



Bank of Queensland Limited  
ABN 32 009 656 740  
100 Skyring Terrace, Newstead 4006  
GPO Box 898, Brisbane 4001  
Telephone (07) 3212 3333  
Facsimile (07) 3212 3409  
www.boq.com.au

## ASX RELEASE

17 April 2018

### BOQ ANNOUNCES SALE OF ST ANDREW'S INSURANCE

Bank of Queensland Limited (ASX: BOQ) today announced the sale of St Andrew's Insurance (**St Andrew's**) to Freedom Insurance Group Limited (ASX: FIG) (**Freedom**) for total consideration to BOQ of \$65 million.

The transaction is comprised of two components. The first is a ~\$35 million quota reinsurance arrangement between the life insurance subsidiary of St Andrew's and a major global reinsurer to be effective immediately before completion. The remaining cash proceeds of ~\$30 million will be paid by Freedom as consideration for the acquisition of the share capital of St Andrew's.

In addition, BOQ will enter into an exclusive three year distribution agreement (with an additional two year option) with Freedom for the provision of life insurance products to BOQ's customers.

Freedom is a publicly listed insurance group that specialises in developing, distributing and administering life insurance products in Australia. The transaction will expand Freedom's life insurance offering and strengthen its position in the Australian life insurance market.

BOQ Managing Director and Chief Executive Officer Jon Sutton said that the transaction made strategic sense for both parties.

"St Andrew's has made a strong contribution to the BOQ Group since its acquisition in 2010, but industry and business dynamics have changed dramatically in recent years.

"These changing conditions now mean St Andrew's is a better long-term strategic fit for Freedom" he said.

Freedom Managing Director and Chief Executive Officer, Keith Cohen said, "St Andrew's Insurance is a high-quality business with great relationships and people that complement our business and augment our growth strategy. Freedom is looking forward to working with Bank of Queensland and continuing to protect its customers, supported by its position as one of Australia's most respected banks with a widely-recognised service culture."

The transaction is expected to result in an indicative post-tax gain on sale of ~\$8 million and increase BOQ's Common Equity Tier 1 ratio by ~20 basis points. St Andrew's contributed \$8 million to BOQ's after tax profits in FY17.

BOQ expects completion to occur in the second half of calendar year 2018. The transaction remains subject to certain conditions, including regulatory approval of both the reinsurance transaction and the share purchase by Freedom.

**Ends**

**For further information please call:**

**Media:**  
Tracy Hicks, Head of Corporate Affairs  
P: 0439 540 960 E: tracy.hicks@boq.com.au

**Analysts:**  
Daniel Ryan, Head of Investor Relations  
P: 07 3212 3990 E: daniel.ryan@boq.com.au