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SUNCORP INCREASES VARIABLE HOME LOAN RATE BY 0.10% pa

Suncorp Bank today announced it will increase its variable home loan interest rate by 0.10%p.a, effective 20 February 2012.

Suncorp's standard variable rate on home loans will increase to 7.43% p.a. (7.58% p.a. Comparison Rate^[1]) for new and existing customers.

Suncorp Bank Chief Executive Officer David Foster said the interest rate change reflected escalated funding costs in recent months.

"We're very conscious of the impact of increases in the cost of living for customers and we've had to balance this with the sustained higher costs of wholesale funding which we cannot continue to absorb at these levels," he said.

"The volatility we're seeing in international markets has put upward pressure on the price banks are paying to raise money offshore and this is reflected in our decision to raise our variable interest rates."

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About Suncorp:

Suncorp Group includes leading general insurance, banking, life insurance, superannuation and investment brands in Australia and New Zealand. The Group has around 16,000 employees and relationships with nine million customers. It is a Top 25 ASX listed company with over \$95 billion in assets. Today Suncorp is Australia's leading regional bank, largest domestic general insurance group, and second largest in New Zealand and has representation in 450 offices, branches and agencies throughout Australia and New Zealand.

^[1] Based on \$150,000 over 25 years. WARNING: This comparison rate is true only for examples given and may not include fees and charges. Different terms, fees or other loan amounts might result in a different comparison rate.

