

Suncorp Capital Notes 4

Investor presentation
30 August 2021

SUNCORP GROUP LIMITED
ABN 66 145 290 124

SUNCORP 



BUILDING FUTURES AND
PROTECTING WHAT MATTERS

Important disclaimer

This presentation has been prepared and authorised by Suncorp Group Limited (ABN66 145 290 124) ("Suncorp") in relation to the proposed offer by Suncorp of Suncorp Capital Notes 4 ("Capital Notes 4") to raise \$350 million with the ability to raise more or less (the "Offer"). The Offer is made pursuant to a prospectus under Part 6D.2 of the Corporations Act 2001 (Cth) which was lodged with the Australian Securities and Investments Commission ("ASIC") on 30 August 2021 ("Prospectus"). Suncorp intends to lodge a replacement prospectus, which will include the Offer size and the Margin, on or around 7 September 2021.

Barrenjoey Advisory Pty Limited ("Barrenjoey Capital Partners") (ABN 17 636 976 228) is the Arranger ("Arranger") of the Offer. ANZ Securities Limited (ABN 16 004 997 111), Commonwealth Bank of Australia (ABN 48 123 123 124), Morgans Financial Limited (ABN 49 010 669 726), National Australia Bank Limited (ABN 12 004 044 937), UBS AG, Australia Branch (ABN 47 088 129 613) and Westpac Institutional Bank, a division of Westpac Banking Corporation (ABN 33 007 457 141) are the Joint Lead Managers to the Offer ("Joint Lead Managers").

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Capital Notes 4 are complex and may not be suitable for all investors. The investment performance of Capital Notes 4 is not guaranteed by Suncorp or any other member of the Suncorp Group. The risks associated with investing in these securities could result in the loss of your investment. Information about the risks associated with investing in Capital Notes 4 is detailed in the Prospectus.

All amounts are in Australian dollars unless otherwise indicated. Unless otherwise defined, capitalised terms in this presentation have the meaning in the Prospectus.

Agenda

✓	Section 1	Offer summary	4
✓	Section 2	About Suncorp	6
✓	Section 3	Key features and risks of Capital Notes 4	14
✓	Section 4	Offer process	20
✓	Appendices	– Mandatory Conversion – Comparison between Capital Notes 4 and other types of investments	24

SUNCORP

The image features a large, three-dimensional 'SUNCORP' logo in a dark teal color, mounted on a white, curved architectural element. To the right of the text is a circular light fixture that is illuminated with a warm, yellow-orange glow. The background shows a modern office building with large glass windows and a concrete structure. A person is visible on a balcony in the distance. In the foreground, there are some green plants.

Section 1 Offer summary

Offer summary

Issuer	– Suncorp Group Limited (Suncorp)
Security	– Fully paid, subordinated, perpetual, unsecured, convertible notes
Offer size	– \$350 million with the ability to raise more or less
Use of proceeds	– Suncorp is issuing Capital Notes 4 to raise Eligible Additional Tier 1 Capital – Proceeds to be used to fund the capital needs of one or more Regulated Entities within the Suncorp Group and for general corporate and funding purposes
Ranking¹	– In a winding-up of Suncorp, Capital Notes 4 will rank ahead of Ordinary Shares, equally among themselves and other Equal Ranking Instruments (including Capital Notes 1, Capital Notes 2 and Capital Notes 3) and behind all Senior Ranking Creditors of Suncorp (including Suncorp Wholesale Subordinated Notes and Suncorp Wholesale Subordinated Notes 2)
Distribution Payments	– Floating rate, quarterly, discretionary, non-cumulative payments, subject to no Payment Condition existing ² – Distributions are expected to be fully franked – Margin expected to be in the range of 2.90% – 3.10% per annum over 3-month Bank Bill Rate, to be determined under the Bookbuild. – The Margin will not change for the term of Capital Notes 4
Term	– Perpetual unless Converted, Redeemed, Resold or Written-Off – Optional Exchange³ : all or some Capital Notes 4 on 17 June 2028, 17 September 2028 or 15 December 2028, ⁴ or following a Regulatory or Tax Event, and all (but not some only) after a Potential Acquisition Event – Scheduled Mandatory Conversion Date⁵ : 17 December 2030 – Acquisition Event⁵ : Suncorp must Convert Capital Notes 4 following an Acquisition Event – Non-Viability Trigger Event : Suncorp must Convert Capital Notes 4, and if Conversion does not occur within 5 Business Days, then Capital Notes 4 will be Written-Off
Offer structure	– Institutional Offer, Broker Firm Offer and Securityholder Offer
Arranger	– Barrenjoey Capital Partners
JLMs	– ANZ Securities, Commonwealth Bank of Australia, Morgans, National Australia Bank, UBS and Westpac Institutional Bank
Quotation	– Suncorp will apply for Capital Notes 4 to be quoted on ASX under ASX code “SUNPI”

Notes:

¹ The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Trigger Event occurs. See Sections 1.3, 2.4.4 and 5.1.9 of the Prospectus.

² Payment of any Distribution is within the absolute discretion of Suncorp.

³ At Suncorp's option, subject to certain conditions being met and APRA's prior written approval. Holders of Capital Notes 4 should not assume that APRA will give its approval for any Exchange.

⁴ Due to the Business Day convention, the First Optional Exchange Date is deferred from 17 June 2028 to 19 June 2028 and the Second Optional Exchange Date is deferred from 17 September 2028 to 18 September 2028.

⁵ Subject to certain conditions being met.

Section 2

About Suncorp



Suncorp Group

The Suncorp Group has a range of brands across Australia and New Zealand, including:

Insurance (Australia)



Banking & Wealth



Suncorp New Zealand



Offers insurance and banking services with a heritage dating back to 1902

ASX-listed with a ~\$16 billion market capitalisation¹

Approximately \$97 billion in group assets²

More than 13,000 employees in Australia and New Zealand²

4.04 million digital users³

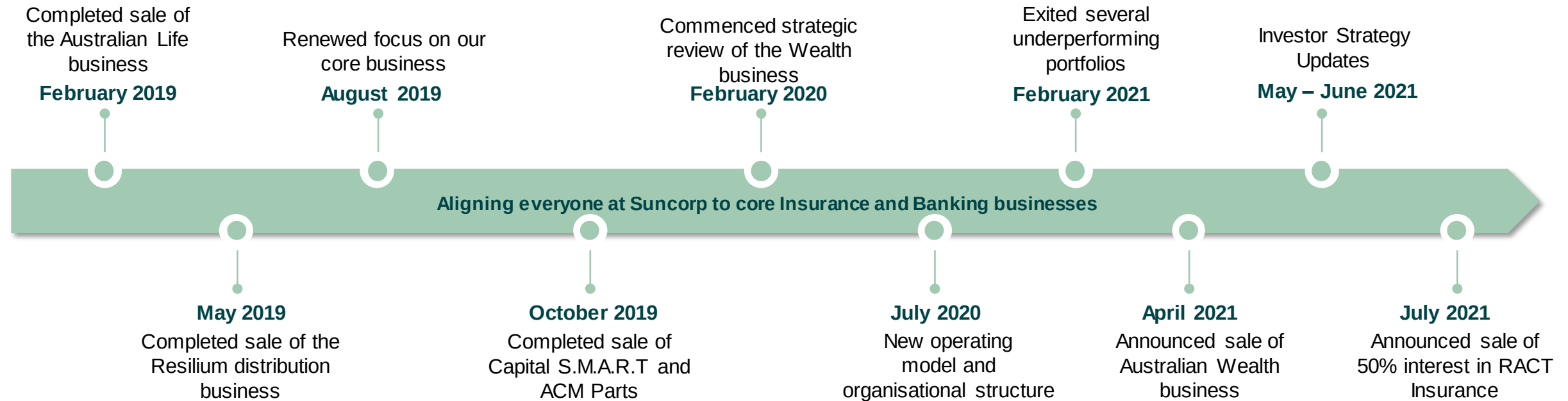
Notes:

¹ Source: ASX as at 27 August 2021. Based on the market capitalisation of the ordinary shares of Suncorp.

² As at 30 June 2021.

³ Visitors that have logged into Suncorp's authenticated assets like internet banking, mobile banking app, insurance policy self-service web and mobile applications in the year ended 30 June 2021.

Simplifying and delivering



Insurance (Australia)

- Revitalise growth
- Optimise pricing and risk selection
- Digital first customer experiences
- Best-in-class claims

Suncorp New Zealand

- Grow brands and strategic partnerships
- Best-in-class claims
- Increasing digital and data capability of core systems

Banking & Wealth

- Win in home lending
- Simplify the business products and processes
- Optimise blended distribution
- Accelerate digital and everyday banking
- Targeted growth in business banking

Corporate sustainability principles

Sustainable growth



We seek to innovate and optimise economic, social and environmental outcomes throughout our business and value chain.

Responsible financial services



We put our customers at the heart of everything we do and help them make good choices. We provide customers with access to affordable financial services that meet their needs.

Resilient people and communities



We respect human rights and invest in the wellbeing and resilience of our people and communities. We are there for our people and our communities in times of need.

Trust and transparency



We are committed to building trust and doing the right thing. We are open and transparent in our dealings with our stakeholders.

Note: For further information on the Suncorp Group's approach to corporate responsibility, please refer to www.suncorpgroup.com.au/cr/reports

Full year ended 30 June 2021

- Cash earnings up 42.1%

- Group NPAT up 13.1%

- Ordinary final dividend of 40cps fully franked, implying an ordinary dividend payout ratio of 79.3%

- Capital return of approximately \$350 million, including:
 - Special dividend of \$103 million fully franked (8cps)
 - On-market share buy-back of up to \$250 million

	FY21 (\$m)	FY20 (\$m)	Change (%)
Insurance (Australia)	547	384	42.4
Banking	419	248	69.0
Suncorp New Zealand	200	245	(18.4)
Cash earnings	1,064	749	42.1
Group NPAT	1,033	913	13.1
Ordinary dividend (cps)	66	36	83.3
Payout ratio – cash earnings (%)	79.3	60.7	
Group excess CET1 (after final ordinary and special dividends)	773	823	

Results highlights



Insurance (Australia)
GWP growth of 5.5%



Australian consumer insurance
GWP growth of 5.6%



NZ GWP growth of 9.2%



Prior year reserve releases of
2.9%, above long-run
expectations



Banking returned to growth in
home lending in H2;
\$1.1 billion turnaround vs H1



Banking NIM up 13 basis points



Group expenses up 1.8% due to
temporary uplift in strategic
spending



Robust capital position; fully
franked final and special
dividends, on-market share buy-
back

Notes: GWP means Gross Written Premium; NIM means Net Interest Margin

Pro forma capital adequacy position¹

- Announced capital return of approximately \$350 million, including fully franked special dividend of \$103 million (8cps) and on-market share buy-back of up to \$250 million

Capital management strategy

- Optimise shareholder value by managing the level, mix and use of capital resources
- Ensure sufficient capital resources to maintain and grow the business, in accordance with risk appetite
- Compliance with external capital requirements set and monitored by APRA and the RBNZ

\$ million	Suncorp Group Total as at 30 June 2021 ²	Pro forma adjustment for on-market share buy-back ³	Pro forma adjustments for the Offer ⁴	Pro forma as at 30 June 2021 ⁵
CET1 Capital	7,744	(250)	-	7,494
Additional Tier 1 Capital	1,139	-	343	1,482
Tier 2 Capital	1,398	-	-	1,398
Total Capital	10,281	(250)	343	10,374
Suncorp Group excess to CET1 Capital Target (after final ordinary and special dividends)	773 ⁶	(250)	-	523 ⁷
Suncorp Group excess Total Capital to target (after final ordinary and special dividends)	1,081	(250)	343	1,174

Notes:

¹ For more information on the pro forma capital adequacy position and the relevant assumptions and adjustments, see Section 4.5 of the Prospectus.

² The pro-forma adjustments do not adjust for the impact of the sale of Suncorp's Australian Wealth business, Suncorp Portfolio Services Limited or the sale of RACT Insurance Pty Limited, as outlined in Section 3.2 of the Prospectus.

³ This adjustment reflects the on-market share buy-back of up to \$250 million announced on 9 August 2021 which is proposed to start from 6 September 2021, as outlined in Section 3.2 of the Prospectus.

⁴ These adjustments assume \$350 million of Capital Notes 4 were issued on 30 June 2021, net of estimated issue transaction costs of approximately \$7 million. The actual issue amount may be more or less than \$350 million and, consequently, the issue transaction costs may be more or less than \$7 million.

⁵ As outlined in Section 1.1 of the Prospectus, Suncorp has an option to convert, redeem or resell the \$375 million Capital Notes 1 on 17 June 2022 and will consider converting, redeeming or reselling the \$375 million Capital Notes 1 on that date, subject to various factors.

⁶ Includes \$637 million capital held at Group entities.

⁷ Includes \$387 million capital held at Group entities.

Capital instruments

	Semi-annual coupon rate / margin above 90 day BBSW	Optional call / exchange date	Issue date	30 June 2021			Regulatory capital \$ million	Accounting balance \$ million
				GI	Bank	SGL		
				\$ million	\$ million	\$ million		
AIL Subordinated Debt ¹	320 bps	Oct 2022	Oct 2016	330	-	-	330	329
SGL Subordinated Debt ^{1, 2}	215 bps	Dec 2023	Sep 2018	-	600	-	600	596
SGL Subordinated Debt 2 ^{1, 2}	225 bps	Dec 2025	Sep 2020	250	-	-	250	250
SML FRCN ³	75 bps	Perpetual	Dec 1998	-	19	-	19	72
Total subordinated debt				580	619	-	1,199	1,247
SGL Capital Notes ^{1, 2}	410 bps	Jun 2022	May 2017	-	375	-	375	373
SGL Capital Notes 2 ^{1, 2}	365 bps	Jun 2024	Nov 2017	165	210	-	375	372
SGL Capital Notes 3 ^{1, 2}	300 bps	Jun 2026	Dec 2019	389	-	-	389	384
Total Additional Tier 1 capital				554	585	-	1,139	1,129
Total				1,134	1,204	-	2,338	2,376

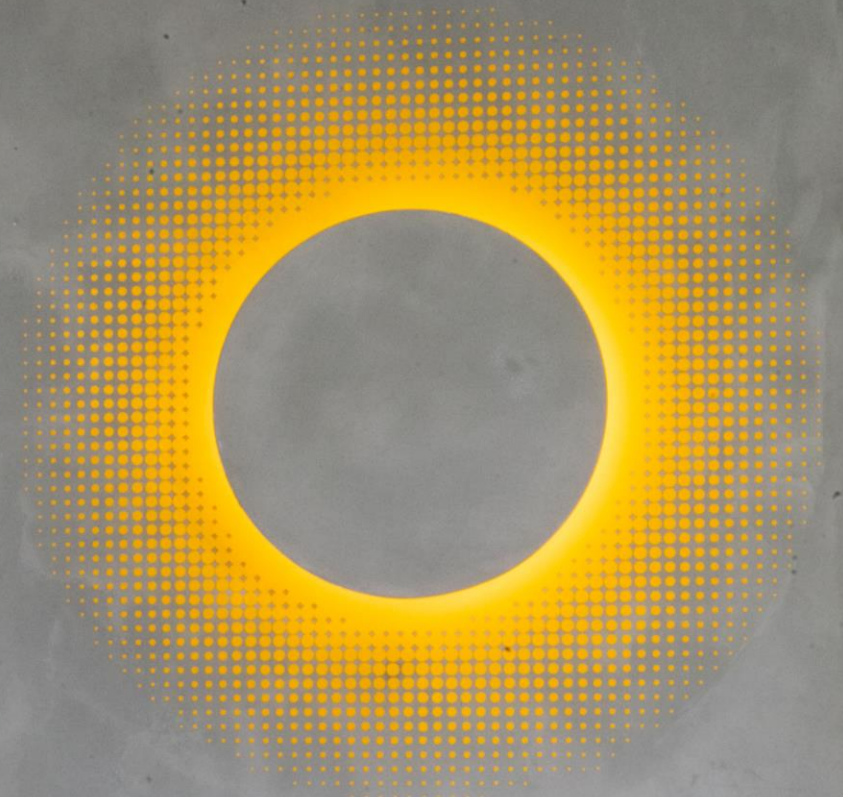
Notes:

¹ Unamortised transaction costs related to external issuance are deducted from the "Accounting Balance" outlined above when recorded in the issuing entities balance sheet.

² These instruments were issued by SGL and deployed to regulated entities within the Group. The amounts held by SGL which have been deployed, are eliminated on consolidation for accounting and regulatory purposes.

³ Tier 2 instruments subject to the transitional arrangements outlined in APRA's prudential standard APS111 Attachment L.

Section 3
Key features and risks of
Capital Notes 4



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Capital Notes 4 key features

General	
Issuer	– Suncorp Group Limited (Suncorp)
Security	– Fully paid, subordinated, perpetual, unsecured, convertible notes
Offer size	– \$350 million, with the ability to raise more or less
Issue Price	– \$100 per Capital Note 4
Ranking ¹	– In a winding-up of Suncorp, Capital Notes 4 will rank ahead of Ordinary Shares, equally with all other Equal Ranking Instruments (including Capital Notes 1, Capital Notes 2 and Capital Notes 3), but behind all Senior Ranking Creditors of Suncorp (including Suncorp Wholesale Subordinated Notes and Suncorp Wholesale Subordinated Notes 2)
Term	– Perpetual (no fixed maturity date) unless Converted, Redeemed, Resold or Written-Off – Optional Exchange Date: 17 June 2028, 17 September 2028 or 15 December 2028² – Scheduled Mandatory Conversion Date: 17 December 2030³
Distribution Payment Dates	– The first Distribution Payment Date is 17 December 2021 – Distribution Payment Dates are 17 March, 17 June, 17 September and 17 December in each year⁴

Notes:

¹ The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Trigger Event occurs. See Sections 1.3, 2.4.4 and 5.1.9 of the Prospectus.

² Due to the Business Day convention, the First Optional Exchange Date is deferred from 17 June 2028 to 19 June 2028 and the Second Optional Exchange Date is deferred from 17 September 2028 to 18 September 2028.

³ Subject to certain conditions being satisfied.

⁴ If a Distribution Payment Date is not a Business Day, then the Distribution Payment Date will be the next Business Day.

Capital Notes 4 key features

Distributions

Distributions	– Distributions are discretionary, non-cumulative, floating rate payments and are expected to be fully franked¹ – Distributions are scheduled to be paid quarterly in arrears, subject to no Payment Condition existing – the first Distribution Payment Date is 17 December 2021² – If any Distribution is not fully franked, then the amount of the scheduled cash Distribution will be adjusted to reflect the applicable Franking Rate
Distribution Rate	– $\text{Distribution Rate} = (\text{Bank Bill Rate}^3 + \text{Margin}) \times (1 - \text{Tax Rate})$ – Bank Bill Rate is the 3-month Bank Bill Rate on the first Business Day of the relevant Distribution Period – Margin expected to be 2.90% – 3.10% per annum, to be determined under the Bookbuild – The Margin will not change for the term of Capital Notes 4
Payment Conditions	– 'Payment Condition' means: – paying the Distribution would result in the Eligible Capital of the Suncorp Group not complying with APRA's then current prudential capital requirements as they are applied to the Suncorp Group (unless approved in writing by APRA); – paying the Distribution would result in Suncorp becoming, or being likely to become, insolvent for the purposes of the Corporations Act; or – APRA objects to the payment of the Distribution
Distribution Restriction	– If a Distribution has not been paid in full on the relevant Distribution Payment Date, then subject to certain exclusions set out in the Capital Notes 4 terms, Suncorp must not, without the approval of a Special Resolution, until and including the next Distribution Payment Date: – declare, determine to pay or pay an Ordinary Share Dividend; or – undertake any Buy Back or Capital Reduction, unless the Distribution is paid in full within 3 Business Days of the Distribution Payment Date – Failure to pay a Distribution when scheduled will not constitute an event of default – Distributions that are not paid do not accrue and will not be subsequently paid

Notes:

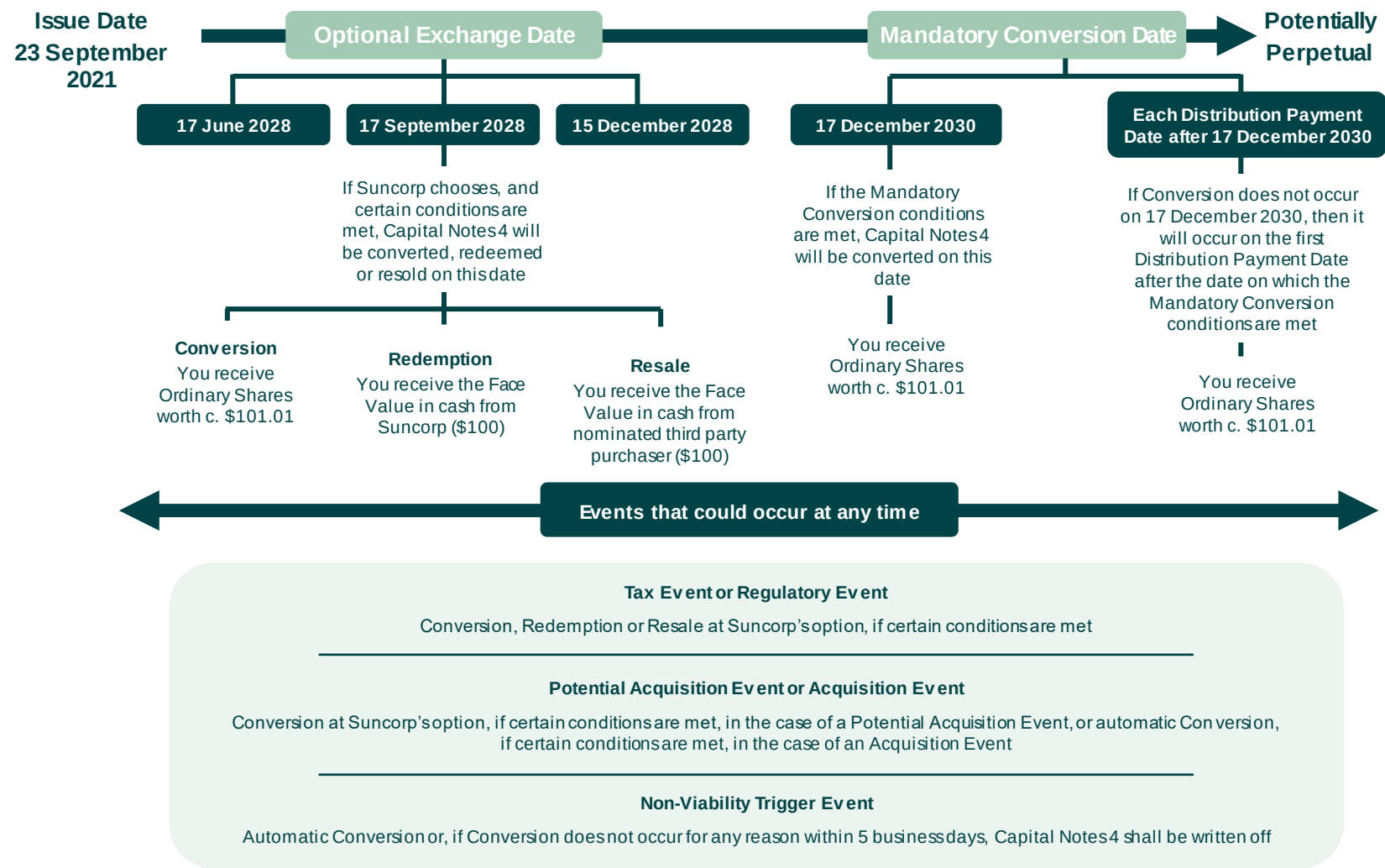
¹ The availability of franking credits is not guaranteed and will depend on a number of factors. Holders should refer to the Australian taxation summary in the Prospectus.

² If a Distribution Payment Date is not a Business Day, then the Distribution Payment Date will be the next Business Day.

³ If Suncorp determines that a Rate Disruption Event has occurred, then, subject to APRA's prior written approval, Suncorp shall use as the Bank Bill Rate such Replacement Rate as it may determine and shall make such adjustments to the Terms as it determines are reasonably necessary to calculate Distributions in accordance with such Replacement Rate. Broadly, Replacement Rate includes a rate that is generally accepted in the Australian market as the successor to the Bank Bill Rate. Holders should note that APRA's approval may not be given for any Replacement Rate it considers to have the effect of increasing the rate of Distributions contrary to applicable prudential standards.

Capital Notes 4 key features

Summary of events that may affect Capital Notes 4



Note:
For more information on the events that may affect Capital Notes 4 see Sections 1.2 and 2.2–2.5 of the Prospectus.

Ranking of Capital Notes 4 in a winding-up^{1,2}

	Type	Illustrative examples
Higher ranking  Lower ranking	Preferred and secured debt	Liabilities preferred by law including employee entitlements and secured creditors
	Unsubordinated and unsecured debt	Bonds and notes, trade and general creditors
	Subordinated and unsecured debt	Suncorp Wholesale Subordinated Notes, Suncorp Wholesale Subordinated Notes 2 and other subordinated and unsecured debt obligations
	Perpetual and subordinated instruments	Capital Notes 4 , Capital Notes 3, Capital Notes 2, Capital Notes 1 and any other securities expressed to rank equally with Capital Notes 4
	Ordinary equity	Ordinary Shares

Notes:

¹ The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Trigger Event occurs. See Sections 1.3, 2.4.4 and 5.1.9 of the Prospectus.

² For more information on ranking in a winding-up, see Section 1.3 of the Prospectus.

Capital Notes 4 key risks

- Capital Notes 4 are not deposit or policy liabilities of Suncorp or any member of the Suncorp Group, are not protected accounts under the Banking Act or protected policies under the Insurance Act, and are not guaranteed by any government or other person
- The price at which Holders are able to sell Capital Notes 4 on ASX is uncertain
- Unlike Ordinary Shares, Capital Notes 4 do not provide a material exposure to growth in the Suncorp Group's business
- There may be no liquid market for Capital Notes 4
- Distributions may not be paid as they are discretionary and will not be paid if a Payment Condition exists. Payment Conditions include APRA objecting to the payment, Suncorp becoming or being likely to become, insolvent as a result of the payment, or the Suncorp Group not complying with APRA's capital adequacy requirements as a result of the payment
- The Distribution Rate will fluctuate over time (it may increase and/or decrease) as a result of movements in the Bank Bill Rate
- The amount of cash Distributions will also fluctuate depending on Suncorp's available franking credits
- There are a number of scenarios in which Capital Notes 4 may be Exchanged. It is uncertain whether and when Exchange may occur
- Holders have no right to request that their Capital Notes 4 be Exchanged. Unless their Capital Notes 4 are Exchanged, to realise their investment, Holders would need to sell their Capital Notes 4 on ASX at the prevailing market price. That price may be less than the Issue Price, and there may be no liquid market in Capital Notes 4
- Where Conversion occurs, the market price of Suncorp Ordinary Shares received by Holders may fluctuate due to various factors
- If Conversion occurs following a Non-Viability Trigger Event, the Holder may receive Ordinary Shares worth significantly less than \$101 per Capital Note 4
- Where Conversion does not occur for any reason (including an Inability Event) within 5 Business Days after the Trigger Event Date, those Capital Notes 4 will be written-off and Holders will not get back their capital or receive compensation in relation to those Capital Notes 4
- In a winding-up of Suncorp, Capital Notes 4 rank for payment ahead of Ordinary Shares, equally with Equal Ranking Instruments (which include Capital Notes 1, Capital Notes 2 and Capital Notes 3), but behind all Senior Ranking Creditors
- See Sections 1.5 and 5.1 of the Prospectus for more information on risks associated with investing in Capital Notes 4
- See Section 5.2 of the Prospectus for more information on risks associated with Suncorp and the Suncorp Group

The Suncorp logo is displayed on the upper part of a modern building facade. It consists of the word "SUNCORP" in large, blue, three-dimensional capital letters. To the right of the text is a circular logo featuring a yellow sun with a white center and a textured, pixelated appearance. The building's upper section has a light-colored, horizontally-slatted facade, while the lower section is a glass curtain wall with a grid of dark frames.

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Section 4

Offer process

Offer structure

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|-------------------|---|
| Offer size | <ul style="list-style-type: none">– The Offer is for the issue of Capital Notes 4 with an Issue Price of \$100 per Capital Notes 4 to raise approximately \$350 million with the ability to raise more or less– The final size of the Offer will depend on the outcome of the Bookbuild and the Securityholder Offer– Suncorp reserves the right to scale back Applications or increase the final size of the Offer if there is excess demand |
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| Institutional Offer | <ul style="list-style-type: none">– The invitation by the Joint Lead Managers to certain Institutional Investors to bid for Capital Notes 4 in the Bookbuild |
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| Broker Firm Offer | <ul style="list-style-type: none">– The offer of Capital Notes 4 under the Prospectus to retail and high net worth clients, of Syndicate Brokers, resident in Australia who have received a firm allocation from their Syndicate Broker |
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- | | |
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| Securityholder Offer | <ul style="list-style-type: none">– The offer to Eligible Securityholders to apply for Capital Notes 4 under the Prospectus, being:<ul style="list-style-type: none">– registered holders of Ordinary Shares, Capital Notes 1, Capital Notes 2 or Capital Notes 3 on the Record Date;– shown on the applicable register as having an address in Australia; and– not in the United States or acting for the account or benefit of a person in the United States |
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Key dates¹

Key dates for the Offer	Date
Record date for determining Eligible Securityholders (7:00pm, Sydney time)	24 August 2021
Lodgement of Prospectus with ASIC	30 August 2021
Bookbuild to determine the Margin	On or before 6 September 2021
Announcement of the Margin	On or before 6 September 2021
Lodgement of the replacement Prospectus with ASIC	7 September 2021
Opening Date for Broker Firm Offer and the Securityholder Offer	7 September 2021
Closing Date for the Broker Firm Offer (10:00am, Sydney time)	20 September 2021
Closing Date for the Securityholder Offer (5:00pm, Sydney time)	20 September 2021
Settlement Date	22 September 2021
Issue Date	23 September 2021
Capital Notes 4 commence trading on ASX (normal settlement basis)	24 September 2021
Holding Statements despatched	On or before 27 September 2021

Key dates for Capital Notes 4	Date
First quarterly Distribution Payment Date	17 December 2021
First Optional Exchange Date	17 June 2028 ²
Second Optional Exchange Date	17 September 2028 ³
Third Optional Exchange Date	15 December 2028 ⁴
Scheduled Mandatory Conversion Date	17 December 2030

Note:

¹ These dates are indicative only and may change without notice. Suncorp, the Arranger and the Joint Lead Managers may, at their discretion, agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late Applications, whether generally or in particular cases, or withdrawing the Offer at any time before Capital Notes 4 are issued.

² Due to the Business Day convention, the First Optional Exchange Date is deferred from 17 June 2028 to 19 June 2028.

³ Due to the Business Day convention, the Second Optional Exchange Date is deferred from 17 September 2028 to 18 September 2028.

⁴ As 17 December 2028 is not a Business Day, this date has been brought forward to the preceding Business Day.

Contact directory

Suncorp

Treasurer	Simon Lewis	+61 7 3362 4037
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Joint Lead Managers

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UBS	Paul Neumann	+61 2 9324 3635
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Further information

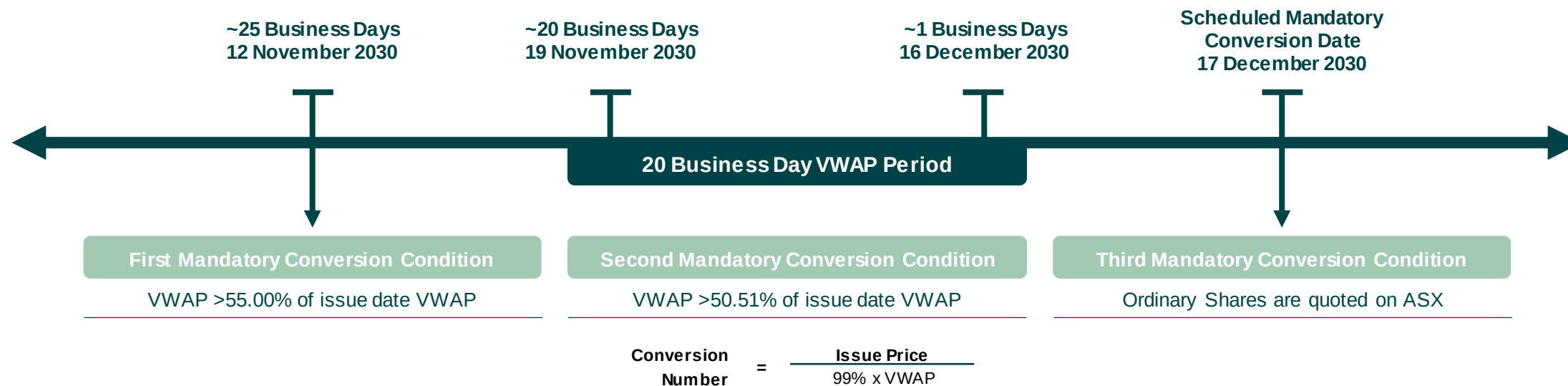
Capital Notes 4 Offer Information Line	www.suncorpgroup.com.au/sunpi	1300 882 012 (within Australia) +61 2 8767 1219 (outside Australia) Monday to Friday – 8:00am to 7:30pm (Sydney time)
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Appendices



Appendix A: Mandatory Conversion

- The Mandatory Conversion Date will be 17 December 2030, provided the Mandatory Conversion Conditions have been satisfied on that date. If any of the Mandatory Conversion Conditions are not satisfied on this date, then the Mandatory Conversion Date will be the next Distribution Payment Date on which all such conditions are satisfied
- Capital Notes 4 may remain on issue indefinitely and may never Convert into Ordinary Shares if the Mandatory Conversion Conditions are not satisfied
- On the Mandatory Conversion Date, Holders will receive approximately \$101 of Ordinary Shares for each Capital Note 4¹
- The following diagram illustrates the operation of the conditions:



Notes:

¹ The exact number of Ordinary Shares to be received depends on the VWAP of Ordinary Shares. The VWAP during the 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Conversion Date that is used to calculate the number of Ordinary Shares that Holders receive will most likely differ from the Ordinary Share price on or after the Mandatory Conversion Date. This means that the value of Ordinary Shares received may be worth more or less than approximately \$101 per Capital Note 4.

² Issue Date VWAP = VWAP during the 20 Business Days on which trading in Ordinary Shares took place immediately preceding the Issue Date.

Appendix A: Mandatory Conversion (cont'd)

Non-Viability Trigger Event	– A Non-Viability Trigger Event occurs where APRA has provided a written determination to Suncorp that: – the conversion to Ordinary Shares or write off of Relevant Securities (including Capital Notes 4) in accordance with their terms or by operation of law is necessary because without the conversion to Ordinary Shares or write off, APRA considers that Suncorp would become non-viable; or – without a public sector injection of capital into, or equivalent support with respect to, Suncorp, APRA considers that Suncorp would become non-viable.
Conversion following a Non-Viability Trigger Event	– Upon a Non-Viability Trigger Event occurring, Suncorp must immediately Convert some or all Capital Notes 4 to Ordinary Shares – If Conversion of Capital Notes 4 does not occur within 5 Business Days after the Trigger Event Date for any reason (including an Inability Event), then Conversion will not occur and Holder's rights with respect to those Capital Notes 4 are immediately and irrevocably Written-Off
Maximum Conversion Number	– The number of Ordinary Shares a Holder receives upon Conversion is calculated using the formula on the previous page¹ but is capped at the Maximum Conversion Number – The Maximum Conversion Number is calculated as $\\$100 / (\text{Issue Date VWAP} \times \text{Relevant Fraction})$ – The Relevant Fraction is 0.5 in relation to a Mandatory Conversion and 0.2 in the case of any other Conversion (including Conversion following a Non-Viability Trigger Event) – The Mandatory Conversion Conditions are intended to help protect Holders against receiving a number of Ordinary Shares limited to the Maximum Conversion Number and accordingly worth less than \$101 per Capital Note 4 (based on the VWAP during the 20 Business Days before the Mandatory Conversion Date) – Since there are no conditions to a Non-Viability Conversion, the number of Ordinary Shares a Holder may receive on account of a Non-Viability Conversion may be worth significantly less than \$101 per Capital Note 4 and a Holder may suffer a significant loss as a consequence

Note:

¹ See Conversion Number formula on page 25.

Appendix B: Comparison between Capital Notes 4 and other types of investments¹

	Standard term deposit	Suncorp Capital Notes 1, Capital Notes 2 and Capital Notes 3	Suncorp Capital Notes 4	Suncorp Ordinary Shares
Issuer	– Suncorp-Metway Limited	– Suncorp Group Limited	– Suncorp Group Limited	– Suncorp Group Limited
Legal form	– Bank deposit	– Unsecured, subordinated debt	– Unsecured, subordinated debt	– Ordinary share
Maturity	– One month to five years	– Perpetual	– Perpetual	– Perpetual
Ranking in winding-up	– Senior to general unsecured creditors of Suncorp-Metway Limited ⁵	– Equally with Capital Notes 4	– Equally with Capital Notes 1, Capital Notes 2 and Capital Notes 3 ²	– Junior to all creditors, including Capital Notes 4 ²
Transferable on market	– Term deposits are not listed	– Yes – quoted on ASX	– Yes – application will be made for quotation on ASX	– Yes – quoted on ASX
Protection under Financial Claims Scheme	– Yes ³	– No	– No	– No
Distribution rate	– Interest rate is fixed (varies across different amounts, terms and interest payment arrangements)	– CN1: Floating (BBSW + 4.10% per annum) – CN2: Floating (BBSW + 3.65% per annum) – CN3: Floating (BBSW + 3.00% per annum)	– Floating (BBSW + fixed Margin expected to be in the range of 2.90%– 3.10% to be determined under the Bookbuild)	– Variable dividends
Distribution frequency	– Monthly, quarterly, semi-annually, annually or on maturity depending on the term	– Quarterly	– Quarterly	– Semi-annually
Distribution discretionary	– No	– Yes	– Yes	– Yes
Distribution cumulative	– Interest payments cannot be waived or deferred	– Non-cumulative	– Non-cumulative	– Non-cumulative
Restriction on ordinary share dividends if distribution not paid	– No	– Yes, until the next distribution payment date	– Yes, until the next Distribution Payment Date	– n/a
Franking	– Interest payments are not franked	– Expected to be fully franked	– Expected to be fully franked	– Expected to be fully franked
Non-viability conversion or write-off	– No	– Yes	– Yes	– No
Treated by APRA as regulatory capital	– No	– Yes, Eligible Additional Tier 1 Capital	– Yes, Eligible Additional Tier 1 Capital	– Yes, Common Equity Tier 1 Capital
Mandatory conversion to ordinary shares	– No	– Yes, on 17 June 2024 (Capital Notes 1), 17 June 2026 (Capital Notes 2), 17 June 2028 (Capital Notes 3), or upon specified events (e.g. acquisition or non-viability trigger event)	– Yes, on 17 December 2030, or upon an Acquisition Event or Non-Viability Trigger Event ⁴	– n/a

Notes:

¹ For more information on the comparison between Capital Notes 4 and other types of investments, see Section 1.4 of the Prospectus.

² The ranking of Holders in a winding-up will be adversely affected if a Non-Viability Trigger Event occurs. See Sections 1.3, 2.4.4 and 5.1.9 of the Prospectus.

³ Up to \$250,000 in aggregate per Australian deposit taking institution (ADI) declared subject to the Financial Claims Scheme across all accounts that an account holder has with the Australian ADI.

⁴ Conversion is subject to conditions except in the case of Conversion following a Non-Viability Trigger Event.

⁵ As provided in section 13A of the Banking Act.