

16 April 2024

Suncorp launches Capital Notes 5 Offer

Suncorp Group Limited (ASX: SUN | ADR: SNMCY) (**Suncorp**) today announced the launch of an offer of Capital Notes 5 (to raise approximately \$300 million, with the ability to raise more or less) (**Offer**).

Capital Notes 5 are being issued as part of Suncorp's ongoing funding and capital management strategy. Suncorp is issuing Capital Notes 5 to raise Eligible Additional Tier 1 Capital, the proceeds of which it expects to use to fund the capital needs of one or more Regulated Entities within the Suncorp Group and for general corporate and funding purposes.

The Offer includes a reinvestment offer for certain Eligible Capital Notes 2 Holders to apply to reinvest some or all of their Capital Notes 2 (ASX: SUNPG) issued in 2017 (**Capital Notes 2**) into Capital Notes 5 to maintain an ongoing investment in Suncorp (**Reinvestment Offer**). Capital Notes 5 are expected to be quoted on the Australian Securities Exchange (**ASX**) under the code 'SUNPJ'.

Details of the Offer

The Offer comprises:

- a **New Money Offer** made to eligible clients of the Syndicate Brokers and Institutional Investors wishing to make a new investment in Capital Notes 5; and
- a **Reinvestment Offer** made to eligible clients of the Syndicate Brokers and Institutional Investors, who are Eligible Capital Notes 2 Holders wishing to reinvest some or all of their Capital Notes 2 in Capital Notes 5.

Participation in the Reinvestment Offer is optional. Eligible Capital Notes 2 Holders who do not wish to participate do not need to take any action and their Capital Notes 2 will remain on issue in accordance with their terms.

The Offer will be made under the Prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) and ASX today. The Prospectus is available to Australian investors at www.suncorpgroup.com.au/sunpj.

Investors should read and consider the Prospectus in full before deciding whether to invest in Capital Notes 5. Capital Notes 5 may not be suitable for some investors. It is important to consider the risks set out in the Prospectus, many of which are outside the control of Suncorp.

As set out in the Prospectus, the distribution on Capital Notes 2 scheduled to be paid on 17 June 2024 has been split into two distributions to facilitate the Reinvestment Offer – the First Pro Rata Distribution and the Second Pro Rata Distribution. The First Pro Rata Distribution is scheduled to be paid on all Capital Notes 2 on the Issue Date of Capital Notes 5 (which is expected to be 14 May 2024). The Second Pro Rata Distribution is scheduled to be paid on all Capital Notes 2 outstanding on 17 June 2024 (that is, Capital Notes 2 which have not been Resold as part of the Reinvestment Offer). Payment of the First Pro Rata Distribution and the Second Pro Rata Distribution is in each case subject to the payment conditions in the Capital Notes 2 Terms and Suncorp's absolute discretion.

A replacement Prospectus, containing the Margin, is expected to be made available on 24 April 2024, when the Offer opens. The Offer is expected to close at 5.00pm (AEST) on 9 May 2024. Applications (under both the New Money Offer and Reinvestment Offer) will only be accepted from retail investors who satisfy the eligibility requirements in accordance with the TMD (defined below). You should contact a Syndicate Broker or other professional adviser to obtain more information on whether you satisfy the eligibility requirements.

Important changes due to the introduction of the Design and Distribution Obligations Regime (DDO regime)

Capital Notes 5 will be the first retail hybrid security issued by Suncorp under the DDO Regime. The DDO Regime is intended to help investors obtain suitable financial products and imposes obligations that impact how the Offer is made.

In response to the DDO regime:

- Suncorp has made the decision not to include a specific offer to Suncorp general securityholders;
- Capital Notes 5 will only be available to investors who satisfy the eligibility requirements; and
- all Applications under the Offer (including the Reinvestment Offer) must be submitted through a Syndicate Broker.

Under the DDO Regime, Suncorp is required to make a Target Market Determination (**TMD**) to describe the class of retail investors that comprises the target market for Capital Notes 5 (the **Capital Notes 5 Target Market**) and conditions on how the Capital Notes 5 are to be distributed to help ensure that retail investors who acquire Capital Notes 5 are, or are reasonably likely to be, within the Capital Notes 5 Target Market.

If you are a retail investor and wish to participate in the Offer, you must meet the eligibility requirements in the TMD and seek personal advice from a qualified financial adviser (who is acceptable to a Syndicate Broker) as to whether you are within the Capital Notes 5 Target Market and if an investment in Capital Notes 5 is suitable in light of your particular investment objectives, financial situation and needs.

ASIC has published guidance on choosing a financial adviser on its MoneySmart website at <https://moneysmart.gov.au/financial-advice/choosing-a-financial-adviser>.

For further information on the eligibility requirements to participate in the Offer and how to apply refer to Section 7 of the Prospectus and the TMD for Capital Notes 5 which is available at www.suncorpgroup.com.au/sunpj.

Key features of Capital Notes 5

Capital Notes 5 are fully paid, subordinated, perpetual, unguaranteed and unsecured notes issued by Suncorp, which are convertible into Ordinary Shares in certain circumstances. Capital Notes 5 have a face value of \$100 each.

For the New Money Offer, the minimum investment in Capital Notes 5 is 50 Capital Notes 5 (A\$5,000) and in multiples of 10 Capital Notes 5 (A\$1,000) thereafter. For the Reinvestment Offer, there is no minimum number of Capital Notes 2 that must be held to be able to participate. However, if an Eligible Capital Notes 2 Holder wishes to participate in the Reinvestment Offer and owns less than 50 Capital Notes 2, the Eligible Capital Notes 2 Holder must apply to reinvest all of their Capital Notes 2. If an Eligible Capital Notes 2 Holder wishes to participate in the Reinvestment Offer and owns 50 or more Capital Notes 2, the Eligible Capital Notes 2 Holder must apply to reinvest at least 50 Capital Notes 2.

Capital Notes 5 are scheduled to pay quarterly floating rate cash Distribution payments in arrears, as long as Capital Notes 5 remain on issue. Distributions are discretionary and subject to no Payment Condition existing. Distributions that are not paid do not accrue and will not be subsequently paid. Distributions are expected to be fully franked.

The Distribution Rate is calculated in accordance with the following formula: $\text{Distribution Rate} = (\text{Bank Bill Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$. The Bank Bill Rate is the 3-month Bank Bill Rate and the Margin is expected to be in the range of 2.80% - 3.00%, to be determined under the Bookbuild. The Margin will not change for the term of the Capital Notes 5.

Suncorp may, with APRA's prior written approval, elect to Exchange Capital Notes 5 on 17 June 2030, 17 September 2030 or 17 December 2030, or on the occurrence of certain tax or regulatory events. Capital Notes 5 will be mandatorily Converted into Ordinary Shares on 17 December 2032 (subject to certain conditions).

Where a Non-Viability Trigger Event occurs, Capital Notes 5 will be subject to Conversion into Ordinary Shares or Write-Off. If Capital Notes 5 are Written-Off, all rights in relation to Capital Notes 5 (including in respect of Distributions and return of capital) will be immediately and irrevocably terminated and Holders will lose all of the value of those Capital Notes 5 without compensation.

Suncorp must also convert all Capital Notes 5 if an Acquisition Event occurs, and may Convert all Capital Notes 5 if a Potential Acquisition Event occurs.

Suncorp has appointed UBS AG, Australia Branch as Arranger and has appointed the following Joint Lead Managers:

- UBS AG, Australia Branch;
- Commonwealth Bank of Australia;
- Morgans Financial Limited;
- National Australia Bank Limited; and
- Westpac Institutional Bank (a division of Westpac Banking Corporation).

Suncorp has also appointed JBWere Limited, LGT Crestone Wealth Management Limited and Wilsons Advisory and Stockbroking Limited as Co-Managers (together with the Joint Lead Managers, the **Syndicate Brokers**).

Indicative timetable

Key dates for the Offer	Date
Announcement of the Offer and lodgement of the Prospectus with ASIC	16 April 2024
Bookbuild period commences for the Syndicate Brokers to determine the Margin	16 April 2024
Announcement of the Margin and confirmation of Bookbuild allocation to Syndicate Brokers (on or before)	23 April 2024
Lodgement of the replacement Prospectus with ASIC	24 April 2024
Opening Date for eligible investors to apply for Capital Notes 5 allocated by the Syndicate Brokers under the Bookbuild	24 April 2024
Closing Date for eligible investors to apply for Capital Notes 5 allocated by the Syndicate Brokers under the Bookbuild (5.00pm AEST)	9 May 2024
Issue Date	14 May 2024
Capital Notes 5 commence trading on ASX (normal settlement basis)	15 May 2024
Holding Statements despatched by	16 May 2024
Key dates for Capital Notes 5	Date
First Distribution Payment Date	17 September 2024
First Optional Exchange Date	17 June 2030
Second Optional Exchange Date	17 September 2030
Third Optional Exchange Date	17 December 2030
Scheduled Mandatory Conversion Date	17 December 2032
Key dates for Capital Notes 2 holders	Date
Record date for determining eligible Capital Notes 2 holders (CN2 Holders) for the Reinvestment Offer 7:00pm (AEST)	8 April 2024
Opening Date for the Reinvestment Offer	24 April 2024
Record Date for the Capital Notes 2 First Pro Rata Distribution 7:00pm (AEST)	30 April 2024
Closing Date for the Reinvestment Offer 5:00pm (AEST)	9 May 2024
Resale of the Participating CN2 to the CN2 Nominated Purchaser	14 May 2024
Issue Date of Capital Notes 5 for the Reinvestment Offer	14 May 2024
Payment date of the Capital Notes 2 First Pro Rata Distribution	14 May 2024

Key dates for non-participating Capital Notes 2 holders	Date
Record Date for the Capital Notes 2 First Pro Rata Distribution 7:00pm (AEST)	30 April 2024
Payment date of the Capital Notes 2 First Pro Rata Distribution	14 May 2024
Record Date for the Capital Notes 2 Second Pro Rata Distribution 7:00pm (AEST)	31 May 2024
Optional Exchange Date for the Capital Notes 2 and payment date of the Second Pro Rata Distribution	17 June 2024

Dates may change

These dates are indicative only and may change without notice. Except as otherwise specified in the Terms, if any of these dates are not Business Days and an event under the Terms is stipulated to occur on that day, then the event will occur on the next Business Day. 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 5 are issued. Eligible investors are encouraged to apply as soon as possible after the Opening Date.

Additional information

Unless otherwise specified, capitalised terms in this announcement have the meaning given to them in the Capital Notes 5 Prospectus dated 16 April 2024.

This announcement only contains a summary of the features of Capital Notes 5 and the Offer. You should read the Prospectus and the Terms of the Capital Notes 5 in full before deciding whether to invest.

For further enquiries, please view the Offer website at www.suncorpgroup.com.au/sunpj or call the Capital Notes 5 Offer Information Line at 1300 882 012 (within Australia) or +61 2 8767 1219 (outside Australia) Monday to Friday 8:30am to 7:30pm (AEST) or contact your Syndicate Broker.

Syndicate Broker contact details

Joint Lead Manager	Wholesale clients	Investors seeking personal advice
UBS AG, Australia Branch	Jared Barr: 02 8121 5917	Not available to retail investors
Commonwealth Bank of Australia	Mitchell Walls: 1300 887 733	Not available to retail investors
Morgans Financial Limited	Callum Lanskey: 07 3334 4831	Callum Lanskey: 07 3334 4831
National Australia Bank	Stefan Visser: 02 7226 8389	Not available to retail investors
Westpac Institutional Bank	Tyler O'Brien: 02 8253 4574	Not available to retail investors
Co-Managers	Wholesale clients	Investors seeking personal advice
JBWere Limited	Kane Doyle: 07 2103 0887	Not available to retail investors
LGT Crestone Wealth Management Limited	James Williams: 02 8422 5500	Not available to retail investors
Wilsons Advisory and Stockbroking Limited	Alexandra Kalceff: 02 8247 3145	Alexandra Kalceff: 02 8247 3145

Authorised for lodgement with the ASX by the Suncorp Group Board.

Disclaimer

This announcement does not constitute an offer of any securities (including Capital Notes 5) for sale or issue. No action has been taken to register or qualify Capital Notes 5 or the Offer or to otherwise permit a public offering of Capital Notes 5 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the Capital Notes 5 nor the Ordinary Shares have been, or will be, registered under the US Securities Act of 1933 or the securities laws of any state of the United States, and they may not be offered or sold in the United States or to, or for the account or benefit of, a US Person. Capital Notes 5 are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.

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