



ASX ANNOUNCEMENT

20 August 2009

SUNCORP PRICES AUSTRALIAN RMBS ISSUE, TRANSACTION SIZE INCREASED TO \$1.478 BILLION

Suncorp today confirmed it had finalised pricing of its APOLLO Series 2009-1 RMBS issue and increased the size of the transaction in response to investor demand.

Following investor meetings, the initial transaction size of A\$1.2 billion was increased to A\$1.478 billion. It is the largest RMBS transaction completed in Australia since August 2007 when global market disruption started to become apparent.

David Foster, group executive of Suncorp's banking business, said the transaction was a significant step forward for the securitisation market.

"Investor reaction to this transaction, particularly the real money investor participation in the shorter dated tranches, is a positive sign for the Australian securitisation market," Mr Foster said.

"The AOFM's involvement as a cornerstone investor was critical to the ultimate success of the transaction as it helped to build momentum."

Three classes of notes were offered to the market:

Class	A1	A2	A3
Rating	F1+ / A1+	AAA	AAA
Size	A\$111 million	A\$370 million	A\$849.2 million
Expected weighted average life*	0.18yr	0.82yr	3.63yr
Pricing over 1mth BBSW	60bps	90bps	130bps

* Assuming a flat constant pre-payment rate of 24% and 10% clean-up call.

The transaction was supported by the Australian Office of Financial Management (AOFM) which purchased A\$499.2 million of the A3 tranche as part of the Federal Government's A\$8 billion program to support the Australian securitisation market.

The remainder of the A3 tranche was purchased by general insurance funds managed by Tyndall, a Suncorp entity. These funds switched out of an existing APOLLO holding to participate in the APOLLO Series 2009-1 transaction. Separately, the class B notes of A\$147.8 million were retained on the balance sheet of Suncorp's banking business.

15 investors participated in the two shorter tranches including a majority of real money accounts. The level of oversubscription led to scaling being applied.

The notes are backed by a pool of prime residential first ranking mortgage loans denominated in Australian dollars and originated by Suncorp. The notes are floating rate, principal pass-through, secured, limited recourse, rated securities. The notes may be called on any payment date after the outstanding amount of the notes amortises down to 10% of the original value of the notes.



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Suncorp arranged the transaction while Macquarie Bank Limited and The Royal Bank of Scotland plc Australia Branch were joint lead managers and joint book runners.

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