ASX RELEASE

20 December 2016

BOQ TO ACQUIRE PREMIUM FUNDING BUSINESS

Bank of Queensland (ASX:BOQ) today announced that it will acquire Centrepoint Alliance Limited's (ASX:CAF) Premium Funding business for $20m.

Centrepoint Alliance Premium Funding is a leading participant in the premium funding industry, originating around 30,000 new loans per annum predominantly to small and medium sized enterprises. In the 12 months ended 30 June 2016, the business funded $377m in Gross Written Premiums distributed through more than 420 commercial insurance broker relationships.

Managing Director & Chief Executive Officer Jon Sutton said the bolt-on acquisition was a natural extension to the BOQ Finance business and aligned to BOQ's strategy to target profitable niche business segments.

"BOQ Finance has developed expertise in offering specialised financing solutions for the SME sector through proprietary and third party distribution channels," he said.

"Premium funding complements BOQ Finance's existing product offering, providing customers with a valuable cash flow management tool for addressing their critical insurance needs."

"Under BOQ's ownership, the business will benefit from funding cost synergies, whilst also providing opportunities for product expansion."

"This transaction demonstrates that we are delivering on our strategy to grow specialist niches."

Although immaterial to FY17 earnings, the acquisition will be immediately earnings accretive for BOQ.

The acquired business will be rebranded and form a new division within BOQ Finance.

Completion of the transaction is expected to occur on 30 December 2016.

Ends

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