



## Suncorp-Metway Limited

(ABN 66 010 831 722)

**US\$15,000,000,000**

*Senior Medium-Term Notes, Series A  
Due nine months or more from date of issue*

Suncorp-Metway Limited, a corporation incorporated under the laws of the Commonwealth of Australia (“Suncorp”, “we”, “our” or “us”), may offer to sell its medium-term notes (the “Notes”), which are issuable in one or more series, from time to time. The specific terms of any Notes that are offered will be determined before each sale and will be described in a separate pricing supplement (as defined herein) and, if applicable, a supplement to this offering memorandum. You should read this offering memorandum, any amendments or supplements hereto, the documents incorporated herein by reference and the applicable pricing supplement carefully before you invest.

The following terms may apply to the Notes:

- stated maturity of 9 months or longer
- fixed or floating interest rate, zero-coupon or issued with original issue discount; a floating interest rate may be based on:
  - Commercial Paper Rate
  - Prime Rate
  - LIBOR
  - EURIBOR
  - Treasury Rate
  - CMT Rate
  - CD Rate
  - Federal Funds Rate
  - Eleventh District Cost of Funds Rate
  - Australian Bank Bill Swap Rate
- ranked as senior indebtedness of Suncorp
- amount of principal or interest may be determined by reference to an index or formula
- certificate issued in definitive form or in book-entry form
- redemption may be at Suncorp’s option or repayment at the option of the holder
- interest on Notes paid monthly, quarterly, semi-annually or annually
- denominations of US\$2,000 and multiples of US\$1,000 in excess thereof
- denominated in US dollars, a currency other than US dollars or in a composite currency
- settlement in immediately available funds
- other or different terms as specified in the applicable pricing supplement

The final terms of each Note will be specified in the applicable pricing supplement. For more information, see “Description of the Notes”.

**Investing in the Notes involves risks. See “Risk Factors” beginning on page 16 of this offering memorandum and the section titled “Risk Factors” in our Disclosure Report (US Version) for the Fiscal Year ended June 30, 2013 and the Half Year ended December 31, 2013 (the “Report”).**

Each initial and subsequent purchaser of the Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Notes and may in certain circumstances be required to provide confirmation of compliance with such resale or other transfer restrictions below and as set forth in “Important Notices” and “Plan of Distribution”.

**The Notes are being offered and sold without registration under the US Securities Act of 1933, as amended (the “Securities Act”): (A) to “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act (“Rule 144A”) in reliance upon the exemptions provided by Section 4(a)(2) of, and Rule 144A and Regulation D under, the Securities Act and (B) in offshore transactions to certain non-US persons in reliance upon Regulation S under the Securities Act (“Regulation S”). Prospective purchasers are hereby notified that the seller of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see “Important Notices” and “Plan of Distribution”.**

The Notes are not protected accounts or deposit liabilities of Suncorp for the purpose of the Banking Act 1959 of the Commonwealth of Australia (the “Australian Banking Act”) and are not insured or guaranteed by (1) the Commonwealth of Australia or any governmental agency of Australia, (2) the United States of America, the Federal Deposit Insurance Corporation or any other governmental agency of the United States or (3) the government or any governmental agency of any other jurisdiction. The liabilities which are preferred by law to the claim of a holder in respect of a Note may be substantial and the terms and conditions for the Notes do not limit the amount of such liabilities which may be incurred or assumed by Suncorp from time to time.

Suncorp may offer and sell the Notes to or through one or more agents, including the agents listed below. The agents listed below have agreed to use reasonable best efforts to solicit purchases of such Notes. Suncorp may also sell Notes to an agent acting as principal for its own account for resale to investors and other purchasers, to be determined by such agent. Suncorp has also reserved the right to sell Notes directly to investors on our own behalf or to appoint additional agents. Suncorp has not established a termination date for the offering of Notes, but reserves the right to withdraw, cancel or modify the offer made hereby without notice. Suncorp or any agent may reject any order in whole or in part. Unless otherwise indicated in the applicable pricing supplement, the Notes will not be listed on any securities exchange.

The Notes will be issued in registered, book-entry form and will be eligible for clearance through the facilities of The Depository Trust Company (“DTC”) and its direct and indirect participants, including Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”).

*Arranger*  
**Citigroup**

*Other Agents*

**Deutsche Bank Securities**

**RBC Capital Markets**

**You should rely only on the information contained in, or incorporated by reference into, this offering memorandum. Suncorp has not authorized anyone to provide you with different information. Suncorp is not, and the agents are not, making an offer of the Notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this offering memorandum is accurate as of the date other than that of the document in which it appears.**

**There are references in this offering memorandum to credit ratings. Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of Section 761G of the Corporations Act 2001 of the Commonwealth of Australia (the “Australian Corporations Act”) and who is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this offering memorandum and any who receives this offering memorandum must not distribute it to any person who is not entitled to receive it.**

**Unless otherwise specified herein or the context otherwise requires, certain defined terms are set out under the heading “Certain Definitions” in the Report.**

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## NOTICE TO NEW HAMPSHIRE RESIDENTS

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, 1955, AS AMENDED (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF**

**THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

## IMPORTANT NOTICES

The Notes have not been registered under the Securities Act or the securities laws of any state and have not been approved or disapproved by the Securities and Exchange Commission (the “SEC”) or any state securities authority. Neither the SEC nor any state securities authority has passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is unlawful.

As purchaser of the Notes, you will be deemed to have acknowledged, represented and agreed as follows:

1. The Notes have not been and will not be registered under the Securities Act or any other applicable securities law and, accordingly, none of the Notes may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in accordance with and subject to applicable law and the transfer restrictions described herein.

2. Either (A) you are a QIB and purchasing Notes for your own account or solely for the account of one or more accounts for which you act as a fiduciary or agent, each of which is a QIB, and you acknowledge that you are aware that the seller may rely upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A thereunder or (B) you are a purchaser acquiring Notes in an offshore transaction occurring outside the United States within the meaning of Regulation S and that you are not a “US person” (and are not acquiring such Notes for the account or benefit of a US person) within the meaning of Regulation S.

3. On your own behalf and on behalf of any account for which you are purchasing the Notes, you will offer, sell or otherwise transfer such Notes (A) only in minimum principal amounts of US\$2,000 (for the equivalent thereof in another currency) and (B) prior to the date that is one year after the later of (i) the issue date of such Notes and (ii) the last date on which Suncorp or any affiliate was the beneficial owner of such Notes (or any predecessor Notes) only (a) pursuant to the exemption from the registration requirements of the Securities Act provided by either Rule 144A or Regulation S, (b) to Suncorp or any of its subsidiaries or an agent that is a party to the Amended and Restated Distribution Agreement, dated March 10, 2014, among Suncorp and the agents, as amended or supplemented from time to time (the “Distribution Agreement”), or (c) pursuant to an exemption from those registration requirements as confirmed in an opinion of counsel satisfactory to Suncorp. You acknowledge that each Note will contain a legend substantially to the effect of the foregoing paragraph 1, this paragraph 3 and the following paragraphs 4 and 5.

4. The fiscal agent will register the transfer of any Note or any interest therein resold or otherwise transferred by you pursuant to clause (c) of the foregoing paragraph 3 only upon receipt of an opinion of counsel satisfactory to Suncorp.

5. Any purchaser or holder of Notes or any interest therein represents by its purchase and holding of Notes that either (1) it is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement (each as defined under “Benefit Plan Investor Consideration”) and it is not purchasing or holding the Notes on behalf of or with the assets of any Plan, a Plan Asset Entity or Non-ERISA Arrangement or (2) neither the purchase or holding of the Notes will constitute a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or similar violations under any applicable Similar Laws.

6. If you are acquiring any Notes as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

7. Neither this offering memorandum nor any disclosure document (as defined in the Australian Corporations Act) in relation to the Notes has been lodged with the Australian Securities and Investments Commission (“ASIC”) or ASX Limited (ABN 98 008 624 691) (the “ASX”) and Notes may not be offered for sale, nor may applications for the issue, sale, purchase or subscription of any Notes be invited, in Australia (including an offer or invitation which is received by a person in Australia) and neither this offering memorandum nor any advertisement or other offering material relating to the Notes may be distributed or published in Australia unless:

(i) (A) the aggregate amount payable on acceptance of the offer or invitation by each offeree or invitee for the Notes is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding amounts, if any, lent by the person offering the Notes or making the invitation or its associates) or (B) the offer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;

(ii) the offer, invitation or distribution does not constitute an offer to a “retail client” as defined for the purposes of Section 761G of the Australian Corporations Act;

(iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Notes in the jurisdiction in which such offer, sale and resale occurs; and

(iv) such action does not require any document to be lodged with ASIC.

8. You are not an Offshore Associate (as defined below) and, if you purchase the Notes as part of the primary distribution of the Notes, you will not sell any of the Notes (or any interest in any of the Notes) to any person as part of the primary distribution of the Notes, if, at the time of such sale, your employees directly involved in the sale knew or had reasonable grounds to suspect that, as a result of the sale, such Notes would be acquired (directly or indirectly) by an Offshore Associate (other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of an Australian registered managed investment scheme). “Offshore Associate” means an associate (within the meaning of Section 128F(9) of the Income Tax Assessment Act of 1936 of Australia) of Suncorp that is either a non-resident of Australia that does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia, or a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia. For the avoidance of doubt, if your employees directly involved in a sale of Notes do not know or suspect that a person is an associate of Suncorp, nothing in this paragraph 8 obliges you or your employees to make positive enquiries of that person to confirm that that person is not an Offshore Associate.

9. Suncorp, the agents and others will rely upon the truth and accuracy of the foregoing and the following acknowledgments, representations and agreements and you agree that, if any of the acknowledgments, representations or warranties deemed to have been made by you in connection with your purchase of Notes are no longer accurate, you shall promptly notify Suncorp and each agent through which you purchased any Notes.

As recipient of this offering memorandum or purchaser of the Notes, you will be deemed to have acknowledged, represented and agreed as follows:

1. You have been afforded an opportunity to request from Suncorp and to review, and have received, all additional information considered by you to be necessary to verify the accuracy and completeness of the information contained herein and have not relied on any agent or any person affiliated with any agent in connection with your investigation of the accuracy and completeness of such information or your investment decision.

2. No person has been authorized to give any information or to make any representation concerning us or the Notes other than those contained or incorporated by reference herein and, if given or made, such other information or representation should not be relied upon as having been authorized by Suncorp or any agent.

3. In making a decision to invest in the Notes, you must rely on your own examination of us and the terms of this offering, including the merits and risks involved. The contents of this offering memorandum and information incorporated herein by reference are not to be construed as legal, business or tax advice or a recommendation or statement of opinion (or a report of either of those things) that any person invest in the Notes. You are urged to consult your own attorney or business or tax advisor for legal, business or tax advice.

4. You are hereby offered the opportunity to ask questions of and receive answers from Suncorp concerning our business, the Notes and the conditions of this offering. All inquiries should be directed to Suncorp and the agents.

5. This offering memorandum is submitted for personal use to a limited number of institutional and other sophisticated investors for informational use solely in connection with the consideration of the purchase of the Notes. Its use for any other purpose is not authorized. It may not be copied or reproduced in whole or in part, and it may not be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is submitted.

6. Notwithstanding anything to the contrary contained herein, each holder and beneficial owner of Notes (and each employee, representative, or other agent of each holder and beneficial owner of Notes) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described herein and all materials of any kind that are provided to the holder or beneficial owner of Notes relating to such tax treatment and tax structure (as such terms are defined in Treasury Regulation Section 1.6011-4). The authorization of tax disclosure is retroactively effective to the commencement of discussions with holders or beneficial owners of Notes regarding the transactions contemplated herein.

7. This offering memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this offering memorandum in any jurisdiction where such action is required.

8. Until 40 days after the commencement of the offering of any Notes, an offer or sale within the United States by any dealer (whether or not participating in this offering) of those Notes initially sold pursuant to Regulation S may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

9. Certain persons participating in the offering of Notes may engage in transactions that stabilize, maintain or otherwise affect the price of those Notes. These transactions may include stabilizing and the purchase of Notes to cover short positions. Such stabilizing, if commenced, may be discontinued at any time. For a description of these activities, see “Plan of Distribution”.

10. You may have to bear the financial risks of an investment in the Notes for an indefinite period of time.

11. In this offering memorandum, we “incorporate by reference” certain information that we make available to prospective purchasers of Notes, as described under “Where You Can Find Additional Information”. The information incorporated by reference is considered part of this offering memorandum and later information contained herein or in any supplement hereto or made available to prospective purchasers of Notes as described under “Where You Can Find Additional Information” will update and supersede earlier information contained herein or in any supplement hereto or incorporated by reference herein. Each person who receives this offering memorandum and each purchaser of Notes hereunder expressly acknowledges and agrees that the information included or incorporated by reference herein or in any supplement hereto shall, for all purposes, form a part of this offering memorandum and be deemed to have been delivered to such person herewith.

## **United Kingdom**

The communication of this offering memorandum and any other documents or materials relating to the issue of the Notes is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”)) or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the financial promotion order (all such persons together being referred to as “relevant persons”). In the United Kingdom, the Notes are only available to, and any investment or investment activity to which this confidential offering circular relates will be engaged in only with, relevant persons. Any

person in the United Kingdom that is not a relevant person should not act or rely on this offering memorandum or any of its contents.

**European Economic Area**

This offering memorandum is not a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the "Prospectus Directive"). This offering memorandum has been prepared on the basis that all offers of the Notes described herein made to persons in the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with offers of the Notes.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We “incorporate by reference” certain information available on our website at <http://www.suncorpbank.com.au/usinvestors> (the “US investors’ website”) into this offering memorandum. This means that the information available on our US investors’ website is considered part of this offering memorandum and part of the information on which you make your investment decision with respect to the Notes when you purchase the Notes from the agents. We urge you to review the information on our US investors’ website carefully before investing in the Notes. At the date of this offering memorandum, the following materials are available on our US investors’ website:

- our Disclosure Report (US Version) for the Fiscal Year ended June 30, 2013 and the Half Year ended December 31, 2013, which contains, among other things, our selected financial information, a description of our business and our management, risk factors relating to our business and management’s discussion and analysis of our results of operation and financial condition;
- extracts from our Consolidated Interim Financial Report for the Half Year ended December 31, 2013, which includes our consolidated interim financial statements for the Half Years ended December 31, 2013 and 2012 and the notes thereto;
- extracts from our Directors’ Report and Consolidated Financial Report for the Fiscal Year ended June 30, 2013, which includes our consolidated financial statements for the Fiscal Years ended June 30, 2013 and 2012 and the notes thereto, which have been audited by our external auditors in accordance with Australian Auditing Standards;
- extracts from our Annual Report for the Fiscal Year ended June 30, 2012, which includes our consolidated financial statements for the Fiscal Years ended June 30, 2012 and 2011 and the notes thereto, which have been audited by our external auditors in accordance with Australian Auditing Standards;
- our APS330 Disclosure Documents for the quarter ended December 31, 2013 and the quarters ended June 30, 2013, 2012 and 2011, which describe the Bank’s capital position, capital adequacy, credit risk and credit exposures;
- our Supplemental Information on the Directors, Management, Executive Remuneration, Corporate Governance and Risk Management Policies of Suncorp-Metway Limited and its Subsidiaries; and
- our constitution, which is our governing document.

After the date of this offering memorandum, we may put additional information on our US investors’ website. Later information on our US investors’ website or in this offering memorandum or any supplement hereto updates and supersedes earlier information on our US investors’ website and this offering memorandum and any supplement hereto. Each person who receives this offering memorandum and each purchaser of Notes hereunder expressly acknowledges and agrees that the information included or incorporated by reference herein shall for all purposes form a part of this offering memorandum and be deemed to have been delivered to such person herewith.

Copies of the information on our US investors’ website can be obtained from us upon request. Requests should be directed to Suncorp-Metway Limited, Level 18, Suncorp Metway Centre, 36 Wickham Terrace, Brisbane, Queensland 4000, Australia; Attention: Investor Relations. Telephone requests may be directed to +61-7-3835-5355.

No information other than the information available on our US investors’ website or in a supplement hereto that we prepare or agree to is incorporated by reference in or otherwise deemed to be a part of this offering memorandum. The information contained on or accessible from any Suncorp website (excluding the US investors’ website), including any references to such websites in this offering memorandum or any documents incorporated

herein, does not constitute a part of this offering memorandum or any other document incorporated by reference and is not incorporated by reference herein.

Each prospective purchaser of the Notes is hereby offered the opportunity to ask questions of us concerning the terms and conditions of the offering and to request from us any additional information the prospective purchaser may consider necessary in making an informed investment decision or in order to verify the information set forth in this offering memorandum.

While any Notes remain outstanding, we will, during any period in which we are not subject to Section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any QIB who holds any Note and any prospective purchaser of a Note who is a QIB designated by such holder of such Note, upon the request of that QIB, the information concerning Suncorp required to be provided to that QIB by Rule 144A(d)(4) under the Securities Act.

## ENFORCEMENT OF CIVIL LIABILITIES

Suncorp is incorporated in the Commonwealth of Australia with limited liability for an unlimited duration. All of Suncorp's directors and executive officers and certain other parties reside outside the United States. A substantial portion of Suncorp's assets and all or a substantial portion of the assets of those directors and executive officers may be located outside the United States. As a result, it may be difficult for an investor in the United States to effect service of process within the United States upon Suncorp or those other parties or to enforce against Suncorp or those other parties in foreign courts judgments obtained in US courts predicated upon, among other things, the civil liability provisions of US federal or state securities laws. We have been advised by King & Wood Mallesons, our Australian legal counsel, that there is doubt as to the enforceability in Australia in original actions or in actions for enforcement of judgments of US courts of civil liabilities predicated solely upon US federal or state securities laws.

## EXCHANGE RATES

We publish our consolidated financial statements in Australian dollars. For your convenience, the following table sets forth, for the years and months indicated, the period-end, average, high and low noon buying rates in New York City for cable transfers of Australian dollars as certified for customs purposes for the Federal Reserve Bank of New York, expressed in US dollars per A\$1.00.

In providing these translations, we are not representing that the Australian dollar amounts actually represent these US dollar amounts or that we could have converted those Australian dollars into US dollars.

Unless otherwise indicated, conversions of Australian dollars to US dollars in this offering memorandum have been made at the noon buying rate at the close of business on December 31, 2013, which was US\$0.8929 per A\$1.00. The noon buying rate at the close of business on February 28, 2014 was US\$0.8933 per A\$1.00.

<b><u>Fiscal Year ended June 30,</u></b>	<b><u>Period End</u></b>	<b><u>Average Rate(1)</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>
2009 .....	0.8055	0.7423	0.9797	0.6073
2010 .....	0.8480	0.8837	0.9369	0.7751
2011 .....	1.0732	1.0001	1.0970	0.8380
2012 .....	1.0236	1.0388	1.1026	0.9453
2013 .....	0.9165	1.0222	1.0591	0.9165
	<b><u>Period End</u></b>	<b><u>Average Rate(1)</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>
<b><u>Month ended</u></b>				
September 2013 .....	0.9342	0.9303	0.9444	0.9055
October 2013 .....	0.9471	0.9519	0.9705	0.9366
November 2013 .....	0.9125	0.9324	0.9518	0.9072
December 2013 .....	0.8929	0.8981	0.9150	0.8858
January 2014 .....	0.8743	0.8858	0.9053	0.8715
February 2014 .....	0.8933	0.8974	0.9045	0.8777

(1) The average of the noon buying rates on the last day of each month during the period.

## **AUSTRALIAN EXCHANGE CONTROL RESTRICTIONS**

The Australian dollar is convertible into US dollars at freely floating rates, subject to the sanctions described below. The Autonomous Sanctions Regulations 2011 promulgated under the Autonomous Sanctions Act 2011, the Charter of the United Nations Act 1945 of Australia, and other laws and regulations in Australia restrict or prohibit payments, transactions and dealings with assets having a prescribed connection with certain countries or named individuals or entities subject to international sanctions or associated with terrorism or money laundering.

The Australian Department of Foreign Affairs and Trade maintains a list of all persons and entities having a prescribed connection with terrorism which is available to the public at the Department's website at [http://www.dfat.gov.au/icat/UNSC\\_financial\\_sanctions.html](http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html) and a list of all persons and entities that are subject to autonomous sanctions (which include economic sanctions) at [http://www.dfat.gov.au/un/unsanctions/autonomous\\_sanctions\\_measures.html](http://www.dfat.gov.au/un/unsanctions/autonomous_sanctions_measures.html). These websites are not intended to be incorporated by reference into this offering memorandum.

## OFFERING MEMORANDUM SUMMARY

*The following is a summary of certain information contained elsewhere in, or incorporated by reference into, this offering memorandum. It does not contain all the information that may be important to you and is qualified in its entirety by the more detailed information appearing elsewhere in this offering memorandum and the information incorporated by reference herein. You should read this offering memorandum and the information incorporated by reference herein in its entirety, particularly the “Risk Factors” section, before investing in the Notes. This Offering Memorandum Summary contains certain forward-looking statements. See “Special Note Regarding Forward Looking Statements” on page v of the Report.*

### **Suncorp-Metway Limited**

Suncorp provides banking services to individuals, small to medium sized enterprises (“SMEs”) and agribusiness in regional communities of Australia. Suncorp is an authorized deposit-taking institution regulated by the Australian Prudential Regulation Authority and is headquartered in Brisbane, Australia. It is a wholly-owned subsidiary of Suncorp Group Limited, a diversified financial institution and among the top 20 largest companies listed on the Australian Securities Exchange with a market capitalization of A\$16.0 billion (US\$14.3 billion) as at March 7, 2014.

Suncorp is one of Australia’s largest regional banks with A\$49.6 billion of gross loans, advances and receivables as at December 31, 2013. It services more than one million individual, agribusiness, small-to-medium businesses and commercial banking customers, primarily in Queensland. Suncorp provides a range of financial services and simple banking products, which include:

- Personal banking, including home and personal loans, savings and transaction accounts, margin lending, credit cards and foreign currency services;
- Commercial/SME banking, including small business banking and financial solutions for SMEs; and
- Agribusiness banking, including financial solutions and serviced relationship management for rural producers and associated businesses in rural and regional areas.

As at December 31, 2013, Suncorp had A\$60.6 billion in total assets and approximately 215 offices, branches and agencies across Australia. Suncorp reported a net profit before tax of A\$149 million for the Half Year ended December 31, 2013, compared with a net loss of A\$484 million for the Fiscal Year ended June 30, 2013 and a net profit before tax of A\$33 million for the Fiscal Year ended June 30, 2012.

Suncorp’s registered office is located at level 18, Suncorp Centre, 36 Wickham Terrace, Brisbane, Queensland 4000 and its telephone number is +61 7 3835 5355.

## Summary of Terms

<b>The Issuer</b> .....	Suncorp-Metway Limited (ABN 66 010 831 722).
<b>The agents</b> .....	Citigroup Global Markets Inc. (Arranger) Deutsche Bank Securities Inc. RBC Capital Markets, LLC Any other agent appointed in accordance with the Distribution Agreement.
<b>Terms of the Notes</b> .....	The Notes, which may be issued at their principal amount or at a premium to or discount from their principal amount, on an unsubordinated basis, may bear interest at a fixed or floating rate or be issued on a fully discounted basis and not bear interest. The interest rate or interest rate formula, if any, issue price, currency, terms of redemption or repayment, if any, stated maturity and other terms not otherwise provided in this offering memorandum will be established for each Note at the issuance of such Note and will be indicated in a pricing supplement.
<b>Method of distribution</b> .....	We are offering the Notes from time to time through the agents to QIBs and in offshore transactions to individuals that are not, and are not acting for the account or benefit of, US persons (as defined in Regulation S). We may also sell Notes to the agents acting as principals for resale to these persons and may sell Notes directly on our own behalf to these persons. See “Important Notices” and “Plan of Distribution”.
<b>Maximum amount</b> .....	The aggregate principal amount (or, in the case of Notes issued at a discount from the principal amount or Indexed Notes, the aggregate initial offering price) of Notes outstanding at any time will not exceed US\$15 billion or the approximate equivalent thereof in another currency calculated as at the issue date of the relevant Notes. We may increase the aggregate principal amount from time to time in accordance with the terms of the Distribution Agreement.
<b>Reopening of tranches</b> .....	Each tranche of Notes may be “reopened” in order to issue additional debt securities of that tranche without the consent of holders of the applicable tranche of Notes; provided that such additional debt securities are fungible with the applicable tranche of Notes for US federal income tax purposes.
<b>Status of the Notes</b> .....	The Notes will be direct, unsecured, unsubordinated and general obligations of Suncorp and will rank <i>pari passu</i> with all other present and future outstanding unsecured and unsubordinated obligations of Suncorp (other than any obligation preferred by mandatory provisions of applicable law).  Suncorp is an authorised deposit-taking institution (“ADI”), under the Australian Banking Act.  The Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI’s assets in Australia are to be available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including the Notes). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, debts to the Reserve Bank of Australia (“RBA”) and certain other debts to the Australian Prudential Regulation Authority (“APRA”). A “protected account” is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by

regulation.

The Notes do not constitute a protected account of, or (unless expressly provided in the applicable pricing supplement) a deposit with, Suncorp. The liabilities which are preferred by law to the claim of a holder in respect of a Notes may be substantial and the terms and conditions of the Notes do not limit the amount of such liabilities which may be incurred or assumed by Suncorp from time to time.

Suncorp has also issued A\$2.2 billion of covered bonds as at December 31, 2013, which are guaranteed by the trustee of a special purpose trust out of a pool of residential mortgage loans originated and sold by Suncorp to that trust and secured in favour of a security trustee. The assets available to satisfy the guarantor trustee's liabilities under these covered bonds will not be available to satisfy any amounts other than covered bond related obligations (which excludes the Notes). See "Description of the Notes — How the Notes rank against other debt" for more information.

<b>Maturities</b> .....	Such maturities as may be agreed between Suncorp and the relevant purchaser or agent (as indicated in the applicable pricing supplement), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to Suncorp or the relevant currency. At the date of this offering memorandum, the minimum maturity of all Notes is nine months. There is no maximum maturity.
<b>Currency</b> .....	The currency of payment under the Notes shall be US dollars, or, subject to any applicable legal or regulatory restrictions, such currency or currencies as may be agreed between Suncorp and the relevant purchaser or agent (as indicated in the applicable pricing supplement). See "Description of the Notes — Currency of Notes".
<b>Denomination and form</b> .....	<p>The Notes will be issued in fully registered form in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof (or, in the case of Notes not denominated in US dollars, rounded down to the nearest 1,000 units of such currency).</p> <p>Notes sold to QIBs in reliance on Rule 144A will be represented by one or more global Notes (each, a "Rule 144A Global Note"), registered in the name of a nominee of DTC. Notes sold outside of the United States to non-US persons in offshore transactions in reliance on Regulation S will be represented by one or more global Notes (each, a "Regulation S Global Note" and, together with the Rule 144A Global Notes, the "Global Notes") registered in the name of a nominee of DTC. Definitive Notes will only be issued in limited circumstances. See "Legal Ownership and Book-Entry Issuance — Special Considerations for Global Notes".</p>
<b>Interest rates</b> .....	Interest bearing Notes may be issued either as Fixed Rate Notes or Floating Rate Notes (each, as defined herein). Fixed Rate Notes will bear interest at the rate specified in the applicable pricing supplement. Floating Rate Notes will bear interest based on an interest rate formula designated in the applicable pricing supplement, which formula may include, without limitation, the Commercial Paper Rate, the Prime Rate, LIBOR, EURIBOR, the Treasury Rate, the CMT Rate, the CD Rate, the Federal Funds Rate, the Eleventh District Cost of Funds Rate, the Australian Bank Bill Swap Rate or such other interest rate formula as may be agreed between Suncorp and the purchaser. Unless otherwise specified in the applicable pricing supplement, the interest rate on each Floating Rate Note will be calculated by reference to the specified interest rate (a) plus or

minus the Spread (as defined herein), if any, and/or (b) multiplied by the Spread Multiplier (as defined herein), if any.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both or neither.

<b>Interest payment dates</b> .....	Unless otherwise indicated in the applicable pricing supplement, interest on Fixed Rate Notes will be payable annually or semiannually on the date or dates set forth in the applicable pricing supplement and at the maturity date and interest on Floating Rate Notes will be payable quarterly on the dates set forth in the applicable pricing supplement and at the maturity date.
<b>Optional redemption</b> .....	Unless the applicable pricing supplement provides otherwise, if the Notes of a series provide for redemption at our election, we will have the option to redeem those Notes, in whole or <i>pro rata</i> in part, upon not less than 30 nor more than 60 days' notice.
<b>Redemption for taxation reasons</b> .....	We may redeem any Notes upon certain changes in Australian or United States tax laws that we determine would result in materially increased cost in performing our obligations in respect of the affected Notes at 100% of their principal amount plus accrued interest. We may also redeem any Notes to which an obligation to pay additional amounts for taxation reasons applies in whole, but not in part, at our option in the event of certain changes in Australian tax laws at 100% of their principal amount plus accrued interest. See "Description of the Notes — Redemption of Notes under certain circumstances — Redemption for taxation reasons".
<b>Mergers and similar transactions</b> .....	We may, without the consent of the holders of the Notes, merge with or sell substantially all of our assets to another party or engage in similar transactions, subject to satisfying the conditions described under "Description of the Notes — Mergers and Similar Transactions".
<b>Zero Coupon Notes</b> .....	Zero Coupon Notes will be offered and sold at a discount to their principal amounts and will not bear interest.
<b>Indexed Notes</b> .....	Amounts due on an Indexed Note may be determined by reference to such index and/or formula as we and the relevant agent may agree (as indicated in the applicable pricing supplement).
<b>Amortizing Notes</b> .....	Principal amounts due on an Amortizing Note will be paid in installments over the term of such Amortizing Note (as specified in the applicable pricing supplement).
<b>Original Issue Discount Notes</b> .....	An Original Issue Discount Note will be issued at a price lower than its principal amount and will provide that, upon redemption or acceleration of its maturity, an amount less than its principal amount will be payable (as specified in the applicable pricing supplement).
<b>Taxation</b> .....	All payments in respect of the Notes will be made by the Issuer without deduction for or on account of withholding taxes imposed within the Commonwealth of Australia (including withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986, as amended (the "Code")), except as described under "Description of the Notes — Payment of Additional Amounts".  For a discussion of certain tax considerations, see "Tax Considerations".
<b>Rating</b> .....	Our long-term senior debt has been rated A1 by Moody's Investors Service, Limited ("Moody's"), A+ by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P") and A+ by Fitch

Australia Pty Ltd.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other information.

<b>Fiscal agent</b> .....	The Bank of New York Mellon (the “Fiscal Agent”)
<b>Calculation agent</b> .....	The Bank of New York Mellon (the “Calculation Agent”)
<b>Paying agent</b> .....	The Bank of New York Mellon
<b>Transfer restrictions</b> .....	There are selling restrictions in relation to the United States, Australia, the European Economic Area, Japan, Hong Kong, Singapore, the United Kingdom, and such other jurisdictions as may be required in connection with the offering and sale of a particular tranche of Notes as set forth in the applicable pricing supplement. See “Plan of Distribution”.
<b>Governing law</b> .....	New York, except as to authorization and execution by us of the Notes and the Amended and Restated Fiscal Agency Agreement, dated as of March 10, 2014 (the “Fiscal Agency Agreement”) which are governed by the laws of the State of Queensland and the Commonwealth of Australia.
<b>Risk factors</b> .....	Prospective purchasers of the Notes should consider carefully all of the information set forth or incorporated by reference in this offering memorandum or any supplement and, in particular, the information set forth under the caption “Risk Factors” in this offering memorandum and in the Report, before making an investment in the Notes.
<b>Impact of Basel III framework</b> .....	In connection with any issuance of Notes, the features applicable to such Notes as described in this offering memorandum may be modified, supplemented or amended to conform them with any requirements imposed by APRA, generally, and in its adoption and implementation of the Basel III framework. Any differences in the terms of your Note from the features described in this offering memorandum will be described in the applicable pricing supplement.

## RISK FACTORS

*An investment in the Notes involves a degree of risk which may affect your investment in the Notes, including our ability to pay interest on or the principal of the Notes or the prices of the Notes in the secondary market. You should carefully consider the risks described below and in the other information contained or incorporated by reference in this offering memorandum, including the risks described under the heading “Risk Factors” in the Report, before making an investment decision. The risks and uncertainties described below and in such other information are not the only ones facing us or you, as holders of the Notes. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, may become important factors that affect us or you, as holders of the Notes.*

### **Risks relating to the Notes**

***The Notes are effectively subordinated to all the obligations of Suncorp’s subsidiaries and effectively subordinated to any indebtedness secured by liens over Suncorp’s property to the extent of the value of the property securing such indebtedness.***

The Notes will be effectively subordinated to the liabilities, including trade payables, of Suncorp’s subsidiaries. The incurrence of other indebtedness or other liabilities by any of its subsidiaries is not prohibited in connection with the Notes and could adversely affect our ability to pay its obligations on the Notes. The Notes are exclusively Suncorp’s obligations. However, since Suncorp conducts a proportion of its operations through its subsidiaries, its cash flow and consequently its ability to service its debt, including the Notes, depends in part upon the earnings of its subsidiaries and the distribution of those earnings, or upon loans or other payments of funds by those subsidiaries, to Suncorp. The payment of dividends and the making of loans and advances to Suncorp by its subsidiaries may be subject to statutory, regulatory or contractual restrictions and to various business considerations, and may depend upon the earnings of those subsidiaries. The Notes have no financial covenants. Consequently, Suncorp is not required in connection with the Notes to meet any financial tests, such as those that measure its working capital, interest coverage or net worth, in order to maintain compliance with the terms of the Notes. Debt obligations of Suncorp totaled A\$11.5 billion as at December 31, 2013.

To the extent we incur indebtedness that is secured by liens over its property, the Notes will effectively rank behind such indebtedness to the extent of the value of the property securing such indebtedness.

Suncorp has issued A\$2.2 billion of covered bonds as at December 31, 2013, which are guaranteed by the trustee of a special purpose trust out of a pool of residential mortgage loans originated and sold by Suncorp to that trust and secured in favour of a security trustee. The assets available to satisfy the guarantor trustee’s liabilities under these covered bonds will not be available to satisfy any amounts other than covered bond related obligations (which excludes the Notes).

***Indexed Notes may have risks not associated with a conventional debt security.***

If you invest in Notes indexed to one or more interest rates, currencies or other indices or formulas, you will be subject to significant risks not associated with a conventional fixed rate or floating rate Note. These risks include fluctuation of the particular indices or formulas and the possibility that you will receive a lower amount of principal, premium or interest and at different times than you expected. It is also possible that you will not receive any principal, premium or interest. Suncorp has no control over a number of matters, including economic, financial and political events, which are important in determining the existence, magnitude and longevity of these risks and their results. In addition, if an index or formula used to determine any amounts payable in respect of the Notes contains a multiplier or leverage factor, the effect of any change in the particular index or formula will be magnified. In recent years, values of certain indices and formulas have been volatile and volatility in those and other indices and formulas may be expected in the future. However, past experience is not necessarily indicative of what may occur in the future. See “Considerations Relating to Indexed Notes” in this offering memorandum for further discussion of these risks.

***Notes denominated or payable in or linked to a non-US dollar currency are subject to exchange rate and exchange control risks.***

If you invest in a non-US dollar Note, you will be subject to significant risks not associated with an investment in a Note denominated and payable in US dollars, including the possibility of material changes in the exchange rate between US dollars and the applicable foreign currency and the imposition or modification of exchange controls by the applicable governments. Suncorp has no control over the factors that generally affect these risks, including economic, financial and political events and the supply and demand for the applicable currencies. Moreover, if payments on non-US dollar Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been highly volatile and volatility between these currencies or with other currencies may be expected in the future. Fluctuations between currencies in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of your payment currency would result in a decrease in the US dollar equivalent yield of your non-US dollar Notes, in the US dollar equivalent value of the principal and any premium payable at the stated maturity or any earlier redemption of your non-US dollar Notes and, generally, in the US dollar equivalent market value of your non-US dollar Notes.

Governmental exchange controls could affect exchange rates and the availability of the payment currency for your non-US dollar Notes on a required payment date. Even if there are no exchange controls, it is possible that your payment currency will not be available on a required payment date for circumstances beyond our control. In these cases, we will be allowed to satisfy our obligations in respect of your non-US dollar Notes in US dollars or delay payment. See “Description of the Notes — Currency of Notes” and “Considerations Relating to Notes Denominated or Payable in or Linked to a Non-US Dollar Currency” for further discussion of these risks.

***Redemption may adversely affect your return on the Notes.***

The Notes will be redeemable in certain circumstances, including as a result of changes in Australian tax laws that require us to pay additional amounts (as defined under “Description of the Notes — Payment of Additional Amounts”), as a result of changes in Australian or US tax laws that result in a materially increased cost in performing our obligations under the Notes, or if the applicable pricing supplement specifies that the Notes are redeemable at Suncorp’s option. Suncorp may choose to redeem your Notes at times when prevailing interest rates are lower than when you invested. In addition, if your Notes are subject to mandatory redemption, Suncorp may be required to redeem your Notes also at times when prevailing interest rates are lower than when you invested. As a result, you generally will not be able to reinvest the redemption proceeds in a comparable security with an effective interest rate equal to or higher than that applicable to your Notes being redeemed.

***The Notes are subject to transfer restrictions.***

The Notes have not been, and will not be, registered under the Securities Act or any other applicable securities laws and are being offered hereby to QIBs in transactions that are either exempt from registration pursuant to Section 4(a)(2) of, and Regulation D and Rule 144A under, the Securities Act, or are not subject to registration in reliance on Regulation S. Accordingly, the Notes are subject to certain restrictions on the resale and other transfer thereof as set forth under “Important Notices” and “Plan of Distribution”. As a result of these restrictions, there can be no assurance as to the existence of a secondary market for the Notes or the liquidity of such market if one develops. Consequently, you must be able to bear the economic risk of an investment in your Notes for an indefinite period of time.

***There may not be any trading market for the Notes; many factors affect the trading and market value of the Notes.***

Upon issuance, the Notes may not have an established trading market. Although the Notes may be listed on an exchange, we cannot ensure that a trading market for your Notes will ever develop or be maintained if developed. In addition to Suncorp’s creditworthiness, many factors affect the trading market for, and trading value of, the Notes. These factors include but are not limited to:

- the complexity and volatility of the index or formula applicable to the Notes (if any);
- the method of calculating the principal, premium and interest in respect of the Notes;
- the time remaining to the stated maturity of the Notes;
- the outstanding amount of the Notes;
- any redemption features of the Notes;
- the amount of other debt securities linked to the index or formula applicable to the Notes (if any);
- the level, direction and volatility of market interest rates generally;
- investor confidence and market liquidity; and
- our financial condition and results of operations.

There may be a limited number of buyers when you decide to sell the Notes. This may affect the price you receive for such Notes or the ability to sell such Notes at all. In addition, Notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed. You should not purchase the Notes unless you understand and know you can bear all of the investment risks involving the Notes.

***Insolvency proceedings will be subject to Australian law.***

In the event that Suncorp becomes insolvent, insolvency proceedings will be governed by Australian law or the law of another jurisdiction determined in accordance with Australian law. Australian insolvency laws are, and the laws of that other jurisdiction can be expected to be, different from the insolvency laws of certain other jurisdictions. In particular, the voluntary administration procedure under the Australian Corporations Act and regulations thereunder, which provide for the potential re-organization of an insolvent company, differs significantly from Chapter 11 under the United States Bankruptcy Code and may differ from similar provisions under the insolvency laws of other non-Australian jurisdictions.

***You may not be able to enforce judgments obtained in US courts against Suncorp.***

Suncorp is incorporated in Australia, all of its directors and executive officers reside outside the United States and most of the assets of Suncorp and its directors and executive officers are located outside the United States. You may not be able to effect service of process on Suncorp's directors and executive officers or enforce judgments against them or Suncorp outside the United States. We have been advised by King & Wood Mallesons, our Australian legal counsel, that there is doubt as to the enforceability in Australia in original actions or in actions for enforcement of judgments of US courts of civil liabilities predicated solely upon US federal or state securities laws.

***The Notes' credit ratings may not reflect all risks of an investment in the Notes.***

The credit ratings of the Notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the Notes. In addition, real or anticipated changes in the credit ratings of the Notes will generally affect any trading market for, or trading value of, the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

***Suncorp may face increased compliance costs as a result of United States tax legislation.***

In March 2010, the United States enacted legislation that would require non-United States banks to provide information on United States account holders to the United States tax authorities, either by reporting such information directly to the United States tax authorities or, in some cases, by reporting such information to their local revenue authority for it to forward to the United States tax authorities. If this information is not provided in a form satisfactory to the United States tax authorities, a non-United States bank will have a 30% withholding tax applied to certain amounts paid to it. Under United States Treasury regulations and administrative guidance, no such withholding tax will be imposed on any payments derived from sources within the United States that are made prior to July 1, 2014, and no such withholding tax will be imposed on any payments derived from sources without the United States that are made prior to January 1, 2017, at the earliest. Suncorp is expected to make significant investments to comply with the requirements of this legislation. For more information, see “Tax Considerations — United States Federal Income Taxation — Foreign Account Tax Compliance Withholding” below.

***Foreign account tax compliance withholding may apply to payments on Notes, including as a result of the failure of a holder or a holder’s bank or broker to provide information to taxing authorities.***

The United States may impose a withholding tax of as high as 30% on payments made with respect to the Notes, but the rules for calculating the amount of such withholding tax are still undetermined. This withholding tax generally will only apply to payments made on or after January 1, 2017, at the earliest, and only with respect to Notes issued or materially modified at least six months after the date on which final regulations implementing the rules for calculating the amount of such withholding tax are published in final form. It is possible that other Notes with particular terms would not benefit from this grandfathering rule and may be subject to this withholding tax as early as January 1, 2017 (separate disclosure in the applicable pricing supplement will be provided for such other Notes). The withholding tax, when it applies, may be imposed at any point in a series of payments unless the relevant payee (including a bank, broker or individual) at each point complies with information reporting, certification and related requirements. Accordingly, a holder that holds Notes through a bank or broker could be subject to withholding if, for example, its bank or broker is subject to withholding because the bank or broker fails to comply with these requirements even though the Noteholder itself might not otherwise have been subject to withholding. If a payment on the Notes is subject to this withholding tax, no additional amounts will be paid, and a holder will receive less than the amount of the expected payment.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding. For more information, see “Description of the Notes — Payment of Additional Amounts” and “Tax Considerations — United States Federal Income Taxation — Foreign Account Tax Compliance Withholding”.

## **USE OF PROCEEDS**

Unless we specify otherwise in the applicable pricing supplement, we intend to use the net proceeds from the sales of Notes for general corporate purposes.

## DESCRIPTION OF THE NOTES

This section summarizes the material terms that will apply generally to the Notes. Each particular Note will have terms specific to it, and the specific terms of each Note will be described in a pricing supplement that will accompany this offering memorandum. Those terms may vary from the terms described here.

As you read this section, please remember that the specific terms of your Note as described in the applicable pricing supplement will supplement and, if applicable, may modify or replace the general terms described in this offering memorandum. If the applicable pricing supplement is inconsistent with this offering memorandum, that pricing supplement will control with regard to your Note. Thus, the statements we make in this section may not apply to your Note.

When we refer to “the applicable pricing supplement”, we mean the pricing supplement describing the specific terms of the Note you purchase and “your Note” means the Note in which you are investing. The terms we use in any applicable pricing supplement that we also use in this offering memorandum will have the meanings we give them herein, unless we say otherwise in the pricing supplement.

### **This section is only a summary**

The Fiscal Agency Agreement and its associated documents, including your Note and the applicable pricing supplement, contain the full legal text of the matters described in this section. The Fiscal Agency Agreement and the Notes are governed by New York law, except as to authorization and execution by us, which are governed by the laws of Queensland and the Commonwealth of Australia. See “Available Information” for information on how to obtain a copy of the Fiscal Agency Agreement.

This section and the applicable pricing supplement summarize all the material terms of the Fiscal Agency Agreement and your Note. They do not, however, describe every aspect of the Fiscal Agency Agreement and your Note. For example, in this section entitled “Description of the Notes” and the applicable pricing supplement, we use terms that have been given special meaning in the Fiscal Agency Agreement, but we describe the meaning of only the more important of those terms.

### **The Notes will be issued under the Fiscal Agency Agreement**

The Notes are governed by a document called a Fiscal Agency Agreement. The Fiscal Agency Agreement is a contract between us and The Bank of New York Mellon, who acts as the Fiscal Agent. The Fiscal Agent performs administrative duties for us such as sending you interest payments and notices.

See “— Our relationship with the Fiscal Agent” below for more information about the Fiscal Agent.

### ***We may issue other series of debt securities***

The Fiscal Agency Agreement permits us to issue different series of debt securities from time to time. The Senior Medium-Term Notes, Series A constitutes a distinct series of debt securities. We may also issue Notes of other series in such amounts, at such times and on such terms as we wish. The Notes may differ from one another in their terms.

### ***Amounts that we may issue***

The Fiscal Agency Agreement does not limit the aggregate amount of debt securities that we may issue, nor does it limit the number of series or the aggregate amount of any particular series that we may issue. Also, if we issue Notes having the same terms in a particular offering, we may “reopen” that offering at any later time and offer additional Notes having those terms.

We intend to issue Notes from time to time, initially in an amount having the aggregate principal amount specified on the cover of this offering memorandum. However, we may issue additional Notes in amounts that exceed the amount on the cover at any time, without your consent and without notifying you.

The Fiscal Agency Agreement and the Notes do not limit our ability to incur other indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the Notes or the Fiscal Agency Agreement.

### **How the Notes rank against other debt**

The Notes will be our direct, general, unsubordinated and unsecured obligations. Except for certain debts that are required to be preferred by law, including those in respect of our deposit liabilities in Australia under section 13A(3) of the Australian Banking Act and those referred to in section 16 of the Australian Banking Act and section 86 of the Reserve Bank Act 1959 of Australia, the Notes will rank equally among themselves and equally with all of our other unsecured and unsubordinated obligations.

The Notes will not be secured by any of our property or assets. Thus, by owning a Note, you are one of our unsecured creditors. In addition, to the extent that the holders of the Notes are entitled to any recovery with respect to the Notes in any winding-up relating to us, those holders might not be entitled in such proceedings to a recovery in US dollars and might be entitled only to a recovery in Australian dollars.

Suncorp is an ADI under the Australian Banking Act. The Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are to be available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including the Notes).

The liabilities which are preferred by law to the claim of a holder in respect of a Note may be substantial and the terms and conditions of the Notes do not limit the amount of such liabilities which may be incurred or assumed by us from time to time. These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the RBA and certain other debts to APRA. A "protected account" is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation.

The Notes are not protected accounts or deposit liabilities of Suncorp for the purpose of the Australian Banking Act and are not insured or guaranteed by (1) the Commonwealth of Australia or any governmental agency of Australia, (2) the United States of America, the Federal Deposit Insurance Corporation or any other governmental agency of the United States or (3) the government or any governmental agency of any other jurisdiction.

Suncorp has also issued A\$2.2 billion of covered bonds as at December 31, 2013, which are guaranteed by the trustee of a special purpose trust out of a pool of residential mortgage loans originated and sold by Suncorp to a trust and secured in favour of a security trustee. The assets available to satisfy the guarantor trustee's liabilities under these covered bonds will not be available to satisfy any amounts other than covered bond related obligations (which excludes the Notes).

### **Principal amount, stated maturity and maturity date**

The principal amount of a Note means the principal amount payable at its stated maturity, unless that amount is not determinable, in which case the principal amount of a Note is its face amount. The term "stated maturity", with respect to any Note, means the day on which the principal amount of that Note is scheduled to become due. The principal may become due sooner, by reason of redemption or acceleration after a default or otherwise in accordance with the terms of the Note. The day on which the principal actually becomes due, whether at the stated maturity or earlier, is called the maturity date of the principal.

We also use the terms “stated maturity” and “maturity date” to refer to the days when other payments become due. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due as the “stated maturity” of that installment.

When we refer to the “stated maturity” or the “maturity date” of a Note without specifying a particular payment, we mean the stated maturity or maturity date, as the case may be, of the principal.

## **Currency of Notes**

Amounts that become due and payable on your Note in cash will be payable in a currency, composite currency, basket of currencies or currency unit or units specified in the applicable pricing supplement. We refer to this currency, composite currency, basket of currencies or currency unit or units as a “Specified Currency”. The Specified Currency for your Note will be US dollars, unless the applicable pricing supplement states otherwise.

Some Notes may have different specified currencies for principal, premium and interest. You will have to pay for your Notes by delivering the requisite amount of the Specified Currency for the principal to any of the agents that we name in the applicable pricing supplement, unless other arrangements have been made between you and us or you and any such agents. We will make payments on your Notes in the Specified Currency, except as described below in “— Payment mechanics for Notes”. See “Considerations Relating to Notes Denominated or Payable in or Linked to a Non-US Dollar Currency” below for more information about risks of investing in Notes of this kind.

## **Types of Notes**

We may issue any of the following types of Notes and any other types of Notes that may be described in a supplement hereto:

### ***Fixed Rate Notes***

A Note of this type (a “Fixed Rate Note”) will bear interest at a fixed rate described in the applicable pricing supplement. This type includes Zero Coupon Notes, which bear no interest and are instead issued at a price lower than the principal amount. See “— Original Issue Discount Notes” below for more information about Zero Coupon Notes and other Original Issue Discount Notes.

Each Fixed Rate Note, except any Zero Coupon Note, will bear interest from its issue date or from the most recent date to which interest on the Note has been paid or made available for payment. Interest will accrue on the principal of a Fixed Rate Note at the fixed yearly rate stated in the applicable pricing supplement, until the principal is paid or made available for payment or the Note is converted or exchanged. Each payment of interest due on an interest payment date or the maturity date will include interest accrued from and including the last date to which interest has been paid, or made available for payment, or from the issue date if none has been paid or made available for payment, to but excluding the interest payment date or the maturity date. Unless otherwise specified in the applicable pricing supplement, we will compute interest on Fixed Rate Notes on the basis of a 360-day year of twelve 30-day months or, if specified in the applicable pricing supplement, on the basis of a 365-day. We will pay interest on each interest payment date and at the maturity date as described below under “— Payment mechanics for Notes”.

### ***Floating Rate Notes***

A Note of this type (a “Floating Rate Note”) will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a Spread or multiplying by a Spread Multiplier and may be subject to a minimum rate or a maximum rate. The various interest rate formulas and these other features are described below under “— Interest Rates — Floating Rate Notes”. If your Note is a Floating Rate Note, the formula and any adjustments that apply to the interest rate will be specified in the applicable pricing supplement.

Each Floating Rate Note will bear interest from its issue date or from the most recent date to which interest on the Note has been paid or made available for payment. Interest will accrue on the principal of a Floating Rate Note at the yearly rate determined according to the interest rate formula stated in the applicable pricing supplement, until the principal is paid or made available for payment or until it is converted or exchanged. We will compute interest on Floating Rate Notes as described below under “— Interest Rates — Floating Rate Notes — Calculation of Interest.” We will pay interest on each interest payment date and at the maturity date as described below under “— Payment mechanics for Notes”.

### ***Indexed Notes***

A Note of this type (an “Indexed Note”) provides that the principal amount payable at its maturity date, and/or the amount of interest payable on an interest payment date, will be determined by reference to:

- one or more securities;
- one or more currencies;
- one or more commodities;
- any other financial, economic or other measures or instruments, including the occurrence or non-occurrence of any event or circumstance; and/or
- indices or baskets of any of these items.

If you are a holder of an Indexed Note, you may receive a principal amount at the maturity date that is greater than or less than the face amount of your Note depending upon the value of the applicable referenced item at the maturity date. That value may fluctuate over time.

An Indexed Note may provide either for cash settlement or for physical settlement by delivery of the underlying property or another property of the type listed above. An Indexed Note may also provide that the form of settlement may be determined at our option or at the holder’s option. Some Indexed Notes may be convertible, exercisable or exchangeable, at our option or the holder’s option, into or for securities of an issuer other than us.

If you purchase an Indexed Note, the applicable pricing supplement will include information about the relevant referenced item, about how amounts that are to become payable will be determined by reference to the price or value of that referenced item and about the terms on which the Indexed Note may be settled physically or in cash. The applicable pricing supplement will also identify the Calculation Agent that will calculate the amounts payable with respect to the Indexed Note and may exercise certain discretion in doing so.

### ***Amortizing Notes***

A Note of this type (an “Amortizing Note”) may be a Fixed Rate Note, a Floating Rate Note or an Indexed Note. The amount of principal of and interest payable on a Note of this type will be paid in installments over the term of such Amortizing Note. Unless otherwise specified in the applicable pricing supplement, interest on an Amortizing Note will be computed on the basis of a 360-day year of twelve 30-day months. Payment with respect to Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof. Further information concerning additional terms and provisions of Amortizing Notes will be specified in the applicable pricing supplement, if applicable, including a table setting forth repayment information for such Amortizing Notes. Before you purchase any Indexed Note, you should read carefully the section entitled “Considerations Relating to Indexed Notes”.

### ***Original Issue Discount Notes***

A Note of this type (an “Original Issue Discount Note”) may be a Fixed Rate Note, a Floating Rate Note or an Indexed Note. A Note of this type is issued at a price lower than its principal amount and provides that, upon

redemption or acceleration of its maturity, an amount less than its principal amount will be payable. An Original Issue Discount Note may be a Zero Coupon Note. A Note issued at a discount to its principal may, for United States federal income tax purposes, be considered an Original Issue Discount Note, regardless of the amount payable upon redemption or acceleration of maturity. See “Tax Considerations — United States Federal Income Taxation — Original issue discount” below for a brief description of the United States federal income tax consequences of owning an Original Issue Discount Note.

### **Information in the Pricing Supplement**

The applicable pricing supplement will describe one or more of the following terms of your Note:

- the title of your Note;
- the stated maturity;
- the Specified Currency or currencies for principal, premium and interest, if not US dollars;
- the price at which we originally issue your Note, expressed as a percentage of the principal amount, and the issue date;
- whether your Note is a Fixed Rate Note, a Floating Rate Note, an Indexed Note, an Amortizing Note or an Original Issue Discount Note (which may be a Zero Coupon Note), or any combination of the foregoing;
- if your Note is a Fixed Rate Note, the yearly rate at which your Note will bear interest, if any, and the interest payment dates, if different from those stated below under “— Interest Rates — Fixed Rate Notes”;
- if your Note is a Floating Rate Note, the interest rate basis, which may be one of the ten Base Rates described in “— Interest Rates — Floating Rate Notes” below; any applicable index currency or maturity, Spread or Spread Multiplier or initial, maximum or minimum rate; the interest reset, determination, calculation and payment dates; the day count used to calculate interest payments for any period; and the Calculation Agent, all of which we describe under “— Interest Rates — Floating Rate Notes” below and the conditions, if any, under which it may convert into or be exchangeable for a Fixed Rate Note;
- if your Note is an Indexed Note, the principal amount, if any, we will pay you at the maturity date, the amount of interest, if any, we will pay you on an interest payment date or the formula we will use to calculate these amounts, if any, and whether your Note will be exchangeable for or payable in cash or other property;
- if your Note is an Original Issue Discount Note, the yield to maturity;
- if applicable, the circumstances under which your Note may be redeemed at our option or repaid at the holder’s option before the stated maturity, including any redemption commencement date, repayment date(s), redemption price(s) and redemption period(s);
- the authorized denominations, if other than denominations of US\$2,000 and multiples of US\$1,000;
- the depository for your Note, if other than DTC, and any circumstances under which the holder may request Notes in non-global form, if we choose not to issue your Note in book-entry form only;
- the name of each offering agent;

- the discount or commission to be received by the offering agent or agents;
- the net proceeds to Suncorp;
- the names and duties of any co-agents, depositaries, Paying Agents, transfer agents, exchange agents or registrars for your Note; and
- any other terms of your Note, which could be different from those described in this offering memorandum.

### **Form of Notes**

We will issue each Note in global — i.e., book-entry — form only, unless we specify otherwise in the applicable pricing supplement. Notes in book-entry form will be represented by a global security registered in the name of a depositary, which will be the holder of all the Notes represented by the global security. Those who own beneficial interests in a Global Note (as defined under “Legal Ownership and Book-Entry Issuance — What Is a Global Note?”) will do so through participants in the Depositary’s securities clearance system, and the rights of these indirect owners will be governed solely by the applicable procedures of the Depositary and its participants. We describe Global Notes below under “Legal Ownership and Book-Entry Issuance”.

In addition, we will generally issue each Note in registered form, without coupons, unless we specify otherwise in the applicable pricing supplement.

### **Interest rates**

This subsection describes the different kinds of interest rates that may apply to your Note, if it bears interest.

#### ***Fixed Rate Notes***

Interest on a Fixed Rate Note will be payable annually or semiannually on the date or dates specified in the applicable pricing supplement and at the maturity date. Any payment of principal, premium and interest for any Fixed Rate Note required to be made on an interest payment date that is not a business day (as defined below) will be postponed to the next succeeding business day as if made on the date that payment was due, and no interest will accrue on that payment for the period from and after the interest payment date to the date of that payment on the next succeeding business day. For each Fixed Rate Note that bears interest, interest will accrue, and we will compute and pay accrued interest, as described under “— Types of Notes — Fixed Rate Notes” above and “— Payment mechanics for Notes” below.

#### ***Floating Rate Notes***

In this subsection, we use several specialized terms relating to the manner in which floating interest rates are calculated. These terms appear in bold, italicized type the first time they appear, and we define these terms in “— Special Rate Calculation Terms” at the end of this subsection.

For each Floating Rate Note, interest will accrue, and we will compute and pay accrued interest, as described under “— Types of Notes — Floating Rate Notes” above and “— Payment mechanics for Notes” below. In addition, the following will apply to Floating Rate Notes.

#### ***Base Rates***

We currently expect to issue Floating Rate Notes that bear interest at rates based on one or more of the following “Base Rates”:

- Commercial Paper Rate;

- Prime Rate;
- LIBOR;
- EURIBOR;
- Treasury Rate;
- CMT Rate;
- CD Rate;
- Federal Funds Rate;
- Eleventh District Cost of Funds Rate; and/or
- Australian Bank Bill Swap Rate.

We describe each of the Base Rates in further detail below in this subsection.

If you purchase a Floating Rate Note, the applicable pricing supplement will specify the type of Base Rate that applies to your Note.

Unless otherwise specified in the applicable Note and any applicable pricing supplement, each Floating Rate Note will be issued as described below. The applicable Note and any applicable pricing supplement will specify certain terms with respect to which each Floating Rate Note is being delivered, including: whether such Floating Rate Note is a “Regular Floating Rate Note”, a “Floating Rate/Fixed Rate Note”, a “Fixed Rate/Floating Rate Note”, or an “Inverse Floating Rate Note”, the fixed rate commencement date, if applicable, fixed interest rate, if applicable, Base Rate, initial interest rate, if any, initial Interest Reset Date, interest reset period and dates, interest period and dates, record dates, Index Maturity, maximum interest rate and/or minimum interest rate, if any, and Spread and/or Spread Multiplier, if any, as such terms are defined below. If the applicable Base Rate is LIBOR or the CMT Rate, the applicable Note and any applicable pricing supplement will also specify the index currency and the Designated LIBOR Page or the Designated CMT Reuters Page, as applicable, as such terms are defined below.

The interest rate borne by the Floating Rate Notes will be determined as follows:

- unless such Floating Rate Note is designated as a “Floating Rate/Fixed Rate Note”, a “Fixed Rate/Floating Rate Note” or an “Inverse Floating Rate Note,” or as having an addendum attached or having “other/additional provisions” apply, in each case relating to a different interest rate formula, such Floating Rate Note will be designated as a “Regular Floating Rate Note” and, except as described below or as specified in the applicable Note and in any applicable pricing supplement, will bear interest at the rate determined by reference to the applicable Base Rate (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any. Commencing on the first Interest Reset Date (as defined below) occurring after the issue date (the “initial Interest Reset Date”), the rate at which interest on such Regular Floating Rate Note will be payable will be reset as at each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the issue date to the initial Interest Reset Date will be the initial interest rate;
- if such Floating Rate Note is designated as a “Floating Rate/Fixed Rate Note,” then, except as described below or as specified in the applicable Note and any applicable pricing supplement, such Floating Rate Note will bear interest at the rate determined by reference to the applicable Base Rate (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any. Commencing on the initial Interest Reset Date, the rate at which interest on such Floating Rate/Fixed Rate Note will be payable will be reset as of each Interest Reset Date; provided, however, that (y) the interest rate in effect for the period, if any, from the issue date to the initial Interest Reset

Date will be the initial interest rate and (z) the interest rate in effect for the period commencing on the date specified in the applicable pricing supplement (the “Fixed Rate Commencement Date”) to the maturity date will be the fixed interest rate, if such rate is specified in the applicable Note and any applicable pricing supplement or, if no such fixed interest rate is specified, the interest rate in effect thereon on the business day immediately preceding the Fixed Rate Commencement Date;

- if such Floating Rate Note is designated as a “Fixed Rate/Floating Rate Note” then, except as described below or as specified in the applicable Note and any applicable pricing supplement, such Fixed Rate Note will bear interest at the fixed rate specified in such Note and any applicable pricing supplement from the issue date to the date specified in the applicable pricing supplement (the “Floating Rate Commencement Date”) and the interest rate in effect for the period commencing on such Floating Rate Commencement Date will be the rate determined by reference to the applicable Base Rate (x) plus or minus the applicable Spread, if any, and/or (y) multiplied by the applicable Spread Multiplier, if any, each as specified in such Note or applicable pricing supplement. Commencing on the first Interest Reset Date after such Floating Rate Commencement Date, the rate at which interest on such Fixed Rate/Floating Rate Note will be payable will be reset as of each Interest Reset Date; and
- if such Floating Rate Note is designated as an “Inverse Floating Rate Note” then, except as described below or as specified in the applicable Note and any applicable pricing supplement, such Floating Rate Note will bear interest at the applicable fixed interest rate minus the rate determined by reference to the applicable Base Rate (a) plus or minus the applicable Spread, if any, and/or (b) multiplied by the applicable Spread Multiplier, if any; provided, however, that, unless otherwise specified in the applicable Note and any applicable pricing supplement, the interest rate thereon will not be less than zero. Commencing on the initial Interest Reset Date, the rate at which interest on such Inverse Floating Rate Note will be payable will be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the issue date to the initial Interest Reset Date will be the initial interest rate.

#### *Initial Base Rate*

For any Floating Rate Note, the Base Rate in effect from the issue date to the first Interest Reset Date will be the Initial Base Rate. We will specify the Initial Base Rate in the applicable pricing supplement.

#### *Spread or Spread Multiplier*

In some cases, the Base Rate for a Floating Rate Note may be adjusted:

- by adding or subtracting a specified number of basis points, called the “Spread”, with one basis point being 0.01%; or
- by multiplying the Base Rate by a specified percentage, called the “Spread Multiplier”.

If you purchase a Floating Rate Note, the applicable pricing supplement will specify whether a Spread or Spread Multiplier will apply to your Note and, if so, the amount of the Spread or Spread Multiplier.

#### *Maximum and Minimum Rates*

The actual interest rate, after being adjusted by the Spread or Spread Multiplier, may also be subject to either or both of the following limits:

- a maximum rate — i.e., a specified upper limit that the actual interest rate in effect at any time may not exceed; and/or
- a minimum rate — i.e., a specified lower limit that the actual interest rate in effect at any time may not fall below.

If you purchase a Floating Rate Note, the applicable pricing supplement will specify whether a maximum rate and/or minimum rate will apply to your Note and, if so, what those rates are.

Whether or not a maximum rate applies, the interest rate on a Floating Rate Note will in no event be higher than the maximum rate permitted by New York law, as it may be modified by United States federal law of general application. Under current New York law, the maximum rate of interest, with some exceptions, for any loan in an amount less than US\$250,000 is 16% and for any loan in the amount of US\$250,000 or more but less than US\$2,500,000 is 25% per year on a simple interest basis. These limits do not apply to loans of US\$2,500,000 or more.

The rest of this subsection describes how the interest rate and the interest payment dates will be determined, and how interest will be calculated, on a Floating Rate Note.

#### *Interest Reset Dates*

The rate of interest on a Floating Rate Note will be reset by the Calculation Agent daily, weekly, monthly, quarterly, semi-annually, annually or at some other interval specified in the applicable pricing supplement. The date on which the interest rate resets and the reset rate becomes effective is called the Interest Reset Date. Except as otherwise specified in the applicable pricing supplement, the Interest Reset Date will be as follows:

- for Floating Rate Notes that reset daily, each business day;
- for Floating Rate Notes that reset weekly and are not Treasury Rate Notes, the Wednesday of each week;
- for Treasury Rate Notes that reset weekly, the Tuesday of each week, except as otherwise described in the next to last paragraph under “— Interest Determination Dates” below;
- for Floating Rate Notes that reset monthly and are not Eleventh District Cost of Funds Rate Notes, the third Wednesday of each month;
- for Eleventh District Cost of Fund Rate Notes that reset monthly, the first calendar day of each month;
- for Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December of each year;
- for Floating Rate Notes that reset semi-annually, the third Wednesday of each of two months of each year as specified in the applicable pricing supplement; and
- for Floating Rate Notes that reset annually, the third Wednesday of one month of each year as specified in the applicable pricing supplement.

For a Floating Rate Note, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest Interest Reset Date that occurs on or before that day. There are several exceptions, however, to the reset provisions described above.

The Base Rate in effect from the issue date to the first Interest Reset Date will be the Initial Base Rate. For Floating Rate Notes that reset daily or weekly, the Base Rate in effect for each day following the second business day before an interest payment date to, but excluding, the interest payment date, and for each day following the second business day before the maturity date to, but excluding, the maturity date, will be the Base Rate in effect on that second business day.

If any Interest Reset Date for a Floating Rate Note would otherwise be a day that is not a business day, the Interest Reset Date will be postponed to the next day that is a business day. For a LIBOR or a EURIBOR Note,

however, if that business day is in the next succeeding calendar month, the Interest Reset Date will be the immediately preceding business day.

#### *Interest Determination Dates*

The interest rate that takes effect on an Interest Reset Date will be determined by the Calculation Agent by reference to a particular date called an Interest Determination Date. Except as otherwise specified in the applicable pricing supplement:

- for all Floating Rate Notes other than Eleventh District Cost of Funds Rate Notes, LIBOR Notes, EURIBOR Notes, Treasury Rate Notes and Australian Bank Bill Swap Rate Notes, the Interest Determination Date relating to a particular Interest Reset Date will be the second business day before the Interest Reset Date.
- for Eleventh District Cost of Funds Rate Notes, the Interest Determination Date relating to a particular Interest Reset Date will be the last working day, in the first calendar month preceding that Interest Reset Date, on which the FHLB of San Francisco publishes the index (as defined below). We refer to an Interest Determination Date for an Eleventh District Cost of Funds Rate Note as an Eleventh District Cost of Funds Rate Note Interest Determination Date.
- for LIBOR Notes, the Interest Determination Date relating to a particular Interest Reset Date will be the second London business day preceding the Interest Reset Date, unless the index currency is pounds sterling, in which case the Interest Determination Date will be the Interest Reset Date. We refer to an Interest Determination Date for a LIBOR Note as a LIBOR Interest Determination Date.
- for EURIBOR Notes, the Interest Determination Date relating to a particular Interest Reset Date will be the second Euro business day preceding the Interest Reset Date. We refer to an Interest Determination Date for a EURIBOR Note as a EURIBOR Interest Determination Date.
- for Treasury Rate Notes, the Interest Determination Date relating to a particular Interest Reset Date, which we refer to as a Treasury Interest Determination Date, will be the day of the week on which the Interest Reset Date falls on which treasury bills — i.e., direct obligations of the United States government — would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday. If, as the result of a legal holiday an auction is held on the preceding Friday, that Friday will be the Treasury Interest Determination Date relating to the Interest Reset Date occurring in the next succeeding week. If the auction is held on a day that would otherwise be an Interest Reset Date, then the Interest Reset Date will instead be the first business day following the auction date.
- for Australian Bank Bill Swap Rate Notes, the Interest Determination Date will be the same day as the Interest Reset Date.

The “Interest Determination Date” pertaining to a Floating Rate Note the interest rate of which is determined by reference to two or more Base Rates will be the most recent business day which is at least two business days prior to the applicable Interest Reset Date for such Floating Rate Note on which each Base Rate is determinable. Each Base Rate will be determined as of such date, and the applicable interest rate will take effect on the applicable Interest Reset Date.

#### *Interest Calculation Dates*

As described above, the interest rate that takes effect on a particular Interest Reset Date will be determined by reference to the corresponding Interest Determination Date. Except for LIBOR Notes, EURIBOR Notes and Australian Bank Bill Swap Rate Notes, however, the determination of the rate will actually be made on a day no

later than the corresponding interest calculation date. The interest calculation date will be the earlier of the following:

- the tenth calendar day after the Interest Determination Date or, if that tenth calendar day is not a business day, the next succeeding business day; and
- the business day immediately preceding the interest payment date or the maturity date, whichever is the day on which the next payment of interest will be due.

The Calculation Agent need not wait until the relevant interest calculation date to determine the interest rate if the rate information it needs to make the determination is available from the relevant sources sooner.

#### *Interest Payment Dates*

The interest payment dates for a Floating Rate Note will depend on when the interest rate is reset and, unless we specify otherwise in the applicable pricing supplement, will be as follows:

- for Floating Rate Notes that reset daily, weekly or monthly, the third Wednesday of each month or the third Wednesday of March, June, September and December of each year, as specified in the applicable pricing supplement;
- for Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December of each year;
- for Floating Rate Notes that reset semi-annually, the third Wednesday of the two months of each year specified in the applicable pricing supplement; or
- for Floating Rate Notes that reset annually, the third Wednesday of the month specified in the applicable pricing supplement.

Regardless of these rules, if a Note is originally issued after the Regular Record Date and before the date that would otherwise be the first interest payment date, the first interest payment date will be the date that would otherwise be the second interest payment date. We have defined the term “Regular Record Date” under “— Payment mechanics for Notes” below.

If any interest payment date other than the maturity date for any Floating Rate Note would otherwise be a day that is not a business day, that interest payment date will be postponed to the next succeeding business day, except that in the case of a LIBOR Note or a EURIBOR Note where that business day falls in the next succeeding calendar month, that interest payment date will be the immediately preceding business day. If the maturity date of a Floating Rate Note falls on a day that is not a business day, the required payment of principal, premium and interest will be made on the next succeeding business day as if made on the date that payment was due, and no interest will accrue on that payment for the period from and after the maturity date to the date of that payment on the next succeeding business day.

#### *Calculation of Interest*

Calculations relating to Floating Rate Notes will be made by the “Calculation Agent”, an institution that we appoint as our agent for this purpose. That institution may include any affiliate of ours. The Bank of New York Mellon acts as our Calculation Agent for any Floating Rate Notes. The pricing supplement for a particular Floating Rate Note will name the institution that we have appointed to act as the Calculation Agent for that Note as of its issue date, if other than The Bank of New York Mellon. We may appoint a different institution to serve as Calculation Agent from time to time after the issue date of your Note without your consent. We will provide notice, or cause notice to be provided, to you in the event a new Calculation Agent is appointed.

For each Floating Rate Note, the Calculation Agent will determine, on or before the corresponding interest calculation or determination date, the interest rate that takes effect on each Interest Reset Date. In addition, the Calculation Agent will calculate the amount of interest that has accrued during each interest period — i.e., the period from and including the issue date, or the last date to which interest has been paid or made available for payment, to but excluding the payment date. For each interest period, the Calculation Agent will calculate the amount of accrued interest by multiplying the face or other specified amount of the Floating Rate Note by an accrued interest factor for the interest period. This factor will equal the sum of the interest factors calculated for each day during the interest period. Unless otherwise specified in an applicable pricing supplement, the interest factor for each day will be calculated by dividing the interest rate, expressed as a decimal, applicable to that day by the following:

- 360 in the case of Commercial Paper Rate Notes, Prime Rate Notes, LIBOR Notes, Eleventh District Cost of Funds Rate Notes, EURIBOR Notes, CD Rate Notes and Federal Funds Rate Notes; or
- the actual number of days in the year in the case of Treasury Rate Notes, CMT Rate Notes and Australian Bank Bill Swap Rate Notes, and will be made without any liability on the part of the Calculation Agent.

Unless otherwise specified in the applicable pricing supplement, the interest factor for Floating Rate Notes whose interest rate is calculated by reference to two or more Base Rates will be calculated in each period in the same manner as if only one of the applicable Base Rates applied as specified in the applicable Note and any applicable pricing supplement.

Upon the request of the holder of any Floating Rate Note, the Calculation Agent will provide for that Note the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date. The Calculation Agent's determination of any interest rate, and its calculation of the amount of interest for any interest period, will be final and binding in the absence of manifest error, and will be made without any liability on the part of the Calculation Agent.

All percentages resulting from any calculation relating to a Note will be rounded upward or downward, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upward, e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to a Floating Rate Note will be rounded upward or downward, as appropriate, to the nearest cent, in the case of US dollars, or to the nearest corresponding hundredth of a unit, in the case of a currency other than US dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the Base Rate that applies to a Floating Rate Note during a particular interest period, the Calculation Agent may obtain rate quotes from various banks or dealers active in the relevant market. Those reference banks and dealers may include the Calculation Agent itself and its affiliates, as well as any underwriter, dealer or agent participating in the distribution of the relevant Floating Rate Notes and its affiliates, and they may include one of our affiliates.

### ***Commercial Paper Rate Notes***

If you purchase a Commercial Paper Rate Note, your Note will bear interest at a Base Rate equal to the Commercial Paper Rate as adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

The Commercial Paper Rate for each new interest period will be the Money Market Yield of the rate, for the relevant Interest Determination Date and for commercial paper having the Index Maturity specified in the applicable pricing supplement, as published in H.15(519) under the heading "Commercial Paper — Financial". If the Commercial Paper Rate cannot be determined as described above, the following procedures will apply.

- If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from

that source at that time, then the Commercial Paper Rate will be the rate, for the relevant Interest Determination Date, for commercial paper having the Index Maturity specified in the applicable pricing supplement, as published in H.15 daily update or any other recognized electronic source used for displaying that rate, in each case, under the heading “Commercial Paper — Financial”.

- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the Commercial Paper Rate will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the following offered rates for US dollar commercial paper that has the relevant Index Maturity and is placed for an industrial issuer whose bond rating is “AA”, or the equivalent, from a nationally recognized rating agency: the rates offered as of 11:00 A.M., New York City time, on the relevant Interest Determination Date, by three leading US dollar commercial paper dealers in New York City selected by the Calculation Agent.
- If fewer than three dealers selected by the Calculation Agent are quoting as described above, the Commercial Paper Rate for the new interest period will be the Commercial Paper Rate in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, it will remain in effect for the new interest period.

### ***Prime Rate Notes***

If you purchase a Prime Rate Note, your Note will bear interest at a Base Rate equal to the Prime Rate as adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement. The Prime Rate for each new interest period will be the rate, for the relevant Interest Determination Date, published in H.15(519) under the heading “Bank Prime Loan”. If the Prime Rate cannot be determined as described above, the following procedures will apply.

- If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the Prime Rate will be the rate, for the relevant Interest Determination Date, as published in H.15 daily update, or another recognized electronic source used for the purpose of displaying that rate, in each case, under the heading “Bank Prime Loan”.
- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the Prime Rate will be the arithmetic mean, as determined by the Calculation Agent, of the following rates as they appear on the Reuters Page US PRIME 1: the rate of interest publicly announced by each bank appearing on that page as that bank’s prime rate or base lending rate, as of 11:00 A.M., New York City time, on the relevant Interest Determination Date.
- If fewer than four of these rates appear on the Reuters Page US PRIME 1, the Prime Rate will be the arithmetic mean of the prime rates or base lending rates, as of the close of business on the relevant Interest Determination Date, of three major banks in New York City selected by the Calculation Agent. For this purpose, the Calculation Agent will use rates quoted on the basis of the actual number of days in the year divided by a 360-day year.
- If fewer than three banks selected by the Calculation Agent are quoting as described above, the Prime Rate for the new interest period will be the Prime Rate in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, it will remain in effect for the new interest period.

### ***LIBOR Notes***

If you purchase a LIBOR Note, your Note will bear interest at a Base Rate equal to LIBOR for deposits in US dollars or any other index currency, as specified in the applicable pricing supplement. In addition, LIBOR will be adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement. LIBOR will be determined in the following manner:

- LIBOR will be the offered rate appearing on the Designated LIBOR Page, as of 11:00 A.M., London time, on the relevant Interest Determination Date, for deposits of the relevant index currency having the relevant Index Maturity beginning on the relevant Interest Reset Date. The applicable pricing supplement will indicate the index currency, the Index Maturity and the Designated LIBOR Page that apply to your LIBOR Note.
- If no such rate appears on the Designated LIBOR Page, then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant LIBOR Interest Determination Date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: deposits of the index currency having the relevant Index Maturity, beginning on the relevant Interest Reset Date, and in a representative amount. The Calculation Agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant LIBOR Interest Determination Date will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described in the prior paragraph, LIBOR for the relevant LIBOR Interest Determination Date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in the principal financial center, on that LIBOR Interest Determination Date, by three major banks in that financial center selected by the Calculation Agent: loans of the index currency having the relevant Index Maturity, beginning on the relevant Interest Reset Date, and in a representative amount.
- If fewer than three banks selected by the Calculation Agent are quoting as described in the prior paragraph, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### ***Additional Information About LIBOR***

As a result of recent developments in connection with the calculation of daily LIBOR across a range of maturities and currencies, LIBOR is under review by both the Financial Services Authority (UK) and the British Bankers' Association (the "BBA"). The BBA has begun to take steps intended to strengthen the oversight of the process to set LIBOR. The independent Foreign Exchange and Money Markets Committee will review the composition of the panels of banks surveyed to set LIBOR, bi-annually. LIBOR may change significantly as a result of these actions. Any changes may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the level of interest payments and the value of any Notes that reference LIBOR.

### ***EURIBOR Notes***

If you purchase a EURIBOR Note, your Note will bear interest at a Base Rate equal to the interest rate for deposits in euros designated as "EURIBOR" and sponsored jointly by the European Banking Federation and ACI — the Financial Market Association (or any company established by the joint sponsors for purposes of compiling and publishing that rate). In addition, the EURIBOR Base Rate will be adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement. EURIBOR will be determined in the following manner:

- EURIBOR will be the offered rate for deposits in euros having the Index Maturity specified in the applicable pricing supplement, beginning on the relevant Interest Reset Date, as that rate appears on

Reuters Page EURIBOR01 as of 11:00 A.M., Brussels time, on the relevant EURIBOR Interest Determination Date.

- If the rate described in the prior paragraph does not appear on Reuters Page EURIBOR01, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant EURIBOR Interest Determination Date, at which deposits of the following kind are offered to prime banks in the euro-zone interbank market by the principal euro-zone office of each of four major banks in that market selected by the Calculation Agent: euro deposits having the relevant Index Maturity, beginning on the relevant Interest Reset Date, and in a representative amount. The Calculation Agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant EURIBOR Interest Determination Date will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described in the prior paragraph, EURIBOR for the relevant EURIBOR Interest Determination Date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time on that EURIBOR Interest Determination Date, by four major banks in the euro-zone selected by the Calculation Agent: loans of euros having the relevant Index Maturity, beginning on the relevant Interest Reset Date, and in a representative amount.
- If fewer than four banks selected by the Calculation Agent are quoting as described in the prior paragraph, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### ***Treasury Rate Notes***

If you purchase a Treasury Rate Note, your Note will bear interest at a Base Rate equal to the Treasury Rate as adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

Unless the applicable pricing supplement specifies otherwise, “Treasury Rate” means the rate for the auction held on the Interest Determination Date of direct obligations of the United States (Treasury Bills) having the Index Maturity specified in the applicable pricing supplement as that rate appears on Reuters Page USAUCTION 10 or Reuters Page USAUCTION 11 under the heading “INVEST RATE.”

If the Treasury Rate cannot be determined in the manner described in the prior paragraph, the following procedures will apply:

- If the rate described above does not appear on either page by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), the Treasury Rate will be the bond equivalent yield of the auction rate, for the relevant Interest Determination Date and for treasury bills of the kind described above, as announced by the US Department of the Treasury.
- If the auction rate described in the prior paragraph is not so announced by 3:00 P.M., New York City time, on the relevant interest calculation date, or if no such auction is held for the relevant week, then the Treasury Rate will be the bond equivalent yield of the rate, for the relevant Interest Determination Date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15(519) under the heading “US government securities/Treasury bills/secondary market”.
- If the rate described in the prior paragraph does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the Treasury Rate will be the rate, for the relevant Interest Determination Date and for treasury bills having a remaining maturity closest to the

specified index maturity, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “US government securities/Treasury bills/secondary market”.

- If the rate described in the prior paragraph does not appear in H.15 daily update, H.15(519) or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the Treasury Rate will be the bond equivalent yield of the arithmetic mean of the following secondary market bid rates for the issue of treasury bills with a remaining maturity closest to the specified index maturity: the rates bid as of approximately 3:30 P.M., New York City time, on the relevant Interest Determination Date, by three primary US government securities dealers in New York City selected by the Calculation Agent.
- If fewer than three dealers selected by the Calculation Agent are quoting as described in the prior paragraph, the Treasury Rate in effect for the new interest period will be the Treasury Rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### *CMT Rate Notes*

If you purchase a CMT Rate Note, your Note will bear interest at a Base Rate equal to the CMT Rate as adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

The CMT Rate will be any of the following rates displayed on the Designated CMT Reuters Page under the heading “...Treasury Constant Maturities ...” for the designated CMT Index Maturity:

- if the Designated CMT Reuters Page is the Reuters Page FRBCMT, the rate for the relevant Interest Determination Date; or
- if the Designated CMT Reuters Page is the Reuters Page FEDCMT, the weekly or monthly average, as specified in the applicable pricing supplement, for the week that ends immediately before the week in which the relevant Interest Determination Date falls, or for the month that ends immediately before the month in which the relevant Interest Determination Date falls, as applicable.

If the CMT Rate cannot be determined in this manner, the following procedures will apply.

- If the applicable rate described above is not displayed on the relevant Designated CMT Reuters Page by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), then the CMT Rate will be the applicable treasury constant maturity rate described above — i.e., for the designated CMT Index Maturity and for either the relevant Interest Determination Date or the weekly or monthly average, as applicable — as published in H.15(519) under the heading “Treasury Constant Maturities”.
- If the applicable rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CMT Rate will be the Treasury constant maturity rate, or other US Treasury Rate, for the designated CMT Index Maturity and with reference to the relevant Interest Determination Date, that:
  - is published by the Board of Governors of the Federal Reserve System, or the US Department of the Treasury, and
  - is determined by the Calculation Agent to be comparable to the applicable rate formerly displayed on the Designated CMT Reuters Page and published in H.15(519).

- If the rate described in the prior paragraph does not appear by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), then the CMT Rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for the most recently issued Treasury Notes (as defined below) having an original maturity of approximately the designated CMT Index Maturity and a remaining term to maturity of not less than the designated CMT Index Maturity minus one year, and in a representative amount: the offered rates, as of approximately 3:30 P.M., New York City time, on the relevant Interest Determination Date, of three primary US government securities dealers in New York City selected by the Calculation Agent. In selecting these offered rates, the Calculation Agent will request quotations from five of these primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. “Treasury Notes” are direct, non-callable, fixed rate obligations of the US government.
- If the Calculation Agent is unable to obtain three quotations of the kind described in the prior paragraph, the CMT Rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for Treasury Notes with an original maturity longer than the designated CMT Index Maturity, with a remaining term to maturity closest to the designated CMT Index Maturity and in a representative amount: the offered rates, as of approximately 3:30 P.M., New York City time, on the relevant Interest Determination Date, of three primary US government securities dealers in New York City selected by the Calculation Agent. In selecting these offered rates, the Calculation Agent will request quotations from five of these primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. If two Treasury Notes with an original maturity longer than the designated CMT Index Maturity have remaining terms to maturity that are equally close to the designated CMT Index Maturity, the Calculation Agent will obtain quotations for the Treasury Note with the shorter remaining term to maturity.
- If fewer than five but more than two of these primary dealers are quoting as described in each of the prior two paragraphs, then the CMT Rate for the relevant Interest Determination Date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.
- If two or fewer primary dealers selected by the Calculation Agent are quoting as described in the prior paragraph, the CMT Rate in effect for the new interest period will be the CMT Rate in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### ***CD Rate Notes***

If you purchase a CD Rate Note, your Note will bear interest at a Base Rate equal to the CD Rate as adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

The CD Rate will be the rate, for the relevant Interest Determination Date, for negotiable US dollar certificates of deposit having the Index Maturity specified in the applicable pricing supplement, as published in H.15(519) under the heading “CDs (Secondary Market)”. If the CD Rate cannot be determined in this manner, the following procedures will apply.

- If the rate described above does not appear in H.15(519) by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), then the CD Rate will be the rate, for the relevant Interest Determination Date, described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “CDs (Secondary Market)”.
- If the rate described in the prior paragraph does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation

date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the CD Rate will be the arithmetic mean of the following secondary market offered rates for negotiable US dollar certificates of deposit of major US money center banks with a remaining maturity closest to the specified Index Maturity, and in a representative amount: the rates offered as of 10:00 A.M., New York City time, on the relevant Interest Determination Date, by three leading non-bank dealers in negotiable US dollar certificates of deposit in New York City, as selected by the Calculation Agent.

- If fewer than three dealers selected by the Calculation Agent are quoting as described in the prior paragraph, the CD Rate in effect for the new interest period will be the CD Rate in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### ***Federal Funds Rate Notes***

If you purchase a Federal Funds Rate Note, your Note will bear interest at a Base Rate equal to the Federal Funds Rate and adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

The Federal Funds Rate will be the rate for US dollar federal funds for the relevant Interest Determination Date, as published in H.15(519) opposite the caption “Federal funds (effective)”, as that rate is displayed on Reuters Page FEDFUNDS1 under the heading “EFFECT.” If the Federal Funds Rate cannot be determined in this manner, the following procedures will apply.

- If the rate described above is not displayed on Reuters Page FEDFUNDS1 by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from that source at that time), then the Federal Funds Rate, for the relevant Interest Determination Date, will be the rate described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “Federal funds (effective)”.
- If the rate described in the prior paragraph is not displayed on Reuters Page FEDFUNDS1 and does not appear in H.15(519), H.15 daily update or another recognized electronic source by 3:00 P.M., New York City time, on the relevant interest calculation date (unless the calculation is made earlier and the rate is available from one of those sources at that time), the Federal Funds Rate will be the arithmetic mean of the rates for the last transaction in overnight, US dollar federal funds arranged, before 9:00 A.M., New York City time, on the relevant Interest Determination Date, by three leading brokers of US dollar federal funds transactions in New York City selected by the Calculation Agent.
- If fewer than three brokers selected by the Calculation Agent are quoting as described in the prior paragraph, the Federal Funds Rate in effect for the new interest period will be the Federal Funds Rate in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### ***Eleventh District Cost of Funds Rate Notes***

If you purchase an Eleventh District Cost of Funds Rate Note, your Note will bear interest at a Base Rate equal to the Eleventh District Cost of Funds Rate as adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement.

The Eleventh District Cost of Funds Rate will be the rate equal to the monthly weighted average cost of funds for the calendar month immediately before the month in which the relevant Interest Determination Date falls, as that rate appears on Reuters page COFI/ARMS under the heading “11th Dist COFI” as of 11:00 A.M., San Francisco time, on that date. If the Eleventh District Cost of Funds Rate cannot be determined in this manner, the following procedures will apply.

- If the rate described above does not appear on Reuters Page COFI/ARMS on the relevant Interest Determination Date, then the Eleventh District Cost of Funds Rate for that date will be the monthly weighted average cost of funds paid by institutions that are members of the Eleventh Federal Home Loan Bank District for the calendar month immediately before the month in which the relevant Interest Determination Date falls, as most recently announced by the FHLB of San Francisco as that cost of funds.
- If the FHLB of San Francisco fails to announce the cost of funds described in the prior paragraph on or before the relevant Interest Determination Date, the Eleventh District Cost of Funds Rate in effect for the new interest period will be the Eleventh District Cost of Funds Rate in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### ***Australian Bank Bill Swap Rate Notes***

If you purchase an Australian Bank Bill Swap Rate Note, your Note will bear interest at a Base Rate equal to the Australian BBSW Rate as adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement and having an Index Maturity specified in the applicable pricing supplement.

The Australian Bank Bill Swap Rate will be determined by the Calculation Agent on the relevant Interest Determination Date by taking the rates quoted on the Reuters Page BBSW at approximately 10:00 A.M., Sydney time, on the relevant Interest Determination Date. If the Australian Bank Bill Swap Rate cannot be determined in this manner, the following procedures will apply.

- If the rate does not appear on the Reuters Page BBSW, at approximately 10:00 A.M., Sydney time, on the relevant Interest Determination Date, then the Australian Bank Bill Swap Rate, for that Interest Determination Date, will be determined by the Calculation Agent by taking the mean buying and selling rates for a bill (which for the purpose of this definition means a bill of exchange of the type specified for the purpose of quoting on the Reuters Page BBSW) having a tenor of the Index Maturity specified in the applicable pricing supplement, quoted at approximately 10:00 A.M., Sydney time, on the Interest Determination Date by five major financial institutions in the Australian market authorized to quote on the Reuters Page BBSW selected by the Calculation Agent on application by the Calculation Agent, eliminating the highest and the lowest mean rates and taking the arithmetic mean of the remaining mean rates and then, if necessary, rounding the resulting figure upwards to four decimal places. The five major financial institutions in the Australian market to be used by the Calculation Agent shall initially be Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited, Westpac Banking Corporation and Macquarie Bank Limited, however the Calculation Agent may choose any other major financial institutions in the Australian market authorized to quote on the BBSW.
- If the financial institutions selected by the Calculation Agent are not quoting as described above, the Australian Bank Bill Swap Rate in effect for the new interest period will be the Australian Bank Bill Swap Rate in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

### ***Special Rate Calculation Terms***

In this subsection entitled “— Interest Rates”, we use several terms that have special meanings relevant to calculating floating interest rates. We describe these terms as follows:

The term “**bond equivalent yield**” means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{bond equivalent yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where:

- “D” means the annual rate for treasury bills quoted on a bank discount basis and expressed as a decimal;
- “N” means 365 or 366, as the case may be; and
- “M” means the actual number of days in the applicable interest reset period.

The term “*business day*” means, for any Note, unless otherwise specified in the applicable pricing supplement, a day that meets all the following applicable requirements:

- for all Notes, is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in The City of New York, or Sydney, Australia generally are authorized or obligated by law, regulation or executive order to close;
- if the Note is a LIBOR Note, is also a London business day;
- if the Note has a Specified Currency other than US dollars or euros, is also a day on which banking institutions are not authorized or obligated by law, regulation or executive order to close in the principal financial center of the country issuing the Specified Currency;
- if the Note is a EURIBOR Note or has a Specified Currency of euros, or is a LIBOR Note for which the Index Currency is euros, is also a euro business day; and
- solely with respect to any payment or other action to be made or taken at any place of payment designated by us outside The City of New York, is a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in such place of payment generally are authorized or obligated by law, regulation or executive order to close.

The term “*designated CMT Index Maturity*” means the Index Maturity for a CMT Rate Note and will be the original period to maturity of a US Treasury security specified in the applicable pricing supplement. If no such original maturity period is so specified, the designated CMT Index Maturity will be 2 years.

The term “*Designated CMT Reuters Page*” means the Reuters Page specified in the applicable pricing supplement that displays treasury constant maturities as reported in H.15(519). If no Reuters Page is so specified, then the applicable page will be Reuters Page FEDCMT. If Reuters Page FEDCMT applies but the applicable pricing supplement does not specify whether the weekly or monthly average applies, the weekly average will apply.

The term “*Designated LIBOR Page*” means the display on the Reuters 3000 Xtra Service, or any successor service, on the “LIBOR01” page or “LIBOR02” page, as specified in the applicable pricing supplement, or any replacement page or pages on which London interbank rates of major banks for the relevant index currency are displayed.

The term “*euro business day*” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.

The term “*euro-zone*” means, at any time, the region comprised of the member states of the European Economic and Monetary Union that, as of that time, have adopted a single currency in accordance with the Treaty on European Union of February 1992.

“*FHLB of San Francisco*” means the Federal Home Loan Bank of San Francisco.

“**H.15(519)**” means “Statistical Release H.15(519), Selected Interest Rates,” or any successor publication as published weekly by the Board of Governors of the Federal Reserve System.

“**H.15 daily update**” means the daily update of H.15(519), available through the world wide web site of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

The term “**index currency**” means, with respect to a LIBOR Note, the currency specified as such in the applicable pricing supplement. The index currency may be US dollars or any other currency, and will be US dollars unless another currency is specified in the applicable pricing supplement.

The term “**Index Maturity**” means, with respect to a Floating Rate Note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable pricing supplement.

“**London business day**” means any day on which dealings in the relevant index currency are transacted in the London interbank market.

The term “**Money Market Yield**” means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{money market yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

- “D” means the annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal;
- “N” means 365 or 366, as the case may be; and
- “M” means the actual number of days in the relevant interest reset period.

The term “**principal financial center**” means (i) the capital city of the country issuing the Specified Currency in the applicable Note (which in the case of those countries whose currencies were replaced by the euro, will be Brussels, Belgium) or (ii) the capital city of the country to which the Index Currency, if applicable, relates, except, in each case with respect to United States dollars, Australian dollars, Canadian dollars, New Zealand dollars, Swiss francs, Japanese Yen, euros and Pounds Sterling the principal financial center will be The City of New York, Sydney, Toronto, Auckland, Zurich, Tokyo, Frankfurt and London, respectively.

The term “**representative amount**” means an amount that, in the Calculation Agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

“**Reuters Page**” means the display on the Reuters 3000 Xtra Service, or any successor service, on the page or pages specified in this offering memorandum or the applicable pricing supplement, or any replacement page or pages on that service.

“**Reuters Page BBSW**” means the display on the Reuters Page designated as “BBSW”.

“**Reuters Page COFI/ARMS**” means the display on the Reuters Page designated as “COFI/ARMS”.

“**Reuters Page EURIBOR01**” means the display on the Reuters Page designated as “EURIBOR”.

“**Reuters Page FEDFUNDS1**” means the display on the Reuters Page designated as “FEDFUNDS1”.

“**Reuters Page FEDCMT**” means the display on the Reuters Page designated as “FEDCMT”.

**“Reuters Page FRBCMT”** means the display on the Reuters Page designated as “FRBCMT”.

**“Reuters Page USAUCTION 10”** means the display on the Reuters Page designated as “US AUCTION 10”.

**“Reuters Page USAUCTION 11”** means the display on the Reuters Page designated as “US AUCTION 11”.

**“Reuters Page USPRIME1”** means the display on the Reuters Page designated as “USPRIME1”.

If, when we use the terms Designated CMT Reuters Page, Designated LIBOR Page, H.15(519), H.15 daily update, Reuters Page FEDFUNDS1, Reuters Page USAUCTION 10, Reuters Page USAUCTION 11, Reuters Page COFI/ARMS or Reuters Page BBSW we refer to a particular heading or headings on any of those pages, those references include any successor or replacement heading or headings as determined by the Calculation Agent.

### ***Payment of Additional Amounts***

We will pay all amounts that we are required to pay on the Notes without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of Australia or any political subdivision or taxing authority thereof or therein except withholding or deduction for, or on account of, any taxes, duties, assessments or other governmental charges required by Australia or any such subdivision or taxing authority thereof or required pursuant to an agreement described in section 1471(b) of the Code. If that were to occur, we will pay additional amounts of, or in respect of, the principal of, and any premium and interest on, the affected Notes (“additional amounts”) that are necessary so that the net amounts paid to the holders of those Notes, after deduction or withholding, will equal the amounts of principal and any premium and interest that we would have had to pay on those Notes if the deduction or withholding had not been required, except that no additional amounts are payable in relation to any payment in respect of the Notes:

(a) to, or to a third party on behalf of, a holder of the Notes who is liable for such taxes in respect of such Notes by reason of his having some connection with Australia other than the mere holding of such Note or receipt of principal or interest in respect thereof or could have lawfully avoided (but not so avoided) such liability by providing (or procuring that any third party provides) the holder of the Notes a Tax file Number (“TFN”) and/or Australian Business Number (“ABN”) or evidence that the holder of the Notes is not required to provide a TFN and/or ABN to us; or

(b) to, or to a third party on behalf of, a holder of the Notes who could lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Notes are presented for payment or did not comply with a request:

- (i) to provide information concerning his or her nationality, residence or identity; or
- (ii) to make a declaration or other similar claim or satisfy any requirement for information or reporting,

which, in the case of points (i) and or (ii), is required or imposed by a statute, treaty, regulation or administrative practice of Australia or any political subdivision or taxing authority of or in Australia as a condition of an exemption from all or part of the withholding, deduction, tax, assessment or other governmental charge; or

(c) presented for payment more than 30 days after the date payment became due on that Note or was provided for, whichever is later, except to the extent that a holder of Notes would have been entitled to the additional amounts on presenting the Note for payment on any day during that 30 day period; or

(d) to, or to a third party on behalf of, a holder of the Notes who is liable for the taxes in respect of the Notes by reason of the holder of the Note being an associate of Suncorp for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (as amended) (“Australian Tax Act”); or

(e) presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(f) presented for payment by or on behalf of a holder of the Notes who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Fiscal Agent in a Member State of the European Union; or

(g) where any withholding or deduction is imposed or withheld as a consequence of a determination having been made under Part IVA of the Australian Tax Act (or any modification thereof or provision substituted therefore) by the Commissioner of Taxation of the Commonwealth of Australia that withholding tax is payable in respect of a payment; or

(h) any withholding or deduction that is imposed by reason of the failure of a person entitled to such payment to perfect an exemption from any withholding or deduction (including, for the avoidance of doubt, as a result of any payment being made through an intermediary that is subject to withholding or deduction) imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof; or

(i) for any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge or any withholding or deduction on account of such taxes; or

(j) in respect of any tax, assessment or other governmental charge which is payable otherwise than by withholding or deduction from payments of, or in respect of, principal of, or any premium or interest on Notes; or

(k) in such other circumstances as may be specified in the applicable pricing supplement and/or the Note; or

(l) in respect of any combination of the foregoing.

Additional amounts will also not be paid on any payment of the principal of, or any premium or interest on, any Note to any holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would, under the laws of Australia or any political subdivision or taxing authority of Australia, be treated as being derived or received for tax purposes by a beneficiary or settlor of that fiduciary or a member of that partnership or a beneficial owner who would not have been entitled to those additional amounts had it been the actual holder of the affected Note. Whenever we refer in this offering memorandum or any applicable pricing supplement, in any context, to the payment of the principal of, or any premium or interest on, any Note or the net proceeds received on the sale or exchange of any Note, we mean to include the payment of additional amounts to the extent that, in that context, additional amounts are, were or would be payable.

### **Redemption of Notes under certain circumstances**

Unless the applicable pricing supplement provides otherwise, if the Notes provide for redemption at our election, we will have the option to redeem those Notes upon not less than 30 nor more than 60 days’ notice. If we choose to redeem the Notes of a tranche in part, the Fiscal Agent will select the Notes that will be redeemed pro rata, by lot or by such method as it determines to be fair and appropriate. We will mail the notice of redemption to the holders of Notes of such tranche to their last addresses appearing on the register of the Notes of such tranche.

## **Redemption for taxation reasons**

If:

- there is a change in or any amendment to the laws or regulations of Australia, or of any political subdivision or taxing authority of or in Australia, that affects taxation; or
- there is a change in any application or interpretation of those laws or regulations either generally or in relation to any particular Notes,

which change becomes effective on or after the later of the date we originally issued the affected Notes and the most recent date, if any, on which we have merged, consolidated or dispensed of substantially all of our assets and such change causes us to become obligated to pay any additional amounts, as described under the section entitled “—Payment of Additional Amounts”, then we may, at our option, redeem all (but not less than all) of the affected Notes.

Before we can redeem the affected Notes, we must:

- give the holders of those Notes at least 30 days written notice and not more than 60 days’ written notice of our intention to redeem those Notes (and, in the case of (i) above, at the time that notice is given, the obligation to pay those additional amounts must remain in effect); and
- in case of (i) above, deliver to the holders of those Notes a legal opinion of our counsel confirming that the conditions that must be satisfied for redemption have occurred.

The redemption price for redeeming the affected Notes will be equal to 100% of the principal amount of those Notes plus accrued but unpaid interest to the date of redemption. However, if any Notes that will be redeemed are outstanding Original Issue Discount Notes, those Notes can be redeemed at the redemption price calculated in accordance with the terms thereof, which will be described in the applicable pricing supplement.

In the case of (i) above, if within 60 days of any tax event causing us to become liable to pay any additional amounts on the Notes, we can eliminate the risk that we will have to pay those additional amounts by filing a form, making an election or taking some similar reasonable measure that in our sole judgment will not be adverse to us and will involve no material cost to us, we will pursue that measure instead of redeeming the Notes.

## **Mergers and Similar Transactions**

We are generally permitted to consolidate or merge with another company or firm. We are also permitted to sell substantially all of our assets to another firm, or to buy substantially all of the assets of another company or firm. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell substantially all of our assets, except as otherwise indicated below, the other company or firm must be an entity organized as a corporation, trust or partnership, it must expressly assume the due and punctual payment of the principal of (and premium if any, on) and interest, if any, on the Notes and the performance of every covenant included in the Notes.
- We deliver to the holders of the Notes an officer’s certificate and opinion of counsel, each stating that the consolidation, merger, sale, lease or purchase of assets complies with the terms of the Notes.
- The merger, sale of assets or other transaction must not cause a default on the Notes, and we must not already be in default under the Notes, unless the merger or other transaction would cure the default.
- If such company or firm is not organized and validly existing under the laws of Australia, it must expressly agree:

- to indemnify the holder of the Notes against any tax, assessment or governmental charge required to be withheld or deducted from any payment to such holder as a consequence of such merger, sale of assets or other transaction; and
- that all payments pursuant to the Notes must be made without withholding or deduction for or on account of any tax of whatever nature imposed or levied on behalf of the jurisdiction of organization of such company or firm, or any political subdivision or taxing authority thereof or therein, unless such tax is required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such company or firm will pay such additional amounts in order that the net amounts received by the holders of the Notes after such withholding or deduction will equal the amount which would have been received in respect of the Notes in the absence of such withholding or deduction, subject to the same exceptions as would apply with respect to the payment by Suncorp of additional amounts in respect of the Notes (substituting the jurisdiction of organization of such company or firm for Australia).

### **Defeasance of the Notes**

Unless we indicate otherwise in the applicable pricing supplement, the provisions for full defeasance and covenant defeasance described below apply to the Notes. In general, we expect these provisions to apply to each Note that has a Specified Currency of US dollars and is not a Floating Rate or Indexed Note.

#### ***Full defeasance***

If there is a change in US federal tax law or a US Internal Revenue Service (“IRS”) ruling, as described below, we can legally release ourselves from any payment or other obligations on the Notes (called “full defeasance”) if we put in place the following other arrangements for the holders of Notes to be repaid:

- We must deposit in trust for the benefit of all direct holders of the Notes a combination of money and US government or US government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates. There must be a change in current US federal tax law or an IRS ruling that lets us make the above deposit without causing the holders of Notes to be taxed on the Notes any differently than if we did not make the deposit and just repaid the Notes ourselves. Under current US federal tax law, the deposit and our legal release from the Notes would be treated as though we took back Notes and gave the holders of Notes their share of the cash and notes or bonds deposited in trust. In that event, the holders of Notes could recognize gain or loss on the Notes they give back to us.
- We must deliver to the defeasance trustee, who may be the Fiscal Agent, a legal opinion of counsel confirming the tax law change described above. If we ever did accomplish full defeasance, as described above, the holders of Notes would have to rely solely on the trust deposit for repayment on the Notes. The holders of Notes could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent or involved in a winding-up.

#### ***Covenant defeasance***

Under current US federal tax law, we can make the deposit described below and be released from some of the restrictive covenants in the Notes without it being considered as a taxable event for the holders. This we call “covenant defeasance”. In that event, the holders of Notes would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay the Notes. Unless we indicate otherwise in the applicable pricing supplement, in order to achieve covenant defeasance, the following conditions must be satisfied:

- We must deposit in trust as collateral for the benefit of all direct holders of the Notes a combination of money and US government or US government agency notes or bonds that will generate enough cash,

in the written opinion of a nationally recognized firm of independent public accountants, to make interest, principal and any other payments on the Notes on their various due dates.

- We must deliver to the defeasance trustee, who may be the Fiscal Agent, a legal opinion of counsel confirming that under current US federal income tax law we may make the above deposit without causing the holders of Notes to be taxed on the Notes any differently than if we did not make the deposit and just repaid the Notes ourselves.
- No Event of Default or event which with notice or lapse of time or both would become an Event of Default will have occurred and be continuing on the date the deposit in trust described above is made.
- The covenant defeasance must not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which we are a party or by which we are bound.
- The covenant defeasance must not result in the trust described above constituting an investment company as defined in the Investment Company Act of 1940, as amended, or the trust must be qualified under that Act or exempt from regulation thereunder.
- We must deliver to the defeasance trustee a certificate to the effect that the Notes, if then listed on any securities exchange, will not be delisted as a result of the deposit in trust described above.
- We must deliver to the Fiscal Agent and the defeasance trustee a certificate and an opinion of counsel, each stating that all the conditions described above have been satisfied.
- If we accomplish covenant defeasance, the following provisions of the Notes would no longer apply:
  - Any covenants applicable to the series of Notes and described in this offering memorandum other than our obligations to make payments on the Notes in accordance with their respective terms.
  - The condition regarding the treatment of preferential interests in our property when we merge or engage in similar transactions, described under the subsection entitled “— Mergers and Similar Transactions”.
  - The Events of Default relating to breach of covenants and acceleration of the maturity of other debt, described under the subsection entitled “— Default, remedies and waiver of default — Events of Default”.

If we accomplish covenant defeasance, the holders of Notes may still look to us for repayment of the Notes if there were a shortfall in the trust deposit. In fact, if one of the Events of Default occurred (such as our bankruptcy) and the Notes become immediately due and payable, there may be such a shortfall. Depending on the event causing the Event of Default, we may not have sufficient resources to pay the shortfall.

#### **Default, remedies and waiver of default**

##### ***Events of Default***

You will have special rights if an Event of Default occurs and is not cured, as described later in this subsection.

Unless otherwise specified in a supplement to this offering memorandum, including an applicable pricing supplement, the term “Event of Default” under the Notes means any of the following:

- (a) if Suncorp fails to pay any principal in respect of the Notes within three business days of the relevant due date or any interest in respect of the Notes within ten days of the relevant due date;

(b) if Suncorp defaults in performance or observance of or compliance with any of its other obligations set out in the Notes where the failure is incapable of remedy or which, being a default capable of remedy the failure continues for a period of 21 days following the service by a holder of such Notes on Suncorp of notice requiring such default to be remedied;

(c) it is or will become unlawful for Suncorp to perform or comply with any one or more of its obligations under the Notes or the Fiscal Agency Agreement;

(d) Suncorp:

(i) becomes insolvent, is unable to pay its debts as they fall due or fails to comply with a statutory demand (which is still in effect) under Section 459F of the Australian Corporations Act;

(ii) stops or suspends or threatens to stop or suspend payment of all or a material part of its debts, or appoints an administrator under Section 436A of the Australian Corporations Act;

(iii) begins negotiations or takes any proceeding or other steps with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due);

(iv) proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or

(v) becomes subject to a moratorium agreed or declared in respect of or affecting indebtedness of Suncorp,

except in any case referred to in sub-paragraphs (iii), (iv) and (v) above for the purposes of a solvent reconstruction or amalgamation, the terms of which have previously been approved by the vote or consent of the Noteholders pursuant to the Fiscal Agency Agreement;

(e) an order is made or an effective resolution is passed for the winding-up of Suncorp, except in any such case for the purposes of a solvent reconstruction or amalgamation, the terms of which have previously been approved by the vote or consent of the Noteholders pursuant to the Fiscal Agency Agreement or an administrator is appointed to Suncorp by a provisional liquidator of Suncorp under Section 436B of the Australian Corporations Act;

(f) a distress, attachment, execution or other legal process is levied, enforced upon or sued out against or on Suncorp or against the assets of Suncorp in respect of any amount otherwise equaling or exceeding the value of the whole or a substantial part of the assets of Suncorp and is not stayed, satisfied or discharged within 30 days or otherwise contested in *bona fide* proceedings;

(g) an encumbrancer takes possession of, or a receiver is appointed over, the whole or a substantial part of the undertaking, property, assets or revenues of Suncorp (other than in respect of monies borrowed or raised on a non-recourse basis) and that event is continuing for 30 days; or

(h) any event occurs which, under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events mentioned in this subsection.

Notwithstanding the above, no Event of Default (other than paragraph (e) above) in respect of the Notes shall occur solely on account of any one or more of the following occurring:

(1) any failure by Suncorp to perform or observe any of its obligations in relation to;

(2) the stopping or suspension, or threat of stopping or suspension, of payment in respect of, or the commencement of negotiations or taking of any proceeding or step for the re-adjustment, rescheduling or deferral of indebtedness in respect of;

- (3) the proposal or making of a general assignment or any arrangement or composition with or for the benefit of creditors solely in respect of;
- (4) the agreement or declaration of any moratorium in respect of;
- (5) the taking of any proceeding in respect of; or
- (6) any event occurs which under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events mentioned in sub-paragraphs (1) to (5) above, in respect of,

any one or more shares, notes or other securities or instruments constituting Tier 1 Capital or Tier 2 Capital (as each such term is defined by APRA from time to time) of Suncorp.

### ***Remedies***

If an Event of Default (other than an Event of Default specified in subparagraphs (d) and (e) under “— Events of Default” above) has occurred and has not been cured, holders of 25% in principal amount of the Notes of the affected series may declare the entire principal amount of all the Notes of that series to be due and immediately payable. This is called “declaration of acceleration of maturity”. A declaration of acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the Notes of the affected series. Upon the occurrence of an Event of Default specified in subparagraphs (d) or (e) under “— Events of Default” above, the principal, premium, if any, and all unpaid interest on the Notes will automatically become due and payable.

Indirect holders should consult their banks or brokers for information on how to give notice or to make or cancel a declaration of acceleration.

We will furnish to the holders of Notes every year a written statement of certain of our officers certifying that to their knowledge we are in compliance with the Notes, or specifying any known default.

Under the Australian Banking Act, for the purpose of protecting depositors and maintaining the stability of the Australian financial system, APRA has administrative power, among other things, to issue a direction to us regarding the conduct of our business, including prohibiting making payments with respect to our debt obligations (including the Notes), and, if we become unable to meet our obligations or suspend payment (and in certain other limited circumstances), to appoint an “ADI statutory manager” to take control of our business.

The Australian Banking Act provides that any other party to a contract to which we are a party (which would include a holder of the Notes) may not, among other things, accelerate any debt under that contract on the grounds that we are subject to a direction by APRA under the Australian Banking Act that results in an event of default with respect to the Notes or an “ADI statutory manager” is in control of our business, which could prevent holders of the Notes from accelerating repayment of the Notes or obtaining or enforcing a judgment for repayment of the Notes following acceleration. However, in the event of a Winding-Up, the holders of the Notes would be entitled to accelerate repayment of the Notes (and exercise any other available remedy).

### **Modification of the Fiscal Agency Agreement and Waiver of Covenants**

There are three types of changes we can make to the Fiscal Agency Agreement and the Notes and these changes might subject the holders to US federal tax.

#### ***Changes requiring each holder’s approval***

First, there are changes that cannot be made without the written consent or the affirmative vote or approval of each holder affected by the change. Here is a list of those types of changes:

- change the due date for the payment of principal of, or premium, if any, or any installment of interest on any Note;

- reduce the principal amount of any Note, the portion of any principal amount that is payable upon acceleration of the maturity of the Note, the interest rate or any premium payable upon redemption;
- change the currency of any payment on a Note;
- change our obligation to pay additional amounts;
- shorten the period during which redemption of the Notes is not permitted or permit redemption during a period not previously permitted;
- change the place of payment on a Note;
- reduce the percentage of principal amount of the Notes outstanding necessary to modify, amend or supplement the Fiscal Agency Agreement or the Notes or to waive past defaults or future compliance;
- reduce the percentage of principal amount of the Notes outstanding required to adopt a resolution or the required quorum at any meeting of holders of Notes at which a resolution is adopted; or
- change any provision in a Note with respect to redemption at the holders' option in any manner adverse to the interests of any holder of the Notes.

#### ***Changes not requiring approval***

The second type of change does not require any approval by holders of the Notes. These changes are limited to curing any ambiguity or curing, correcting or supplementing any defective provision, or modifying the Fiscal Agency Agreement or the Notes in any manner determined by us and the Fiscal Agent to be consistent with the Notes and not adverse to the interest of holders of Notes.

#### ***Changes requiring majority approval***

Any other change to the Fiscal Agency Agreement and the Notes would require the following approval:

- The written consent of the holders of at least 50% of the aggregate principal amount of the Notes of each series effected at the time outstanding (or such other percentage as may be set out in the relevant Notes); or
- The adoption of a resolution at a meeting at which a quorum of holders is present by 50% of the aggregate principal amount of the Notes of each series effected at the time outstanding represented at the meeting (or such other percentage as may be set out in the relevant Notes).

The same 50% approval would be required for us to obtain a waiver of any of our covenants in the Fiscal Agency Agreement. Our covenants include the promises we make about merging, which we describe above under “— Mergers and Similar Transactions”. If the holders approve a waiver of a covenant, we will not have to comply with that covenant.

The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the Notes at the time outstanding and, at any reconvened meeting adjourned for lack of a quorum, 25% of the aggregate principal amount of the Notes outstanding. The Fiscal Agent may make such reasonable and customary regulations as it shall deem advisable for any meeting of holders of Notes with respect to the appointment of proxies in respect of holders of Notes, the record date for determining the registered owners of registered Notes who are entitled to vote at such meeting (which date shall be set forth in the notice calling such meeting hereinabove referred to and which shall be not less than 30 nor more than 60 days prior to such meeting), the adjournment and chairmanship of such meeting, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate.

Unless otherwise indicated in the applicable pricing supplement, we will be entitled to set any day as a record date for determining which holders of book-entry Notes are entitled to make, take or give requests, demands, authorizations, directions, notices, consents, waivers or other action, or to vote on actions, authorized or permitted by the Fiscal Agency Agreement. In addition, record dates for any book-entry Note may be set in accordance with procedures established by the Depository from time to time. Therefore, record dates for book-entry Notes may differ from those for other Notes. Book-entry and other indirect owners should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Fiscal Agency Agreement or any Notes or request a waiver.

### **Special rules for action by holders**

When holders take any action under the Fiscal Agency Agreement, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the Fiscal Agent an instruction, we will apply the following rules.

#### ***Only outstanding Notes are eligible to vote***

When holders take any action under the Fiscal Agency Agreement, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the Fiscal Agent an instruction, only holders of outstanding Notes will be eligible to participate in any action by holders of Notes. Also, we will count only outstanding Notes in determining whether the various percentage requirements for taking action have been met. For these purposes, a Note will not be “outstanding”:

- if it has been surrendered for cancellation;
- if we have deposited or set aside, in trust for its holder, money for its payment or redemption;
- if we have fully defeased it as described above under “— Defeasance of the Notes — Full Defeasance”; or
- if we are the direct or indirect owner of it.

#### ***Eligible principal amount of some Notes***

In some situations, we may follow special rules in calculating the principal amount of a Note that is to be treated as outstanding for the purposes described above. This may happen, for example, if the principal amount is payable in a non-US dollar currency, increases over time or is not to be fixed until the maturity date.

For any Note of the kind described below, we will decide how much principal amount to attribute to the Note as follows:

- for an Original Issue Discount Note, we will use the principal amount that would be due and payable on the action date if the maturity of the Note were accelerated to that date because of a default;
- for a Note whose principal amount is not known, we will use any amount that we indicate in the pricing supplement for that Note. The principal amount of a Note may not be known, for example, because it is based on an index that changes from time to time and the principal amount is not to be determined until a later date; or
- for Notes with a principal amount denominated in one or more non-US dollar currencies or currency units, we will use the US dollar equivalent, which we will determine.

## **Form, exchange and transfer of Notes**

If any Notes cease to be issued in registered global form, they will be issued:

- only in fully registered form;
- without interest coupons; and
- unless we indicate otherwise in the applicable pricing supplement, in denominations of US\$2,000 or greater.

Holders may exchange their Notes for Notes of smaller denominations or combine them into fewer Notes of larger denominations, as long as the total principal amount is not changed. You may not exchange your Notes for Notes of a different series or having different terms, unless the applicable pricing supplement says you may.

Holders may exchange or transfer their Notes at the office of the Fiscal Agent. They may also replace lost, stolen, destroyed or mutilated Notes at that office. We have appointed the Fiscal Agent to act as our agent for registering Notes in the names of holders and transferring and replacing Notes. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their Notes, but they may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange, and any replacement, will be made only if our transfer agent is satisfied with the holder's proof of legal ownership. The transfer agent may require an indemnity before replacing any Notes.

If we have designated additional transfer agents for your Note, they will be named in the applicable pricing supplement. We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any Notes are redeemable and we redeem less than all those Notes, we may block the transfer or exchange of those Notes during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing, and refuse to register transfers of or exchange any Note selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any Note being partially redeemed.

If a Note is issued as a Global Note, only the Depositary — e.g., DTC, Euroclear and Clearstream, Luxembourg — will be entitled to transfer and exchange the Note as described in this subsection, since the Depositary will be the sole holder of the Note.

The rules for exchange described above apply to exchange of Notes for other Notes of the same series and kind. If a Note is convertible, exercisable or exchangeable into or for a different kind of security, such as one that we have not issued, or for other property, the rules governing that type of conversion, exercise or exchange will be described in the applicable pricing supplement.

## **Payment mechanics for Notes**

### ***Who receives payment?***

If interest is due on a Note on an interest payment date, we will pay the interest to the person in whose name the Note is registered at the close of business on the Regular Record Date relating to the interest payment date as described below under “— Payment and Record Dates for interest”. If interest is due at the maturity date, we will pay the interest to the person entitled to receive the principal of the Note. If principal or another amount besides interest is due on a Note at the maturity date, we will pay the amount to the holder of the Note against surrender of the Note at a proper place of payment or, in the case of a Global Note, in accordance with the applicable policies of the Depositary, which will be DTC, Euroclear or Clearstream, Luxembourg.

### ***Payment and Record Dates for interest***

Unless otherwise specified in the applicable pricing supplement, interest on any Fixed Rate Note will be payable annually, semiannually or otherwise on the date or dates set forth in the applicable pricing supplement and at the maturity date. The Regular Record Date relating to an interest payment date for any Fixed Rate Note will also be set forth in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, the Regular Record Date relating to an interest payment date for any Floating Rate Note will be the 15th calendar day before that interest payment date. These record dates will apply regardless of whether a particular record date is a “business day”, as defined above. For the purpose of determining the holder at the close of business on a Regular Record Date when business is not being conducted, the close of business will mean 5:00 P.M., New York City time, on that day.

### ***How we will make payments due in US dollars***

We will follow the practice described in this subsection when paying amounts due in US dollars. Payments of amounts due in other currencies will be made as described in the next subsection.

#### *Payments on Global Notes*

We will make payments on a Global Note in accordance with the applicable policies as in effect from time to time of the Depository, which will be DTC, Euroclear or Clearstream, Luxembourg. Under those policies, we will pay directly to the Depository, or its nominee, and not to any indirect owners who own beneficial interests in the Global Note. An indirect owner’s right to receive those payments will be governed by the rules and practices of the Depository and its participants, as described below in the section entitled “Legal Ownership and Book-Entry Issuance — What is a Global Note?” and in any applicable pricing supplement.

#### *Payments on Non-Global Notes*

We will make payments on a Note in non-global, registered form as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the Fiscal Agent’s records as of the close of business on the Regular Record Date. We will make all other payments by check at the office of the Paying Agent described below, against surrender of the Note. All payments by check will be made in next-day funds — i.e., funds that become available on the day after the check is cashed.

Alternatively, if a non-Global Note has a face amount of at least US\$5,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the Note by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the Paying Agent appropriate wire transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the relevant Regular Record Date. In the case of any other payment, payment will be made only after the Note is surrendered to the Paying Agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments on their Notes.

### ***How we will make payments due in other currencies***

We will follow the practice described in this subsection when paying amounts that are due in a Specified Currency other than US dollars.

#### *Payments on Global Notes*

We will make payments on a Global Note in accordance with the applicable policies as in effect from time to time of the depository, which will be DTC, Euroclear or Clearstream, Luxembourg. Unless we specify otherwise

in the applicable pricing supplement, DTC will be the depository for all Notes in global form. We understand that DTC's policies, as currently in effect, are as follows.

Unless otherwise indicated in the applicable pricing supplement, if you are an indirect owner of Global Notes denominated in a Specified Currency other than US dollars and if you have the right to elect to receive payments in that other currency and do so elect, you must notify the participant through which your interest in the Global Note is held of your election:

- on or before the applicable Regular Record Date, in the case of a payment of interest; or
- on or before the 16th day before the stated maturity, or any redemption or repayment date, in the case of payment of principal or any premium.

Your participant must, in turn, notify DTC of your election on or before the 3rd DTC business day after that Regular Record Date, in the case of a payment of interest, and on or before the 12th DTC business day before the stated maturity, or on the redemption or repayment date if your Note is redeemed or repaid earlier, in the case of a payment of principal or any premium. A "DTC business day" is a day on which DTC is open for business.

DTC, in turn, will notify the Paying Agent of your election in accordance with DTC's procedures.

If complete instructions are received by the participant and forwarded by the participant to DTC, and by DTC to the Paying Agent, on or before the dates noted above, the Paying Agent, in accordance with DTC's instructions, will make the payments to you or your participant by wire transfer of immediately available funds to an account maintained by the payee with a bank located in the country issuing the Specified Currency or in another jurisdiction acceptable to us and the Paying Agent.

If the foregoing steps are not properly completed, we expect DTC to inform the Paying Agent that payment is to be made in US dollars. In that case, we or our agent will convert the payment to US dollars in the manner described below under "— Conversion to US Dollars". We expect that we or our agent will then make the payment in US dollars to DTC, and that DTC in turn will pass it along to its participants.

Book-entry and other indirect owners of a Global Note denominated in a currency other than US dollars should consult their banks or brokers for information on how to request payment in the Specified Currency.

#### *Payments on Non-Global Notes*

Except as described in the next to last paragraph under this heading, we will make payments on Notes in non-global form in the applicable Specified Currency. We will make these payments by wire transfer of immediately available funds to any account that is maintained in the applicable Specified Currency at a bank designated by the holder and is acceptable to us and the Fiscal Agent. To designate an account for wire payment, the holder must give the Paying Agent appropriate wire instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the Regular Record Date. In the case of any other payment, the payment will be made only after the Note is surrendered to the Paying Agent. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, we will notify the holder at the address in the Fiscal Agent's records and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the Fiscal Agency Agreement as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

Although a payment on a Note in non-global form may be due in a Specified Currency other than US dollars, we will make the payment in US dollars if the holder asks us to do so. To request US dollar payment, the holder must provide appropriate written notice to the Fiscal Agent at least five business days before the next due date for which payment in US dollars is requested. In the case of any interest payment due on an interest payment

date, the request must be made by the person or entity who is the holder on the Regular Record Date. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Book-entry and other indirect owners of a non-Global Note with a Specified Currency other than US dollars should contact their banks or brokers for information about how to receive payments in the Specified Currency or in US dollars.

#### *Conversion to US Dollars*

When we are asked by a holder to make payments in US dollars of an amount due in another currency, either on a Global Note or a non-Global Note as described above, the exchange rate agent described below will calculate the US dollar amount the holder receives in the exchange rate agent's discretion. A holder that requests payment in US dollars will bear all associated currency exchange costs, which will be deducted from the payment.

#### *When the Specified Currency Is Not Available*

If we are obligated to make any payment in a Specified Currency other than US dollars, and the Specified Currency or any successor currency is not available to us or cannot be paid to you due to circumstances beyond our control — such as the imposition of exchange controls or a disruption in the currency markets — we will be entitled to satisfy our obligation to make the payment in that Specified Currency by making the payment in US dollars, on the basis of the exchange rate determined by the exchange rate agent described below, in its discretion.

The foregoing will apply to any Note, whether in global or non-global form, and to any payment, including a payment at the maturity date. Any payment made under the circumstances and in a manner described above will not result in a default under any Note or the Fiscal Agency Agreement.

#### *Exchange Rate Agent*

If we issue a Note in a Specified Currency other than US dollars, we will appoint a financial institution to act as the exchange rate agent and will name the institution initially appointed when the Note is originally issued in the applicable pricing supplement. We may select ourselves or one of our affiliates to perform this role. We may change the exchange rate agent from time to time after the issue date of the Note without your consent and without notifying you of the change.

All determinations made by the exchange rate agent will be in its sole discretion unless we state in this offering memorandum or the applicable pricing supplement that any determination requires our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and binding on you and us, without any liability on the part of the exchange rate agent.

#### *Paying Agent*

We may appoint one or more financial institutions to act as our paying agents, at whose designated offices Notes in non-global entry form may be surrendered for payment at their maturity. We call each of those financial institutions a "Paying Agent". We may add, replace or terminate Paying Agents from time to time; provided that at all times there will be a Paying Agent in the Borough of Manhattan, The City of New York. We may also choose to act as our own Paying Agent. Initially, we have appointed the Fiscal Agent, at its corporate trust office in New York City, as the Paying Agent. We must notify the Fiscal Agent of changes in the Paying Agents.

#### *Unclaimed payments*

Claims against us for payment in respect of the Notes remaining unclaimed will become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate payment date.

## **Notices**

Notices to be given to holders of a Global Note will be given only to the Depository, in accordance with its applicable policies as in effect from time to time. Notices to be given to holders of Notes not in global form will be sent by mail to the respective addresses of the holders as they appear in the Fiscal Agent's records, and will be deemed given when mailed. Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder. Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive notices.

## **Our relationship with the Fiscal Agent**

The Bank of New York Mellon is acting as the Fiscal Agent for the Notes issued under the Fiscal Agency Agreement. The Bank of New York Mellon has provided services for us and our affiliates in the past and may do so in the future.

## **Successor Fiscal Agent**

The Fiscal Agency Agreement provides that the Fiscal Agent may be removed by us at any time or may resign upon 30 days prior written notice to us or any shorter period that we accept, effective upon the acceptance by a successor Fiscal Agent of its appointment. The Fiscal Agency Agreement provides that any successor Fiscal Agent must have an established place of business in the Borough of Manhattan, The City of New York. We must notify the holders of the Notes of the appointment of a successor Fiscal Agent.

## **Governing law**

The Fiscal Agency Agreement and the Notes will be governed by, and construed in accordance with, the laws of the State of New York without reference to the State of New York principles regarding conflicts of laws, except that all matters governing authorization and execution of the Notes and the Fiscal Agency Agreement by Suncorp will be governed by the laws of the State of Queensland and the Commonwealth of Australia. We have appointed Corporation Service Company, with a current address at 1133 Avenue of the Americas, Suite 3100, New York, NY 10036, as our agent for service of process in The City of New York in connection with any action arising out of the sale of the Notes or enforcement of the terms of the Fiscal Agency Agreement.

## LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE

In this section, we describe special considerations that will apply to the Notes because they will be issued in global — i.e., book-entry — form. First we describe the difference between legal ownership and indirect ownership of Notes. Then we describe special provisions that apply to the Global Notes.

### **Who is the Legal Owner of a Registered Note?**

Each Note in registered form will be represented either by a certificate issued in definitive form to you or by one or more global securities representing the entire issuance of Notes. We refer to those who have Notes registered in their own names, on the books that we or the Fiscal Agent or other agent maintain for this purpose, as the “holders” of those Notes. These persons are the legal holders of the Notes. We refer to those who, indirectly through others, own beneficial interests in Notes that are not registered in their own names as indirect owners of those Notes. As we discuss below, indirect owners are not legal holders, and investors in Notes issued in book-entry form or in street name will be indirect owners.

### **Book-Entry Owners**

We will issue each Note in book-entry form only. This means the Notes will be represented by one or more Global Notes registered in the name of a financial institution that holds them as Depositary on behalf of other financial institutions that participate in the Depositary’s book-entry system. These participating institutions, in turn, will hold beneficial interests in the Notes on behalf of themselves or their customers.

Under the Fiscal Agency Agreement, only the person in whose name a Note is registered is recognized as the holder of that Note. Consequently, so long as the Notes remain in global form, we will recognize only the Depositary as the holder of the Notes and we will make all payments on the Notes, including deliveries of any property other than cash, to the Depositary. The Depositary passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. The Depositary and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the Notes.

As a result, investors will not own Notes directly. Instead, they will own beneficial interests in a Global Note, through a bank, broker or other financial institution that participates in the Depositary’s book-entry system or holds an interest through a participant. As long as the Notes remain in global form, investors will be indirect owners, and not holders, of the Notes.

### **Street Name Owners**

In the future we may terminate a Global Note. In these cases, investors may choose to hold their Notes in their own names or in street name. Notes held by an investor in street name would be registered in the name of a bank, broker or other financial institution that the investor chooses, and the investor would hold only a beneficial interest in those Notes through an account he or she maintains at that institution.

For Notes held in street name, we will recognize only the intermediary banks, brokers and other financial institutions in whose names the Notes are registered as the holders of those Notes and we will make all payments on those Notes, including deliveries of any property other than cash, to them. These institutions pass along the payments they receive to their customers who are the beneficial owners, but only because they agree to do so in their customer agreements or because they are legally required to do so; they are not obligated to do so under the terms of the Notes. Investors who hold Notes in street name will be indirect owners, not holders, of those Notes.

## **Legal Holders**

Our obligations, as well as the obligations of the Fiscal Agent under the Fiscal Agency Agreement and the obligations, if any, of any third parties employed by us or any other agent, run only to the holders of the Notes. We do not have obligations to investors who hold beneficial interests in Global Notes, in street name or by any other indirect means. This will be the case whether an investor chooses to be an indirect owner of a Note or has no choice because we are issuing the Notes only in global form.

For example, once we make a payment or give a notice to the holder, we have no further responsibility for that payment or notice even if that holder is required, under agreements with Depository participants or customers or by law, to pass it along to the indirect owners but does not do so. Similarly, if we want to obtain the approval of the holders for any purpose — e.g., to amend the Fiscal Agency Agreement or to relieve us of the consequences of a default or of our obligation to comply with a particular provision of the Fiscal Agency Agreement — we would seek the approval only from the holders, and not the indirect owners, of the relevant Notes. Whether and how the holders contact the indirect owners is up to the holders.

When we refer to “you” in this offering memorandum, we mean those who invest in the Notes whether they are the holders or only indirect owners of those Notes. When we refer to “your Notes” in this offering memorandum, we mean the Notes in which you will hold a direct or indirect interest.

## **Special Considerations for Indirect Owners**

If you hold Notes through a bank, broker or other financial institution, either in book-entry form or in street name, you should check with your own institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- whether and how you can instruct it to exercise any rights to purchase or sell Notes or to exchange or convert a Note for or into other property;
- how it would handle a request for the holders’ consent, if ever required;
- whether and how you can instruct it to send you Notes registered in your own name so you can be a holder, if that is permitted in the future;
- how it would exercise rights under the Notes if there were a default or other event triggering the need for holders to act to protect their interests; and
- how the Depository’s rules and procedures will affect these matters.

## **What is a Global Note?**

A Global Note may not be transferred to or registered in the name of anyone other than the Depository or its nominee, unless special termination situations arise. We describe those situations below under “— Holder’s Option to obtain a Non-Global Note” and “— Special Situations when a Global Note will be Terminated”. As a result of these arrangements, the Depository, or its nominee, will be the sole registered owner and holder of all Notes represented by a Global Note, and investors will be permitted to own only indirect interests in a Global Note. Indirect interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account with the Depository or with another institution that does.

## Special Considerations for Global Notes

As an indirect owner, an investor's rights relating to a Global Note will be governed by the account rules of the Depository and those of the investor's financial institution or other intermediary through which it holds its interest (e.g., Euroclear or Clearstream, Luxembourg) as well as general laws relating to securities transfers. We do not recognize this type of investor or any intermediary as a holder of Notes and instead deal only with the Depository that holds the Global Note.

If the Notes are issued only in the form of a Global Note, an investor should be aware of the following:

- An investor cannot cause the Notes to be registered in his or her own name, and cannot obtain non-global certificates for his or her interest in the Notes, except in the special situations we describe below;
- An investor will be an indirect holder and must look to his or her own bank or broker for payments on the Notes and protection of his or her legal rights relating to the Notes, as we describe above under “—Who Is the Legal Owner of a Registered Note?”;
- An investor may not be able to sell interests in the Notes to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form;
- An investor may not be able to pledge his or her interest in a Global Note in circumstances where certificates representing the Notes must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;
- The Depository's policies will govern payments, deliveries, transfers, exchanges, notices and other matters relating to an investor's interest in a Global Note, and those policies may change from time to time. We and the Fiscal Agent will have no responsibility for any aspect of the Depository's policies, actions or records of ownership interests in a Global Note. We and the Fiscal Agent also do not supervise the Depository in any way;
- The Depository will require that those who purchase and sell interests in a Global Note within its book-entry system use immediately available funds and your broker or bank may require you to do so as well; and
- Financial institutions that participate in the Depository's book-entry system and through which an investor holds its interest in the Global Notes, directly or indirectly, may also have their own policies affecting payments, deliveries, transfers, exchanges, notices and other matters relating to the securities, and those policies may change from time to time. For example, if you hold an interest in a global security through Euroclear or Clearstream, Luxembourg, when DTC is the Depository, Euroclear or Clearstream, Luxembourg, as applicable, will require those who purchase and sell interests in that Note through them to use immediately available funds and comply with other policies and procedures, including deadlines for giving instructions as to transactions that are to be effected on a particular day. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the policies or actions or records of ownership interests of any of those intermediaries.

## Holder's Option to obtain a Non-Global Note

If we issue any Notes in book-entry form but we choose to give the beneficial owners of those Notes the right to obtain non-Global Notes, any beneficial owner entitled to obtain non-Global Notes may do so by following the applicable procedures of the Depository, any transfer agent or registrar for that series and that owner's bank, broker or other financial institution through which that owner holds its beneficial interest in the Notes. If you are entitled to request a non-global certificate and wish to do so, you will need to allow sufficient lead time to enable us or our agent to prepare the requested certificate.

## **Special Situations when a Global Note will be Terminated**

In addition, in a few special situations described below, a Global Note will be terminated and interests in it will be exchanged for certificates in non-global form representing the Notes it represented. After that exchange, the choice of whether to hold the Notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a Global Note transferred on termination to their own names, so that they will be holders. We have described the rights of holders and street name investors above under “— Who is the Legal Owner of a Registered Note?”.

The special situations for termination of a Global Note are as follows:

- if the Depositary notifies us that it is unwilling, unable or no longer qualified to continue as Depositary for that Global Note;
- if we notify the Fiscal Agent that we wish to terminate that Global Note; or
- an Event of Default has occurred with regard to these Notes that has not been cured or waived and a holder makes a written request for certificates in non-global form.

If a Global Note is terminated, only the Depositary, and not us or the Fiscal Agent, is responsible for deciding the names of the institutions in whose names the Notes represented by the Global Note will be registered and, therefore, who will be the holders of those Notes.

## **DTC**

DTC has advised Suncorp that it is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC participants and to facilitate the clearance and settlement of transactions among its participants in those securities through electronic book-entry changes in accounts of DTC participants, thereby eliminating the need for physical movement of certificates.

DTC participants include certain securities brokers and dealers, banks, trust companies and clearing corporations and may in the future include certain other organizations (“DTC participants”). Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly (“indirect DTC participant”).

Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. Indirect DTC participants are required to effect transfers through a DTC participant. DTC has no knowledge of the actual beneficial owners of the Notes. DTC’s records reflect only the identity of the DTC participants to whose accounts the Notes are credited, which may not be the beneficial owners. DTC participants will remain responsible for keeping account of their holdings on behalf of their customers and for forwarding all notices concerning the Notes to their customers.

So long as DTC, or its nominee, is a registered owner of the Global Notes, payments of principal and interest on the Notes will be made in immediately available funds in accordance with their respective holdings shown on DTC’s records, unless DTC has reason to believe that it will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of the DTC participants and not of DTC, the Fiscal Agent or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of Suncorp or the Fiscal Agent. Disbursement of payments to DTC participants will be DTC’s responsibility, and disbursement of payments to the beneficial owners will be the responsibility of DTC participants and indirect DTC participants.

Because DTC can only act on behalf of DTC participants, who in turn act on behalf of indirect DTC participants, and because owners of beneficial interests in the Notes holding through DTC will hold interests in the Notes through DTC participants or indirect DTC participants, the ability of the owners of beneficial interests to pledge the Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to the Notes, may be limited.

Ownership of interests in the Notes held by DTC will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, the DTC participants and the indirect DTC participants. The laws of some jurisdictions require that certain persons take physical delivery in definitive form of securities which they own. Consequently, the ability to transfer beneficial interests in the Notes held by DTC is limited to that extent.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of DTC participants and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., NYSE Amex Equities and the Financial Institutions Regulatory Authority, Inc. Access to the depository system is also available to others such as both US and non-US securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The rules applicable to DTC’s participants are on file with the Commission. More information about DTC can be found at its Internet Web site at <http://www.dtcc.com>. This website is not intended to be incorporated by reference into this offering memorandum.

### **Clearstream, Luxembourg**

Clearstream, Luxembourg holds securities for its participating organizations (“Clearstream, Luxembourg participants”) and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg participants through electronic book-entry changes in accounts of Clearstream, Luxembourg participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream, Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also interfaces with domestic securities markets in several countries. Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the *Commission de Surveillance du Secteur Financier*, and the *Banque Centrale du Luxembourg* which supervise and oversee the activities of Luxembourg banks. Clearstream, Luxembourg participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the agents. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear as the operator of the Euroclear system (the “Euroclear Operator”) in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear Operator.

Distributions with respect to Notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures, to the extent received by the depository for Clearstream, Luxembourg.

### **Euroclear**

Euroclear holds securities and book-entry interests in securities for participating organizations (“Euroclear participants”) and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the agents. Non-participants in Euroclear may hold and transfer beneficial interests in a Global Note through accounts with a participant in the Euroclear system or any other securities intermediary

that holds a book-entry interest in a Global Note through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions governs transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record or relationship with persons holding through Euroclear participants.

Distributions with respect to Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the depositary for Euroclear.

## CONSIDERATIONS RELATING TO INDEXED NOTES

We use the term “Indexed Notes” to mean Notes whose value is linked to an underlying property or index. Indexed Notes may present a high level of risk, and those who invest in some Indexed Notes may lose their entire investment. In addition, the treatment of Indexed Notes for US federal income tax purposes is often unclear due to the absence of any authority specifically addressing the issues presented by any particular Indexed Note. Thus, if you propose to invest in Indexed Notes, you should independently evaluate the US federal income tax consequences of purchasing an Indexed Note that applies in your particular circumstances. You should also read “Tax Considerations — United States Federal Income Taxation” below for a discussion of US federal income tax matters.

### **Investors in Indexed Notes could lose their investment**

The amount of principal and/or interest payable on an Indexed Note and the cash value or physical settlement value of a physically settled Note will be determined by reference to the price, value or level of one or more securities, currencies, commodities or other properties, any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance, and/or one or more indices or baskets of any of these items. We refer to each of these as an “index”. The direction and magnitude of the change in the price, value or level of the relevant index will determine the amount of principal and/or interest payable on an Indexed Note and the cash value or physical settlement value of a physically settled Note. The terms of a particular Indexed Note may or may not include a guaranteed return of a percentage of the face amount at maturity or a minimum interest rate. An Indexed Note generally will not provide for any guaranteed minimum settlement value. Thus, if you purchase an Indexed Note, you may lose all or a portion of the principal or other amount you invest and may receive no interest on your investment.

### **The issuer of a security or the government that issues the currency that serves as an index could take actions that may adversely affect an Indexed Note**

The issuer of a security that serves as an index or part of an index for an Indexed Note will have no involvement in the offer and sale of the Indexed Note and no obligations to the Holder of the Indexed Note. The issuer may take actions, such as a merger or sale of assets, without regard to the interests of the Holder. Any of these actions could adversely affect the value of an Indexed Note indexed to that security or to an index of which that security is a component.

If the index for an Indexed Note includes a non-US dollar currency or other asset denominated in a non-US dollar currency, the government that issues that currency will also have no involvement in the offer and sale of the Indexed Note and no obligations to the Holder of the Indexed Note. That government may take actions that could adversely affect the value of the Note. See “Considerations Relating to Notes Denominated or Payable in or Linked to a Non-US Dollar Currency — Government policy can adversely affect currency exchange rates and an investment in a non-US dollar Note” below for more information about these kinds of government actions.

### **An Indexed Note may be linked to a volatile index, which could hurt your investment**

Some indices are highly volatile, which means that their value may change significantly, up or down, over a short period of time. As a result, the amount of principal or interest that can be expected to become payable on an Indexed Note may vary substantially from time to time. Because the amounts payable with respect to an Indexed Note are generally calculated based on the value or level of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on the Indexed Note may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of an Indexed Note.

## **Changes in the value of the index property of indexed notes could result in a substantial loss to you**

An investment in Indexed Notes may entail significant risks not associated with investments in a conventional debt security, and the terms of particular notes may result in a loss of some or all of the principal amount invested and/or in no interest or a lower return than on a conventional fixed or floating interest rate debt security issued by us at the same time. An investment in Indexed Notes may have significant risks associated with debt instruments that:

- do not have a fixed principal amount,
- are not denominated in US dollars, and/or
- do not have a fixed interest rate.

The risks of a particular Indexed Note will depend on the terms of the Indexed Note. The risks may include, but are not limited to, the possibility of significant changes in the prices or values of the index property.

Index property could include:

- securities of one or more issuers, including our securities,
- one or more currencies,
- one or more commodities,
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance, which may include any credit event relating to any company or companies or other entity or entities (which may include a government or governmental agency) other than us, and/or
- one or more indices or baskets of the items described above.

The existence, magnitude and longevity of the risks associated with a particular Note generally depend on factors over which we have no control and that cannot readily be foreseen. These risks include:

- economic events and market expectations,
- political, legislative, accounting, tax and other regulatory events, and
- financial events, such as the supply of, and demand for, the index property.

Currency exchange rates and prices for the index property can be highly volatile. Such volatility may be expected in the future. Fluctuations in rates or prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any Indexed Note.

## **The terms of indexed notes may not require payment of interest or return of a portion or all of your principal in certain circumstances**

Indexed Notes may have fixed or floating interest rates that accrue only if a particular index property falls within a particular range of values (a “range Note”) or if it is higher or lower than a specified amount. You should consider the risk that the interest rate accrual provisions applicable to these Notes may result in no interest or less interest being payable on the Notes than on a conventional fixed rate debt security issued by us at the same time. For example, a range Note may provide that if the relevant index for that range Note is less than the range minimum or

is more than the range maximum on one or more business days during the applicable period (which may be for the entire term of the Note), no interest will accrue during the period.

In addition, the interest rate applicable to Notes linked to an index such as the consumer price index may be linked to period-over-period changes in the level of the index for the relevant index measurement period. If the index does not increase (or decrease, as specified in the applicable Pricing Supplement) during the relevant measurement period, holders of the Notes may not receive any interest payments for the applicable interest period.

The terms of certain Indexed Notes may not require the return or may require the return of less than 100% of the principal amount invested in these Notes. For these Notes, in the event that the particular index property performs in a manner that is adverse to holders of such Notes under the terms of such Notes, holders will be exposed to a potential loss of some or all of the principal amount invested.

The risk of loss as a result of linking principal or interest payments to the index property can be substantial. You should consult your own financial and legal advisors as to the risks of an investment in Indexed Notes.

**Values of the Index Property may be determined by one of our affiliates, and the method used to determine such values may change**

In considering whether to purchase Index Notes, you should be aware that the calculation of amounts payable on Index Notes may involve reference to:

- an index determined by an affiliate of ours, or
- prices that are published solely by third parties or entities that are not regulated by the laws of the United States.

The publication of any index or other measure may be suspended or discontinued, or the index itself or the method by which any index or other measure is calculated may be changed in the future. Any such action could adversely affect the value of any Notes linked to such index or measure.

**Holders of the index notes generally have no rights to receive any index Property**

Unless otherwise specified in the Pricing Supplement for a particular series of Index Notes, investing in Index Notes will not entitle holders of the Notes to receive any index property, which may include securities, currencies or commodities. The amount payable in respect of Index Notes may be paid in US dollars or a foreign currency based on a value or values of the index property or properties, but holders of the Index Notes, unless otherwise specified, will have no rights to receive physical delivery of any index property, which may include securities, currencies or commodities.

**An index to which a Note is linked could be changed or become unavailable**

Some indices compiled by us or our affiliates or third parties may consist of or refer to several or many different securities, commodities or currencies or other instruments or measures. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value or level of the index is calculated. An alteration may result in a decrease in the value of or return on an Indexed Note that is linked to the index. The indices for our Indexed Notes may include published indices of this kind or customized indices developed by us or our affiliates in connection with particular issues of Indexed Notes.

A published index may become unavailable, or a customized index may become impossible to calculate in the normal manner, due to events such as war, natural disasters, cessation of publication of the index or a suspension or disruption of trading in one or more securities, commodities or currencies or other instruments or measures on which the index is based. If an index becomes unavailable or impossible to calculate in the normal manner, the terms of a particular Indexed Note may allow us to delay determining the amount payable as principal or interest on an Indexed Note or we may use an alternative method to determine the value of the unavailable index. Alternative

methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that any alternative method of valuation we use will produce a value identical to the value that the actual index would produce. If we use an alternative method of valuation for a Note linked to an index of this kind, the value of the Note, or the rate of return on it, may be lower than it otherwise would be.

Some Indexed Notes may be linked to indices that are not commonly used or that have been developed only recently. The lack of a trading history may make it difficult to anticipate the volatility or other risks associated with an Indexed Note of this kind. In addition, trading in these indices or their underlying securities, commodities or currencies or other instruments or measures, or options or futures contracts on these securities, commodities or currencies or other instruments or measures, may be limited, which could increase their volatility and decrease the value of the related Indexed Notes or the rates of returns on them.

#### **We may engage in hedging activities that could adversely affect an Indexed Note**

In order to hedge an exposure on a particular Indexed Note, we may, directly or through our affiliates, enter into transactions involving the securities, commodities or currencies or other instruments or measures that underlie the index for that Note, or derivative instruments, such as swaps, options or futures, on the index or any of its component items. By engaging in transactions of this kind, we could adversely affect the value of an Indexed Note. It is possible that we could achieve substantial returns from our hedging transactions while the value of the Indexed Note may decline.

#### **Information about indices may not be indicative of future performance**

If we issue an Indexed Note, we may include historical information about the relevant index in the relevant Pricing Supplement. Any information about indices that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant index that may occur in the future.

#### **We may have conflicts of interest regarding an Indexed Note**

We and our other affiliates may have conflicts of interest with respect to some Indexed Notes. We and our affiliates and the agents and their affiliates may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in Indexed Notes and in the securities, commodities or currencies or other instruments or measures on which the index is based or in other derivative instruments related to the index or its component items. These trading activities could adversely affect the value of Indexed Notes. We and our affiliates may also issue or underwrite securities or derivative instruments that are linked to the same index as one or more Indexed Notes. By introducing competing products into the marketplace in this manner, we could adversely affect the value of an Indexed Note.

We or one of our affiliates may serve as Calculation Agent for the Indexed Notes and may have certain discretion in calculating the amounts payable in respect of the Notes. To the extent that we or one of our affiliates calculates or compiles a particular index, it may also have certain discretion in performing the calculation or compilation of the index. Exercising discretion in this manner could adversely affect the value of an Indexed Note based on the index or the rate of return on the Note.

## **CONSIDERATIONS RELATING TO NOTES DENOMINATED OR PAYABLE IN OR LINKED TO A NON-US DOLLAR CURRENCY**

If you intend to invest in a non-US dollar Note—e.g., a Note whose principal and/or interest is payable in a currency other than US dollars or that may be settled by delivery of or reference to a non-US dollar currency or property denominated in or otherwise linked to a non-US dollar currency—you should consult your own financial and legal advisors as to the currency risks entailed by your investment. Notes of this kind may not be an appropriate investment for investors who are unsophisticated with respect to non-US dollar currency transactions.

The information in this Offering Memorandum is directed primarily to investors who are US residents. Investors who are not US residents should consult their own financial and legal advisors about currency related risks particular to their investment.

### **An investment in a non-US dollar Note involves currency related risks**

An investment in a non-US dollar Note entails significant risks that are not associated with a similar investment in a Note that is payable solely in US dollars and where settlement value is not otherwise based on a non-US dollar currency. These risks include the possibility of significant changes in rates of exchange between the US dollar and the various non-US dollar currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls or other conditions by either the United States or non-US governments. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies in the global markets. Changes in exchange rates may also affect the amount and character of any payment for purposes of US federal income taxation. See “Tax Considerations” below.

### **Changes in currency exchange rates can be volatile and unpredictable**

Rates of exchange between the US dollar and many other currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in a Note denominated in, or whose value is otherwise linked to, a Specified Currency other than US dollars. Depreciation of the Specified Currency against the US dollar could result in a decrease in the US dollar equivalent value of payments on the Note, including the principal payable at maturity or settlement value payable upon exercise. That, in turn, could cause the market value of the Note to fall. Depreciation of the Specified Currency against the US dollar could result in a loss to the investor on a US dollar basis.

### **Government policy can adversely affect currency exchange rates and an investment in a non-US dollar Note**

Currency exchange rates can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing non-US dollar Notes is that their yields or payouts could be significantly and unpredictably affected by governmental actions. Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in the country issuing the Specified Currency for a non-US dollar Note or elsewhere could lead to significant and sudden changes in the exchange rate between the US dollar and the Specified Currency. These changes could affect the value of the Note as participants in the global currency markets move to buy or sell the Specified Currency or US dollars in reaction to these developments.

Governments have imposed from time to time and may in the future impose or revise exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a Specified Currency that could affect exchange rates as well as the availability of a Specified Currency for a Note at its maturity or on any other payment date. In addition, the ability of a Holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

### **Non-US dollar Notes may permit us to make payments in US dollars or delay payment if we are unable to obtain the Specified Currency**

Notes payable in a currency other than US dollars may provide that, if the other currency is subject to convertibility or transferability restrictions, market disruption or other conditions affecting its availability at or about the time when a payment on the Notes comes due because of circumstances beyond our control, we will be entitled to make the payment in US dollars or delay making the payment. These circumstances could include the imposition of exchange controls or our inability to obtain the other currency because of a disruption in the currency markets. If we made payment in US dollars, the exchange rate we would use would be determined in the manner described above under “Description of the Notes—Payment mechanics for Notes—How we will make payments due in other currencies—When the Specified Currency is not available”. A determination of this kind may be based on limited information and would involve certain discretion on the part of our exchange rate agent. As a result, the value of the payment in US dollars an investor would receive on the payment date may be less than the value of the payment the investor would have received in the other currency if it had been available, or may be zero. In addition, a government may impose extraordinary taxes on transfers of a currency. If that happens, we will be entitled to deduct these taxes from any payment on Notes payable in that currency.

### **We will not adjust non-US dollar Notes to compensate for changes in currency exchange rates**

Except as described above, we will not make any adjustment or change in the terms of a non-US dollar Note in the event of any change in exchange rates for the relevant currency, whether in the event of any devaluation, revaluation or imposition of exchange or other regulatory controls or taxes or in the event of other developments affecting that currency, the US dollar or any other currency. Consequently, investors in non-US dollar Notes will bear the risk that their investment may be adversely affected by these types of events.

### **In a lawsuit for payment on a non-US dollar Note, an investor may bear currency exchange risk**

Our Notes will be governed by New York law. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on a Note denominated in a currency other than US dollars would be required to render the judgment in the Specified Currency; however, the judgment would be converted into US dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on a Note denominated in a currency other than US dollars, investors would bear currency exchange risk until judgment is entered, which could be a long time.

In courts outside New York, investors may not be able to obtain judgment in a Specified Currency other than US dollars. For example, a judgment for money in an action based on a non-US dollar Note in many other US federal or state courts ordinarily would be enforced in the United States only in US dollars. The date used to determine the rate of conversion of the currency in which any particular Note is denominated into US dollars will depend upon various factors, including which court renders the judgment.

### **Information about exchange rates may not be indicative of future performance**

If we issue a non-US dollar Note, we may include in the relevant Pricing Supplement a currency supplement that provides information about historical exchange rates for the relevant non-US dollar currency or currencies. Any information about exchange rates that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in currency exchange rates that may occur in the future. That rate will likely differ from the exchange rate used under the terms that apply to a particular Note.

All determinations made by the exchange rate agent will be in its sole discretion unless we state in the relevant Pricing Supplement that any determination requires our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and binding on you and us, without any liability on the part of the exchange rate agent.

## TAX CONSIDERATIONS

### United States Federal Income Taxation

*United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of US federal tax issues contained or referred to in this offering memorandum or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.*

This section describes the material United States federal income tax consequences to a United States holder (as defined below) of owning the Notes we are offering. It applies to you only if you acquire Notes in an initial offering and you hold your Notes as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies,
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a person that owns Notes that are a hedge or that are hedged against interest rate or currency risks,
- a person that owns Notes as part of a straddle or conversion transaction for tax purposes,
- a person that purchases or sells Notes as part of a wash sale for tax purposes, or
- a person whose functional currency for tax purposes is not the US dollar.

This section deals only with Notes that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of owning Notes that are due to mature more than 30 years from their date of issue will be discussed in an applicable pricing supplement. This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

You are a United States holder if you are a beneficial owner of a Note and you are:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or

- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If a partnership holds the Notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the Notes.

***Please consult your own tax advisor concerning the consequences of owning Notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.***

### ***Payments of Interest***

Except as described below in the case of interest on a discount Note that is not qualified stated interest, each as defined below under “— Original Issue Discount — General”, you will be taxed on any interest on your Note, whether payable in US dollars or a foreign currency, including a composite currency or basket of currencies other than US dollars, as ordinary income at the time you receive the interest or when it accrues, depending on your regular method of accounting for tax purposes.

Interest paid by Suncorp on the Notes and original issue discount, if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) and any additional amounts paid with respect to withholding tax on the Notes, including withholding tax on payments of such additional amounts (“additional amounts”) is income from sources outside the United States and will, depending on your circumstances, be either “passive” or “general” income for purposes of the rules regarding the foreign tax credit allowable to a United States holder.

***Cash Basis Taxpayers.*** If you are a taxpayer that regularly uses the cash receipts and disbursements method of accounting for tax purposes and you receive an interest payment that is denominated in, or determined by reference to, a foreign currency, you would recognize income equal to the US dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into US dollars.

***Accrual Basis Taxpayers.*** If you are a taxpayer that regularly uses an accrual method of accounting for tax purposes, you may determine the amount of income that you recognize with respect to an interest payment denominated in, or determined by reference to, a foreign currency by using one of two methods. Under the first method, you would determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If you elect the second method, you would determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under the second method, if you receive a payment of interest within five business days of the last day of your accrual period or taxable year, you may instead translate the interest accrued into US dollars at the exchange rate in effect on the day that you actually receive the interest payment. If you elect the second method it would apply to all debt instruments that you hold at the beginning of the first taxable year to which the election applies and to all debt instruments that you subsequently acquire. You may not revoke this election without the consent of the Internal Revenue Service.

When you actually receive an interest payment, including a payment attributable to accrued but unpaid interest upon the sale or retirement of your Note, denominated in, or determined by reference to, a foreign currency for which you accrued an amount of income, you will recognize ordinary income or loss measured by the difference, if any, between the exchange rate that you used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether you actually convert the payment into US dollars.

## ***Original Issue Discount***

*General.* If you own a Note, other than a short-term Note with a term of one year or less, it would be treated as a discount Note issued at an original issue discount if the amount by which the Note's stated redemption price at maturity exceeds its issue price is more than a de minimis amount. Generally, a Note's issue price will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A Note's stated redemption price at maturity is the total of all payments provided by the Note that are not payments of qualified stated interest. Generally, an interest payment on a Note is qualified stated interest if it is one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the Note. There are special rules for variable rate notes that are discussed under "—Variable Rate Notes".

In general, your Note is not a discount Note if the amount by which its stated redemption price at maturity exceeds its issue price is less than the de minimis amount of  $\frac{1}{4}$  of 1 percent of its stated redemption price at maturity multiplied by the number of complete years to its maturity. Your Note would have de minimis original issue discount if the amount of the excess is less than the de minimis amount. If your Note has de minimis original issue discount, you would include the de minimis amount in income as stated principal payments are made on the Note, unless you make the election described below under "—Election to Treat All Interest as Original Issue Discount". You can determine the includible amount with respect to each such payment by multiplying the total amount of your Note's de minimis original issue discount by a fraction equal to:

- the amount of the principal payment made

divided by:

- the stated principal amount of the Note.

Generally, if your discount Note matures more than one year from its date of issue, you would include original issue discount, or OID, in income before you receive cash attributable to that income. The amount of OID that you would include in income is calculated using a constant-yield method, and generally you would include increasingly greater amounts of OID in income over the life of your Note. More specifically, you can calculate the amount of OID that you would include in income by adding the daily portions of OID with respect to your discount Note for each day during the taxable year or portion of the taxable year that you hold your discount Note. You can determine the daily portion by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. You may select an accrual period of any length with respect to your discount Note and you may vary the length of each accrual period over the term of your discount Note. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount Note must occur on either the first or final day of an accrual period.

You can determine the amount of OID allocable to an accrual period by:

- multiplying your discount Note's adjusted issue price at the beginning of the accrual period by your Note's yield to maturity, and then
- subtracting from this figure the sum of the payments of qualified stated interest on your Note allocable to the accrual period.

You must determine the discount Note's yield to maturity on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, you determine your discount Note's adjusted issue price at the beginning of any accrual period by:

- adding your discount Note's issue price and any accrued OID for each prior accrual period, and then
- subtracting any payments previously made on your discount Note that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on your discount Note contains more than one accrual period, then, when you determine the amount of OID allocable to an accrual period, you would allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. In addition, you would increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. You may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of your Note, other than any payment of qualified stated interest, and
- your Note's adjusted issue price as of the beginning of the final accrual period.

*Acquisition Premium.* If you purchase your Note for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on your Note after the purchase date but is greater than the amount of your Note's adjusted issue price, as determined above under "— General", the excess is acquisition premium. If you do not make the election described below under "— Election to Treat All Interest as Original Issue Discount", then you would reduce the daily portions of OID by a fraction equal to:

- the excess of your adjusted basis in the Note immediately after purchase over the adjusted issue price of the Note

divided by:

- the excess of the sum of all amounts payable, other than qualified stated interest, on the Note after the purchase date over the Note's adjusted issue price.

*Pre-Issuance Accrued Interest.* An election may be made to decrease the issue price of your Note by the amount of pre-issuance accrued interest if:

- a portion of the initial purchase price of your Note is attributable to pre-issuance accrued interest,
- the first stated interest payment on your Note is to be made within one year of your Note's issue date, and
- the payment would equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment would be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on your Note.

*Notes Subject to Contingencies Including Optional Redemption.* Your Note is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of

interest or of principal. In such a case, you would determine the yield and maturity of your Note by assuming that the payments would be made according to the payment schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date and
- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, you would include income on your Note in accordance with the general rules that govern contingent payment obligations. These rules, if applicable, will be discussed in the applicable pricing supplement.

Notwithstanding the general rules for determining yield and maturity, if your Note is subject to contingencies, and either you or we have an unconditional option or options that, if exercised, would require payments to be made on the Note under an alternative payment schedule or schedules, then:

- in the case of an option or options that we may exercise, we would be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on your Note and
- in the case of an option or options that you may exercise, you would be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on your Note.

If both you and we hold options described in the preceding sentence, those rules would apply to each option in the order in which they may be exercised. You may determine the yield on your Note for the purposes of those calculations by using any date on which your Note may be redeemed or repurchased as the maturity date and the amount payable on the date that you chose in accordance with the terms of your Note as the principal amount payable at maturity.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above rules then, except to the extent that a portion of your Note is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, you would redetermine the yield and maturity of your Note by treating your Note as having been retired and reissued on the date of the change in circumstances for an amount equal to your Note's adjusted issue price on that date.

*Election to Treat All Interest as Original Issue Discount.* You may elect to include in gross income all interest that accrues on your Note using the constant-yield method described above under “— General”, with the modifications described below. For purposes of this election, interest will include stated interest, OID, de minimis original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium, described below under “— Notes Purchased at a Premium,” or acquisition premium.

If you make this election for your Note, then, when you apply the constant-yield method:

- the issue price of your Note would equal your cost,
- the issue date of your Note would be the date you acquired it, and
- no payments on your Note would be treated as payments of qualified stated interest.

Generally, this election will apply only to the Note for which you make it; however, if the Note has amortizable bond premium, you would be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that you hold as of the beginning of the taxable year to which the election applies or any taxable year thereafter. Additionally, if you make this election for a market discount Note, you would be treated

as having made the election discussed below under “— Market Discount” to include market discount in income currently over the life of all debt instruments having market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke any election to apply the constant-yield method to all interest on a Note or the deemed elections with respect to amortizable bond premium or market discount Notes without the consent of the Internal Revenue Service.

*Variable Rate Notes.* Your Note would be a variable rate note if:

- your Note’s issue price does not exceed the total noncontingent principal payments by more than the lesser of:
  - .015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date, or
  - 15 percent of the total noncontingent principal payments; and
- your Note provides for stated interest, compounded or paid at least annually, only at:
  - one or more qualified floating rates,
  - a single fixed rate and one or more qualified floating rates,
  - a single objective rate, or
  - a single fixed rate and a single objective rate that is a qualified inverse floating rate.

Your Note would have a variable rate that is a qualified floating rate if:

- variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which your Note is denominated; or
- the rate is equal to such a rate multiplied by either:
  - a fixed multiple that is greater than 0.65 but not more than 1.35 or
  - a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate; and
- the value of the rate on any date during the term of your Note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If your Note provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date or can reasonably be expected to have approximately the same values throughout the term of the Note, the qualified floating rates together constitute a single qualified floating rate.

Your Note would not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield on the Note.

Your Note would have a variable rate that is a single objective rate if:

- the rate is not a qualified floating rate,
- the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the Issuer or a related party, and
- the value of the rate on any date during the term of your Note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

Your Note would not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of your Note's term would be either significantly less than or significantly greater than the average value of the rate during the final half of your Note's term.

An objective rate as described above is a qualified inverse floating rate if:

- the rate is equal to a fixed rate minus a qualified floating rate and
- the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds.

Your Note would also have a single qualified floating rate or an objective rate if interest on your Note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and either:

- the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Note that do not differ by more than 0.25 percentage points or
- the value of the qualified floating rate or objective rate is intended to approximate the fixed rate.

Commercial Paper Rate Notes, Prime Rate Notes, LIBOR Notes, EURIBOR Notes, Treasury Rate Notes, CMT Rate Notes, CD Rate Notes, Federal Funds Rate Notes, Eleventh District Cost of Funds Rate Notes, and Australian Bank Bill Swap Rate Notes generally will be treated as variable rate notes under these rules.

In general, if your variable rate Note provides for stated interest at a single qualified floating rate or objective rate, or one of those rates after a single fixed rate for an initial period, all stated interest on your Note is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for your Note.

If your variable rate Note does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for interest payable at a fixed rate other than a single fixed rate for an initial period, you generally would determine the interest and OID accruals on your Note by:

- determining a fixed rate substitute for each variable rate provided under your variable rate Note,
- constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above,
- determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and

- adjusting for actual variable rates during the applicable accrual period.

When you determine the fixed rate substitute for each variable rate provided under the variable rate Note, you generally will use the value of each variable rate as of the issue date or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on your Note.

If your variable rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and also provides for stated interest at a single fixed rate other than at a single fixed rate for an initial period, you generally would determine interest and OID accruals by using the method described in the previous paragraph. However, your variable rate Note would be treated, for purposes of the first three steps of the determination, as if your Note had provided for a qualified floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that replaces the fixed rate must be such that the fair market value of your variable rate Note as of the issue date approximates the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

*Short-Term Notes.* In general, if you are an individual or other cash basis United States holder of a short-term Note, you are not required to accrue OID, as specially defined below for the purposes of this paragraph, for United States federal income tax purposes unless you elect to do so (although it is possible that you may be required to include any stated interest in income as you receive it). If you are an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a regulated investment company, common trust fund, or a certain type of pass-through entity, or a cash basis taxpayer who so elects, you would be required to accrue OID on short-term Notes on either a straight-line basis or under the constant-yield method, based on daily compounding. If you are not required and do not elect to include OID in income currently, any gain you realize on the sale or retirement of your short-term Note would be ordinary income to the extent of the accrued OID, which would be determined on a straight-line basis unless you make an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if you are not required and do not elect to accrue OID on your short-term Notes, you would be required to defer deductions for interest on borrowings allocable to your short-term Notes in an amount not exceeding the deferred income until the deferred income is realized.

When you determine the amount of OID subject to these rules, you must include all interest payments on your short-term Note, including stated interest, in your short-term Note's stated redemption price at maturity.

*Foreign Currency Discount Notes.* If your discount Note is denominated in, or determined by reference to, a foreign currency, you would determine OID for any accrual period on your discount Note in the foreign currency and then translate the amount of OID into US dollars in the same manner as stated interest accrued by an accrual basis United States holder, as described under "— Payments of Interest". You may recognize ordinary income or loss when you receive an amount attributable to OID in connection with a payment of interest or the sale or retirement of your Note.

### ***Market Discount***

You would be treated as if you purchased your Note, other than a short-term Note, at a market discount, and your Note would be a market discount Note if:

- you purchase your Note for less than its issue price as determined above under "Original Issue Discount — General" and
- the difference between the Note's stated redemption price at maturity or, in the case of a discount Note, the Note's revised issue price, and the price you paid for your Note is equal to or greater than  $\frac{1}{4}$  of 1 percent of your Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity. To determine the revised issue price of your Note for these purposes, you generally add any OID that has accrued on your Note to its issue price.

If your Note's stated redemption price at maturity or, in the case of a discount Note, its revised issue price, exceeds the price you paid for the Note by less than  $\frac{1}{4}$  of 1 percent multiplied by the number of complete years to the Note's maturity, the excess constitutes de minimis market discount, and the rules discussed below are not applicable to you.

You must treat any gain you recognize on the maturity or disposition of your market discount Note as ordinary income to the extent of the accrued market discount on your Note. Alternatively, you may elect to include market discount in income currently over the life of your Note. If you make this election, it would apply to all debt instruments with market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke this election without the consent of the Internal Revenue Service. If you own a market discount Note and do not make this election, you would generally be required to defer deductions for interest on borrowings allocable to your Note in an amount not exceeding the accrued market discount on your Note until the maturity or disposition of your Note.

If you own a market discount Note, the market discount would accrue on a straight-line basis unless an election is made to accrue market discount using a constant-yield method. If you make this election, it would apply only to the Note with respect to which it is made and you may not revoke it. You would, however, not include accrued market discount in income unless you elect to do so as described above.

### ***Notes Purchased at a Premium***

If you purchase your Note for an amount in excess of its principal amount (or, in the case of a discount Note, in excess of its stated redemption price at maturity), you may elect to treat the excess as amortizable bond premium. If you make this election, you would reduce the amount required to be included in your income each year with respect to interest on your Note by the amount of amortizable bond premium allocable to that year, based on your Note's yield to maturity. If your Note is denominated in, or determined by reference to, a foreign currency, you would compute your amortizable bond premium in units of the foreign currency and your amortizable bond premium would reduce your interest income in units of the foreign currency. Gain or loss recognized that is attributable to changes in exchange rates between the time your amortized bond premium offsets interest income and the time of the acquisition of your Note is generally taxable as ordinary income or loss. If you make an election to amortize bond premium, it would apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that you hold at the beginning of the first taxable year to which the election applies or that you thereafter acquire, and you may not revoke it without the consent of the Internal Revenue Service. See also "Original Issue Discount — Election to Treat All Interest as Original Issue Discount".

### ***Purchase, Sale and Retirement of the Notes***

Your tax basis in your Note will generally be the US dollar cost, as defined below, of your Note, adjusted by:

- adding any OID or market discount previously included in income with respect to your Note, and then
- subtracting any payments on your Note that are not qualified stated interest payments and any amortizable bond premium applied to reduce interest on your Note.

If you purchase your Note with foreign currency, the US dollar cost of your Note would generally be the US dollar value of the purchase price on the date of purchase. However, if you are a cash basis taxpayer, or an accrual basis taxpayer if you so elect, and your Note is traded on an established securities market, as defined in the applicable Treasury regulations, the US dollar cost of your Note would be the US dollar value of the purchase price on the settlement date of your purchase.

You will generally recognize gain or loss on the sale or retirement of your Note equal to the difference between the amount you realize on the sale or retirement, excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments), and your tax basis in your Note. If your Note is sold or retired

for an amount in foreign currency, the amount you realize would be the US dollar value of such amount on the date the Note is disposed of or retired, except that in the case of a Note that is traded on an established securities market, as defined in the applicable Treasury regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, would determine the amount realized based on the US dollar value of the foreign currency on the settlement date of the sale.

You will recognize capital gain or loss when you sell or retire your Note, except to the extent:

- described above under “— Original Issue Discount — Short-Term Notes” or “— Market Discount”,
- the rules governing contingent payment obligations apply, or
- attributable to changes in exchange rates as described below.

Capital gain of a noncorporate United States holder is generally taxed at preferential rates where the property is held for more than one year.

You must treat any portion of the gain or loss that you recognize on the sale or retirement of a Note as ordinary income or loss to the extent attributable to changes in exchange rates. However, you take exchange gain or loss into account only to the extent of the total gain or loss you realize on the transaction.

#### ***Exchange of Amounts in Other Than US Dollars***

If you receive foreign currency as interest on your Note or on the sale or retirement of your Note, your tax basis in the foreign currency would equal its US dollar value when the interest is received or at the time of the sale or retirement. If you purchase foreign currency, you generally would have a tax basis equal to the US dollar value of the foreign currency on the date of your purchase. If you sell or dispose of a foreign currency, including if you use it to purchase Notes or exchange it for US dollars, any gain or loss recognized generally would be ordinary income or loss.

#### ***Indexed Notes and Amortizing Notes***

The applicable pricing supplement will discuss any special United States federal income tax rules with respect to Notes the payments on which are determined by reference to any index and Notes that are subject to the rules governing contingent payment obligations and with respect to any Notes providing for the periodic payment of principal over the life of the Note.

#### **Medicare Tax**

A United States holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the United States holder’s “net investment income” for the relevant taxable year and (2) the excess of the United States holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between US\$125,000 and US\$250,000, depending on the individual’s circumstances). A United States holder’s net investment income generally includes its interest income and its net gains from the disposition of Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a United States holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Notes.

#### **Treasury Regulations Requiring Disclosure of Reportable Transactions**

Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a “Reportable Transaction”). Under these regulations, if the Notes are denominated in

a foreign currency, a United States holder that recognizes a loss with respect to the Notes that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on Internal Revenue Service Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is US\$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. You should consult with your tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of Notes.

### **Foreign Account Tax Compliance Withholding**

Sections 1471 through 1474 of the Code and the regulations thereunder ("FATCA") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to a non-US financial institution that does not enter into an agreement with the IRS to provide the IRS with certain information in respect of, and withhold upon certain payments to, its US account holders and investors, or is not otherwise exempt from or in deemed compliance with FATCA.

Withholding will generally only apply to amounts paid with respect to Notes if such payments constitute "foreign passthru payments" (a term not yet defined) that are not otherwise exempt from withholding. Withholding with respect to "foreign passthru payments" will not apply to payments that are made before January 1, 2017. This withholding would only apply to payments in respect of any Notes that are issued on or after the date that is six months after the date on which final US Treasury regulations defining the term "foreign passthru payment" are published in the US Federal Register. If a Note is issued on or after such date, the application of FATCA to such Note will be disclosed in the applicable pricing supplement.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance, and agreements that have been entered into between the United States and governments of certain jurisdictions relating to the application of FATCA, all of which are subject to change or may be implemented in a materially different form. We will not pay any additional amounts in respect of FATCA withholding, so if this withholding applies, you will receive significantly less than the amount that you would have otherwise received with respect to your Notes. Depending on your circumstances, you may be entitled to a refund or credit in respect of some or all of this withholding. However, the refund application process has not yet been finalized, so even if you are entitled to have any such withholding refunded, the required procedures could be cumbersome. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

### **Information with Respect to Foreign Financial Assets**

Owners of "specified foreign financial assets" with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Notes.

### **Backup Withholding and Information Reporting**

If you are a noncorporate United States holder, information reporting requirements, on Internal Revenue Service Form 1099, generally would apply to payments of principal and interest on a Note within the United States, and the payment of proceeds to you from the sale of a Note effected at a United States office of a broker:

Payment of the proceeds from the sale of a Note effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could generally be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United

States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You may generally obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

### **Australian tax treatment**

*The following is a general summary of certain Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of the Commonwealth of Australia (together, "Australian Tax Act") and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this offering memorandum, of payments of interest and certain other amounts on the Notes to be issued by Suncorp and certain other matters.*

*This taxation summary is not exhaustive and should be treated with appropriate caution. In particular, the taxation summary does not deal with the position of certain classes of holders of Notes (including, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons). Prospective Note holders should also be aware that particular terms of issue of any series of Notes may affect the tax treatment of that and other series of Notes.*

*This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.*

### **Interest Withholding Tax**

The Australian Tax Act characterizes securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of interest withholding tax ("IWT") and dividend withholding tax. IWT is payable at a rate of 10% of the gross amount of interest paid by Suncorp to a non-resident of Australia (other than a non-resident acting at or through a permanent establishment in Australia) or an Australian resident acting at or through a permanent establishment outside Australia unless an exemption is available. For these purposes, interest is defined in Section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

An exemption from IWT is available in respect of Notes issued by Suncorp if those Notes are characterized as "debentures" and are not characterized as "equity interest" for the purposes of the Australian Tax Act and the requirements of Section 128F of the Australian Tax Act are satisfied. Suncorp intends to issue Notes which will be characterized as "debentures" and which are not "equity interests" for these purposes and will satisfy the requirements of Section 128F of the Australian Tax Act.

If Notes are issued which are not so characterized or which do not satisfy the requirements of Section 128F of the Australian Tax Act, further information on the material Australian tax consequences of payments of interest and certain other amounts on those Notes will be specified in the relevant pricing supplement (or other relevant supplement to this offering memorandum).

The requirements in Section 128F for an exemption from IWT in respect of the Notes issued by Suncorp are as follows:

- (a) Suncorp is a company as defined in Section 128F(9) of the Australian Tax Act and is a resident of Australia when it issues those Notes and when interest is paid;
- (b) the Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that Suncorp is offering those Notes for issue. In summary, the five methods are:

- (i) offers to 10 or more unrelated financiers or securities dealers or entities that carry on the business of investing in securities;
- (ii) offers to 100 or more investors of a certain type;
- (iii) offers of listed Notes;
- (iv) offers via publicly available information sources; and
- (v) offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

In addition, the issue of any of those Notes (whether in global form or otherwise) and the offering of interests in any of those Notes by one of these methods should satisfy the public offer test provided;

(c) Suncorp does not know, or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be, acquired, directly or indirectly, by an associate of Suncorp, except as permitted by Section 128F(5) of the Australian Tax Act; and

(d) at the time of the payment of interest, Suncorp does not know, or have reasonable grounds to suspect, that the payee is an associate of Suncorp, except as permitted by Section 128F(6) of the Australian Tax Act.

## ***Associates***

An “associate” of Suncorp for the purposes of Section 128F of the Australian Tax Act includes (i) a person or entity which holds a majority of the voting shares of, or otherwise controls, Suncorp, (ii) an entity in which a majority of the voting shares are held by, or which is otherwise controlled by, Suncorp, (iii) a trustee of a trust where Suncorp is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity who is an “associate” of another person or company which is an “associate” of Suncorp under any of the foregoing.

However, for the purposes of Sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above), “associate” of Suncorp does not include:

- (a) onshore associate (ie an Australian resident associate who does not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia, or a non Australian resident associate who holds the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- (b) an offshore associate (ie an Australian resident associate who holds the Notes in the course of carrying on business at or through a permanent establishment outside Australia, or a non Australian resident associate who does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia) who is acting in the capacity of:
  - (i) in the case of Section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes, a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme for the purposes of the Corporations Act 2001 of Australia; or
  - (ii) in the case of Section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme for the purposes of the Australian Corporations Act.

## ***Compliance with Section 128F of the Australian Tax Act***

Unless otherwise specified in the relevant pricing supplement (or another relevant supplement to this offering memorandum) Suncorp intends to issue the Notes in a manner which will satisfy the requirements of Section 128F of the Australian Tax Act.

## ***Interest withholding tax exemptions under recent tax treaties***

The Australian Government has signed new or amended double tax conventions (“New Treaties”) with a number of countries (including the United States) (each a “Specified Country”).

In broad terms, once implemented the New Treaties effectively prevent IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a “financial institution” which is a resident of a Specified Country and which is unrelated to and dealing wholly independently with Suncorp. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. (However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.)

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to

the public at the Federal Treasury Department's website at: <http://www.treasury.gov.au/>. This internet site address is included for reference only and the contents of such internet site are not incorporated by reference into, and do not form part of, this offering memorandum.

### ***Payment of Additional Amounts***

As set out in more detail in the applicable terms and conditions of the Notes, if Suncorp is at any time compelled or authorized by law to deduct or withhold an amount in respect of any Australian withholding taxes in Australia in respect of the Notes, Suncorp must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If Suncorp is compelled by law in relation to any Note to deduct or withhold an amount in respect of any withholding taxes as a result of a change in law or regulation or any change in the application or official interpretation of such laws or regulations, Suncorp will have the option to redeem those Notes in accordance with the applicable terms and conditions of the Notes and the pricing supplement (or another relevant supplement to this offering memorandum). No additional amounts are payable in relation to any payment in respect of the Notes to, or to a third party on behalf of, a holder of the Notes who is liable for the taxes in respect of the Notes by reason of the holder of the Note being an associate of Suncorp for the purposes of Section 128F(9) of the Australian Tax Act.

### ***Other Australian tax matters***

Under Australian laws as presently in effect:

(a) *income tax — offshore Note holder.* Assuming the requirements of Section 128F of the Australian Tax Act are satisfied with respect to the Notes, payment of principal and interest to a Note holder who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

(b) *income tax — Australian Note holders.* Australian residents or non-Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“Australian Holders”), will be assessable for Australian tax purposes on any interest in respect of the Notes. Whether the interest will be recognized on a cash receipts or accruals basis (see also the “*taxation of financial arrangements*” summary below) will depend upon the individual circumstances of the particular Note holder and the applicable terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(c) *gains on disposal of Notes — offshore Note holders.* A Note holder who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realized during that year on the sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Notes by a non-Australian resident Note holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be regarded as having an Australian source. If the gain arising on the sale of Notes has an Australian source, a Note holder may be eligible for relief from Australian tax on such gain under a double tax treaty between Australia and the Note holder's country of residence;

(d) *gains on disposal of Notes — Australian Note holders.* Australian Holders will be required to include any gain or loss on disposal of the Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(e) *deemed interest.* There are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on trade or business at or through a permanent establishment in Australia. If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. These rules would also have no effect in circumstances where the deemed interest is exempt under Section 128F of the Australian Tax Act (as discussed above);

(f) *death duties.* No Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

(g) *stamp duty and other taxes.* No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or the transfer of any Notes;

(h) *TFN withholding taxes on payments in respect of Notes.* Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“TAA”) imposes a type of withholding tax at the rate of currently 46.5%, with an increase to 47% from July 1, 2014) on the payment of interest on certain registered securities unless the relevant payee has quoted a TFN (in certain circumstances), an ABN or proof of some other exception (as appropriate);

Assuming the requirements of Section 128F are satisfied with respect to the Notes, then the requirements of Section 12-140 do not apply to payments to a holder of Notes who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Notes may be subject to a withholding where such holder of a Note does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

(i) *ABN supply withholding tax.* Payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under Australia’s tax legislation;

(j) *goods and services tax (“GST”).* Neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by Suncorp, nor the disposal of the Notes, would give rise to any GST liability in Australia;

(k) *additional withholdings from certain payments to non-residents.* Section 12-315 of Schedule 1 to the TAA gives the Governor-General power to make regulations requiring withholding from certain payments to non-Australian residents. However, Section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this offering memorandum are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any future regulations to the proceeds of any sale of Notes will need to be monitored;

(l) *garnishee directions by the Commissioner of Taxation (Commissioner)* — the Commissioner may give a direction under Section 255 of the Australian Tax Act or Section 260-5 of Schedule 1 of the TAA (or any other analogous provision under another statute) requiring Suncorp to deduct from any payment to any other entity (including any holder of a Note) any amount in respect of tax payable by that other entity. If Suncorp is served with such a direction in respect of a holder of a Note, then

Suncorp will comply with that direction and, accordingly, will make any deduction or withholding in connection with that direction. For example, in broad terms, if an amount was owing by Suncorp to a holder of a Note and that holder had an outstanding Australian tax-related liability owing to the Commissioner, the Commissioner may issue a notice to Suncorp requiring Suncorp to pay the Commissioner the amount owing to the holder.

(m) *taxation of foreign exchange gains and losses.* Divisions 230, 775 and 960 contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any Note holders who are Australian residents or non-residents that hold Notes that are not denominated in Australian dollars in the course of carrying on business in Australia. Any such Note holders should consult their professional advisors for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of those Notes; and

(n) *taxation of financial arrangements.* Division 230 of the Australian Tax Act contains tax-timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”.

The rules do not apply to certain taxpayers or in respect of certain short term “financial arrangements”. They should not, for example, generally apply to holders of Notes which are individuals and certain other entities (e.g. certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential holders of Notes should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

The rules in Division 230 do not alter the rules relating to the imposition of IWT. In particular, the rules do not override the IWT exemption available under Section 128F of the Australian Tax Act.

## **BENEFIT PLAN INVESTOR CONSIDERATIONS**

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (each, a “Plan”), should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the Notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan, and whether the investment would involve a prohibited transaction under ERISA or the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts, Keogh plans and any other plans that are subject to Section 4975 of the Code (also “Plans”), from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-US plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S or other laws (“Similar Laws”).

The acquisition and holding of the Notes by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) with respect to which the Issuer, the Guarantor, the Calculation Agent, the Registrar and Paying Agent or a Manager or any of their respective affiliates is or becomes a party in interest or disqualified person may result in a prohibited transaction under ERISA or Section 4975 of the Code, unless the Notes are acquired and held pursuant to an applicable exemption. The US Department of Labor has issued five prohibited transaction class exemptions, or “PTCEs”, that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These exemptions are PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for transactions involving certain insurance company general accounts), and PTCE 96-23 (for transactions managed by in-house asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of the Notes, provided that neither the Issuer of the Notes nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than “adequate consideration” in connection with the transaction (the “service provider exemption”). There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Any purchaser or holder of the Notes or any interest therein will be deemed to have represented by its purchase and holding of the Notes or any interest therein that it either (1) is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing the Notes on behalf of or with the assets of any Plan, a Plan Asset Entity or Non-ERISA Arrangement or (2) the purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under ERISA or the Code or a similar violation under any applicable Similar Laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the Notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or the potential consequences of any purchase or holding under Similar Laws, as applicable. Purchasers of the Notes have exclusive responsibility for ensuring that their purchase and holding of the Notes do not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any similar provisions of Similar Laws. The sale of any Notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.

## PLAN OF DISTRIBUTION

The Notes are being offered on a periodic basis for sale by us through Citigroup Global Markets Inc. (Arranger), Deutsche Bank Securities Inc., RBC Capital Markets, LLC, and any other agents (collectively, the “agents”) appointed in accordance with the Distribution Agreement (the “agents”), each of which has agreed to use its reasonable best efforts to solicit offers to purchase the Notes. Suncorp will pay the applicable agent a commission which will equal the percentage of the principal amount of any such Note sold through such agent set forth in the applicable pricing supplement. Suncorp may also sell Notes to an agent, as principal, at a discount from the principal amount thereof, and such agent may later resell such Notes to investors and other purchasers at varying prices related to prevailing market prices at the time of sale as determined by such agent. Suncorp may also sell Notes directly to, and may solicit and accept offers to purchase directly from, investors on Suncorp’s own behalf in those jurisdictions where Suncorp is authorized to do so.

In addition, the agents may offer the Notes they have purchased as principal to others. The agents may sell Notes to any agent at a discount. Unless otherwise indicated in the applicable pricing supplement, any Note sold to an agent as principal will be purchased by such agent at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to any agency sale of a Note of identical term, and may be resold by such agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers as described above. After the initial public offering of Notes to be resold to investors and other purchasers on a fixed public offering price basis, the public offering price, concession and discount may be changed.

Suncorp reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part whether placed directly with us or through an agent. Each agent will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes received by it, in whole or in part.

In connection with an offering of Notes purchased by one or more agents as principal on a fixed offering price basis, such agent(s) will be permitted to over-allot or engage in transactions that stabilize the price of Notes. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of Notes. If the agent creates or the agents create, as the case may be, a short position in Notes, that is, if it sells or they sell Notes in an aggregate principal amount exceeding that set forth in the applicable pricing supplement, such agent(s) may reduce that short position by purchasing Notes in the open market. In general, purchase of Notes for the purpose of stabilization or to reduce a short position could cause the price of Notes to be higher than it might be in the absence of such purchases. Such stabilization if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilization, if any, will be in compliance with all laws.

Neither Suncorp nor any of the agents make any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of Notes. In addition, neither Suncorp nor any of the agents makes any representation that the agents will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The agents may from time to time purchase and sell Notes in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, the agents may make a market in the Notes.

Suncorp has agreed to indemnify the agents severally against and to make contributions relating to certain liabilities, including liabilities under US federal securities law. The agents and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the agents and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for Suncorp and its affiliates, for which they received or will receive customary fees and commissions.

In the ordinary course of their various business activities, the agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative

securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of Suncorp or its affiliates. If any of the agents or their affiliates has a lending relationship with Suncorp, certain of those agents or their affiliates routinely hedge, and certain of those agents and their affiliates may hedge, their credit exposure to Suncorp or its affiliates consistent with their customary risk management policies. Typically, those agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Suncorp's or its affiliates' securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **United States of America**

The Notes are not being registered under the Securities Act in reliance upon the exemptions from registration provided by Rule 144A under the Securities Act and Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder and upon Regulation S under the Securities Act. The Notes are being offered hereby only (A) in the United States pursuant to the exemptions from registration provided by Rule 144A under the Securities Act and Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder, and (B) outside the United States to persons other than US persons (as defined in Regulation S) ("Regulation S Purchasers") in offshore transactions in reliance upon Regulation S. The minimum principal amount of Notes which may be purchased for any account is US\$2,000 (or the equivalent thereof in another currency or composite currency).

Prior to any issuance of Notes in reliance on Regulation S, each relevant agent will be deemed to represent and agree that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice substantially to the following effect:

"The Notes covered hereby have not been registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered and sold within the United States or to, or for the account or benefit of, US persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except, in either case, in accordance with Regulation S (or Rule 144A, if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S".

Until the expiration of the period ending 40 days after the later of the commencement of the offering and the date of issue of the Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

There is no undertaking to register the Notes hereafter and they cannot be resold except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act. Each purchaser of the Notes offered hereby in making its purchase will be deemed to have made the acknowledgments, representations and agreements as set forth under "Important Notices".

## **Australia**

No prospectus or other disclosure document (as defined in the Australian Corporations Act), in relation to the Notes has been or will be lodged with ASIC. Each agent has represented and agreed, and each further agent appointed by Suncorp will be required to represent and agree, that it:

(a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes in or from Australia, including an offer or invitation which is received by a person in Australia; and

(b) has not distributed or published, and will not distribute or publish, this offering memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable on acceptance of the offer by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the person offering the Notes or making the invitation or its associates) or the offer or invitation (including any resulting issue) does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) the offer, invitation or distribution does not constitute an offer to a “retail client” as defined for the purposes of Section 761G of the Australian Corporations Act;
- (iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Notes in the jurisdiction in which such offer, sale and resale occurs; and
- (iv) such action does not require any document to be lodged with ASIC.

Section 708(19) of the Australian Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Australian Corporations Act if the issuer is an ADI. As at the date of this offering memorandum, Suncorp is an ADI.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each agent has represented and agreed, and each further agent appointed by Suncorp will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering memorandum as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant agent or agents nominated by Suncorp for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require Suncorp or any agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and

includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## **Japan**

Each agent has represented and agreed, and each further agent appointed by Suncorp will be required to represent and agree, that (i) the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “Financial Instruments and Exchange Act”) and (ii) it has not offered or sold, and will not offer or sell, any Notes, directly or indirectly in Japan or to, or for the account or benefit of, any resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity incorporated or organized under the laws of Japan) or to, or for the account or benefit of, others for re-offering or resale, directly or indirectly in Japan or to, or for the account or benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Hong Kong**

This offering memorandum has not been and will not be registered with the Registrar of Companies in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”).

Each agent has represented and agreed, and each further agent appointed by Suncorp will be required to represent and agree, that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than:

- (i) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made thereunder; or
- (ii) in circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32 of the laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) unless it is a person permitted to do so under the applicable laws of Hong Kong, it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation, offering material or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the applicable laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made thereunder.

## **Singapore**

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“SFA”).

Each agent has represented and agreed, and each further agent appointed by Suncorp will be required to represent and agree, that this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been and will not be, circulated or distributed by it nor have the Notes been, or will the Notes be, offered or sold by it, or be subject to an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than:

- (i) to an institutional investor under Section 274 of the SFA;

- (ii) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance on an exemption under Section 274 or Section 275 of the SFA, the Notes shall not be sold within a period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (A) an institutional investor (as defined in Section 4A of the SFA);
- (B) a relevant person (as defined in Section 275(2) of the SFA); or
- (C) any person pursuant to an offer referred to in Section 275(1A) of the SFA;

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (iii) where no consideration is, or will be given, for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the SFA; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### **United Kingdom**

Each agent will be deemed to represent and agree, and each further agent appointed by Suncorp will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year:

(a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(b) it has not offered or sold and will not offer or sell any Notes to persons:

(1) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or

(2) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended ("FSMA"), by Suncorp;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to Suncorp; and

(iii) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## **LEGAL MATTERS**

The validity of the Notes will be passed upon for us by our United States counsel Sullivan & Cromwell, Sydney, Australia, as to certain matters of New York law. The validity of the Notes will be passed upon for the agents by their United States counsel, Sidley Austin, Sydney, Australia, as to certain matters of New York law. The validity of the Notes will be passed upon for us by our Australian counsel, King & Wood Mallets, as to certain matters of Australian law. These opinions will be conditioned upon, and subject to certain assumptions regarding future action required to be taken by Suncorp and the Fiscal Agent in connection with the issuance and sale of any particular Note, the specific terms of Notes and other matters which may affect the validity of Notes but which cannot be ascertained at the date of such opinions.

## **INDEPENDENT AUDITORS**

The consolidated financial statements of Suncorp as of and for each of the years ended June 30, 2013, 2012 and 2011, incorporated by reference in this offering memorandum, have been audited by KPMG, independent auditors, as set forth in their reports incorporated by reference herein. With respect to the consolidated interim financial statements of Suncorp as of and for the half years ended December 31, 2013 and 2012, incorporated by reference in this offering memorandum, KPMG, independent auditors, have reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report, incorporated by reference herein, states they did not audit and they do not express an audit opinion on the consolidated interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The liability of KPMG, in relation to the performance of their professional services provided to Suncorp including, without limitation, KPMG's audits of Suncorp's consolidated financial statements described above, is limited under the Institute of Chartered Accountants in Australia (NSW) Scheme approved by the New South Wales Professional Standards Council or such other applicable scheme approved pursuant to the Professional Standards Act 1994 (NSW), including the Treasury Legislation Amendment (Professional Standards) Act.