

31 March 2014

SUNCORP GROUP LIMITED ("SUNCORP") LAUNCHES CONVERTIBLE PREFERENCE SHARE ("CPS3") OFFER

Suncorp today announced its intention to raise A\$250 million with the ability to raise more or less, through an offer of CPS3.

Suncorp is issuing CPS3 to raise proceeds which it expects to use to fund the capital requirements of one or more regulated entities within the Suncorp Group.

CPS3 are expected to be quoted on the Australian Securities Exchange ("ASX").

Steve Johnston, Suncorp Group CFO said, "The CPS3 offer will further strengthen Suncorp's capital position and is a key part of our ongoing funding and capital management strategy."

Full details of this investment opportunity and the terms and conditions of CPS3 are set out in the Prospectus lodged with the Australian Securities and Investments Commission ("ASIC") and ASX today.

The Prospectus is available to Australian investors at www.suncorpgroup.com.au/cps3, or by calling the CPS3 Offer Information Line below. A Replacement Prospectus, containing the Margin and Application Forms, is expected to be made available on 8 April 2014.

UBS has been appointed as Sole Arranger and Joint Lead Manager.

Deutsche Bank and National Australia Bank have been appointed as Joint Lead Managers.

Investors should read the 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 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.

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:

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More information about the Offer

The Offer comprises:

- an Institutional Offer to certain Institutional Investors;
- a Broker Firm Offer to Australian resident retail and high net worth clients of Syndicate Brokers; and
- a Securityholder Offer to Eligible Securityholders.

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 will be determined under the Bookbuild, and is expected to be in the range of 3.40% and 3.60% per annum.
- The minimum investment in CPS3 is \$5,000 (50 CPS3).

Indicative timetable

Key dates for the Offer	Date
Record date for determining Eligible Securityholders	24 March 2014
Lodgement of this 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	6 May 2014

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

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
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.