

Market Information
NZX Limited
Level 2, NZX Centre
11 Cable Street
Wellington
New Zealand

Company Announcements Office
Australian Securities Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
Australia

NZX/ASX Market Release

CBL obtains regulatory approval for \$150m acquisition of French insurance underwriter

11 OCTOBER 2016

International credit and financial risk insurer, CBL Corporation Limited (CBL), announced today it had been given the regulatory green light to proceed with its \$150m strategic acquisition Securities and Financial Solutions Europe SA (SFS).

SFS is France's largest specialist producer of construction-sector insurance and CBL's largest single client. The regulatory approval was obtained from the Commissariat aux Assurances in Luxembourg (CAA). The approval also applies to IMS Expert Europe SA (IMS), SFS' claims management operation.

CBL Managing Director Peter Harris said: "SFS was an important strategic acquisition for us in terms of furthering our growth ambitions in Europe. It provides support to CBL doing additional business in that region. It is also expected to provide excellent opportunities for several companies within the CBL Group in Europe."

CBL began working with SFS in 2005, building a strong relationship with the company and its principal owner Mr Patrice Gilles. This resulted in SFS becoming the largest building risk specialist in France and writing the largest proportion of CBL's French construction-sector insurance products, mainly Dommages Ouvrage (project-specific workmanship), and Decennial Liability.

The approval from the CAA satisfies the most significant outstanding condition precedent to the acquisition.

Mr Gilles said: "I'm delighted that the regulatory process has been satisfied, and I expect that under the new ownership of CBL, both SFS and CBL will continue to grow to new levels. I am extremely pleased to see SFS as part of the strong and well established CBL Group where management and staff will continue to grow."

Mr Harris said: "This is the 5th acquisition CBL has done in Europe over the past 11 years, with four different regulators, and each one adds to CBL's regulatory and governance experience. Our recently upgraded financial strength rating from AM Best to A- (Excellent) presents an opportunity to make CBL and SFS into even more significant players in the French construction insurance market, and will add to the quality of the Group's business in Europe overall."

Mr Harris paid tribute to Mr Gilles for the work done by him and his team over the 10 years that CBL had been doing business with SFS, and to ensure the acquisition progressed smoothly through this process. "As an entrepreneur, Mr Gilles built the SFS business up to become a leading specialist MGA (Managing General Underwriting Agency) in France, and 3-4 years ago expanded its branch network to 35 branches throughout France, whilst expanding its broker network to now number more than 3,000."

During this time, the senior executive team was strengthened and Mr Antoine Guiguet was appointed as CEO of SFS. Mr Guiguet is a lawyer who has CEO experience in the construction sector. He is also an investor in the SFS business.

As an MGA, SFS does not bear any insurance risk and earns revenue from brokerage and fees. Its subsidiary, IMS, is a claims management business that manages the claims for SFS and other third party clients, and earns revenue from claims management fees.

CBL would maintain continuity in SFS and IMS with the executive management of Mr Guiguet, and Mr Gérard Marichy (Managing Director of IMS) remaining in their roles. Between them, Mr Guiguet and Mr Marichy have agreed to maintain a shareholding in the French company alongside CBL. They will own 29% of the combined entity, with CBL owning the remaining 71%. “We are delighted with the approvals being given,” said Mr Guiguet. “We are looking forward to being a part of the CBL and supporting them to achieve the long term goals for SFS and the wider CBL Group. SFS has achieved significant growth over the past few years, which all have benefited from, and it expects this growth to continue under CBL ownership.”

Mr Gilles will be paid out, and would not retain a shareholding, but would be appointed as Chairman of an Advisory Panel for SFS.

CBL and SFS are now working towards completing documentary formalities, satisfying final conditions precedent, and pre and post-acquisition accounting procedures, with Completion and Settlement proposed for just prior to year-end or early in the New Year.

The acquisition is being funded by a combination of cash, bank and vendor funding.

ENDS

CBL Corporation Limited (CBL) is a specialist insurer and reinsurer group focused on credit and financial risk. CBL has eight offices spread across 25 countries and over 180 employees. The acquisition of SFS and IMS will add a further 360 employees to the CBL Group. CBL is a public company with its shares listed on ASX and NZX. CBL's main operating subsidiary is CBL Insurance Limited, which is a New Zealand licenced non-life insurer and re-insurer, supervised and regulated by the Reserve Bank of New Zealand and has been operating for over 43 years. CBL also has a number of wholly owned subsidiary insurance companies including CBL Insurance Europe Limited, which is a regulated insurer in Ireland, and Assetinsure Pty Ltd a regulated Surety & Bonding insurer in Australia, and owns a 35% investment in Afianzadora Fiducia, S.A. de C.V Fiducia, a regulated Surety and Bonding Insurer in Mexico.

CBL also has Managing General Agents (MGA's), the largest being European Insurance Services (EISL 100% owned) and Professional Fee Protection (PFP 92% owned).

CBL specialises in writing property liability and construction related credit and financial surety insurance, bonding and reinsurance. CBL Insurance Limited has a Financial Strength Rating of A- (Excellent) and an issuer rating of a-, with both outlooks 'Stable', from A.M. Best Ratings Agency. www.cblcorporation.co.nz

SFS was established in 2002 and is a leading MGA writing specialist construction-sector insurance products on behalf of insurers. SFS has 37 wholly-owned branches across France, 360 employees, and has a presence in 13 markets including France, Luxembourg, Belgium, and French Overseas Departments and Territories. The company is domiciled in Luxembourg. www.sfs-groupe.com

IMS was established in 2010 to undertake claims management on behalf of SFS and third party clients. IMS is also headquartered in Luxembourg with offices in Paris, Montauban and Toulouse. www.ims-expert.com

For investor queries please contact:

Carden Mulholland
Chief Financial Officer
CBL Corporation Limited
Phone +64 9 303 4770
ARBN 604 999 466 Incorporated in New Zealand

For media queries, please contact:

Geoff Senescall
Senescall Akers Ltd
+64 21 581 23
senescall@senescallakers.co.nz

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