

BOQ ANNOUNCES AGREEMENT TO SELL ST ANDREW'S INSURANCE

Wednesday, 14 October 2020, Brisbane: Bank of Queensland Limited (**BOQ**) today announced that it has entered into an agreement to sell St Andrew's Insurance (**St Andrew's**) to Farmcove Investment Holdings (**Farmcove**) for proceeds of \$23 million.

The sale is consistent with BOQ's refreshed strategy announced in February 2020, delivering group simplification benefits and is aligned with BOQ's focus on its five core strategic pillars.

Managing Director and CEO George Frazis said: "The sale of St Andrew's represents an important strategic milestone for BOQ. We are delighted to have secured a buyer that has a long term vision for the business which includes meeting the continued obligations of policyholders. The divestment enables us to focus on our niche customer segments while simplifying our business model."

Farmcove Managing Director Matt Lancaster commented: "We look at our investment in St Andrew's with a long horizon in mind. St Andrew's has insured more than 600,000 Australians over its two decade history and we look forward to seeing the company deliver simple and cost effective insurance solutions for more Australians over the coming decades as an independent, Australian owned competitor in the insurance marketplace."

The transaction is expected to result in an indicative post-tax statutory loss on sale of approximately \$27 million to \$30 million and be broadly neutral to BOQ's Common Equity Tier 1 ratio. St Andrew's made an immaterial contribution to BOQ's net profit in FY20, following the decision to largely close to new business during the period.

Farmcove is a private investment vehicle controlled by Matt Lancaster, who has 25 years of experience in finance and investment in Australia and internationally.

Completion of the transaction is subject to certain conditions, including regulatory approval from APRA. Dependent upon the timing of regulatory approvals, completion is expected to occur before the end of FY21. Under the transaction, BOQ will provide a capped indemnity to Farmcove for certain pre-completion matters. In addition, a vendor loan has been agreed between BOQ and Farmcove which will become effective on the completion date.

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Authorised for release by: The Board of Directors of Bank of Queensland Limited

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