the ability to raise more or less
Issue Price	<ul style="list-style-type: none">• \$100 per CPS3
Ranking	<ul style="list-style-type: none">• CPS3 rank ahead of Ordinary Shares, equally with CPS2 and any other instruments ranking equally, but behind all creditors of Suncorp
Term	<ul style="list-style-type: none">• Optional Exchange Date: 17 June 2020• Scheduled Mandatory Conversion Date: 17 June 2022
Dividend Payment Dates	<ul style="list-style-type: none">• The first Dividend Payment Date is 17 June 2014• Subsequent Dividend Payment Dates are 17 September, 17 December, 17 March and 17 June each year

CPS3 key features

Dividends

Dividends	<ul style="list-style-type: none">• Dividends are preferred, discretionary, non-cumulative floating rate payments and are expected to be fully franked• Dividends are scheduled to be paid quarterly in arrears, subject to certain Dividend Payment Tests
Dividend Rate	<ul style="list-style-type: none">• Dividend Rate = (Bank Bill Rate + Margin) x (1 – corporate tax rate)• Bank Bill Rate is the 90 day BBSW rate on the first Business Day of the relevant Dividend Period• Margin expected to be 3.40% – 3.60%, to be determined under the Bookbuild
Dividend Payment Tests	<ul style="list-style-type: none">• Directors, at their absolute discretion, resolving to pay a Dividend• Payment of the Dividend not resulting in a breach of APRA's then current prudential capital requirements• Payment of the Dividend not resulting in Suncorp becoming, or being likely to become, insolvent• APRA not otherwise objecting to the payment of the Dividend
Distribution Restriction	<ul style="list-style-type: none">• Unless a Dividend has been paid in full within 3 Business Days of the relevant Dividend Payment Date, Suncorp must not, without a special resolution of CPS3 Holders (having a majority of at least 75% of votes cast):<ul style="list-style-type: none">– declare, determine to pay or pay a dividend or distribution on Ordinary Shares; or– buy back or reduce capital on Ordinary Sharesuntil and including the next Dividend Payment Date

CPS3 key features

Exchange

Exchange by Suncorp ¹	<ul style="list-style-type: none">• Suncorp may choose to Exchange all or some CPS3 on 17 June 2020• Suncorp may choose to Exchange all or some CPS3 after a Tax Event or a Regulatory Event• Suncorp may choose to Exchange all (but not some only) CPS3 after a Potential Acquisition Event• Suncorp must Exchange by Conversion all (but not some only) CPS3 after an Acquisition Event
Exchange	<ul style="list-style-type: none">• Exchange means:<ul style="list-style-type: none">– Conversion into approximately \$101 worth of Ordinary Shares per CPS3²– Redemption for \$100 per CPS3; or– Resale for \$100 per CPS3
CPS3 Holder rights	<ul style="list-style-type: none">• CPS3 Holders do not have a right to request Exchange
Resale by Suncorp	<ul style="list-style-type: none">• If Resale is chosen by Suncorp, CPS3 Holders will be notified and on the Exchange Date will receive \$100 per CPS2• Suncorp may appoint one or more third parties (Nominated Purchaser(s)) to purchase some or all CPS3• If the third party does not pay the Resale Price to CPS3 Holders, Resale will not occur and CPS3 Holders will continue to hold CPS3

Notes: 1 Suncorp's right to elect to Exchange is subject to APRA's prior approval and satisfaction of certain conditions and Exchange by a particular method is restricted in certain circumstances.
2 The exact number of Ordinary Shares to be received depends on the VWAP of Ordinary Shares, is capped at the Maximum Conversion Number and may be worth less than \$101 per CPS3.

CPS3 key features

Mandatory conversion

Mandatory Conversion	<ul style="list-style-type: none">• The Mandatory Conversion Date will be 17 June 2022 provided the Mandatory Conversion Conditions have been satisfied on that date or on the first Dividend Payment Date thereafter on which such conditions are satisfied• On the Mandatory Conversion Date, CPS3 Holders will receive approximately \$101 of Ordinary Shares for each CPS3¹
Mandatory Conversion Conditions	<ul style="list-style-type: none">• For the Mandatory Conversion Conditions to be satisfied:<ul style="list-style-type: none">– the volume weighted average sale price of the Ordinary Shares (VWAP) on the 25th Business Day prior to the Mandatory Conversion Date must be greater than 55.0% of the VWAP over the 20 Business Days prior to the issue of CPS3 (Issue Date VWAP);– the VWAP over the 20 Business Days prior to the Mandatory Conversion Date must be greater than 50.51% of the Issue Date VWAP; and– Suncorp has not been delisted from ASX, trading of Ordinary Shares has not been suspended for a certain period, Suncorp is prevented from Converting CPS3
Non-Viability Trigger Event	<ul style="list-style-type: none">• A Non-Viability Trigger Event occurs where APRA determines that the conversion or write-off of Relevant Preference Securities is necessary as without that conversion or write-off, or a public sector injection of capital or equivalent capital support, APRA would consider Suncorp to be non-viable
Conversion following a Non-Viability Trigger Event	<ul style="list-style-type: none">• Upon a Non-Viability Trigger Event occurring, Suncorp must immediately Convert some or all Relevant Preference Securities into Ordinary Shares. CPS3 are Relevant Preference Securities• If Conversion cannot occur for any reason, all rights of Holders in respect of Relevant Preference Securities are immediately and irrevocably written off²• As at 31 March 2014, Suncorp has one capital instrument within the definition of Relevant Preference Securities, being CPS2, of which Suncorp has \$560 million on issue
Maximum Conversion Number	<ul style="list-style-type: none">• The Maximum Conversion Number is calculated as $\\$100 / (\text{Issue Date VWAP} \times \text{Relevant Fraction})$• The Relevant Fraction means 0.5 in the case of a Mandatory Conversion or 0.2 in the case of any other Conversion

Notes: 1 The exact number of Ordinary Shares to be received depends on the VWAP of Ordinary Shares, is capped at the Maximum Conversion Number and may be worth less than \$101 per CPS3.
2 The right to receive dividends and a return of capital will approximate the rights which the holder would have had if the CPS3 had converted

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Section 3

Features of CPS3

One Company
Many Brands



Comparison with term deposits, Subordinated Notes and CPS2

	Term deposit (issued by Suncorp Bank)	Subordinated Notes	CPS2	CPS3
Issue date	• N/A	• 22 May 2013	• 6 November 2012	• 8 May 2014
Legal form	• Unsecured, unsubordinated debt	• Unsecured, subordinated debt	• Preference share	• Preference share
Protection under Financial Claims Scheme	• Yes ¹	• No	• No	• No
Fixed maturity	• Yes, often between 1 month and 5 years	• Yes, approximately 10 years	• No, CPS2 are perpetual instruments (subject to scheduled conversion into Ordinary Shares)	• No, CPS3 are perpetual instruments (subject to scheduled conversion into Ordinary Shares)
Optional redemption	• Limited	• Yes, at 5 year anniversary of issue ²	• Yes, at 5 year anniversary of issue ²	• Yes, at 6 year anniversary of issue ²
Distribution Rate	• Fixed (varies from product to product)	• Floating (BBSW + 2.85% p.a.)	• Floating (BBSW + 4.65% p.a.)	• Floating (BBSW + Margin to be determined under the Bookbuild)
Franking	• Unfranked	• Unfranked	• Expected to be franked, subject to gross-up	• Expected to be franked, subject to gross-up
Distribution payment dates	• End of term or per annum	• Quarterly	• Quarterly	• Quarterly
Transferable	• No	• Yes – quoted on ASX	• Yes – quoted on ASX	• Yes – quoted on ASX
Ranking	• Higher than Subordinated Notes, CPS2, CPS3 and Ordinary Shares	• Lower than all creditors, higher than CPS2, CPS3 and Ordinary Shares	• Lower than Subordinated Notes and all creditors, equal with CPS3, higher than Ordinary Shares	• Lower than Subordinated Notes and all creditors, equal with CPS2, higher than Ordinary Shares
Mandatory conversion to ordinary shares	• No	• Yes, for loss absorption	• Yes, on a scheduled mandatory conversion date, or for loss absorption ²	• Yes, on a scheduled mandatory conversion date, or for loss absorption ²


Notes:

1 For deposits made after 1 January 2013 up to an amount of \$250,000.

2 Also in certain other limited circumstances.

CPS3

Ranking of CPS3¹

	Type	Illustrative examples
 <p>Higher ranking</p>	<ul style="list-style-type: none"> Preferred and secured debt 	<ul style="list-style-type: none"> Liabilities preferred by law including employee entitlement and secured creditors
	<ul style="list-style-type: none"> Unsubordinated and unsecured debt 	<ul style="list-style-type: none"> Bonds and notes, trade and general creditors
	<ul style="list-style-type: none"> Subordinated and unsecured debt 	<ul style="list-style-type: none"> Subordinated Notes and other subordinated and unsecured debt obligations
	<ul style="list-style-type: none"> Preference shares 	<ul style="list-style-type: none"> CPS3, CPS2 and any other preference shares or securities expressed to rank equally with CPS3²
	<ul style="list-style-type: none"> Ordinary Shares <p>Lower ranking</p>	<ul style="list-style-type: none"> Ordinary Shares

Notes:

¹ For more information on ranking in a winding up, see Section 1.1 of the Prospectus.

² However, any return in a winding-up may be adversely affected if APRA determines that a Non-Viability Trigger Event has occurred. A CPS3 required to be Converted on a Non-Viability Trigger Event will be converted and rank as an Ordinary Share, or if that is not possible, Written Off, in which case a Holder's claim ranks in substance with the claims of Ordinary Shares

CPS3

Key risks associated with an investment in CPS3

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- CPS3 are not deposit or policy liabilities of Suncorp or any member of the Suncorp Group and are not guaranteed by any government or other person.
 - The price at which CPS3 Holders are able to sell CPS3 on ASX is uncertain
 - There may be no liquid market for CPS3
 - The market price of Suncorp Ordinary Shares may fluctuate due to various factors
 - There is a risk that Dividends will not be paid, including where the Directors do not determine to pay a Dividend or where APRA objects to a Dividend payment
 - The Dividend Rate will fluctuate (both increasing and decreasing) over time as a result of movements in the Bank Bill Rate
 - It is uncertain whether or when CPS3 may be Exchanged
 - If Conversion occurs following a Non-Viability Trigger Event, Holders are likely to receive Ordinary Shares that are worth significantly less than the Issue Price of CPS3
 - In a winding-up of Suncorp, CPS3 rank ahead of Ordinary Shares, equally with all Equal Ranking Instruments, but behind all creditors of Suncorp
 - See Sections 1.3.2 and 5.1 of the Prospectus for more information on risks associated with CPS3
 - See Section 5.2 of the Prospectus for more information on risks associated with the Suncorp Group
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Section 4

Offer process

Offer structure

Institutional Offer

- Offer to certain institutional investors

Broker Firm Offer

- Offer to Australian resident retail and high net worth clients of Syndicate Brokers

Securityholder Offer

- Offer to Eligible Securityholders
 - registered holders of Ordinary Shares, Floating Rate Capital Notes, CPS2 or Subordinated Notes as at 7.00pm on 24 March 2014, shown on the applicable register as having an address in Australia and on in the United States or acting as a nominee for a person in the United States

Key dates¹

Event	Date
Lodgement of Prospectus with ASIC	31 March 2014
Bookbuild	7 April 2014
Announcement of the Margin	7 April 2014
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	7 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
CPS3 commence trading on ASX (normal settlement basis)	14 May 2014
First Dividend Payment Date	17 June 2014
Optional Exchange Date	17 June 2020
Scheduled Mandatory Conversion Date	17 June 2022

Note:

¹ These dates are indicative only and may change without notice.

Contact directory

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Joint Lead Managers			
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Further information

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