



# Prospectus

Suncorp-Metway Limited ABN 66 010 831 722

for an offer of 2 New Shares  
for every 15 Existing Shares at  
a price of \$15.50 per New Share

The closing date of the Retail Offer  
is 5.00 pm Brisbane time on Thursday,  
5 April 2007



Lead manager and Underwriter



This Prospectus is important. You should read it in its entirety. If after reading this Prospectus you have any questions, you should consult your professional adviser.

# Important notice

This Prospectus is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the action you should take, you should consult your stockbroker, financial planner, accountant, lawyer or other professional adviser immediately.

The information contained in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before applying for New Shares you should consider whether they are a suitable investment for you in light of your particular circumstances and having regard to the merits and risks involved. Various risks may affect the future operating and financial performance of Suncorp and the value of an investment in Suncorp. Some of these risks are discussed in more detail in section 6 of this Prospectus.

The potential tax effects of the Entitlement Offer will vary between investors. Section 7.5 contains a general overview of the Australian taxation implications of the Entitlement Offer for Eligible Retail Shareholders. You should however satisfy yourself of any possible tax consequences by consulting your professional tax adviser.

This Prospectus is dated 12 March 2007. A copy of this Prospectus has been lodged with ASIC. ASIC takes no responsibility for the contents of this Prospectus. The expiry date of this Prospectus is 30 June 2007. No Shares will be issued or offered for sale on the basis of this Prospectus after the expiry date.

Suncorp will apply within seven days of the date of this Prospectus for the grant by ASX of official quotation of the Shares being offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

## Prospectus availability

A free paper copy of this Prospectus including, if requested, the Institutional Offer Procedures Manual is available to any Eligible Shareholder during the period of the Entitlement Offer by calling the Entitlement Offer Information Line on 1300 657 159 if calling within Australia, or +61 2 8280 7478 if calling from outside Australia.

The electronic version of this Prospectus (excluding the Institutional Offer Procedures Manual) may be viewed and downloaded by Eligible Shareholders from Suncorp's website ([www.suncorp.com.au](http://www.suncorp.com.au)). The electronic version of this Prospectus is only available online to persons physically present in Australia. Persons who access the electronic version of this Prospectus must ensure that they download and read the entire Prospectus.

## Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by Suncorp in connection with the Entitlement Offer.

## Foreign jurisdictions

Due to regulatory requirements, the invitation to apply for Shares pursuant to this Prospectus is not being extended to Shareholders or investors physically present or resident outside Australia, other than Institutional Investors in certain jurisdictions outside Australia who are invited to participate in the Entitlement Offer. This Prospectus does not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares being offered under this Prospectus or otherwise permit a public offering of Shares in any jurisdiction other than Australia. This Prospectus may not be distributed to, or relied on by, persons outside Australia where an offer of Shares under this Prospectus cannot be made in accordance with the laws of that place.

The Shares being offered under this Prospectus have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States. Accordingly, New Shares (and any Top-Up Shares) may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Entitlement Offer is not being made to persons in the United States or US Persons.

See section 7.6 for further details regarding restrictions on distribution of this Prospectus, and limitations upon the jurisdictions in which the offers under the Prospectus are made.

## Definitions and abbreviations

Certain terms and abbreviations used in this Prospectus have defined meanings as set out in the glossary in section 8. A term not specifically defined in this Prospectus has the meaning given to it in the Corporations Act.

## Financial amounts

All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

## References to time and dates

All references to time in this Prospectus are to Brisbane time (being Australian Eastern Standard Time) unless otherwise stated. Suncorp, in consultation with the Underwriter, reserves the right to amend any or all of the dates and times referred to in this Prospectus without notice, subject to the requirements of the Corporations Act, the Listing Rules and any other applicable law.



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# About this Prospectus

This Prospectus relates to a pro-rata offer of New Shares in Suncorp. Eligible Shareholders have an Entitlement to acquire 2 New Shares for every 15 Existing Shares held on the Record Date (being 7.00 pm Brisbane time on Friday, 16 March 2007) for the Offer Price, which is \$15.50 per New Share.

The Capital Raising pursuant to this Prospectus is one part of the arrangements that Suncorp has in place to fund the cash component of the consideration payable by Suncorp in relation to the proposed merger with Promina.

## What you need to do next

<b>1. READ this Prospectus carefully</b>	<p>You should carefully read this Prospectus in full. Section 1, "Answers to key questions", provides a summary of the Entitlement Offer, including references to where you can find more detailed information.</p> <p>You should pay particular attention to section 6, which contains a summary of the material risks associated with a further investment in Suncorp.</p>
<b>2. CONSIDER whether an investment in New Shares is appropriate for you</b>	<p>If you are an Eligible Retail Shareholder, you have three choices:</p> <ul style="list-style-type: none"><li>• take up all of your Entitlement to acquire New Shares;</li><li>• take up part of your Entitlement; or</li><li>• not take up any of your Entitlement.</li></ul> <p>Before you decide whether to take up any of your Entitlement to acquire New Shares, you should consider whether an investment in New Shares is appropriate for you in light of your particular investment objectives and circumstances and the information contained in this Prospectus. Section 2.4.2 explains what will happen if you do nothing (that is, if you do not take up any of your Entitlement) or if you take up only part of your Entitlement.</p> <p>If you are in any doubt as to whether an investment in New Shares is appropriate for you, you should seek appropriate professional advice.</p>
<b>3. DECIDE what you want to do</b>	<p><b><i>If you decide to take up all or part of your Entitlement</i></b> to acquire New Shares under the Entitlement Offer, then if you are an Eligible Retail Shareholder, you must:</p> <ul style="list-style-type: none"><li>• complete the Entitlement and Acceptance Form accompanying this Prospectus and ensure that it, and payment in full for the New Shares that you have decided to take up, is received by the Share Registry no later than the Closing Date; or</li><li>• pay for the New Shares that you have decided to take up by BPAY® (see section 3.5.3 for further details) no later than the Closing Date. <b><i>If you make your payment by BPAY® you do not need to lodge the Entitlement and Acceptance Form.</i></b></li></ul> <p>The Closing Date is 5.00 pm Brisbane time on Thursday, 5 April 2007.</p> <p>Additional details on how to take up your Entitlement, including your payment options, are set out in section 3.</p> <p><b><i>If you do not wish to take up any of your Entitlement</i></b> to acquire New Shares under the Entitlement Offer, then do nothing. See section 2.4.2 for further information on what this means for you.</p>

If you are an Institutional Shareholder, see section 2.5 for further details on how the Institutional Offer will be conducted.

## Entitlement Offer Information Line

If you have any questions relating to the Entitlement Offer, you can call the Entitlement Offer Information Line: toll free on 1300 657 159 if calling within Australia

**OR**

on +61 2 8280 7478 if calling from outside Australia.

The Entitlement Offer Information Line will be open weekdays (excluding public holidays) between 8.30 am and 5.00 pm (Brisbane time) from Monday, 12 March 2007 to Thursday, 19 April 2007.



# Key investment details

## Key offer statistics

Offer Price	\$15.50 per New Share
Entitlement ratio	2 New Shares for every 15 Existing Shares held on the Record Date
Estimated total number of New Shares to be offered under the Entitlement Offer <sup>1</sup>	75,425,641
Gross proceeds of the Capital Raising	Approximately \$1.17 billion

<sup>1</sup> Excluding any Top-Up Shares that may be issued (see section 2.7) and the final impact from the rounding of Entitlements (see section 2.6).

## Retail offer key dates<sup>1</sup>

Last trading day on which to acquire Shares for the purposes of participating in the Entitlement Offer	Friday, 9 March 2007
<b>Record Date to determine participation in the Entitlement Offer</b>	<b>7.00 pm Friday, 16 March 2007</b>
Retail Offer opens	9.00 am Monday, 19 March 2007
<b>Retail Offer closes</b>	<b>5.00 pm Thursday, 5 April 2007</b>
Second Bookbuild <sup>2</sup>	Friday, 13 April 2007
Results of Retail Offer and Second Bookbuild announced to ASX	Monday, 16 April 2007
Transfer of New Shares to successful applicants under the Retail Offer and Second Bookbuild	Tuesday, 17 April 2007
Expected date of despatch of holding statements	Wednesday, 18 April 2007
Expected date of trading on a normal settlement basis of New Shares transferred to successful applicants under the Retail Offer and Second Bookbuild	Wednesday, 18 April 2007
Expected date of payment of excess proceeds (if any) from Second Bookbuild to relevant Shareholders	Friday, 20 April 2007

**1 Important note.** This timetable is indicative only. Suncorp, in consultation with the Underwriter, reserves the right to amend any or all of these dates and times without notice, subject to the requirements of the Corporations Act, the Listing Rules and any other applicable law. The commencement of quotation of New Shares is subject to confirmation from ASX. See section 2.3 for a more detailed summary of the Entitlement Offer timetable, including dates relevant to the Institutional Offer. References to time are to Brisbane time.

**2** The First Bookbuild, which is relevant to Institutional Shareholders and Institutional Investors, is expected to take place on Thursday, 15 March 2007. See sections 2.3 and 2.5.3 for further details.



# Chairman's letter

12 March 2007

Dear Shareholder,

On behalf of the Board of Suncorp, I am pleased to invite you to participate in a pro-rata Entitlement Offer of New Shares in Suncorp. The proceeds of the Capital Raising pursuant to this Prospectus of approximately \$1.17 billion will be used to partially fund the cash consideration payable by Suncorp in relation to the proposed merger with Promina Group Limited.

The Board believes that the merger of Promina and Suncorp will create the leading diversified financial services organisation operating in Australia and New Zealand. We expect the Merged Group to deliver enhanced value to its shareholders over the medium and long term, by bringing together two highly complementary businesses, established and respected brands, a comprehensive product range and an extensive distribution network across Australia and New Zealand.

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 2 New Shares for every 15 Existing Shares held on the Record Date (being 7.00 pm Brisbane time on Friday, 16 March 2007) at an Offer Price of \$15.50 per New Share. All New Shares not acquired by Eligible Shareholders will be offered for sale in two bookbuild auctions to Institutional Investors, with any net proceeds over the Offer Price distributed to non-participating Shareholders on a pro-rata basis. The New Shares being offered under the Entitlement Offer will not participate in the interim dividend declared for the six months ended 31 December 2006, but will otherwise rank equally with Existing Shares.

The closing market price of Suncorp Shares as at 9 March 2007 was \$21.25. The Offer Price of \$15.50 represents a discount of 27% to that market price and 25% to the theoretical ex-entitlements price on that date (see section 2.10 for further details).

I encourage you to read this Prospectus carefully, in conjunction with other publicly available information relating to Suncorp and Promina, before deciding whether or not to take up your Entitlement. Details on the options available to you are contained in section 3 of this Prospectus.

The Closing Date for the Retail Offer is 5.00 pm Brisbane time on Thursday, 5 April 2007. If you have any questions in relation to the Entitlement Offer, you should seek appropriate professional advice or call the Entitlement Offer Information Line on 1300 657 159 if calling within Australia or +61 2 8280 7478 if calling from outside Australia.

On behalf of the Board, I thank you for your continued support as a Suncorp shareholder and I commend this Entitlement Offer to you.

Yours sincerely



**John Story**  
Chairman

# 1. Answers to key questions



# Answers to key questions

Question	Answer	Where to find more information
What is the Entitlement Offer?	The Entitlement Offer is a pro-rata offer of New Shares in Suncorp to Eligible Shareholders.	section 2
What is the Offer Price?	\$15.50 per New Share	section 2.2
What discount is the Offer Price to the market price of Suncorp Shares?	The closing market price of Suncorp Shares as at 9 March 2007 was \$21.25. The Offer Price of \$15.50 represents a discount of 27% to that market price and 25% to the theoretical ex-entitlements price on that date (see section 2.10 for further details).	section 2.10
What are the gross proceeds of the Capital Raising?	Approximately \$1.17 billion	section 2.8
What is the purpose of the Capital Raising?	The net proceeds from the Capital Raising will be used to partially fund the cash component of the consideration payable by Suncorp in relation to the proposed merger with Promina. The pro forma impact on Suncorp's balance sheet of the Entitlement Offer and the merger with Promina is set out in section 5.	sections 2.1 and 5
Am I eligible to participate in the Entitlement Offer?	The Entitlement Offer is open to Eligible Retail Shareholders and Eligible Institutional Shareholders.  You are an Eligible Retail Shareholder if you: <ul style="list-style-type: none"> <li>• are registered as the holder of Suncorp Shares on the Record Date (being 7.00 pm Brisbane time on Friday, 16 March 2007);</li> <li>• have a registered address in Australia; and</li> <li>• are not an Institutional Shareholder.</li> </ul>	sections 2.4 and 2.5
What is my Entitlement?	As an Eligible Shareholder, your Entitlement is the maximum number of New Shares that you can acquire under the Entitlement Offer.  Each Eligible Shareholder is entitled to acquire a maximum of 2 New Shares for every 15 Existing Shares that they hold on the Record Date (being 7.00 pm on Friday, 16 March 2007). Where fractions arise in the calculation of an Entitlement, the number of New Shares comprising the Entitlement will be rounded up or down to the nearest whole number.  If you are an Eligible Retail Shareholder, your Entitlement is set out in the personalised Entitlement and Acceptance Form accompanying this Prospectus.	sections 2.4.1, 2.6 and your personalised Entitlement and Acceptance Form
Can I still acquire Shares that will participate in the Entitlement Offer?	No. In order to be registered as the holder of Shares by the Record Date (being 7.00 pm on Friday, 16 March 2007), investors must have acquired their Shares on or before Friday, 9 March 2007.	section 2.6

Question	Answer	Where to find more information
What are the steps in the Entitlement Offer?	<p>The Entitlement Offer is a pro-rata offer of New Shares comprising:</p> <ul style="list-style-type: none"> <li>the <b>Institutional Offer and First Bookbuild</b> – Eligible Institutional Shareholders will be offered the opportunity by the Underwriter to take up all or part of their Entitlement to acquire New Shares at the Offer Price. New Shares not acquired by Eligible Institutional Shareholders under the Institutional Offer, and New Shares equivalent to the Entitlements of Ineligible Institutional Shareholders, will then be offered for sale to Institutional Investors in the First Bookbuild scheduled to occur on Thursday, 15 March 2007; and</li> <li>the <b>Retail Offer and Second Bookbuild</b> – Eligible Retail Shareholders will be sent this Prospectus and will be required to decide by the Closing Date (being 5.00 pm Brisbane time on Thursday, 5 April 2007) whether to take up all, part or none of their Entitlement to acquire New Shares at the Offer Price. New Shares not acquired by Eligible Retail Shareholders under the Retail Offer, and New Shares equivalent to the Entitlements of Ineligible Retail Shareholders, will then be offered for sale to Institutional Investors in the Second Bookbuild scheduled to occur on Friday, 13 April 2007.</li> </ul>	sections 2.2, 2.3, 2.4 and 2.5
What can I do with my Entitlement?	<p>There are three choices available to you in relation to your Entitlement. You can:</p> <ul style="list-style-type: none"> <li>take up all of your Entitlement;</li> <li>take up part of your Entitlement; or</li> <li>not take up any of your Entitlement.</li> </ul>	section 3.1

The table below summarises the effect of the Entitlement Offer on an Eligible Retail Shareholder who holds 1,500 Shares on the Record Date, depending on what they choose to do:

Choice	No. of Shares held on the Record Date	No. of New Shares comprising Entitlement	No. of New Shares taken up	Payment required	No. of Shares held on completion of the Entitlement Offer	No. of New Shares offered for sale in the Second Bookbuild <sup>2</sup>	Cash return for untaken Entitlements <sup>3</sup>
Take up their full Entitlement	1,500	200	200	\$3,100 (\$15.50 x 200)	1,700	Nil	Nil
Take up only part of their Entitlement (eg 50%) <sup>1</sup>	1,500	200	100	\$1,550 (\$15.50 x 100)	1,600	100	If the Clearing Price <sup>4</sup> is more than \$15.50 <sup>3</sup> : 100 x the amount by which the Clearing Price exceeds \$15.50
Take up none of their Entitlement	1,500	200	Nil	Nil	1,500	200	If the Clearing Price <sup>4</sup> is more than \$15.50 <sup>3</sup> : 200 x the amount by which the Clearing Price exceeds \$15.50

**1** An Eligible Retail Shareholder can elect to take up less than their full Entitlement. This example assumes that the Shareholder takes up only half of their Entitlement.

**2** See section 2.4.2 for further details of the Second Bookbuild.

**3 Important:** There is no guarantee that the Clearing Price will exceed the Offer Price, and if it does not, no amount will be payable to any Retail Shareholder in respect of untaken Entitlements. See section 2.4.2.

**4** "Clearing Price" means the price per Share at which New Shares are sold in the Second Bookbuild.



# Answers to key questions

Question	Answer	Where to find more information
How do I take up my Entitlement?	<p>If you are an Eligible Retail Shareholder and you wish to take up <b>all or part of</b> your Entitlement, you should:</p> <ul style="list-style-type: none"> <li>complete the Entitlement and Acceptance Form accompanying this Prospectus and ensure that it, and payment in full for the New Shares that you have decided to take up, is received by the Share Registry no later than the Closing Date; or</li> <li>pay for the New Shares that you have decided to take up by BPAY® no later than the Closing Date. <b>If you make your payment by BPAY® you do not need to lodge the Entitlement and Acceptance Form.</b></li> </ul> <p>The Closing Date is 5.00 pm Brisbane time on Thursday, 5 April 2007.</p>	section 3.2
What do I do if I don't want to take up any of my Entitlement?	If you do <b>not</b> wish to take up any part of your Entitlement, you should do nothing.	section 3.3
What happens if I do nothing or take up only part of my Entitlement?	<p>If you are an Eligible Retail Shareholder and you:</p> <ul style="list-style-type: none"> <li>do nothing, that is, you do not take up any part of your Entitlement; or</li> <li>take up only part of your Entitlement,</li> </ul> <p>any New Shares you do not acquire will be offered for sale to Institutional Investors in the Second Bookbuild. If the Clearing Price achieved in the Second Bookbuild is higher than \$15.50 (being the Offer Price), then you will be paid an amount equal to the difference between the Clearing Price and \$15.50 multiplied by the number of New Shares comprising your untaken Entitlement.</p> <p>The trading price of Shares on ASX at the time of the Second Bookbuild is expected to be a reasonable indicator of the likely Clearing Price, subject to the impact of liquidity and demand for Shares, and prevailing market conditions. However, there can be no guarantee that the Clearing Price achieved in the Second Bookbuild will exceed the Offer Price and that you will receive any cash return in respect of your untaken Entitlement.</p> <p>If you do not take up your full Entitlement, your proportional shareholding in Suncorp as at the Record Date will be reduced.</p>	section 2.4.2
Can I apply for additional New Shares above my Entitlement?	No. Your Entitlement is the maximum number of New Shares you can acquire under the Entitlement Offer, and is based upon your shareholding on the Record Date.	section 2.4.1
Can I trade my Entitlement?	No. Your Entitlement is not privately transferable or tradeable on ASX.	section 2.4.1
Are Promina shareholders who receive Shares under the Merger eligible to participate in the Entitlement Offer in respect of those Shares?	No. The Entitlement Offer is only available to Eligible Shareholders at the Record Date. Promina shareholders who are entitled to receive Shares under the Merger are not expected to be registered as the holders of those shares until Tuesday, 20 March 2007, which is after the Record Date. Therefore, they will not be eligible to participate in the Entitlement Offer in respect of those Shares.	section 2.4.1

Question	Answer	Where to find more information
What are the taxation implications of the Entitlement Offer?	A general overview of the Australian taxation implications of the Entitlement Offer for Eligible Retail Shareholders is set out in section 7.5.	section 7.5
What are the risks associated with a further investment in Suncorp?	<p>The New Shares will carry the same investment risks as Existing Shares.</p> <p>A summary of some of the key risks of an investment in Suncorp is set out in section 6. These risks include:</p> <ul style="list-style-type: none"> <li>• general equity market and economic risks;</li> <li>• general risks associated with Suncorp;</li> <li>• risks associated with Suncorp’s banking activities;</li> <li>• risks associated with the Suncorp Group’s insurance and wealth management businesses (including those to be acquired through the Merger with Promina); and</li> <li>• risks associated with the implementation of the Merger.</li> </ul>	section 6
Are there any fees payable by investors in relation to the Entitlement Offer?	No. All costs payable in relation to the Entitlement Offer will be paid for by Suncorp.	
Is the Capital Raising underwritten?	Yes. The Capital Raising has been fully underwritten by Citigroup Global Markets Australia Pty Limited.	section 7.7
What are the costs associated with the Capital Raising?	The issue costs associated with the Capital Raising will be approximately \$29 million (before tax). In addition, there will be funding fees payable by Suncorp, as described in section 7.7.6.	sections 7.7.6 and 7.9



## 2. Details of the Entitlement Offer

# Details of the Entitlement Offer

## 2.1 Purpose of the Capital Raising

The Capital Raising is being undertaken by Suncorp to partially fund the cash component of the consideration payable by it in connection with the proposed merger with Promina.

For more information regarding the Merger, refer to the Scheme Booklet, a copy of which can be obtained from Suncorp's website ([www.suncorp.com.au](http://www.suncorp.com.au)). The Scheme Booklet does not form part of this Prospectus.

## 2.2 Overview of the Entitlement Offer

This Prospectus relates to a pro-rata offer of New Shares in Suncorp to raise approximately \$1.17 billion. Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to acquire 2 New Shares for every 15 Existing Shares that they hold on the Record Date (being 7.00 pm Brisbane time on Friday, 16 March 2007). The Offer Price is \$15.50 per New Share.

The closing market price of Suncorp Shares as at 9 March 2007 was \$21.25. The Offer Price of \$15.50 represents a discount of 27% to that market price and 25% to the theoretical ex-entitlements price on that date (see section 2.10 for further details).

The Entitlement Offer involves four steps, which are summarised below. Each of these steps is described in further detail later in this section.

		Expected timing
<b>Step 1</b>	<b>Institutional Offer</b> – Eligible Institutional Shareholders will be offered the opportunity by the Underwriter to take up all or part of their Entitlement to acquire New Shares at the Offer Price. Ineligible Institutional Shareholders will not be able to take up their Entitlement.	12 to 13 March 2007
<b>Step 2</b>	<b>First Bookbuild</b> – New Shares not acquired by Eligible Institutional Shareholders under the Institutional Offer, and New Shares equivalent to the Entitlements of Ineligible Institutional Shareholders, will be offered for sale by the Underwriter to Institutional Investors via a bookbuild process.	15 March 2007
<b>Step 3</b>	<b>Retail Offer</b> – Eligible Retail Shareholders will be sent this Prospectus and will be required to decide by the Closing Date whether to take up all, part or none of their Entitlement to acquire New Shares at the Offer Price. Ineligible Retail Shareholders will not be able to take up their Entitlement.	19 March to 5 April 2007
<b>Step 4</b>	<b>Second Bookbuild</b> – New Shares not acquired by Eligible Retail Shareholders under the Retail Offer, and New Shares equivalent to the Entitlements of Ineligible Retail Shareholders, will be offered for sale by the Underwriter to Institutional Investors via a bookbuild process.	13 April 2007

The Capital Raising has been fully underwritten by the Underwriter. Under the terms of the Underwriting Agreement, the Underwriter will subscribe for all of the New Shares that are being offered for sale pursuant to this Prospectus. The Underwriter will pay Suncorp an amount equal to the Offer Price for each New Share issued to it. The Underwriter will then transfer New Shares to applicants under this Prospectus, and to Institutional Investors who acquire New Shares in the First Bookbuild and Second Bookbuild.

The underwriting of the Capital Raising has been structured in this way so as to enable Suncorp to have access to the net proceeds of the Capital Raising shortly after the court hearing to approve the Scheme to effect the merger with Promina, which is scheduled to take place on Monday, 12 March 2007. A summary of the Underwriting Agreement is set out in section 7.7.

For the purposes of the Entitlement Offer, the Underwriter will not be treated as a Shareholder in respect of the New Shares and will not have an Entitlement arising out of the New Shares and therefore will not receive an offer under the Institutional Offer or the Retail Offer in respect of the New Shares. The New Shares held by the Underwriter on the Record Date will not be treated as Existing Shares.

# Details of the Entitlement Offer

## 2.3 Entitlement Offer timetable

The table below sets out important dates for the Entitlement Offer:

References to time are to Brisbane time	
Last trading day to acquire Shares that will participate in the Entitlement Offer	Friday, 9 March 2007
Trading halt in Suncorp securities commences	Commencement of trading on Monday, 12 March 2007
Institutional Offer opens	Monday, 12 March 2007
Institutional Offer closes	Tuesday, 13 March 2007
First Bookbuild	Thursday, 15 March 2007
Results of Institutional Offer and First Bookbuild announced to ASX	Prior to commencement of trading on Friday, 16 March 2007
Trading halt in Suncorp securities lifted	Commencement of trading on Friday, 16 March 2007
<b>Record Date to determine participation in the Entitlement Offer</b>	<b>7.00 pm Friday, 16 March 2007</b>
Retail Offer opens	9.00 am Monday, 19 March 2007
Settlement of Institutional Offer and First Bookbuild	Tuesday, 20 March 2007
Transfer of New Shares to successful applicants under the Institutional Offer and First Bookbuild	Tuesday, 20 March 2007
Expected date of despatch of holding statements to successful applicants under the Institutional Offer and First Bookbuild	Wednesday, 21 March 2007
Expected date of trading on a normal settlement basis of New Shares transferred to successful applicants under the Institutional Offer and First Bookbuild	Wednesday, 21 March 2007
Expected date of payment of excess proceeds (if any) from First Bookbuild to relevant Shareholders	Friday, 23 March 2007
<b>Retail Offer closes</b>	<b>5.00 pm Thursday, 5 April 2007</b>
Second Bookbuild	Friday, 13 April 2007
Results of Retail Offer and Second Bookbuild announced to ASX	Monday, 16 April 2007
Settlement of Second Bookbuild	Tuesday, 17 April 2007
Transfer of New Shares to successful applicants under the Retail Offer and Second Bookbuild	Tuesday, 17 April 2007
Expected date of despatch of holding statements to successful applicants under the Retail Offer and Second Bookbuild	Wednesday, 18 April 2007
Expected date of trading on a normal settlement basis of New Shares transferred to successful applicants under the Retail Offer and Second Bookbuild	Wednesday, 18 April 2007
Expected date of payment of proceeds (if any) from Second Bookbuild to relevant Shareholders	Friday, 20 April 2007

**Important note.** This timetable is indicative only. Suncorp, in consultation with the Underwriter, reserves the right to amend any or all of these dates and times without notice, subject to the requirements of the Corporations Act, the Listing Rules and any other applicable law. The commencement of quotation of New Shares is subject to confirmation from ASX.

## 2.4 Retail Offer

The Retail Offer will occur after the Institutional Offer and First Bookbuild, which are described in section 2.5.

### 2.4.1 Overview

Under the Retail Offer, each Eligible Retail Shareholder is being offered the opportunity to acquire 2 New Shares for every 15 Existing Shares that they hold on the Record Date (being 7.00 pm Brisbane time on Friday 16 March 2007) at an Offer Price of \$15.50 per New Share. This is the same ratio and Offer Price upon which New Shares are being offered under the Institutional Offer.

The Entitlement of each Eligible Retail Shareholder is shown on their personalised Entitlement and Acceptance Form that accompanies the copy of this Prospectus. See section 2.6 for further details regarding how Entitlements will be calculated.

The Retail Offer is only open to Eligible Retail Shareholders. You are an Eligible Retail Shareholder if you:

- are registered as the holder of Shares on the Record Date (being 7.00pm on Friday, 16 March 2007);
- have a registered address in Australia; and
- are not an Institutional Shareholder.

Promina shareholders who are issued Shares pursuant to the Merger will not be entitled to participate in the Entitlement Offer in respect of those Shares as they will not be registered as holders of those Shares until after the Record Date.

Suncorp reserves the right to reject any acceptance that it or the Underwriter believes comes from a person who is not an Eligible Retail Shareholder.

Eligible Retail Shareholders may elect to acquire all, some or none of the New Shares offered to them under the Retail Offer (see section 3 for further details). However, the Entitlement of an Eligible Retail Shareholder is personal and is not capable of being traded on ASX, transferred, assigned or otherwise dealt with other than through the Second Bookbuild, which is described in section 2.4.2.

### 2.4.2 Second Bookbuild

New Shares not acquired by Eligible Retail Shareholders under the Retail Offer, together with New Shares equivalent to the Entitlements of Ineligible Retail Shareholders, will be offered for sale by the Underwriter in the Second Bookbuild. Under the Second Bookbuild certain Institutional Investors invited by the Underwriter (which may include Eligible Institutional Shareholders who participated in the Institutional Offer) will be offered the opportunity to bid for these New Shares.

If the Clearing Price exceeds the Offer Price, each Eligible Retail Shareholder who took up none or only part of their Entitlement, and each Ineligible Retail Shareholder, will be paid the excess of the Clearing Price over the Offer Price in respect of each New Share forming that part of their Entitlement that they did not take up. The amount of any excess that is payable will be paid to these Shareholders by cheque or direct deposit in accordance with their current dividend payment instructions. Shareholders who currently fully reinvest their dividends in the Suncorp Dividend Reinvestment Plan will receive any amount that is payable by cheque. Payment of excess proceeds (if any) is expected to occur on or about Friday, 20 April 2007.

If the Clearing Price is equal to the Offer Price, no amount will be payable to any Retail Shareholder for Entitlements not taken up.

If the Underwriter is not able to achieve a Clearing Price in the Second Bookbuild that equals or exceeds the Offer Price, no New Shares will be sold in the Second Bookbuild and the Underwriter will remain the owner of those New Shares. In these circumstances, no amount will be payable to any Retail Shareholder for Entitlements not taken up.

The trading price of Shares on ASX at the time of the Second Bookbuild is expected to be a reasonable indicator of the likely Clearing Price, subject to the impact of liquidity and demand for Shares, and prevailing market conditions. However, there can be no guarantee that the Underwriter will be able to achieve a Clearing Price that exceeds the Offer Price. Accordingly, there can be no guarantee that relevant Retail Shareholders will receive any payment in respect of those New Shares comprising their untaken Entitlement.

Furthermore, it is likely that the Clearing Price in the Second Bookbuild will not be the same as the Clearing Price achieved in the First Bookbuild.

In each case neither Suncorp nor the Underwriter will be liable in any way for the Clearing Price that is achieved or for a failure to achieve a Clearing Price that exceeds the Offer Price.

## 2.5 Institutional Offer

The Institutional Offer and First Bookbuild will take place before the Retail Offer and Second Bookbuild described in section 2.4. Suncorp expects to announce to ASX the results of the Institutional Offer and First Bookbuild on Friday, 16 March 2007.

### 2.5.1 Overview of the Institutional Offer

Under the Institutional Offer, Eligible Institutional Shareholders will be offered the opportunity to acquire 2 New Shares for every 15 Existing Shares it is estimated they will hold on the Record Date (being 7.00 pm Brisbane time on Friday, 16 March 2007) at an Offer Price of \$15.50 per New Share. This is the same ratio and Offer Price upon which New Shares are being offered under the Retail Offer.

Eligible Institutional Shareholders may elect to acquire all, some or none of the New Shares offered to them under the Institutional Offer. However, the Entitlement of an Institutional Shareholder is personal to that Shareholder and cannot be traded on ASX, transferred, assigned or otherwise dealt with other than through the First Bookbuild, which is described in section 2.5.3.

# Details of the Entitlement Offer

## 2.5.2 Timing and terms of participation in the Institutional Offer

The Institutional Offer will open on Monday, 12 March 2007 and close on Tuesday, 13 March 2007. It will therefore have been completed before the Record Date and before the time this Prospectus is sent to Eligible Retail Shareholders.

As the Record Date occurs after the close of the Institutional Offer, Eligible Institutional Shareholders will be offered the opportunity to participate in the Institutional Offer on the basis of the number of Existing Shares it is estimated they will hold on the Record Date. To the extent that an Eligible Institutional Shareholder's estimated number of Existing Shares is greater than the actual number of Existing Shares held on the Record Date, the number of New Shares transferred to that Eligible Institutional Shareholder pursuant to the Institutional Offer will be capped at their actual Entitlement. To the extent that the estimated number of Existing Shares is less than the actual number of Existing Shares held on the Record Date, New Shares representing the difference between that Eligible Institutional Shareholder's actual Entitlement, and the number of New Shares that they apply for in the Institutional Offer, may be offered for sale in the First Bookbuild, the Second Bookbuild or otherwise dealt with as Suncorp and the Underwriter determine in their absolute discretion.

Eligible Institutional Shareholders who elect to take up all or part of their Entitlement will be required to pay for their New Shares on Tuesday, 20 March 2007 in accordance with the instructions provided by the Underwriter (see section 2.5.4).

## 2.5.3 First Bookbuild

New Shares not acquired by Eligible Institutional Shareholders in the Institutional Offer, together with New Shares equivalent to the Entitlements of Ineligible Institutional Shareholders, will be offered for sale by the Underwriter in the First Bookbuild. Under the First Bookbuild, Institutional Investors invited by the Underwriter (which may include Eligible Institutional Shareholders who took up all of their Entitlements under the Institutional Offer) will be offered the opportunity to bid for these New Shares.

The Clearing Price in the First Bookbuild is likely to be different from the Offer Price. If the Clearing Price exceeds the Offer Price, each Eligible Institutional Shareholder who took up none or only part of their Entitlement, and each Ineligible Institutional Shareholder, will be paid the amount of the difference for each New Share forming that part of their Entitlement that they did not take up.

If the Clearing Price is equal to the Offer Price, no amount will be payable to any Institutional Shareholder for Entitlements not taken up.

If the Underwriter is not able to achieve a Clearing Price in the First Bookbuild that equals or exceeds the Offer Price, no New Shares will be sold in the First Bookbuild and the Underwriter will remain the owner of those New Shares. In these circumstances, no amount will be payable to any Institutional Shareholder for Entitlements not taken up.

The price at which the Underwriter is able to sell New Shares in the First Bookbuild will depend upon various factors, including prevailing market conditions and demand for Shares at the time. There can be no guarantee that the Underwriter will be able to achieve a Clearing Price that exceeds the Offer Price. Accordingly, there can be no guarantee that relevant Institutional Shareholders will receive any payment in respect of those New Shares comprising their untaken Entitlement. In addition, it is likely that the Clearing Price in the First Bookbuild will not be the same as the Clearing Price that is subsequently achieved in the Second Bookbuild. In each case neither Suncorp nor the Underwriter will be liable in any way for the Clearing Price that is achieved or for a failure to achieve a Clearing Price that exceeds the Offer Price.

## 2.5.4 Institutional Offer Procedures Manual

The Underwriter will provide Eligible Institutional Shareholders and other Institutional Investors invited to participate in the First Bookbuild and/or the Second Bookbuild, with an Institutional Offer Procedures Manual, which will provide further details regarding the terms and conditions of participation in, and the conduct of, the Institutional Offer and each bookbuild. The Institutional Offer Procedures Manual does not relate to the Retail Offer and is not relevant to Retail Shareholders.

A copy of the Institutional Offer Procedures Manual has been lodged with ASIC. Suncorp will provide a copy of the Institutional Offer Procedures Manual free of charge to any person who requests a copy of it before the Closing Date.

## 2.5.5 Stock lending

Under the Entitlement Offer, the Entitlement of each Shareholder will be calculated by Suncorp based on the number of Existing Shares that they hold on the Record Date. In the event an owner of Shares has Existing Shares out on loan, the borrower will be the registered holder of those Existing Shares (provided that those borrowed Existing Shares have not been on-sold) for the purposes of determining Entitlements. It is the responsibility of each Institutional Investor to check its lending status and lending agreements to determine the implications of the Entitlement Offer on lent stock, and if necessary confirm these matters with its custodian or nominee. Eligible Institutional Shareholders and Institutional Investors should refer to the Institutional Offer Procedures Manual for further details.

## 2.6 Calculating Entitlements

The Entitlement Offer is open to Eligible Shareholders who are registered as the holders of Shares on the Record Date (being 7.00 pm on Friday, 16 March 2007).

Suncorp expects that its securities will be subject to a trading halt from the commencement of trading on ASX on Monday, 12 March 2007 until the commencement of trading on Friday, 16 March 2007.

In calculating the Entitlements of Shareholders, Suncorp will ignore changes in registered holdings that occur after the announcement of the trading halt on 12 March 2007 and before the Record Date, other than registrations of transactions that occurred on a normal T+3 settlement basis prior to the commencement of the trading halt. In order to be registered as the holder of Shares by the Record Date, investors must therefore have acquired their Shares on or before Friday, 9 March 2007.

Where fractions arise in the calculation of an Entitlement, the number of New Shares comprising the Entitlement will be rounded up or down to the nearest whole number of New Shares.

Where Suncorp reasonably believes that a Shareholder has been a party to a shareholding splitting or division in an attempt to gain an advantage by reference to the rounding provided for in the calculation of Entitlements, then Suncorp reserves the right to round the Entitlement of any relevant holdings so as to negate the effect of any splitting or division.

A nominee Shareholder may receive offers under the Institutional Offer in respect of Shares held as nominee for Institutional Investors and offers under the Retail Offer in respect of Shares held as nominee for other persons.

## 2.7 Top-Up Shares

As a consequence of the structure of the Institutional Offer, it is possible that in some instances the number of Shares estimated to be held by Institutional Shareholders on the Record Date may be more than the actual number of Shares they hold on the Record Date. In addition, due to rounding in the calculation of Entitlements, it is also possible that the number of New Shares will be more or less than the aggregate of Shareholders' Entitlements under the Entitlement Offer. In either of these circumstances Suncorp may need to issue, by way of placement, a small quantity of additional Shares (**Top-Up Shares**) to ensure that all Eligible Shareholders receive the Shares they elect to acquire under their Entitlement.

The Top-Up Shares will be issued at the Offer Price and otherwise will be offered on the same terms and conditions as the New Shares that are being offered for acquisition pursuant to the Entitlement Offer.

## 2.8 Uses of funds raised

Under the Capital Raising, Suncorp will raise gross proceeds of approximately \$1.17 billion. The issue costs of the Capital Raising, which will be paid by Suncorp out of this amount, are estimated to be \$29 million (before tax). The balance of the proceeds of the Capital Raising (estimated to be \$1.14 billion), will be used by Suncorp to pay part of the consideration that will be payable to Promina shareholders under the Scheme.

Additional funding fees will also be payable by Suncorp in connection with the Capital Raising, as described in section 7.7.6.

## 2.9 Effect of the Entitlement Offer on Shareholders' percentage interests in Suncorp

The Entitlement Offer is a pro-rata offer to Eligible Shareholders. Eligible Shareholders who take up their full Entitlement will maintain their percentage shareholding in Suncorp as at the Record Date. The percentage shareholding (as at the Record Date) of Eligible Shareholders who do not take up any of their Entitlement, or take up only part of their Entitlement, will be reduced as a result of the Entitlement Offer.

In addition to the issue of Shares under the Capital Raising, on the implementation date of the Merger, which is expected to be Tuesday, 20 March 2007, Promina shareholders will be issued Shares as part of the consideration payable to them for the acquisition of their Promina shares. As a consequence of the issue of these Shares, existing Promina shareholders will own approximately 30% of Suncorp at the time the Merger is implemented.

## 2.10 Calculation of theoretical ex-entitlements price

The closing market price of Suncorp Shares as at 9 March 2007 was \$21.25. The Offer Price of \$15.50 represents a discount of 27% to that market price and 25% to the theoretical ex-entitlements price on that date. The calculation of the theoretical ex-entitlements price is set out in the table below. This calculation is for illustrative purposes only and should not be relied upon. The trading price of New Shares is likely to vary.

Closing price of Shares on ASX on 9 March 2007	\$21.25
Number of Shares on issue on 9 March 2007	565,706,921
Number of New Shares to be issued pursuant to the Capital Raising <sup>1</sup>	75,425,641
Total number of Shares on issue following the Capital Raising <sup>2</sup>	641,132,562
Gross proceeds of the Capital Raising (at the Offer Price)	\$1,169 million
Theoretical ex-entitlements price <sup>3</sup>	\$20.57

1. This assumes that no Top-Up Shares are issued and is subject to the final impact of the rounding of Entitlements.
2. Excludes Shares issued to Promina shareholders as part of the consideration payable to them for the acquisition of their Promina shares.
3. The theoretical ex-entitlements price is calculated as the theoretical market capitalisation of Suncorp after completion of the Capital Raising divided by the number of Shares on issue following completion of the Capital Raising.

# Details of the Entitlement Offer

## 2.11 Scope of this Prospectus

Pursuant to and under this Prospectus offers are being made:

- to Eligible Shareholders, and other Institutional Investors invited to participate in the First Bookbuild and/or Second Bookbuild, to acquire New Shares under the Entitlement Offer; and
- for the issue of any Top-Up Shares.

Under this Prospectus, Suncorp has also offered to issue to the Underwriter all of the New Shares at an issue price per New Share equal to the Offer Price. The New Shares will be allotted to the Underwriter upon receipt by Suncorp of a completed application form and payment of the applicable subscription amount.

## 2.12 Ranking of New Shares and Top-Up Shares

Each New Share and Top-Up Share (if any) will be fully paid. The New Shares being offered under the Entitlement Offer and Top-Up Shares will not participate in the dividend declared for the six months ended 31 December 2006, but will otherwise rank equally with Existing Shares.

## 2.13 ASX quotation

Suncorp will apply to ASX within seven days of the date of this Prospectus for official quotation of the New Shares issued to the Underwriter and offered for sale under this Prospectus and the Top-Up Shares (if any). Subject to approval being granted, quotation of the New Shares is expected to commence on Friday, 16 March 2007, while quotation of the Top-Up Shares (if any) is expected to commence shortly after they are issued.

## 2.14 Ineligible Shareholders

Ineligible Shareholders will not be able to acquire New Shares under this Prospectus.

You are an Ineligible Retail Shareholder if you are registered as the holder of Shares on the Record Date (being 7.00pm Brisbane time on Friday, 16 March 2007) but you are not an Eligible Retail Shareholder or an Institutional Shareholder.

Shareholders with a registered address in New Zealand will be Ineligible Shareholders. Suncorp is not extending the Institutional Offer or the Retail Offer to Shareholders with a registered address in New Zealand because, as a result of the way the Entitlement Offer is structured, New Zealand securities laws apply to the Entitlement Offer in a way that is different to a typical pro-rata entitlement offer. ASX has granted Suncorp a waiver of Listing Rule 7.7 to permit Suncorp not to extend the offer to New Zealand Shareholders (see section 7.11).

In addition to the comments above which apply to Shareholders with a registered address in New Zealand, the invitation to apply for Shares under the Retail Offer is not being extended to Shareholders or investors located in jurisdictions other than Australia, given:

- the small number of such persons;
- the small number and value of New Shares that would be offered in such jurisdictions; and
- the cost of complying with legal and regulatory requirements in those jurisdictions.

For similar reasons Ineligible Institutional Shareholders will not be able to acquire New Shares under the Institutional Offer.

Suncorp will advise all Ineligible Shareholders that Suncorp is not extending the Entitlement Offer to them. Ineligible Institutional Shareholders may not be notified until after the First Bookbuild has occurred.

New Shares equivalent to the Entitlements of Ineligible Institutional Shareholders will be offered for sale in the First Bookbuild, and New Shares equivalent to the Entitlements of Ineligible Retail Shareholders will be offered for sale in the Second Bookbuild. See sections 2.5.3 and 2.4.2 for further details of the First Bookbuild and Second Bookbuild respectively.

## 2.15 Applications for New Shares

Eligible Retail Shareholders can only apply for New Shares under the Retail Offer using the personalised Entitlement and Acceptance Form accompanying this Prospectus (or in the case of Eligible Retail Shareholders accessing this Prospectus electronically, on an Entitlement and Acceptance Form that accompanies the electronic version of this Prospectus). Eligible Retail Shareholders should see section 3 for details on how to apply for New Shares.

Eligible Institutional Shareholders who wish to apply for New Shares under the Institutional Offer should refer to the Institutional Offer Procedures Manual for further details (see section 2.5.4).

### 3. Actions required by Eligible Retail Shareholders



# Actions required by Eligible Retail Shareholders

## 3.1 What you may do – choices available

If you are an Eligible Retail Shareholder you may:

- take up all of your Entitlement (see section 3.2);
- take up part of your Entitlement (see section 3.2); or
- not take up any of your Entitlement (see section 3.3).

## 3.2 How to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, you have two options:

### Option 1 – if paying by cheque, bank draft or money order

1. Complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on the form indicating the number of New Shares you wish to take up. If you are taking up only part of your Entitlement, this number will be less than your Entitlement as specified on your personalised Entitlement and Acceptance Form.
2. Ensure that your completed Entitlement and Acceptance Form, and payment in full for the number of New Shares that you wish to take up, is received by the Share Registry no later than the Closing Date (being 5.00 pm Brisbane time on Thursday, 5 April 2007).

See section 3.5.2 for detailed instructions on how to pay by cheque, bank draft or money order.

### Option 2 – if paying by BPAY® (available to Shareholders with an Australian bank account only)

Pay for the number of New Shares that you wish to take up by no later than the Closing Date (being 5.00 pm Brisbane time on Thursday, 5 April 2007). If you are taking up only part of your Entitlement, this number will be less than your Entitlement as specified on your personalised Entitlement and Acceptance Form.

**If you pay by BPAY® you do not need to lodge your personalised Entitlement and Acceptance Form with the Share Registry.**

See section 3.5.3 for detailed instructions on how to pay by BPAY®.

Once you have elected to take up New Shares under the Entitlement Offer by either returning your Entitlement and Acceptance Form with payment to the Share Registry, or paying by BPAY®, your application to acquire New Shares is irrevocable and may not be varied or withdrawn except as allowed by law.

If you do not take up all of your Entitlement, then New Shares equivalent to that part of your Entitlement that you do not take up will be offered for sale by the Underwriter in the Second Bookbuild. See section 2.4.2 for further details.

## 3.3 How to not take up any of your Entitlement

If you do not wish to take up any part of your Entitlement, you should do nothing.

If you do not take up any of your Entitlement, then New Shares equivalent to your Entitlement will be offered for sale by the Underwriter in the Second Bookbuild. See section 2.4.2 for further details.

## 3.4 Lodging your Entitlement and Acceptance Form

If you wish to take up all or part of your Entitlement you must use your personalised Entitlement and Acceptance Form, unless you are paying for your New Shares by BPAY®. If you are paying by BPAY® you do not need to lodge your personalised Entitlement and Acceptance Form with the Share Registry.

You must complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form.

If you have not received, or you have lost, your personalised Entitlement and Acceptance Form, please contact the Entitlement Offer Information Line.

**To be valid, your Entitlement and Acceptance Form must be received by the Share Registry no later than the Closing Date (being 5.00 pm Brisbane time on Thursday, 5 April 2007).**

You can return your completed Entitlement and Acceptance Form, together with payment for the New Shares that you are applying for, to the Share Registry in the reply paid envelope enclosed with this Prospectus. If mailed within Australia, no postage stamp will be required.

If you have lost the reply paid envelope enclosed with this Prospectus, or you have obtained this Prospectus electronically, your completed Entitlement and Acceptance Form, together with payment for the New Shares that you are applying for, must be mailed to the mailing address, or delivered by hand to the delivery address set out below:

### Mailing address

Suncorp Entitlement Offer  
Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

### Hand delivery address

Suncorp Entitlement Offer  
Link Market Services Limited  
Level 12  
300 Queen Street  
Brisbane QLD 4000

**Entitlement and Acceptance Forms will NOT be accepted at Suncorp's registered office, nor at any Suncorp branch or agency.**

## 3.5 Payment

If you take up all or part of your Entitlement, you can pay for your New Shares in the following ways:

- by cheque, bank draft or money order; or
- by BPAY®.

BPAY® is available only to Shareholders with an Australian bank account. Shareholders who do not have an Australian bank account can only pay by cheque, bank draft or money order.

### 3.5.1 Calculating how much you must pay

If you elect to take up all of your Entitlement, the amount you must pay is \$15.50 multiplied by the number of New Shares comprising your Entitlement (your Entitlement is printed on your personalised Entitlement and Acceptance Form).

If you elect to take up only part of your Entitlement, the amount you must pay is \$15.50 multiplied by the number of New Shares you are applying for (you will need to calculate this amount yourself).

### 3.5.2 Payment by cheque, bank draft or money order

Unless paying by BPAY®, completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian currency drawn on an Australian branch of a financial institution for the full amount required to pay for the number of New Shares applied for on the Entitlement and Acceptance Form.

Cheques, bank drafts or money orders should be made payable to "Suncorp Entitlement Offer" and crossed "Not Negotiable". Do not forward cash.

If the amount of any cheques, bank drafts or money orders accompanying your Entitlement and Acceptance Form is insufficient to pay for the number of New Shares that you have applied for, or if there are insufficient funds held in a relevant account to cover a cheque that you have drawn, then Suncorp may, in consultation with the Underwriter:

- determine that you have applied for such lower number of New Shares as your cleared application monies will pay for and you will be deemed to have specified that number in your Entitlement and Acceptance Form; or
- reject your application for New Shares in its entirety such that New Shares equivalent to your Entitlement will be offered for sale in the Second Bookbuild.

### 3.5.3 Payment by BPAY® (available to shareholders with an Australian bank account only)

If you have an Australian bank account, you can pay for your New Shares by BPAY®. Payment by BPAY® should be made according to the instructions set out on the personalised Entitlement and Acceptance Form using the reference number shown on that form next to the BPAY® symbol.

The reference number is used to identify your holding. If you have multiple holdings you will have multiple reference numbers. You must use the reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to acquire in respect of that holding.

If you pay by BPAY® and do not pay for your full Entitlement, the remaining Entitlement will lapse and New Shares equivalent to your untaken Entitlement will be offered for sale in the Second Bookbuild (see section 2.4.2).

**If you make your payment by BPAY® you do not need to lodge your personalised Entitlement and Acceptance Form with the Share Registry.**

## 3.6 No interest on application monies

Application monies received from Retail Shareholders will be held in a bank account established and kept by Suncorp solely for the purpose of holding application monies, in accordance with the Corporations Act. Any interest earned on application monies will be retained by Suncorp and will not be paid to applicants.

Suncorp reserves the right to withdraw the Entitlement Offer at any time. If the Entitlement Offer is withdrawn all application monies will be refunded without interest.



## 4. Information about Suncorp

# Information about Suncorp

## 4.1 Overview of Suncorp

Suncorp is the parent company of the Suncorp Group. The Suncorp Group is a diversified financial services provider operating across the banking, general insurance and wealth management sectors. The group operates nationally and has its head office in Brisbane, Queensland.

## 4.2 Update on merger with Promina

On 21 October 2006, Suncorp and Promina agreed to merge by way of a scheme of arrangement to create what your Directors believe will be the leading diversified financial services organisation operating in Australia and New Zealand.

On 5 March 2007, the ordinary shareholders of Promina voted in favour of the Merger. On 12 March 2007, the date of this Prospectus, Suncorp expects Promina will apply to the Federal Court of Australia for orders approving the scheme of arrangement to effect the Merger. Subject to final approval of the Merger by the Federal Court, it is anticipated that the Merger will be implemented on 20 March 2007.

For further information on the profile of the Merged Group, refer to the Scheme Booklet prepared for the purposes of the Merger. A copy of the Scheme Booklet can be obtained from Suncorp's website ([www.suncorp.com.au](http://www.suncorp.com.au)). The Scheme Booklet does not form part of this Prospectus.

## 4.3 Suncorp Board

The Suncorp Board currently comprises six non-executive directors and two executive directors (the Managing Director and the Chief Financial Officer). The names of each of the Directors is set out in the Corporate Directory.

Following implementation of the Merger, three members of the current board of directors of Promina, Leo Tutt (Promina's Chairman), Ewoud Kulk and Geoffrey Ricketts will join Suncorp's Board. They are expected to be appointed on the implementation of the Merger, which is expected to occur on 20 March 2007. In addition, one other member of the current Promina board, Paula Dwyer, will also join Suncorp's Board subject to the amendment of relevant provisions of:

- the *State Financial Institutions and Metway Merger Facilitation Act 1996* (Qld) (**Facilitation Act**) by the Queensland Parliament; and
- Suncorp's Constitution by Suncorp shareholders.

The Facilitation Act currently requires that the Constitution provide that a majority of Suncorp's directors, including the Managing Director, be ordinarily resident in Queensland. The relevant provisions of the Facilitation Act and the Constitution require amendment because if Paula Dwyer joins the Board, there will not be a majority of Queensland resident directors.

Suncorp's Constitution also requires amendment to give effect to the appointment of Paula Dwyer as it currently provides that the maximum number of directors of Suncorp from time to time is eleven. If Paula Dwyer is appointed to the Board, there would be more than eleven directors.

The Queensland Government proposes to amend the Facilitation Act so as to enable Paula Dwyer to be appointed to the Board following implementation of the Merger. It is expected that a Bill to amend the Facilitation Act will be introduced in the Queensland Parliament in the near future.

Suncorp intends to convene a meeting of its members to propose such amendments to its Constitution as are necessary to give effect to the appointment of Paula Dwyer as soon as it is practicable to do so.

Brief biographies of Suncorp's Directors, together with those of Leo Tutt, Ewoud Kulk, Geoffrey Ricketts and Paula Dwyer, are set out in the Scheme Booklet.

## 4.4 Suncorp's financial report for the six months ended 31 December 2006

On 20 February 2007, Suncorp released its financial report for the six months ended 31 December 2006. A copy of the letters from the Chairman and Managing Director on the half yearly results were recently mailed to Suncorp shareholders. A copy of the financial report for the six months ended 31 December 2006 and the letters from the Chairman and Managing Director may be obtained:

- from Suncorp's website ([www.suncorp.com.au](http://www.suncorp.com.au)); or
- by calling the Entitlement Offer Information Line.

On 19 February 2007, Promina released its financial results for the 12 months ended 31 December 2006. A copy of Promina's results announcement can be obtained from Promina's website ([www.promina.com.au](http://www.promina.com.au)).





## 5. Financial information & Accountant's Report

## 5.1 Introduction

This section contains information concerning the historical and pro forma historical financial information of Suncorp, which has been prepared on a basis that assumes the Entitlement Offer is completed and the Merger is implemented.

The Accountant has prepared the Accountant's Report in respect of the historical and pro forma historical financial information included in this section. A copy of this report is set out in section 5.4.

## 5.2 Adjustment of earnings per share

The closing market price of Suncorp Shares as at 9 March 2007 was \$21.25. The Offer Price of \$15.50 represents a discount of 25% to the theoretical ex-entitlements price (see section 2.10 for further details). In accordance with Australian accounting standards (AASB 133 "Earnings per Share"), prior period historical earnings per share for Suncorp will be adjusted in its future financial statements for the impact of the bonus element of the discount that applies to the Entitlement Offer.

## 5.3 Merged Group Pro forma Historical Balance Sheet

### 5.3.1 Basis of preparation

The pro forma historical consolidated balance sheet of the Merged Group as at 31 December 2006 (**Merged Group Pro Forma Historical Balance Sheet**) is the aggregation of:

- the consolidated balance sheet of Suncorp as at 31 December 2006 (**Suncorp Balance Sheet**);
- the consolidated balance sheet of Promina as at 31 December 2006 (**Promina Balance Sheet**);
- the adjustments required to reflect the funding of the Merger, including the Capital Raising; and
- the adjustments required to present the Merged Group on an aggregated basis.

The financial year end of Suncorp is 30 June whilst the financial year end of Promina is 31 December.

The Suncorp Balance Sheet has been extracted from the reviewed financial statements of Suncorp for the half-year ended 31 December 2006.

The Promina Balance Sheet information has been extracted from the audited financial statements of Promina for the year ended 31 December 2006.

The Merged Group Pro Forma Historical Balance Sheet is provided for illustrative purposes and is prepared on the basis that the Capital Raising and the Merger had occurred on 31 December 2006.

The Merged Group Pro Forma Historical Balance Sheet is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of Suncorp and Promina.

The Merged Group Pro Forma Historical Balance Sheet and the adjustments on which it is based are based on information prepared by Suncorp and Promina.

No material differences have been identified between the accounting policies of Suncorp and Promina based on their published financial statements and therefore no adjustments have been made to the Merged Group Pro Forma Historical Balance Sheet. Adjustments may be made after a full and detailed review of the application of accounting policies is undertaken after implementation of the Merger. In particular, a review of methodologies adopted in valuing outstanding general insurance claims liabilities and life insurance policy liabilities may identify differences in applying accounting policies.

The Merged Group Pro Forma Balance Sheet does not take into account the financial performance of Suncorp or Promina post 31 December 2006. It also does not include dividends recommended by the respective boards of Suncorp or Promina before 31 December 2006 and payable after that date.

The Accountant has prepared the Accountant's Report in respect of the historical and pro forma historical financial information included in this section. A copy of this report is included in section 5.4.

# Financial information

## 5.3.2 Merged Group Pro Forma Historical Balance Sheet

	Suncorp	Promina	Adjustments	Merged Group
	\$m	\$m	\$m	\$m
<b>Assets</b>				
Cash and cash equivalents	1,004	313	(200) <sup>(1)</sup>	1,117
Receivables due from other banks	10	-	-	10
Other financial assets – trading securities	4,114	-	(459) <sup>(1)</sup>	3,655
Other financial assets – investment securities	11,386	8,634	-	20,020
Investment in associates and joint ventures	193	106	-	299
Loans, advances and other receivables	41,734	779	-	42,513
Bank acceptances of customers	671	-	-	671
Reinsurance and other recoveries	547	731	-	1,278
Deferred insurance assets	218	370	-	588
Property, plant and equipment	183	70	-	253
Deferred tax assets	-	99	-	99
Investment property	197	6	-	203
Goodwill and intangible assets	1,137	301	5,180 <sup>(2)</sup>	6,618
Other assets	373	155	-	528
<b>Total assets</b>	<b>61,767</b>	<b>11,564</b>	<b>4,521</b>	<b>77,852</b>
<b>Liabilities</b>				
Deposits and short term borrowings	30,420	-	-	30,420
Payables due to other banks	28	-	-	28
Bank acceptances	671	-	-	671
Payables and other liabilities	1,091	420	-	1,511
Current tax liabilities	71	52	-	123
Provisions	11	-	-	11
Employee benefit obligations	122	79	-	201
Deferred tax liabilities	123	188	-	311
Unearned premiums and unexpired risks	1,371	1,752	-	3,123
Outstanding claims liabilities	4,262	2,798	-	7,060
Gross policy liabilities	4,195	3,112	-	7,307
Unvested policy owner benefits	341	19	-	360
Outside beneficial interests	1,069	-	-	1,069
Securitisation liabilities	5,633	-	-	5,633
Bonds, notes and long term borrowings	5,756	-	-	5,756
Subordinated notes	1,525	250	450 <sup>(1)</sup>	2,225
Other financial liabilities	54	151	-	206
Preference shares	144	300	(300) <sup>(1)</sup>	144
<b>Total liabilities</b>	<b>56,887</b>	<b>9,122</b>	<b>150</b>	<b>66,159</b>
<b>Net assets</b>	<b>4,880</b>	<b>2,442</b>	<b>4,371</b>	<b>11,693</b>
<b>Equity</b>				
Share capital	3,144	1,213	5,578 <sup>(1)(2)</sup>	9,935
Reserves	165	6	(6) <sup>(2)</sup>	165
Retained profits	1,571	1,193	(1,201) <sup>(2)</sup>	1,563
Outside shareholders interest	-	30	-	30
<b>Total equity</b>	<b>4,880</b>	<b>2,442</b>	<b>4,371</b>	<b>11,693</b>

### 5.3.3 Notes to the Merged Group Pro Forma Historical Balance Sheet

#### (1) Adjustments relating to funding and new capital structure

The assumed funding of the Merger and the capital structure of the Merged Group, which is described in the Scheme Booklet, has the following impact on the Merged Group Pro Forma Historical Balance Sheet:

- a reduction in the equity attributable to equity holders of the Promina parent entity to nil;
- additional subordinated debt of \$450 million. In the period between the date the Merger is implemented and the issue of the subordinated debt, this amount will be financed through a bridging finance facility;
- an increase in equity of \$6.79 billion as a result of the issue by Suncorp of \$5.64 billion in Shares pursuant to the Scheme and \$1.15 billion in Shares pursuant to the Capital Raising (net of assumed issue costs after tax). As discussed below the equity is based on an assumed closing market price for Shares of \$20.78 on 1 March 2007;
- redemption of reset preference shares issued by Promina which have a face value of \$300 million. It is assumed that the reset preference shares will be repurchased following implementation of the Merger at a cost of \$102.5641 per share, resulting in a total outflow of funds of \$307.69 million; and
- a reduction in trading securities of \$459 million and cash of \$200 million, being surplus capital of Suncorp and Promina contributed to the funding of the Merger and the redemption of the Promina reset preference shares referred to above.

#### (2) Adjustments relating to the impact of acquisition accounting

Under accounting standard AASB 3 "Business Combinations", the cost of the Merger represents the aggregate of the fair value of assets and liabilities distributed, and equity issued by Suncorp in exchange for control of Promina on the date on which the exchange occurs.

Accordingly, the issue by Suncorp of Shares to Promina shareholders in consideration for the acquisition of their Promina shares must be included in the calculation of the cost of acquiring Promina. In accordance with the accounting standards, the fair value of the Shares issued pursuant to the Merger is their published market price on the date of acquisition. For the purposes of calculating the cost of acquisition a value of \$20.78 per Share has been used. This is the closing price of Shares on 1 March 2007. To the extent the price of Shares on the date the Merger is implemented differs from this price, the cost of acquisition, and accordingly the value of intangible assets acquired (see following discussion), will change.

All identifiable assets (including intangible assets), liabilities and contingent liabilities of Promina that meet certain recognition criteria should be recognised separately in the consolidated financial statements of the Merged Group. The excess of the cost of the Merger over and above Suncorp's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of Promina should be recognised as goodwill. This goodwill amount and any related impairment can only be identified once the Merger is implemented. Similarly, the identification and valuation of intangible assets, including the breakdown between finite life and indefinite life intangibles will not be possible until after implementation of the Merger. The accounting standards allow a period of 12 months to finalise provisional acquisition accounting adjustments from the date of acquisition.

The following potential intangible assets may be recognised in the consolidated balance sheet of the Merged Group following implementation of the Merger:

- market related assets such as brands;
- customer related assets such as the general insurance renewal book determined with reference to customer relationships and any customer lists;
- contract based assets such as contracts in force, funds under management, embedded value of the life business, employment contracts, lease agreements and insurance licences; and
- technology based assets such as software.

For the purposes of the Merged Group Pro Forma Historical Balance Sheet, total intangible assets relating to the acquisition of Promina (including goodwill) are \$5.48 billion. This amount will change after acquisition once the fair value of all assets, liabilities and contingent liabilities acquired and the cost of the acquisition are determined. The amount recognised in the Merged Group Pro Forma Historical Balance Sheet of \$5.48 billion represents the excess of the total cost of acquisition of \$7.54 billion (based on the implied value of the Scheme consideration as at 1 March 2007) over Promina's pro forma net tangible assets at 31 December 2006 of \$2.06 billion (after adjusting for outside equity interests and transaction costs expected to be incurred by Promina).

# Financial information

## 5.4 Accountant's Report



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The Directors  
Suncorp-Metway Limited  
Level 18  
Suncorp Centre  
36 Wickham Terrace  
Brisbane QLD 4000

12 March 2007

Dear Directors,

### Accountant's Report

#### 1 Introduction

KPMG Transaction Services (Australia) Pty Limited ("KPMG Transaction Services") has been engaged by Suncorp-Metway Limited ("Suncorp") to prepare this report for inclusion in the Prospectus to be dated on or about 12 March 2007, and to be issued by Suncorp. This report covers certain historical and pro forma historical financial information to be disclosed in the Prospectus. Expressions defined in the Prospectus have the same meaning in this report.

#### 2 Financial information

##### 2.1 Suncorp historical financial information

The historical financial information of Suncorp, as set out in section 5 of the Prospectus, comprises the balance sheet of Suncorp as at 31 December 2006 (the "Suncorp historical financial information").

The Suncorp historical financial information set out in section 5 of the Prospectus has been extracted from the financial statements and investor report of Suncorp for the half year ended 31 December 2006.

The financial statements of Suncorp for the half year ended 31 December 2006 were reviewed by KPMG in accordance with Australian Auditing Standards. The review opinion issued to the members of Suncorp relating to those financial statements was unqualified.

The directors of Suncorp are responsible for the preparation and presentation of the Suncorp historical financial information.

The Suncorp historical financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001 ("Corporations Act").

##### 2.2 Promina historical financial information

The historical financial information of Promina Group Limited ("Promina"), as set out in section 5 of the Prospectus, comprises the balance sheet of Promina as at 31 December 2006 (the "Promina historical financial information").

The Promina historical financial information set out in section 5 of the Prospectus has been extracted from the financial statements of Promina for the year ended 31 December 2006.

The financial statements of Promina for the year ended 31 December 2006 were audited by Promina's external auditor in accordance with Australian Auditing Standards. The audit opinion issued to the members of Promina relating to those financial statements was unqualified. KPMG is not Promina's external auditor.

The directors of Promina are responsible for the preparation and presentation of the Promina historical financial information.

The Promina historical financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

### 2.3 Merged Group pro forma historical balance sheet

The pro forma historical financial information of the Merged Group, as set out in section 5 of the Prospectus comprises the unaudited pro forma balance sheet of the Merged Group as at 31 December 2006, compiled from:

- the reviewed balance sheet of Suncorp as at 31 December 2006;
- the audited balance sheet of Promina as at 31 December 2006; and
- the effects of the proposed capital structure and other pro forma adjustments described in section 5 of the Prospectus (together “the Merger Adjustments”),

assuming the merger had occurred as at 31 December 2006, as set out in section 5 of the Prospectus (the “Merged Group pro forma historical balance sheet”).

The Merged Group pro forma historical balance sheet is presented to illustrate the financial position of the Merged Group as at 31 December 2006. The Merged Group pro forma historical balance sheet has applied provisional acquisition accounting in accordance with Australian Accounting Standards.

The Merged Group pro forma historical balance sheet has been prepared by Suncorp management based on the terms of the Capital Raising and the Merger Implementation Agreement. Suncorp management has only had access to publicly available financial information of Promina and consequently has not had an opportunity to:

- determine that Promina’s application of accounting policies is consistent with that of Suncorp and the Merged Group; or
- finalise the assessment of the fair values of the assets and liabilities of Promina, and therefore the merger has been accounted for using provisional acquisition accounting in accordance with AASB 3 Business Combinations.

As a consequence of not having access to Promina, KPMG Transactions Services has reported, in this report, on the compilation of the Merged Group pro forma historical balance sheet from various sources, but is not in a position to meet the auditing standards and therefore to report on the compliance of that pro forma historical financial information with the requirements of Australian Accounting Standards.

Responsibility for the preparation and presentation of the Merged Group pro forma historical balance sheet, including the determination of the Merger Adjustments, is set out in section 5 of the Prospectus.

The Merged Group pro forma historical balance sheet is presented in an abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

## 3 Scope

### 3.1 Review on the accuracy of the extraction of Suncorp historical financial information

We have reviewed the accuracy of the extraction of Suncorp historical financial information in order to report whether anything has come to our attention which causes us to believe that the Suncorp historical financial information, as set out in section 5 of the Prospectus, has not been accurately extracted from publicly available historical financial information of Suncorp.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 “Review of Financial Reports”. Our procedures consisted primarily of enquiry and comparison and other such analytical procedures we considered necessary.

Our review on the accuracy of the extraction of Suncorp historical financial information is substantially less in scope than an audit or review examination conducted in accordance with Australian Auditing Standards. A review on the accuracy of the extraction of information provides less assurance than an audit or a review examination. We have not performed an audit and we do not express an audit opinion on the extraction of the Suncorp historical financial information.

We do not express any opinion, or make any statement of negative assurance, as to whether the Suncorp historical financial information contained in the Prospectus is presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia and accounting policies adopted by Suncorp.

# Financial information

## 3.2 Review on the accuracy of the extraction of Promina historical financial information

We have reviewed the accuracy of the extraction of Promina historical financial information in order to report whether anything has come to our attention which causes us to believe that the Promina historical financial information, as set out in section 5 of the Prospectus, has not been accurately extracted from publicly available historical financial information of Promina.

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". Our procedures consisted primarily of enquiry and comparison and other such analytical procedures we considered necessary.

Our review on the accuracy of the extraction of Promina historical financial information is substantially less in scope than an audit or review examination conducted in accordance with Australian Auditing Standards. A review on the accuracy of the extraction of information provides less assurance than an audit or a review examination. We have not performed an audit and we do not express an audit opinion on the extraction of the Promina historical financial information.

We do not express any opinion, or make any statement of negative assurance, as to whether the Promina historical financial information contained in the Prospectus is presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia and accounting policies adopted by Promina.

## 3.3 Review on the accuracy of the compilation of Merged Group pro forma historical balance sheet

We have reviewed the accuracy of the compilation of the Merged Group pro forma historical balance sheet in order to report whether anything has come to our attention which causes us to believe that the Merged Group pro forma historical balance sheet, as set out in section 5 of the Prospectus, has not been properly compiled on the basis of the:

- Suncorp historical financial information and the Promina historical financial information; and
- Merger Adjustments (described in section 5 of the Prospectus).

Our review has been conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- considering work papers aggregating the Suncorp historical financial information, the Promina historical financial information, Merger Adjustments, and, where relevant, comparing the information to publicly available historical audited or reviewed financial information; and
- enquiry of directors, management and others.

Our review on the accuracy of the compilation of the Merged Group pro forma historical balance sheet is substantially less in scope than an audit or review examination conducted in accordance with Australian Auditing Standards. A review on the accuracy of the compilation of information provides less assurance than an audit or review examination. We have not performed an audit and we do not express an audit opinion on the compilation of Merged Group pro forma historical balance sheet.

Due to the inherent information limitations noted above, we do not express any opinion, or make any statement of negative assurance, as to whether the Merged Group pro forma historical balance sheet is presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and accounting policies adopted by Suncorp disclosed in the Prospectus.

## 4 Review Statements

### 4.1 Review statement on the accuracy of the extraction of Suncorp historical financial information

Based on our review on the accuracy of the extraction of Suncorp historical financial information, which is not an audit, nothing has come to our attention which causes us to believe that the Suncorp historical financial information, as set out in section 5 of the Prospectus, has not been accurately extracted from publicly available historical financial information.

### 4.2 Review statement on the accuracy of the extraction of Promina historical financial information

Based on our review on the accuracy of the extraction of Promina historical financial information, which is not an audit, nothing has come to our attention which causes us to believe that the Promina historical financial information, as set out in section 5 of the Prospectus, has not been accurately extracted from publicly available historical financial information.

### 4.3 Review statement on the accuracy of the compilation of Merged Group pro forma historical balance sheet

Based on our review on the accuracy of the compilation of the Merged Group pro forma historical balance sheet, which is not an audit, nothing has come to our attention which causes us to believe that the Merged Group pro forma historical balance sheet, as set out in section 5 of the Prospectus, has not been properly compiled on the basis of:

- the Suncorp historical financial information and the Promina historical financial information; and
- the Merger Adjustments (described in section 5 of the Prospectus).

## 5 Independence

KPMG Transaction Services does not have any interest in the outcome of this issue, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of Suncorp and from time to time, KPMG also provides Suncorp and Promina with certain other professional services for which normal professional fees are received.

## 6 Responsibility

KPMG Transaction Services has consented to the inclusion of this Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

## 7 General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully



**Craig Mennie**  
Director



## 6. Risk factors

The business activities of Suncorp are subject to risks and there are many factors that may affect its future financial and operating performance and the price of Shares. Some of these risks may be mitigated, however many are outside the control of Suncorp. There are also general risks associated with any investment in the securities of a listed company. The risks associated with a further investment in Suncorp pursuant to the Entitlement Offer can be broadly classified as:

- general equity market and economic risks;
- general risks associated with Suncorp;
- risks associated with Suncorp's banking activities;
- risks associated with the Suncorp Group's insurance and wealth management activities including those to be acquired through the Merger with Promina; and
- risks associated with Suncorp's merger with Promina.

The future financial and operational performance of Suncorp, the value of Suncorp's assets and the market price of Shares quoted on ASX, may be influenced by any or a combination of these risk factors.

It should also be noted that following implementation of the Merger, the risk profile of Suncorp (i.e. the relative significance of various risks) will change. For example, Suncorp's insurance and wealth management activities will constitute a larger percentage of Suncorp's business, and Suncorp will have an exposure to markets such as New Zealand that it did not previously have.

A summary of the risks of a further investment in Suncorp is set out below. This summary is not an exhaustive list of the risks associated with an investment in Shares. This section does not take into account the investment objectives, financial situation, taxation position or particular needs of individual investors. You should read this Prospectus in full and are encouraged to seek professional advice before deciding whether or not to participate in the Entitlement Offer.

## 6.1 General equity market and economic risks

### 6.1.1 General equity market risk

The market price of Shares may fluctuate, including trading at, above or below the Offer Price, due to a wide variety of external factors over which Suncorp and its directors have no control.

These external factors include:

- economic conditions (including interest rates and inflation rates) in Australia, New Zealand and elsewhere;
- changes in fiscal, monetary, regulatory and other government policies in Australia, New Zealand and elsewhere;
- geo-political conditions such as acts or threats of terrorism or military conflicts;
- investor sentiment in local and international markets; and
- developments and general conditions in the markets in which Suncorp operates.

### 6.1.2 General economic conditions

Changes in Australian and world economic conditions can affect the financial operations and performance of Suncorp's banking, general insurance and financial services businesses. Any protracted slowdown in economic growth, fall in consumer or business confidence, increase in the rate of inflation or interest rates, or any major fluctuation in the value of the Australian dollar and other major currencies, may have a negative impact on Suncorp's costs, the demand for Suncorp's products and services and the profitability of Suncorp's businesses.

## 6.2 General risks associated with Suncorp

### 6.2.1 Operational risk

Banking, general insurance and financial services businesses are exposed to a variety of generalised risks, arising from process error, fraud, systems failure, security and physical protection, customer services, staff skills and performance, and product development and maintenance. The failure to adequately manage these operational risks could have a material adverse effect on the financial performance and condition of Suncorp.

### 6.2.2 Personnel risk

Banking, general insurance and financial services businesses are dependent on the efforts and abilities of key personnel and as such any loss of a number of key personnel may have a material adverse effect on the financial performance and condition of such businesses.

### 6.2.3 Brands

Brands can be particularly important to sourcing new and renewal business for banking, general insurance and financial services businesses. Any damage to the reputation of such brands could have an adverse impact on the financial performance and condition of such businesses.

### 6.2.4 Queensland legislation affecting Suncorp

Queensland legislation imposes certain restrictions on Suncorp including an obligation to maintain its head office in Queensland. These restrictions could potentially inhibit Suncorp's operations in the future as well as any future takeover of, or by, Suncorp.

# Risk factors

## 6.3 Risks associated with Suncorp's banking activities

### 6.3.1 Competition in banking services

Suncorp faces considerable competition from both traditional banking groups and non-bank financial institutions, which compete vigorously for customer investments and deposits and the provision of lending and financial planning services. There is an increasing number of banking product specialists, particularly in mortgage and small-to-medium-enterprise (SME) lending. To the extent that specialist lenders gain market share, this could affect the profitability of the major and regional banks, including the profitability of the banking operations of Suncorp.

### 6.3.2 Regulatory matters

The banking operations of Suncorp are heavily regulated and are subject to prudential supervision by APRA. Among other things, APRA requires all banks, including Suncorp, to meet minimum capital requirements for their banking operations. These regulations are stringent and are subject to change. In particular, APRA is proposing to apply revised internationally agreed capital adequacy principles to banks. There is a possibility that the overall capital required to be held within the banking operations may be higher than the current requirement. If so, this may require the additional raising of new share capital which in turn could have an adverse effect on the trading performance of Shares and return on equity of Suncorp.

### 6.3.3 Fiscal and monetary policy

The Reserve Bank of Australia regulates the supply of money and credit in Australia. Its policies determine in large part the cost of funds for Suncorp for lending and investing. This in turn will determine the return Suncorp will earn on its loans and investments. Both of these impact its net interest margin and can materially affect the value of financial instruments it holds, such as debt securities. The policies of the Reserve Bank of Australia can also affect Suncorp's borrowers, potentially increasing the risk that borrowers may fail to repay their loans.

### 6.3.4 Market and liquidity

Market risk for a bank relates to the risk of loss arising from changes in interest rates, foreign exchange rates and prices of commodities, debt securities and other financial contracts, including derivatives. Losses arising from these risks may have an adverse effect on Suncorp. Suncorp will also be exposed to liquidity risk, which is the risk that it has insufficient funds and is unable to meet its payment obligations as they fall due, including obligations to repay deposits and maturing wholesale debt.

### 6.3.5 System credit growth

Lending growth is a key driver of profitability for a bank. There is a risk that system growth may slow down, due to a combination of factors – both macroeconomic and company specific. For instance, rises in interest rates tend to reduce housing loan growth which, in turn, has a direct impact on the returns that Suncorp can generate. Movements in the business cycle also impact on the volume of business lending.

### 6.3.6 Margin compression

Over the past several years, net interest margins for the major banks in Australia have narrowed as a result of increased competitive pressure and other factors. Several factors impact the net interest margin of Suncorp, which will have a direct bearing on its profitability. These factors include, but are not limited to, cost of funding, asset yield, asset/liability matching, competition and portfolio mix. Any event or occurrence that affects these drivers will impact the net interest margin of Suncorp. For instance, increasing price based competition through offering high yield deposit accounts or low priced mortgages has the effect of contracting the net interest margin. This has the potential to affect the profitability of Suncorp.

### 6.3.7 Credit risk and non-performing assets

Credit risk arises from Suncorp's lending activities and the potential for loss arising from the failure of customers or counterparties to meet their contractual obligations. As a result, Suncorp has provisions to cover bad and doubtful debts. The amount of these provisions is determined by assessing, based on current information, the extent of credit risk within the current lending portfolio. However, if the information upon which the assessment of risk is based proves to be inaccurate, the provisions made for loan loss may be insufficient, which could have a material adverse effect on the results and operations of Suncorp.

### 6.3.8 Banking concentration

Suncorp derives a significant proportion of its banking earnings from Queensland. Approximately two-thirds of Suncorp's housing and business loans are Queensland based, which exposes the banking operation to fluctuations in the Queensland economy. If there is a downturn in the Queensland economy, Suncorp's exposure to Queensland may affect its future profitability.

Another source of concentration is portfolio concentration. Suncorp has a relatively large exposure to property finance and agribusiness loans and to the extent there is a downturn in these sectors, its profitability could be impacted.

## 6.4 Risks associated with Suncorp's insurance and financial services activities

The following risks are inherent in Suncorp's insurance and financial services activities, including the activities to be acquired through the Merger with Promina, which is expected to be implemented on 20 March 2007.

### 6.4.1 Competition

The Suncorp Group competes with a large number of general insurance, life insurance and wealth management companies, as well as other financial services companies, such as banks and other financial institutions, for individual customers. Major factors contributing to competition include the entry of new participants, consolidation of existing participants and the development of new methods of distribution.

### 6.4.2 Systems risk

General insurance and financial services businesses rely to a significant degree on information technology systems, with day-to-day operations of each aspect of business being computer based, as are the systems used to calculate and monitor underwriting risks, reserve modelling and reinsurance arrangements. Failure of such systems could result in business interruption, the loss of customers, damaged reputation and weakening of competitive position and could therefore adversely affect business and profitability.

### 6.4.3 Capital and funding requirements

General insurance and financial services businesses cannot provide assurances that additional capital or liquidity will not be required in the future nor that appropriate capital or funding, if and when needed, will be available on favourable terms.

### 6.4.4 Credit rating

General insurance and financial services businesses rely on their respective credit rating to write business. If such businesses experience a credit rating downgrade, some agents, brokers, other distributors and customers may choose to withhold business. Furthermore, the cost of capital may increase and the ability to raise capital may be significantly impaired.

### 6.4.5 Investment income

Fluctuations in investment income relating to investment portfolios supporting liabilities arising from general insurance and life insurance businesses may have a material adverse effect on the financial performance and condition of such businesses.

### 6.4.6 Catastrophes

General insurance and financial services businesses are subject to claims and policy benefits arising from catastrophes caused by natural and man-made disasters. These events are inherently unpredictable in terms of their incidence and severity.

### 6.4.7 War, terrorism and pandemic cover

General insurance and financial services businesses may have potential exposure to claims and policy benefits as a result of acts of war, terrorism and pandemics (such as avian influenza).

### 6.4.8 Climate change

Climate change might lead to more significant and frequent weather related claims. Climate change may adversely impact the performance of general insurance and financial services businesses.

### 6.4.9 Estimation of insurance liabilities

Provisions for claims and policy benefits do not represent an exact calculation of liability, but rather an estimate of the expected ultimate cost based on actuarial and statistical projections. Insufficient provisions for such liabilities could have a material adverse effect on the financial performance and condition of the respective general insurance and financial services businesses.

### 6.4.10 Escalation in claims costs and adverse movements in premium rates

Premium and claims trends in general insurance are cyclical in nature. Classes of general insurance, in particular commercial long-tail classes, may be subject to rapid escalation in the cost of claims and/or falls in premium rates, creating significant losses for general insurers in a given market. The causes of such adverse trends cannot be predicted nor in general controlled and may have a material adverse impact on the financial performance and condition of general insurance businesses.

### 6.4.11 Reinsurance rates

The availability, amount and cost of reinsurance depends on prevailing market conditions, in terms of price and available capacity, and may vary significantly. There are also risks associated with the determination of proper levels of outwards reinsurance protection, the cost of such reinsurance, the financial security of reinsurers and reinsurers disputing or defaulting on their obligation to pay valid claims.

### 6.4.12 Insurance agents and brokers

To the extent products are distributed through insurance agents and brokers, business is reliant on relationships with insurance agents and brokers to provide the feedback on market conditions and to generate demand through their marketing efforts. The failure, inability or unwillingness of insurance agents or brokers to successfully market such products, or the inability of these counterparties to meet their obligations, could have a material adverse effect on the financial performance and condition of the respective general insurance and financial services businesses.



# Risk factors

## 6.4.13 Litigation

General insurance and financial services businesses are exposed to litigation relating to policies underwritten by them. Policyholders and other persons may, in the normal course of business, commence or threaten litigation either on an individual or class action basis.

In addition, there can also be no assurance that courts will not expand the basis upon which general insurance and financial services businesses may suffer liability in connection with policies written or that the basis for calculation of damages will not change. Both of these possibilities may have a material adverse effect on Suncorp's results.

## 6.4.14 Changes in government policy and regulation

General insurance and financial services businesses are subject to extensive legislation, regulation and supervision by federal and state regulatory organisations. This regulatory regime is complex and is subject to change. Changes in government policy and legislation or regulation, such as tort law reform, could have a material adverse effect on Suncorp's results.

## 6.5 Risks associated with Suncorp's merger with Promina

### 6.5.1 Integration and synergies

Combining two groups of the size and complexity of Suncorp and Promina carries integration risks. There is a risk that the Merged Group will lose customers and market share, or face operational disruptions if the integration is not achieved in an orderly and timely fashion.

In addition, the ability to achieve targeted synergies on time or at all and to their fullest extent is subject to a number of risks, including the following:

- unforeseen difficulties in the amalgamation of business sites and physical business locations;
- unforeseen difficulties in integrating management information systems;
- unforeseen difficulties in integrating the existing or introducing new information technology platforms;
- lower than expected cost savings; and
- any differences in the cultures or management styles of the two organisations.

If, as a consequence of the integration, any damage occurs to the reputation of Suncorp's or Promina's brands, this could have an adverse impact on the future financial position and performance of Suncorp.

Any failure to achieve targeted synergies may impact on the financial performance and position of Suncorp and the future price of Shares.

Suncorp has estimated the total pre-tax cost of integration at around \$355 million. There is no guarantee that integration costs will not exceed the expected amount. There is a risk that costs could increase due to unforeseen complications. Such an increase may have a material adverse impact on the future financial position and performance of Suncorp.

### 6.5.2 Business model of Suncorp

Suncorp and Promina agreed the principles underlying the development of a combined business model for the Merged Group to ensure the continued delivery of superior customer experiences and outcomes, via the end-to-end alignment of strong brands serving a diverse set of distinct client and customer segments.

There is a risk that the combined business model may not fully leverage the inherent value in both groups. This may impact Suncorp's profitability.

### 6.5.3 Issue of Shares

In connection with the Merger, Suncorp will issue a significant number of Shares to Promina shareholders. Suncorp will also issue a significant number of Shares pursuant to the Entitlement Offer. Some Promina shareholders and some other recipients of these Shares may not intend to continue to hold their Shares and may wish to sell them on market, and this may have an adverse effect on the market price of Shares in the short term.

### 6.5.4 Loss of key personnel

Although retention arrangements have been offered to some key executives of Suncorp and Promina, there may be unplanned departures of key personnel. It is possible that there will be some unintended loss of key people following the combination of the two businesses, which may impact on the performance of Suncorp.

### 6.5.5 Effect of change in control on contractual arrangements

Some of the commercial contracts to which Promina or related entities of Promina are a party contain change of control clauses that may enable the counterparty to those contracts to exercise termination or other pre-emptive or acquisition rights upon the implementation of the Merger. As at the date of this Prospectus, Promina has identified a number of joint venture agreements, corporate partner agreements and software licence, support and services agreements that contain change of control clauses that will be triggered upon implementation of the Merger. If a counterparty exercises any such rights, Suncorp could lose the benefit of the contract and may not be able to obtain similarly favourable terms upon entry into replacement arrangements, if any.

## 7. Additional information



# Additional information

## 7.1 Short form prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. That section allows the issue of a more concise prospectus in relation to offers of securities in a class which have been continuously quoted by ASX for the 12 months prior to the date of the prospectus.

## 7.2 Disclosing entity requirements

Suncorp is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Those obligations require ASX to be continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX.

Suncorp has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning Suncorp of which it becomes aware that a reasonable person would expect to have a material effect on the price or value of its shares.

## 7.3 Availability of other documents

Copies of documents lodged with ASIC in relation to Suncorp may be obtained from, or inspected at, an office of ASIC.

Suncorp will provide a copy of any of the following documents, free of charge, to any person who requests a copy before the Closing Date:

- Suncorp's financial report for the half year ended 31 December 2006, being the last half yearly financial report that has been lodged with ASIC before the lodgement of this Prospectus;
- Suncorp's annual financial report for the year ended 30 June 2006, being the last annual financial report that has been lodged with ASIC before the lodgement of this Prospectus;
- the Scheme Booklet prepared for the purposes of the Merger; and
- any continuous disclosure notices given by Suncorp to ASX after the lodgement of the annual financial report for the year ended 30 June 2006 and before lodgement of this Prospectus with ASIC.

Alternatively, copies of these documents can be obtained from Suncorp's website ([www.suncorp.com.au](http://www.suncorp.com.au)).

A copy of the Institutional Offer Procedures Manual will also be provided to anyone who requests a copy before the Closing Date.

ASX maintains detailed records of company announcements for all companies listed on ASX. The announcements of Suncorp are available for inspection at ASX and may be viewed on ASX's website ([www.asx.com.au](http://www.asx.com.au)).

## 7.4 Rights and liabilities attaching to Shares

The New Shares issued under the Capital Raising and any Top-Up Shares will be issued fully paid. They will not participate in the dividend declared by Suncorp for the six months ended 31 December 2006, but will otherwise rank equally with Existing Shares.

This section contains a summary of the rights and liabilities attaching to Shares as at the date of this Prospectus. The summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders, which can involve complex questions of law arising from the interaction of the Constitution and statutory, common law and Listing Rule requirements. To obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, investors should seek their own professional advice.

### 7.4.1 Share capital

Subject to the Constitution, the Corporations Act, the Listing Rules and to any special rights attached to any shares issued by Suncorp:

- all unissued shares are under the control of the Board who may classify, allot, grant options over, or otherwise dispose of or deal with them on such terms and conditions as the Board may determine;
- the Board may issue shares with such preferential, deferred, qualified or special rights, privileges or conditions, or subject to such restrictions, whether in regard to dividends, voting, return of capital or otherwise, as the Board thinks fit; and
- the Board cannot issue any shares in Suncorp (other than certain non-participating shares) with voting rights more advantageous than that available to any shares previously issued by Suncorp.

There are 2,000 non-participating shares held by Permanent Trustee Australia Limited as trustee under a deed of trust dated 23 March 1988. The non-participating shares confer certain limited rights on the holder in relation to pre-conversion reserves of approximately \$13 million. These are reserves in existence as at the date Metropolitan Permanent Building Society Limited converted to Metway Bank Limited in 1988, and are held for the benefit of former Metropolitan Permanent Building Society Limited members. These shares confer limited voting rights on the trustee (but effectively include a veto right on amendments to certain entrenched provisions in the Constitution relating to the non-participating shares and the pre-conversion reserves).

### 7.4.2 Voting

Subject to some minor exceptions, on a show of hands each Shareholder present in person or by representative, attorney or proxy has one vote, and on a poll every such person has one vote for every Share held by them.

Partly paid ordinary shares in Suncorp confer on a poll only such fraction of one vote as the amount paid up (not credited) on that share bears to the total amounts paid and payable on that share (excluding amounts credited).

### 7.4.3 Dividends

The Board may from time to time declare a dividend to be paid to Suncorp shareholders out of profits. The dividend so declared is divisible among shareholders in the proportions which the amounts paid up (not credited) on the Shares held by them respectively bear to the total amounts paid and payable (excluding amounts credited) in respect of those Shares.

### 7.4.4 Transfer of shares

Shares may be transferred by written transfer (stamped if necessary) or in any manner permitted or required by the Listing Rules or the ASTC Settlement Rules.

The Board may refuse to register a transfer of shares, or may ask ASTC to apply a holding lock to shares, where a refusal to transfer those shares is permitted under the Listing Rules or when registration is not permitted by any court order or the Listing Rules.

### 7.4.5 General meetings and notices

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of Suncorp and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution or the Corporations Act.

### 7.4.6 Winding up

If Suncorp is wound up and, after payment of the creditors of Suncorp (other than Shareholders in their capacity as shareholders) there are surplus assets, those surplus assets shall be applied as follows:

- if the winding up occurs before the date which is the termination date of the trusts under which Permanent Trustee Australia Limited holds the non-participating shares, the holders of the non-participating shares shall receive an amount equal to the pre-conversion reserves (plus any amount by which those pre-conversion reserves have previously been written down as permitted under the Constitution); and
- the remainder (if any) in the following order: firstly, to the holders of the non-participating shares, if such shares still exist, to the extent of the capital paid up on those shares; and secondly, to ordinary shareholders in proportion to the capital paid up on the shares held by them at the commencement of the winding up.

Suncorp also has reset preference shares on issue. The terms of these reset preference shares provide that in a winding up the holders are entitled to receive the amount of any accrued but unpaid dividend plus the face value of the reset preference shares before any return of capital is made to holders of ordinary shares or any other class of shares ranking behind the reset preference shares.

## 7.5 Australian taxation implications of holding and dealing with Entitlements and New Shares

The following comments address the Australian taxation implications of the Entitlement Offer for Eligible Retail Shareholders. The comments only deal with the general Australian taxation implications for Shareholders holding Shares on the capital account and do not apply to shareholders who are banks, insurance companies and Shareholders carrying on a business of trading in shares.

These comments are general in nature and are based on the law in force in Australia at the time of issue of this Prospectus and as currently applied by the Australian Taxation Office. The precise taxation implications will depend upon each Shareholder's specific circumstances. The comments do not take into account the possible impact of a recent decision of the High Court of Australia in *Commissioner of Taxation v McNeil* [2007] HCA 5 (**McNeil case**). In that case, the High Court treated the market value of sell-back rights granted to a shareholder under a deed poll as ordinary income for Australian income tax purposes.

As a result of the comments made by the High Court in the *McNeil* case, it may be argued that the market value of the Entitlements when they are received by Shareholders are ordinary income for Australian income tax purposes. The Australian Taxation Office has not yet indicated whether it considers the *McNeil* case has application in circumstances similar to the Entitlement Offer. If it does so, Shareholders will be subject to income tax on the market value of their Entitlement when granted to them.

Accordingly, you should seek your own independent taxation advice before reaching conclusions as to the possible Australian taxation consequences of the Entitlement Offer on you. Neither Suncorp, nor the Underwriter, nor any of their officers, nor their taxation or other advisors, accept any liability or responsibility in respect of any statements concerning the Australian taxation consequences of the Entitlement Offer.

### 7.5.1 Granting of an Entitlement

On the grant of an Entitlement to you under the Entitlement Offer you should not make a capital gain, or otherwise derive assessable income for Australian income tax purposes. The grant of the Entitlement is not a dividend.

### 7.5.2 If you take up all of your Entitlement

On taking up all or part of your Entitlement you should not make a capital gain, or otherwise derive assessable income for Australian income tax purposes.

# Additional information

## 7.5.3 If you take up none or only part of your Entitlement

If you take up none or only part of your Entitlement then New Shares equivalent to your untaken Entitlement will be offered for sale in the Second Bookbuild (see section 2.4.2). The proceeds received from that sale will be determined as described in section 2.4.2. Where those proceeds exceed the Offer Price, those excess proceeds (**Bookbuild Proceeds**) will be paid to you.

The sale of the New Shares equivalent to your untaken Entitlement will result in a capital gain to you. Your capital gain will be equal to the Bookbuild Proceeds.

## 7.5.4 Acquisition of New Shares by taking up your Entitlement

Your cost base for the New Shares that you acquire under the Entitlement Offer will be equal to the amount you paid to acquire the New Shares plus any non-deductible incidental costs you incurred to acquire them.

## 7.5.5 Disposal of New Shares

If you dispose of your New Shares, a capital gain will arise if the capital proceeds received from the disposal exceed the cost base of the New Shares that are disposed of. The disposal will give rise to a capital loss if the capital proceeds received from the disposal are less than your reduced cost base of the New Shares.

The New Shares that you acquire as a result of taking up your Entitlement will be treated as having been acquired by you on the day on which the New Shares that you have acquired under the Entitlement Offer are transferred to you. This is expected to occur on Tuesday, 17 April 2007. Therefore, if the New Shares are held for 12 months after acquisition, Shareholders who are entitled to access the capital gains tax (CGT) discount (individuals, trustees and complying superannuation funds) will be able to apply the applicable CGT discount factor to their capital gain on disposal of their New Shares.

If you are not an Australian resident for tax purposes and you do not take up all of your Entitlement (and New Shares equivalent to your untaken Entitlement are sold in the Second Bookbuild) or you dispose of any New Shares that you acquire pursuant to the Entitlement Offer, you should have no Australian capital gains tax liability.

## 7.5.6 Stamp duty

No stamp duty will be payable on the grant of an Entitlement, the acquisition of New Shares by taking up an Entitlement or any subsequent disposal of New Shares acquired pursuant to the Entitlement Offer.

## 7.5.7 Goods and services tax (GST)

The acquisition of an Entitlement and the acquisition of New Shares by taking up all or part of an Entitlement, will be classified as a "financial supply" for Australian GST purposes. As such, no GST will apply to any application monies paid in consideration for the acquisition of New Shares under the Entitlement Offer nor in respect of any money received from the sale of New Shares equivalent to untaken Entitlements.

## 7.6 Shareholders outside Australia

### 7.6.1 General restrictions

This Prospectus, and the Entitlement and Acceptance Form accompanying this Prospectus, do not constitute an offer to acquire Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify Shares, or to otherwise permit the grant of Entitlements or an offer of Shares, outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek professional advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of each Shareholder who applies for Shares pursuant to this Prospectus to ensure that any laws relevant to their application are complied with. For the purposes of the Retail Offer the return of a duly completed Entitlement and Acceptance Form will be taken by Suncorp and the Underwriter to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia.

Eligible Shareholders resident outside Australia should consult their professional advisers as to whether, in order to enable them to accept their Entitlements, any governmental or other consents are required, or other formalities need to be observed.

Eligible Shareholders holding Existing Shares on behalf of persons who are resident overseas are responsible for ensuring that acquiring Shares pursuant to the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Eligible Shareholders who are nominees or custodians are therefore advised to seek advice from their professional advisers as to how they should proceed.

## 7.6.2 United States

No Shares have been, or will be, registered under the US Securities Act or the securities laws of any state of the United States. Accordingly, no Shares may be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Entitlement Offer is not being made to Shareholders who are US Persons or Shareholders in the United States.

This Prospectus and the Entitlement and Acceptance Form will not be sent to any Shareholder in the United States.

By applying for New Shares under the Entitlement Offer an applicant represents, warrants and agrees as follows:

- the applicant understands that the Shares being offered under this Prospectus have not been, and will not be, registered under the US Securities Act, and may not be offered, sold or resold in the United States or for the account or benefit of, a US Person except in accordance with an available exemption from registration;
- the applicant is not in the United States or a US Person and is not acting for the account or benefit of a person in the United States or a US Person;
- the applicant will not offer, sell or resell in the United States or to a US Person any Shares during the Entitlement Offer, at any time or otherwise, until after the expiry of 40 days after the date on which the Shares are transferred (provided, however, that the foregoing shall not prohibit any sale of Shares in regular way or standard transactions on ASX if neither the seller nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a US Person or a person in the United States); and
- if the applicant is entitled to receive any fees or commissions in connection with any purchase of New Shares under the Entitlement Offer, the applicant will not, directly or indirectly, pay or allow any portion of such fee or commission to any other person.

Until 40 days after the commencement of the Entitlement Offer, an offer or sale of Shares in the United States or to any US Person by any dealer (whether or not participating in the Entitlement Offer) may violate the registration requirements of the US Securities Act.

## 7.7 Underwriting Agreement

The Capital Raising has been fully underwritten by the Underwriter. Set out below is a summary of the relevant parts of Underwriting Agreement pursuant to which the Underwriter has agreed to underwrite the Capital Raising and manage the Entitlement Offer.

### 7.7.1 Underwriter's obligation to deposit funds with Suncorp and subscribe for New Shares

The Underwriting Agreement provides that the Underwriter must subscribe and pay for all of the New Shares being offered for purchase pursuant to the Entitlement Offer on the day of the hearing of the Federal Court of Australia to approve the Scheme (specified as 12 March 2007 or such other date as the parties agree). The Underwriting Agreement contains various preconditions to the Underwriter's obligations to subscribe for the New Shares. However, at the time of posting of this Prospectus, these preconditions will have been satisfied and Suncorp will have issued to the Underwriter, and the Underwriter will be registered as the holder of all of the New Shares. If this has failed to occur, this Prospectus will have been withdrawn. This summary has been prepared on this basis.

### 7.7.2 Events of termination

As soon as the New Shares are issued to the Underwriter pursuant to the Underwriting Agreement, the Underwriter will be the registered holder of those Shares and will not have a right to terminate the Underwriting Agreement. This means that Suncorp will have access to the net proceeds of the Capital Raising shortly after the court hearing to approve the Scheme to effect the Merger with Promina.

### 7.7.3 Conduct of the Entitlement Offer

The Underwriting Agreement prescribes the respective obligations of Suncorp and the Underwriter regarding the timing and conduct of the Entitlement Offer, including in relation to the conduct of the Institutional Offer and First Bookbuild, the Retail Offer and the Second Bookbuild, the allotment of any Top-Up Shares (if necessary), payment and settlement procedures and the despatch of holding statements to persons who have acquired New Shares under the Entitlement Offer.

The Underwriting Agreement provides that the Underwriter must transfer New Shares to Eligible Institutional Shareholders who have taken up all or part of their Entitlement and to Institutional Investors who acquire New Shares under the First and/or Second Bookbuild. For the purposes of the Retail Offer, the Underwriter must transfer that number of New Shares taken up by Eligible Retail Shareholders to the Share Registry. Suncorp must procure the Share Registry to then transfer these New Shares to Eligible Retail Shareholders who have taken up all or part of their Entitlement.

Investors who have applied to acquire New Shares under the Entitlement Offer must pay Suncorp or the Underwriter for those New Shares.



# Additional information

If the Clearing Price achieved in the First Bookbuild exceeds the Offer Price, the aggregate of the excess must be remitted on a pro-rata basis to Ineligible Institutional Shareholders and those Eligible Institutional Shareholders who did not take up all of their Entitlements under the Institutional Offer. Similarly, if the Clearing Price achieved in the Second Bookbuild exceeds the Offer Price, the aggregate of the excess must be remitted on a pro-rata basis to Ineligible Retail Shareholders and those Eligible Retail Shareholders who did not take up all of their Entitlements under the Retail Offer. If the Underwriter is not able to achieve a Clearing Price in the First Bookbuild that equals or exceeds the Offer Price, no New Shares will be sold in the First Bookbuild and the Underwriter will remain the owner of those New Shares. This is also the case in respect of the Second Bookbuild.

To the extent that the number of New Shares transferred by the Underwriter pursuant to the Entitlement Offer is less than the number of New Shares issued by Suncorp to the Underwriter, the Underwriter will remain the owner of those New Shares.

## 7.7.4 Consequences of delay

The Underwriting Agreement provides that if:

- an act, matter or thing occurs that makes, or will make, it impracticable or illegal for the Underwriter to transfer New Shares pursuant to the Entitlement Offer or for Suncorp to reimburse the Underwriter for those New Shares as contemplated by the Underwriting Agreement;
- ASIC takes certain action in connection with the Prospectus or the Entitlement Offer, including issuing an interim stop order or withdrawing, revoking or varying any relevant modifications or exemptions of the Corporations Act granted by ASIC; or
- Suncorp withdraws this Prospectus or the Entitlement Offer, or any person (other than the Underwriter) who has consented to the issue of this Prospectus or who has consented to be named in the Prospectus, withdraws that consent,

the Underwriter will, upon notice to Suncorp, cease to have any obligations to transfer New Shares under the Underwriting Agreement and will, upon such cessation, be entitled to deal with any of the New Shares issued to the Underwriter as it determines in its absolute discretion, provided the Underwriter uses reasonable endeavours, within a maximum of 20 Business Days of giving notice, to seek bids from Institutional Investors through a bookbuild process to purchase the New Shares held by the Underwriter (other than New Shares transferred to participants in the Institutional Offer and the First Bookbuild, if they have been completed).

If the Underwriter achieves a clearing price in that bookbuild greater than the Offer Price, subject to certain conditions being satisfied, it must remit to Suncorp any proceeds in excess of the amount calculated by multiplying the total number of Shares sold in the bookbuild by the Offer Price. Suncorp is obliged to distribute the amount of any excess received from the Underwriter to its Shareholders (or if the Institutional Offer and First Bookbuild have been completed, to Retail Shareholders only) on a pro-rata basis.

## 7.7.5 Representations, warranties and undertakings

Under the Underwriting Agreement, Suncorp has given certain representations, warranties and undertakings in a form that is usual for agreements of this kind, including those described below.

The Underwriting Agreement imposes various obligations on Suncorp including that Suncorp must not, without the prior written consent of the Underwriter for a period of three months after the close of the Retail Offer, allot or agree to allot any Shares or other securities in the capital of Suncorp or grant or agree to grant any options in respect of such Shares or other securities except an issue of securities expressly contemplated by the Scheme, an issue of securities pursuant to a dividend reinvestment plan or employee incentive scheme or on the conversion of any convertible securities that are on issue as at the date of the Underwriting Agreement.

Suncorp has also undertaken to conduct the Entitlement Offer in accordance with all applicable laws, the Listing Rules, the timetable agreed with the Underwriter, the Constitution, and the waivers of the Listing Rules granted by ASX and modifications of the Corporations Act granted by ASIC in connection with the Entitlement Offer.

## 7.7.6 Fees and indemnity

Suncorp has agreed to pay the Underwriter the following fees:

- volume underwriting fees of \$1,850,000 plus \$92,500 per month (or a pro-rata proportion for a part of a month) for the period 21 October 2006 to 8 December 2006 and \$62,500 per month (or a pro-rata proportion for a part of a month) for the period commencing on 8 December 2006 until the date this Prospectus was lodged with ASIC;
- an underwriting fee of 1.75% of the Deposit Amount and a management fee of 0.25% of the Deposit Amount; and
- a daily funding fee equal to 1/365th of the official Reserve Bank overnight cash rate plus a margin of 0.40% multiplied by the balance of the Deposit Amount (plus accrued interest) that has not been repaid by Suncorp to the Underwriter. The daily funding fee is payable in respect of each day from the date the Underwriter paid the Deposit Amount to Suncorp until the date of settlement of the Retail Offer and repayment of the balance of the Deposit Amount by Suncorp.

The Underwriter is also entitled to be paid its out of pocket expenses incurred in connection with the Entitlement Offer.

Subject to certain exclusions relating to negligence, fraud, wilful misconduct, or a material breach of the Underwriting Agreement by the Underwriter, Suncorp has agreed to indemnify the Underwriter and certain associated parties, against all claims, actions, damages, losses, liabilities, costs, charges, expenses, outgoings or payments which any indemnified person pays, suffers, incurs or is liable for in respect of, or relating to or arising out of the Entitlement Offer, this Prospectus, the Scheme or the Underwriting Agreement.

## 7.8 Interests of directors

Except as set out in this Prospectus, no Director or Proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years prior to that date, an interest in the formation or promotion of Suncorp, any property acquired or proposed to be acquired by Suncorp in connection with its formation or promotion, the Capital Raising or the Entitlement Offer, other than in their capacity as a shareholder.

Other than as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit to any Director or Proposed Director of Suncorp to induce them to become, or qualify them as, a director of Suncorp, or for services provided by that person in connection with the formation or promotion of Suncorp, the Capital Raising or the Entitlement Offer.

### 7.8.1 Directors' interests in Shares

As at the date of this Prospectus, the Directors hold the following interests in Shares, either directly or indirectly:

Director	Number of Shares
John Story	79,846
William Bartlett	15,287
Ian Blackburne	23,022
Cherrell Hirst AO	7,756
Martin Kriewaldt	49,196
Zygmunt Switkowski	10,000
John Mulcahy	840,000
Chris Skilton	349,771

As at the date of this Prospectus, the Proposed Directors hold the following interests in Shares, either directly or indirectly:

Proposed Director	Number of Shares
Paula Dwyer	0
Ewoud Kulk	0
Geoffrey Ricketts	0
Leo Tutt	5,000

Each of the Proposed Directors currently holds shares in Promina. Upon implementation of the Merger the Proposed Directors, in their capacity as Promina Shareholders, will receive Shares in consideration for the acquisition by Suncorp of their Promina shares. Under the Scheme Promina shareholders will receive 0.2618 Shares for each Promina share they hold on the Scheme record date. This number is subject to an upward adjustment to take account of the dilutionary effect of the Capital Raising, as described in the Scheme Booklet. Based on an exchange ratio of 0.2618 Shares for each Promina share, following implementation of the Merger, each Proposed Director would be issued with that number of Shares set out in the table in the next column:

Proposed Director	Number of Promina shares held on 12 March 2007	Number of Shares to be issued on Implementation of the Merger
Leo Tutt	141,429	37,026
Ewoud Kulk	25,200	6,597
Paula Dwyer	45,000	11,781
Geoffrey Ricketts	57,707	15,108

### 7.8.2 Remuneration

The Constitution contains provisions regarding the remuneration of executive and non-executive directors. As remuneration for services, each non-executive director is to be paid an amount determined by the Board, subject to a maximum aggregate amount determined in general meeting. That aggregate maximum has been set at \$2.5 million per annum. Following the appointment of the Proposed Directors to the Board, it is Suncorp's intention to seek approval at a general meeting of Suncorp for an increase in the maximum aggregate amount of directors' fees that can be paid to \$3.5 million per annum.

## 7.9 Interests of experts and advisers

Except as set out in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of Suncorp; or
- underwriter to the Entitlement Offer,

(each a relevant person) holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years prior to that date, an interest in the formation or promotion of Suncorp, the Capital Raising or the Entitlement Offer or any property acquired or proposed to be acquired by Suncorp in connection with its formation or promotion, the Capital Raising or the Entitlement Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of Suncorp, the Capital Raising or the Entitlement Offer. The amounts set out below are exclusive of GST.

Corrs Chambers Westgarth has acted as the Australian legal adviser to Suncorp in connection with the Entitlement Offer. In aggregate, Suncorp has paid or agreed to pay Corrs Chambers Westgarth approximately \$937,000 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Corrs Chambers Westgarth in accordance with its normal time based charges.

Russell McVeagh has acted as the New Zealand legal adviser to Suncorp in connection with the Entitlement Offer. In aggregate, Suncorp has paid or agreed to pay Russell McVeagh approximately NZ\$22,500 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to Russell McVeagh in accordance with its normal time based charges.



# Additional information

KPMG Transaction Services (Australia) Pty Limited has provided accounting services to Suncorp in connection with the Entitlement Offer, including preparing the Accountant's Report. In aggregate, Suncorp has paid or agreed to pay approximately \$75,000 (plus GST and disbursements) for these services to the date of this Prospectus. Further amounts may be paid to KPMG Transaction Services (Australia) Pty Limited in accordance with its normal time based charges.

Citigroup Global Markets Australia Pty Limited has acted as lead manager and Underwriter to the Capital Raising. The Underwriter is entitled to receive the fees and commissions (plus GST and disbursements) described in the summary of the Underwriting Agreement in section 7.7.

## 7.10 Consents

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is said to be based, other than as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omission from this Prospectus, other than the reference to its name included in this Prospectus with the consent of that party, as specified below.

Each of:

- Corrs Chambers Westgarth;
- Russell McVeagh;
- KPMG Transaction Services (Australia) Pty Limited; and
- Citigroup Global Markets Australia Pty Limited,

has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Link Market Services Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named as the Share Registry in this Prospectus in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to Suncorp and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Orient Capital Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in the Institutional Offer Procedures Manual as a contact for enquiries in respect of reconciliations of shareholdings and a share register analytics firm engaged by Suncorp to conduct register analysis.

KPMG audited the financial statements of Suncorp for the year ended 30 June 2006 and conducted a review of the unaudited financial statements of Suncorp for the half year ended 31 December 2006. KPMG has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the auditor of Suncorp and to the reference in the Prospectus to "reviewed" in the context of extracts of the financial statements of Suncorp for the half-year ended 31 December 2006 in the Merged Group Pro Forma Historical Balance Sheet in section 5.3 in the form and context in which that reference is made. With the exception of the consent stated above, KPMG has not authorised the issue of the Prospectus. Accordingly, it takes no responsibility for any other statements, or material in, or omission from the Prospectus.

PricewaterhouseCoopers audited the financial statements of Promina for the year ended 31 December 2006. PricewaterhouseCoopers has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the auditor of Promina and to the inclusion in this Prospectus of extracts of the audited financial statements of Promina for the year ended 31 December 2006 in the Merged Group Pro Forma Historical Balance Sheet in section 5.3 in the form and context in which those extracts are included. PricewaterhouseCoopers has not authorised or caused the issue of the Prospectus and has not made, nor purports to have made, any statement other than as set out above.

## 7.11 ASX waivers and confirmations

ASX has granted a waiver of Listing Rule 7.7 so as to not require Suncorp to extend the Entitlement Offer to Shareholders in New Zealand.

ASX has granted waivers of Listing Rules 7.1 and 10.11 to the extent necessary to:

- permit Suncorp to make the Entitlement Offer in the manner described in this Prospectus without the requirement to obtain shareholder approval; and
- permit related parties of Suncorp to participate in the Entitlement Offer up to the extent of their Entitlement on the same terms as other Shareholders without the requirement to obtain shareholder approval.

The grant of the waivers of these Listing Rules is subject to conditions. The effect of these conditions is to permit Suncorp to:

- offer New Shares to Eligible Institutional Shareholders under the Institutional Offer on a pro-rata basis on or before the Record Date; and
- offer the New Shares not acquired by those Eligible Institutional Shareholders, and New Shares equivalent to the Entitlements of Ineligible Institutional Shareholders, to other Eligible Institutional Shareholders or other Institutional Investors via the First Bookbuild,

prior to offering New Shares to Eligible Retail Shareholders, as long as:

- Institutional Shareholders who sell down their holding of Shares before the Record Date have their pro-rata allocations reduced accordingly;

- the New Shares issued under the Institutional Offer and the Retail Offer are issued at the same price;
- all Shareholders, other than Eligible Institutional Shareholders who are offered New Shares under the Institutional Offer, and Ineligible Institutional Shareholders, are offered that number of New Shares under the Entitlement Offer at least equal to their Entitlement, unless Listing Rule 7.7.1 would permit the Shareholder not to be included in a pro-rata offer; and
- related parties of Suncorp only participate in the Entitlement Offer up to the extent of their Entitlement.

The waivers set out the arrangements for dealing with holdings registered in the names of nominees. In particular, a nominee Shareholder will be treated as a separate holder in respect of securities held for each one or more Institutional Shareholders and Retail Shareholders (and, accordingly, may receive offers under the Institutional Offer in respect of Shares held as nominee for Institutional Shareholders and offers under the Retail Offer in respect of Shares held as nominee for Retail Shareholders). Offers under the Institutional Offer will be treated as being made to the nominee even where they are made directly to the Institutional Shareholder for whom the nominee holds.

The waivers also allow Suncorp to ignore, for the purposes of determining those entitled to receive New Shares under both the Institutional Offer and the Retail Offer, transactions occurring after the implementation of the trading halt in Suncorp securities on 12 March 2007 (other than registrations of transactions occurred on ASX on a normal T+3 settlement basis before the trading halt).

ASX has also granted waivers of Listing Rules 3.20 and 7.40, on the same conditions as the waivers of Listing Rules 7.1 and 10.11, to the extent necessary to permit Suncorp to give ASX less than seven Business Days' notice of the Record Date on condition that the Entitlement Offer timetable is acceptable to ASX.

## 7.12 ASIC modification

ASIC has granted a modification of section 729(1) of the Corporations Act the effect of which is that neither the Underwriter nor any of the directors of the Underwriter, are liable under section 729(1) in connection with the offers for sale, or the transfer, of New Shares by the Underwriter pursuant to this Prospectus (provided those Shares are sold or transferred within six weeks of the date of their issue by Suncorp to the Underwriter).

ASIC has granted a modification of section 700 of the Corporations Act the effect of which is that, for the purposes of Chapter 6D of the Corporations Act, Suncorp is deemed to be the offeror of the New Shares that are being offered for subscription by the Underwriter under the Entitlement Offer and to be the sole offeror of those New Shares for the purposes of section 728 of the Corporations Act.

ASIC has granted a declaration under section 741(1)(b) of the Corporations Act that modifies Suncorp's disclosure obligations under section 711.

## 7.13 Privacy

Suncorp and the Share Registry have already collected certain personal information from you as a shareholder of Suncorp. If you acquire New Shares, Suncorp and the Share Registry may update that personal information or collect additional personal information. Such information will be used to assess your acceptance of New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

Suncorp and the Share Registry may disclose your personal information for purposes related to your shareholding to their agents and service providers including:

- the Underwriter in order to assess your acceptance of New Shares;
- the Share Registry for ongoing administration of the register;
- printers and mailing houses for the purposes of preparation and distribution of shareholder information and for handling of mail; or
- as otherwise authorised under the Privacy Act.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) Suncorp or the Share Registry. You can request access to your personal information by:

- telephoning the Share Registry on 1300 882 012 (within Australia) or +61 2 8280 7111 (outside Australia); or
- writing to Suncorp through the Share Registry at: Link Market Services Limited, PO Box A118, Sydney South NSW 1234.

## 7.14 Governing law

This Prospectus, the Entitlement Offer and the contracts formed on acceptance of applications under the Entitlement Offer, are governed by the laws applicable in Queensland. Each applicant submits to the exclusive jurisdiction of the courts in Queensland.

## 7.15 Consent to lodgement

Each Director, and each Proposed Director, has authorised and consented to the lodgement of this Prospectus with ASIC under the Corporations Act and has not withdrawn that consent prior to its lodgement with ASIC.





## 8. Glossary

\$	Australian dollars
Accountant	KPMG Transaction Services (Australia) Pty Limited (ABN 65 003 891 718), who has prepared the Accountant's Report
Accountant's Report	the report of the Accountant, which is set out in section 5.4
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532)
ASTC Settlement Rules	the settlement rules of ASTC
ASX	ASX Limited (ABN 98 008 624 691) or the stock exchange operated by it, as the context requires
APRA	Australian Prudential Regulation Authority
Board	the board of directors of Suncorp
Bookbuild Proceeds	has the meaning given in section 7.5.3
Business Day	has the meaning given in the Listing Rules
Capital Raising	the raising of funds by Suncorp by way of the issue of the New Shares to the Underwriter pursuant to the Underwriting Agreement and this Prospectus
Clearing Price	the price at which New Shares are sold in the First Bookbuild or the Second Bookbuild, as the context requires
Closing Date	5.00 pm Brisbane time on Thursday, 5 April 2007, being the last date for receipt of Entitlement and Acceptance Forms for the Retail Offer. This date may be varied by Suncorp without notice
Constitution	the constitution of Suncorp
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Deposit Amount	the amount equal to the Offer Price multiplied by the number of New Shares offered for issue pursuant to the Capital Raising
Directors	the directors of Suncorp as at the date of this Prospectus
Eligible Institutional Shareholder	a Shareholder who Suncorp and the Underwriter agree is an Institutional Investor: <ul style="list-style-type: none"> <li>• with a registered address in a Permitted Jurisdiction; and</li> <li>• to whom the Underwriter offers the opportunity to acquire new Shares in the Institutional Offer</li> </ul>
Eligible Retail Shareholder	a Shareholder who: <ul style="list-style-type: none"> <li>• has a registered address in Australia; and</li> <li>• is not an Institutional Shareholder</li> </ul>
Eligible Shareholder	an Eligible Institutional Shareholder or an Eligible Retail Shareholder, as the context requires
Entitlement	the right to acquire 2 New Shares for every 15 Existing Shares held by a Shareholder on the Record Date (being 7.00 pm Brisbane time on Friday, 16 March 2007)
Entitlement and Acceptance Form	the application form accompanying this Prospectus (or in the case of Eligible Retail Shareholders accessing this Prospectus electronically, the application form that accompanies the electronic version of this Prospectus)
Entitlement Offer	the offer for purchase of New Shares under this Prospectus, comprising the Institutional Offer, the First Bookbuild, the Retail Offer and the Second Bookbuild

# Glossary

Entitlement Offer Information Line	1300 657 159 if calling within Australia or +61 2 8280 7478 if calling from outside Australia, which will be open weekdays (excluding public holidays) between 8.30 am and 5.00 pm Brisbane time from Monday, 12 March to Thursday, 19 April 2007
Existing Share	a Share registered in Suncorp's register of members as at the Record Date
Facilitation Act	has the meaning given by section 4.3
First Bookbuild	the bookbuild conducted in connection with the Institutional Offer, as described in section 2.5.3
Ineligible Institutional Shareholder	a Shareholder who Suncorp and the Underwriter agree is an Institutional Investor: <ul style="list-style-type: none"> <li>• with a registered address outside the Permitted Jurisdictions; or</li> <li>• who Suncorp and the Underwriter agree shall be an Ineligible Institutional Shareholder</li> </ul>
Ineligible Retail Shareholder	a Shareholder who is not an Eligible Retail Shareholder or an Institutional Shareholder
Ineligible Shareholder	an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder, as the context requires
Institutional Investor	a person to whom an offer of Shares may lawfully be made without the need for disclosure to investors under Chapter 6D of the Corporations Act or material lodgement, registration or approval with or by a Regulatory Authority (other than one with which Suncorp is willing to comply)
Institutional Offer	the offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer, as described in section 2.5
Institutional Offer Procedures Manual	the procedures manual described in section 2.5.4, which is incorporated by reference into this Prospectus
Institutional Shareholder	an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder, as the context requires
Listing Rules	the official listing rules of ASX
Merged Group	Suncorp and its related entities following implementation of the Merger (including Promina and its related entities)
Merged Group Pro Forma Historical Balance Sheet	has the meaning given in section 5.3.1
Merger	the proposed merger of Suncorp and Promina on the terms set out in the Scheme Booklet
New Shares	the Shares issued to the Underwriter and subsequently offered under the Entitlement Offer
Offer Price	\$15.50 per New Share
Permitted Jurisdiction	Australia, Italy, Hong Kong, Norway, Singapore or the United Kingdom
Privacy Act	the <i>Privacy Act 1988</i> (Cth)
Promina	Promina Group Limited (ABN 79 000 746 092)
Promina Balance Sheet	has the meaning given in section 5.3.1
Proposed Directors	Mr Leo Tutt, Mr Ewoud Kulk, Mr Geoffrey Ricketts and Ms Paula Dwyer, the members of the current board of directors of Promina who it is proposed will join the Board, as described in section 4.3
Prospectus	this prospectus (and any copy of this prospectus accessed electronically from Suncorp's website ( <a href="http://www.suncorp.com.au">www.suncorp.com.au</a> )), dated 12 March 2007 and lodged with ASIC on that date, including any supplementary or replacement prospectus
Record Date	7.00 pm Brisbane time on Friday, 16 March 2007

<b>Regulatory Authority</b>	a government or a governmental, semi-governmental or judicial entity or authority or minister, department, office or delegate of any government, in each case in any part of the world, including a self-regulatory organisation established under statute or a stock exchange, APRA, ASIC and ASX
<b>Retail Offer</b>	the offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer, as described in section 2.4
<b>Retail Shareholder</b>	an Eligible Retail Shareholder and/or an Ineligible Retail Shareholder, as the context requires
<b>Scheme</b>	the scheme of arrangement between Promina and its ordinary shareholders that has been proposed for the purposes of effecting the Merger
<b>Scheme Booklet</b>	the booklet dated 14 December 2006 prepared for Promina ordinary shareholders for the purposes of the Scheme
<b>Second Bookbuild</b>	the bookbuild to be conducted in connection with the Retail Offer, as described in section 2.4.2
<b>Share</b>	a fully paid ordinary share in the capital of Suncorp
<b>Shareholder</b>	the holder of a Share as at the Record Date
<b>Share Registry</b>	Suncorp's share registry, Link Market Services Limited (ACN 083 214 537)
<b>Suncorp</b>	Suncorp-Metway Limited (ABN 66 010 831 722)
<b>Suncorp Balance Sheet</b>	has the meaning given in section 5.3.1
<b>Suncorp Group</b>	Suncorp and each of its related entities
<b>Top-Up Shares</b>	Shares issued by way of a placement, pursuant to this Prospectus, as described in section 2.7
<b>Underwriter</b>	Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832)
<b>Underwriting Agreement</b>	the underwriting agreement dated 8 December 2006 between Suncorp and the Underwriter (as amended by the parties), which is described in section 7.7
<b>US Person</b>	has the meaning given in Regulation S under the US Securities Act
<b>US Securities Act</b>	the <i>Securities Act of 1933</i> (USC), as amended

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## Directors

Mr John Douglas Story  
(Chairman)

Mr William John Bartlett  
(Non-executive Director)

Dr Ian David Blackburne  
(Non-executive Director)

Dr Cherrell Hirst AO  
(Non-executive Director)

Mr Martin Douglas Eberlein Kriewaldt  
(Non-executive Director)

Dr Zygmunt Edward Switkowski  
(Non-executive Director)

Mr John Francis Mulcahy  
(Managing Director)

Mr Christopher Skilton  
(Chief Financial Officer and Executive Director)

## Company Secretary

Mr Clifford Roe Chuter

## Registered Office

Level 18 Suncorp Centre  
36 Wickham Terrace  
Brisbane QLD 4000

## Share Registry

Link Market Services Limited  
PO Box A118  
Sydney South NSW 1234

## Accountant

KPMG Transaction Services (Australia) Pty Limited  
10 Shelley Street  
Sydney NSW 2000

## Auditor

KPMG  
71 Eagle Street  
Brisbane QLD 4000

## Lead Manager and Underwriter

Citigroup Global Markets Australia Pty Limited  
Citigroup Centre  
Level 40, 2 Park Street  
Sydney NSW 2000

## Australian Legal Adviser

Corrs Chambers Westgarth  
Level 35 Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

## Entitlement Offer Information Line

toll free on 1300 657 159 if calling within Australia

OR

+61 2 8280 7478 if calling from outside Australia.

