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MEDIA RELEASE

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BOQ completes purchase of CIT Australia and New Zealand vendor finance business

BOQ has overnight completed the purchase of CIT Group (Australia) Limited and CIT Group (New Zealand) Limited (CIT Australia and New Zealand), paying a combined total for purchase consideration and refinance of debt of \$475 million.

BOQ Managing Director David Liddy said the acquisition of CIT Australia and New Zealand would enable the Bank to build on its existing equipment finance business.

"It is a true bolt-on acquisition, in line with our strategy of expanding in to higher margin businesses that complement our existing network and is a natural addition to our existing, successful equipment finance business," said Mr Liddy.

BOQ currently has a successful equipment finance book of approximately \$3.4 billion and the acquisition of CIT Australia and New Zealand represents roughly 15% of this book.

"We expect the acquisition to be earnings per share accretive immediately from completion; however it will not have a material impact on our FY10 results," said Mr Liddy.

"In addition, while we have been able to fund the purchase from existing liquidity and capital, I'm pleased to advise that yesterday we agreed to issue \$150 million of Lower Tier 2 Convertible Notes as a private placement, further strengthening our ongoing capital position.

"CIT Australia and New Zealand has a very strong management team who are moving across to BOQ as part of the purchase, and I am confident they will manage the operations successfully and drive growth in the business," said Mr Liddy.

Keith Rodwell, who will continue to lead the CIT Australia and New Zealand business under BOQ's ownership, said: "This is a great day for the business. I believe that bringing the business under BOQ's ownership will enable us to grow while continuing to provide our existing vendor partners with exceptional service and quality products.

"The combined BOQ / CIT Australia and New Zealand product suite positions us well to serve the needs of manufacturers and their distribution partners in a range of industries beyond our IT, technology, motorcycle and marine base. We have been working extremely closely with the BOQ team we now join and anticipate a seamless transition over the coming months."

BOQ intends to operate the CIT Australia and New Zealand business as a stand alone entity, which will be re-branded over a transition period to the BOQ brand.

For more information please contact

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