

29 August 2018

Suncorp Group Limited Announces Debut Wholesale Subordinated Notes Issue

Suncorp Group Limited (ASX:SUN | ADR:SNMCY) today announced its intention to issue new Australian dollar floating rate, unsecured, subordinated notes (**Wholesale Subordinated Notes**). The Wholesale Subordinated Notes will be offered to institutional and other wholesale market investors. The Wholesale Subordinated Notes are expected to be priced on 29 August 2018, subject to market conditions and the pricing will be determined by a bookbuild process.

The Wholesale Subordinated Notes are being issued as part of Suncorp Group's ongoing funding and capital management strategy, the proceeds of which are expected to be used to fund Tier 2 Capital (as described in the Australian Prudential Regulation Authority's (**APRA**) prudential standards) of one or more Regulated Entities within the Suncorp Group and for general funding purposes.

The key features of the Wholesale Subordinated Notes are as follows:

- Optional redemption date of 5 December 2023 (5.25 years) and a maturity date of 5 December 2028 (10.25 years);
- Subject to the satisfaction of a solvency condition, quarterly, cumulative, floating rate interest, will be payable;
- Suncorp Group has the option to redeem the Wholesale Subordinated Notes on the optional redemption date and for certain tax and regulatory events (in each case subject to APRA's prior written approval);
- If APRA determines that a Non-Viability Trigger Event has occurred in relation to Suncorp Group Limited, all (or in certain circumstances, some) Wholesale Subordinated Notes will be immediately converted into ordinary shares in Suncorp Group Limited (or, if conversion cannot be effected for any reason within 5 business days, Written-Off, in which case Holders are likely to suffer a material loss); and
- Notional face value of \$10,000 per Wholesale Subordinated Note, with a minimum subscription amount of \$500,000 or otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act.

There are risks associated with an investment in the Wholesale Subordinated Notes. It is important that wholesale investors read the Information Memorandum for a full description of the terms and risks associated with an investment in the Wholesale Subordinated Notes and Suncorp Group before making an investment decision. Wholesale investors should not expect that APRA's approval will be given for any early redemption.

Goldman Sachs is acting as Arranger and Joint Lead Manager. ANZ, Citigroup, National Australia Bank and Westpac are acting as Joint Lead Managers.

Ends

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Definitions

Unless otherwise defined, capitalised words used in this announcement have the meanings given to them in the Information Memorandum.

Disclaimer

This announcement does not constitute an offer of any securities (including Wholesale Subordinated Notes) for sale or issue. Nothing in this document constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The securities described herein have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “Securities Act”), or the securities laws of any state of the U.S. or other jurisdiction and the securities described herein may not be offered or sold within the U.S. or to or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.