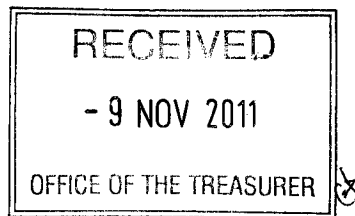




7 November, 2011



Suncorp Group Ltd  
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Hon Andrew Fraser MP  
Deputy Premier and Treasurer  
Minister for State Development and Trade  
GPO Box 611  
BRISBANE QLD 4001

Dear Deputy Premier

Thank you for your correspondence regarding recent media speculation.

As I am sure you are aware, the Suncorp Group operates in the extremely competitive global financial services market and it is important for the Group's long-term prospects that we continually look for ways to improve the way we do things. There are very few growing organisations, in either the public or private sectors, that still conduct business in the same manner they did ten years ago.

This requires Suncorp to understand all of the competitive opportunities and threats relevant to our businesses, including making better use of technology, improving our internal systems and processes, eliminating duplication and engaging partner companies where they can provide a service more efficiently than we can do it ourselves.

Please be assured that we are regularly briefing our employees regarding the progress we are undertaking. We are also meeting representatives of the Finance Sector Union as is appropriate under the applicable legislation. As we make decisions regarding any future plans, we will meet all applicable legislative and regulatory requirements. We will also keep you and your colleagues informed as we did recently following the decision to transition a small number of back office roles to an external provider.

Suncorp's commitment to Queensland and Australia has never been stronger. For example, we are about to announce the location of the Group's new Brisbane Campus which will accommodate more than 3000 employees. We also continue to create customer service roles in metropolitan and regional areas (over 100 new customer facing roles were announced recently) and we have established one of the largest graduate recruitment programs in corporate Australia. You will also be aware of the Deloitte Access Economics research that quantified the significant contribution Suncorp Insurance made to the Queensland economy following the weather disasters last financial year.

As an organisation, we must continually try to balance the interests of all of our stakeholders – employees, customers, shareholders and the community – with the need to ensure Suncorp remains competitive over the longer term. I believe we have a proven track record of getting this balance right and this will ensure we continue as a major employer in Queensland and Australia well into the future

Yours sincerely

Patrick Snowball  
Group Chief Executive Officer