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NZX/ASX Market Release

**CBL Corporation announces equity raising to provide greater flexibility to capitalise on growth opportunities**

CBL Corporation (NZX:CBL, ASX:CBL) (CBL, the Company) has announced a NZ\$60m equity raising through an underwritten placement of new ordinary shares in, and shares held as treasury stock by, CBL ("Placement"). CBL has sought a trading halt from the NZX and ASX pending completion of the Placement.

The Placement has been fully underwritten at a fixed price of \$3.45 per share.

The equity raised under the Placement and Share Purchase Plan (further details below) is expected to provide CBL with greater flexibility to take advantage of organic and acquisition-led growth opportunities, including:

- Accelerating growth in existing business lines and expanding products into new markets that have been identified or secured in the last 6-12 months;
- Capitalising CBL Insurance Europe to facilitate increased volumes of direct insurance premiums in Europe and transition of existing business being written through fronting insurers. This is expected to result in reduced acquisition and ceding fees;
- Leveraging the new business opportunities created by CBL Insurance's increased rating to A- (Excellent), achieved one year ahead of schedule; and
- Continuing to pursue value enhancing acquisitions that are aligned to CBL's existing business and medium/long term strategies.

The Placement is also expected to increase CBL's free float, providing greater liquidity for CBL investors and broadening the share register by introducing new shareholders.

Commenting on the equity raising, Peter Harris, Managing Director, said: "Since the IPO in October 2015, CBL has allocated capital to several profitable growth opportunities including the successful acquisitions of both Assetinsure and PFP and increasing our regulatory capital base to drive organic growth. With the recently announced acquisition of SFS (CBL's largest European broker channel) and the planned early repayment of A\$55m in Medium Term Notes, we believe the equity raising will provide the Group with the additional financial flexibility to take advantage of exciting long –term growth opportunities CBL has identified."

All shares issued under the Placement and Share Purchase Plan will rank equally with CBL's existing ordinary shares, including the entitlement to receive the 1H2016 dividend if shares are held on the dividend record date. CBL expects to declare an interim dividend for the first half of 2016 in October.

**Share Purchase Plan ('SPP')**

In addition to the Placement, CBL is seeking to raise up to NZ\$3 million through a non-underwritten SPP to eligible shareholders in New Zealand.

Under the SPP, holders of existing CBL shares on the share register as at 5:00 p.m. (New Zealand time) on the record date of 28 September 2016, and who are eligible shareholders with a registered address in New Zealand, will be invited to subscribe for up to NZ\$15,000 (in multiples of NZ\$2,500) of new fully paid ordinary shares in CBL at the Placement price of \$3.45 per share. Participation in the SPP is optional.

Further information in relation to the SPP, including the SPP terms and conditions, will be outlined in a separate SPP Booklet which will be sent to eligible shareholders.

**ENDS**

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### **Forward-Looking Statements**

This announcement contains certain “forward-looking statements,” which can generally be identified by the use of forward-looking words such as, ‘expect’, ‘anticipate’, ‘likely’, ‘intend’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’, ‘outlook’, ‘guidance’ and other similar expressions within the meaning of securities laws of applicable jurisdictions. The forward-looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of CBL, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not materially differ from these forward-looking statements. Forward-looking statements in this announcement include statements regarding the timing and outcome of CBL’s financing activities, including the Placement, the SPP and the early repayment of A\$55 in Medium Term Notes, and statements regarding CBL’s growth outlook, new business opportunities and future financial performance and results. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to CBL as at the date of this announcement. Except as required by law or regulation (including the NZX Main Board Listing Rules), CBL undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

### **About CBL Corporation**

CBL – *CBL Corporation* (NZX:CBL, ASX:CBL) is a specialist insurance and reinsurance group focused on credit and financial risk. CBL has a specialist focus on credit risk products, sureties, guarantees and financial bonds, alongside other non-traditional specialty insurance products. The company targets niche markets with a strong focus on profitable underwriting and low exposure to natural catastrophe risk. CBL has eight offices spread across 25 countries with more than 180 employees and has a financial strength rating of A- (Excellent) from AM Best ratings agency.

Visit <http://cblcorporation.co.nz/> for further information

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