

## BOQ ANNOUNCES SALE OF NEW ZEALAND ASSET PORTFOLIO

**Friday, 2 February 2024, Brisbane:** Bank of Queensland Limited (**BOQ**) today announced it has agreed to the sale of its New Zealand portfolio of assets to UDC Finance Limited (**UDC**).

The decision to sell the portfolio forms part of BOQ's strategic simplification program, streamlining the bank's operating model and simplifying the compliance environment by exiting a small, non-core lending portfolio in an overseas jurisdiction.

The sale agreement provides for the sale of the portfolio at 91% of book value, subject to completion date adjustments. As at 31 January 2024, the portfolio size was NZ\$238 million (equivalent to A\$221 million).

Managing Director & CEO, Patrick Allaway, said: "This transaction is another step in our strategic simplification program, exiting a non-core business and reducing our operational complexity."

Group Executive Business Banking, Chris Screen, said: "We are pleased to have secured a buyer in UDC, the largest non-bank lender and a leading asset finance business in New Zealand, that will continue to serve and provide a high level of support for these customers and employees."

UDC's Chief Executive Officer, Don Atkinson, said: "We are excited to acquire a book that aligns with our core business and is comprised of high-quality customers."

The transaction is expected to result in an indicative post-tax statutory loss on sale of approximately A\$17 million to A\$20 million recognised in 1H24<sup>1</sup>, and upon completion is expected to be broadly neutral to BOQ's Common Equity Tier 1 capital ratio. The portfolio, consisting of commercial loans, finance and operating leases originated and serviced by BOQ Finance (NZ) Limited and BOQ Equipment Finance Limited represented less than 0.5% of BOQ Group's Net Loans & Advances as at FY23 and made an immaterial contribution to BOQ's net profit in the same period.

Completion of the transaction is expected to occur in 2H24.

ENDS

Authorised for release by: The Disclosure Committee of Bank of Queensland

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<sup>1</sup> The loss on sale is net of any existing loan impairment provisions, includes an estimate of transaction related costs, but excludes any impacts from the unwinding of hedge positions, which are likely to be favourable.