Product Disclosure Statement

Initial Public Offering of Ordinary Shares in CBL Corporation Limited

Issued by CBL Corporation Limited
7 September 2015

JOINT LEAD MANAGERS:
UBS New Zealand Limited and Forsyth Barr Limited

OFFERORS:
CBL Corporation Limited and CBLNZ Limited

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose, offer number (OFR10268). CBL Corporation Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

CBL*corporation*

1 Key Information Summary

1.1 What is this?

This is an offer of ordinary shares in CBL Corporation Limited ("CBL"). Ordinary shares give you a stake in the ownership of CBL. You may receive a return if dividends are paid or CBL increases in value and you are able to sell your ordinary shares at a higher price than you paid for them.

If CBL runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

1.2 About the CBL Group

The CBL Group is an integrated and international credit surety and financial risk insurer, headquartered in New Zealand, with a history dating back more than 40 years. The CBL Group focuses on identifying profitable, non-traditional insurance lines with a particular focus on offshore construction and property industries. Over the last 15 years, CBL has built up an international distribution network, establishing 8 offices in 4 continents and now writes business in 25 countries.

The CBL Group consists of a number of wholly-owned operating subsidiaries, including CBL Insurance Limited ("CBL Insurance"), European Insurance Services Limited ("EISL") and CBL Insurance Europe Limited ("CBLIE"). CBL has a 34.99% shareholding in Afianzadora Fiducia S.A. de C.V. ("Fiducia") and has also entered into an agreement to acquire all of the shares in Assetinsure Holdings Pty Limited ("Assetinsure"). This agreement is unconditional and is expected to settle shortly after listing.

The CBL Group is further described in Section 2 *The CBL Group and what it does* and Section 7 *The CBL Group's financial information.*

1.3 Purpose of this Offer

The purpose of the Offer is primarily to raise capital to assist CBL to fund further growth, strengthen Regulatory Capital[1] and to enable the Selling Shareholders to realise a portion of their investment. $90 million of new capital is sought under the Offer, and up to $42.2 million of existing Shares will be sold by Selling Shareholders under the Offer. New capital raised will be used to fund the acquisition of Assetinsure, increase the Regulatory Capital of CBL Insurance[1] and to seek to improve over time the financial ratings of CBL Insurance and CBLIE.

The Offer is also expected to benefit CBL by providing it access to capital markets, increasing CBL's profile and providing an opportunity for CBL to broaden its investor base.

The purpose of the Offer is further described in Section 3 *Purpose of the Offer.*

1.4 Key terms of the Offer

Description of securities	This is an initial public offering of ordinary shares in CBL ("Shares")
PDS lodged	7 September 2015
Bookbuild	17 September 2015
Pricing and Allocation	17 September 2015
Priority Offer Opening Date	7 September 2015
Priority Offer Closing Date	14 September 2015
Broker Firm Offer Opening Date	21 September 2015
Broker Firm Offer Closing Date	6 October 2015
Settlement of Shares to be quoted on ASX	9 October 2015
Settlement of Shares to be quoted on NZX	12 October 2015
Allotment of Shares to be quoted on NZX and ASX*	12 October 2015
Expected commencement of trading on the NZX Main Board and ASX	13 October 2015
Expected dispatch of holding statements	by 19 October 2015
Expected payment of first dividend	April 2016
Indicative Price Range	$1.45 – $1.85
Number of Shares being offered under the Offer	71.4 – 84.9 million (being 34 – 38%)**
Gross proceeds from the Offer	$123.0 – $132.2 million
Number of Shares held by the Selling Shareholders upon completion of the Offer	133.2 million***
Number of Shares on issue on completion of the Offer	210.3 – 223.7 million

* *Trading on ASX (which will initially be on a deferred settlement basis) will not be on a normal ('T+3') settlement basis until after the dispatch of holding statements. Each of ASX, CBL, CBLNZ, the Joint Lead Managers and the Share Registrar disclaim all liability, whether in negligence or otherwise, to persons who trade Offer Shares before receiving their holding statements.*

** *This is the percentage that the number of Shares being offered will comprise of the total ordinary shares in CBL on issue immediately after completion of the Offer.*

*** *This number assumes the Offer is fully subscribed.*

The above dates are indicative only and may change. The Offerors, in conjunction with the Joint Lead Managers, reserve the right to vary or extend these dates. The Offerors may also withdraw the Offer at any time before the allocation of Offer Shares or accept late Applications (either generally or in individual cases).

You can find more information about the use of proceeds from the Offer in Section 3 *Purpose of the Offer*. You can find more information about the terms of the Offer in Section 5 *Terms of the Offer.*

1.5 How pricing of ordinary shares in CBL is fixed

The Offerors have set an Indicative Price Range of $1.45 to $1.85 per Share offered for subscription under the Offer ("Offer Share"). All Offer Shares allotted under the Offer will be allotted at the Final Price.

The Final Price will be determined based on a bookbuild managed by the Joint Lead Managers ("Bookbuild").

The Bookbuild will take place on 17 September 2015. The Bookbuild is a process through which information is collated about the demand

[1] "Regulatory Capital" is a term used in insurance regulations which calculates how much capital a regulated insurer should have (having regard to its risks and exposures, quality of reinsurance, catastrophe risk, and other determinants of capital requirements), and compares that to the amount of accounting capital it has after discounting the value of its assets (according to their classification and quality) and making further deductions for additional risks such as currency risk, interest rate risk and other prescribed risks.

for the Offer Shares by selected Institutional Investors participating in the Institutional Offer, and NZX Firms participating in the Broker Firm Offer, submitting bids for the number of Offer Shares they wish to purchase or be allocated at a range of prices for the Offer Shares. That information is then used to assist with the determination of the Final Price and allocations of the Offer Shares.

The Offerors, after consultation with the Joint Lead Managers, will set the Final Price following completion of the Bookbuild. The Offerors reserve the right to set the Final Price within, above or below the Indicative Price Range.

In setting the Final Price, the Offerors will take account of several factors, including:

- the level of demand for Offer Shares at various prices;
- the level of demand for Offer Shares in the Institutional Offer, the Broker Firm Offer and the Priority Offer;
- pricing indications from Institutional Investors and NZX Firms;
- CBL's desire for an informed and active trading market for the Shares on the NZX Main Board and ASX; and
- any other factors that the Offerors deem relevant.

The Final Price is expected to be announced and posted on www.cblcorporation.co.nz/shareoffer on or about 17 September 2015.

You should refer to Section 5 *Terms of the Offer* for more information.

1.6 How you can get your money out

CBL intends to quote these ordinary shares on the NZX Main Board and on the financial market operated by ASX. This means you may be able to sell them on the NZX Main Board and ASX if there are interested buyers. You may get less than you invested. The price will depend on the demand for the ordinary shares.

1.7 Key drivers of returns

CBL considers that the current and future aspects of its business that drive its financial performance, together with the key strategies and plans for the business, can be summarised as follows:

CURRENT AND FUTURE ASPECTS OF CBL'S BUSINESS WHICH DRIVE FINANCIAL PERFORMANCE	KEY STRATEGIES AND PLANS
Identification and implementation of non-traditional insurance lines in offshore markets which CBL expects to be profitable Identifying new markets for writing business has provided CBL with positive avenues for growth.	The CBL Group will look to continue to analyse and assess the potential for entering markets it does not currently operate in based on their respective merits and an expansion strategy which it considers appropriate, for example, the acquisition of Assetinsure in Australia. This acquisition is unconditional but will settle shortly after listing.
Investing in new and established trusted partnerships with key business producers in offshore locations Providing suitable products with partners that the Group has built relationships with has allowed the Group to maintain and win profitable business.	The CBL Group will look to continue to leverage its existing relationships with business producers to win business in offshore markets. The Group will also seek to develop new relationships in existing markets to provide access to greater levels of business, provided this does not cause conflict with existing channels to market.
Gross written premium ("GWP")[2] The CBL Group generates GWP from writing insurance business, reinsuring business written by other insurers and for acting as an intermediary between insurance brokers and insurers. The level of GWP earned from writing insurance and reinsurance depends on the type of policy being written or reinsured and various provisions contained in the individual policy and reinsurance agreements.	GWP growth is expected to be driven by the further penetration of current and new products into existing markets as well as entry into new markets for current products. This growth is expected to be achieved through leveraging existing and new business relationships with regulated insurers and intermediaries. CBL Insurance's anticipated improvement in credit rating over time from a strengthened financial position and access to capital post-IPO is expected to create new opportunities to grow GWP, including in Australasia and Southeast Asia. GWP in the Prospective Period is supported by the acquisitions of Assetinsure and 34.99% of Fiducia. Management will continue to consider bolt-on acquisitions that have the potential to generate further GWP for the Group, on their merits.
Premiums ceded Ceding premiums as reinsurance has the effect of reducing the Group's exposure to premium income and the relevant risk. Therefore, CBL's assessment of the need for reinsurance has an impact on the Group's profitability. The amount of the CBL Group's insurance premiums ceded as reinsurance is based on company policies and management's assessment of the appropriate level of risk (and premium) to share with other parties.	CBL will look to continue to follow the underwriting management and processes that have underpinned the Group's business growth and profitability to date.

[2] 'GWP' refers to total premiums for insurance written or assumed reinsurance, during a given period.

CURRENT AND FUTURE ASPECTS OF CBL'S BUSINESS WHICH DRIVE FINANCIAL PERFORMANCE	KEY STRATEGIES AND PLANS
Net claims expenses The CBL Group incurs expenses for insurance claims paid or payable to policyholders, as well as the potential liability for incurred but not yet reported claims, and the expense to adjust and settle all claims. The CBL Group's ability to estimate future claims losses and loss adjustment expenses accurately at the time of pricing its insurance policies is a critical factor in determining CBL's profitability.	The CBL Group intends to continue to focus on markets and products it believes to be profitable, and look to revise rates or underwriting criteria where required to increase product profitability, or if necessary, withdraw from products or markets it considers do not meet the CBL Group's profitability objectives.
Acquisition costs[3] The CBL Group incurs expenses for fees paid to insurance brokers for arranging new insurance business and other underwriting expenses.	The CBL Group will seek to continue to pay commission rates in line with current rates negotiated with key intermediaries and in line with market rates.
Operating expenses The CBL Group incurs operating expenses, mostly in relation to staff wages, professional fees, travel and premises costs.	The CBL Group will seek to continue to operate a satisfactory overhead structure for the level of operations and size of the business going forward. The CBL Group will aim to continue to derive business with a small team of experts and tight controls on operating expenses and by dealing with intermediaries who incur a significant amount of the distribution, acquisition and initial policy administration and reporting costs otherwise incurred by most insurers.

You should also read Section 7 *The CBL Group's financial information.*

1.8 Key risks affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about the CBL Group's future performance and returns is suitable for you. The price of these ordinary shares should reflect the potential returns and the particular risks of these ordinary shares. CBL considers that the most significant risk factors that could affect the value of the ordinary shares are:

- Under-provision for claims that have been notified but not settled and for claims that have been incurred but not notified. The nature of our business is that we write policies and make provision for future claims that we expect may be made in respect of those policies, but do not know the quantum of those claims until they are reported. This can, in some cases, be some years after the policy was written (up to 10 years or more for certain products). If we underestimate the provision for claims, then that will have an impact on future years' profitability;
- Failing to maintain the conditions of our licence from the Reserve Bank of New Zealand ("RBNZ") including the requirement to maintain the minimum Regulatory Capital requirements required under the Insurance (Prudential Supervision) Act 2010 ("IPSA"). It is fundamental to our business that CBL Insurance continues to comply with the requirements of the IPSA and RBNZ. If it did not maintain its licence under the IPSA, CBL Insurance could not continue to issue policies to New Zealand policy holders and that would likely have a material adverse effect on our reputation and therefore on our financial performance, notwithstanding the relatively small amount of the Group's business that is done with New Zealand policy holders. As part of RBNZ's prudential supervision of CBL Insurance, it is in regular dialogue with RBNZ regarding its prudential and reporting and filing responsibilities. Under the IPSA, CBL Insurance is required to have an appointed actuary to review its financial information in accordance with applicable solvency standards ("Appointed Actuary"). RBNZ queried CBL Insurance's and its Appointed Actuary's interpretation of clauses of the applicable IPSA standards and the resulting calculation of CBL Insurance's Regulatory Capital at December 2014. RBNZ accepts that despite it having had some differences with CBL Insurance regarding applications of certain parts of the IPSA standard, CBL Insurance met the minimum solvency condition of its IPSA licence. In addition, on 28 July 2015, CBL Insurance increased its Regulatory Capital by the issue of $10 million of additional equity (sourced intragroup). Further, the Board of CBL Insurance has in place a Capital Management Plan which has been filed with RBNZ and to which the Board remains committed to, where CBL Insurance seeks to operate at a Regulatory Capital surplus of between 135% and 165%;
- Change to law so that DO and DL products[4] are no longer compulsory in France, considering that a material proportion of our revenue arises from the sale of insurance products in France which are compulsory to be taken out. DO and DL insurance products in France are expected to represent 45.9% of Group GWP in pro forma FY2015F. Accordingly, a change to the law which could result in these products becoming optional, may be detrimental to CBL's profitability;
- Unplanned loss of our Managing Director or other key team members. The Managing Director and other senior members of our management team have worked for CBL for some time and are

[3] 'Acquisition costs' refers to the aggregate expenses incurred by a company that relate directly to acquiring business, including commissions and underwriting expenses.

[4] 'DO' or 'Dommages Ouvrage' insurance (literally 'insurance of the works') is insurance taken out on a specific building project (residential in CBL's case) which covers the home owner from workmanship defects. The policy is a no-fault insurance, and the insurer of a DO policy must immediately remedy the defect, and is then able to recover in full from the DL liability insurer of the contractor which caused the workmanship defect. 'DL' or 'Decennial Liability' insurance, is a 12 month renewable liability policy covering the work of a contractor on building sites during that 12 month policy period and recognising claims lodged against the contractor for a period of up to 10 years.

seen as having been instrumental in our growth and success. A loss of one or more of them could be disruptive to our business and potentially adverse; and

- Completion of the Assetinsure acquisition or integration of the Assetinsure business does not proceed as planned, or financial performance is below CBL's expectations. We have an unconditional agreement to acquire Assetinsure in Australia. If completion or integration of that acquisition does not proceed as planned, that could cause management distraction to our business and impact on our financial performance. In addition, if the acquired business does not perform to the extent expected, including if their provision for claims is inadequate, then this would impact on our financial position and performance.

This summary does not cover all of the risks of investing in ordinary shares in CBL. You should also read Section 8 *Risks to the CBL Group's business and plans.*

1.9 The CBL Group's financial information

The financial position and performance of the CBL Group are essential to an assessment of this Offer. You should also read Section 7 *The CBL Group's financial information.*

Capitalisation table

Number of Shares being offered under the Offer	71.4 – 84.9 million
Implied market capitalisation of CBL	$324.3 – 389.0 million

Implied market capitalisation is the value of all of the issuer's equity securities, as implied by the price of the ordinary shares being offered. It tells you what CBL is proposing that CBL's equity is worth.

The Offerors have obtained an exemption from the Financial Markets Authority that allows the Offerors to not include in this PDS the indicative enterprise value of CBL immediately after the issue or sale of the Offer Shares and the implied enterprise value/ EBITDA of CBL for each of FY2015F and FY2016F, which are usually required under the FMC Regulations. This information is not included in this PDS because, while the information is suitable for a broad range of companies, including those in the industrial sectors (where it is assumed debt is a source of capital and cash is a non-operating asset to the business), it is in fact unsuitable for a company such as CBL which operates in the insurance sector where debt is more an operating asset than a source of capital. Due to the significant amount of cash on CBL's balance sheet (which is an operating asset required for Regulatory Capital purposes and is therefore not cash that is available to investors), enterprise value is not able to be calculated in such a way that will provide investors with meaningful information in relation to CBL's business. CBL is of the view that insurance companies are not valued by reference to enterprise value/EBITDA.

Given this, the Directors consider that inclusion of the information would provide no useful information for investors and would in fact be misleading. If the information was included in this PDS then a large amount of complicated commentary would be required to be included in this PDS to explain this information and such commentary would be likely to confuse investors without giving them any greater understanding of CBL's business.

Accordingly, in the opinion of the Directors, not including the information will not have a material adverse effect on investors.

The implied market capitalisation of CBL is calculated on the assumption that 210.3 to 223.7 million Shares will be on issue immediately following the Offer. The implied market capitalisation in this PDS may differ from actual market capitalisation on listing, which will depend on the number of new Shares issued and the pricing of each Offer Share.

Key investment metrics for the Offer*

	FY2015F (PRO FORMA EXCLUDING ASSETINSURE)	FY2015F (PRO FORMA INCLUDING ASSETINSURE)	FY2016F (STATUTORY)
Earnings per Share as determined in accordance with GAAP		$0.13 – 0.14	$0.18 – 0.19
Price/earnings per Share (where earnings is as determined in accordance with GAAP)	10.4x – 12.5x	11.1x – 13.3x	8.0x – 9.6x
Adjusted NPAT per Share[5]		$0.13 – 0.14	$0.18 – 0.19
Dividends per Share			$0.05 – 0.06
Implied cash dividend yield (being the dividend per Share divided by its price)			3.7% – 3.1%
Implied gross dividend yield (being the implied dividend yield-cash adjusted for imputation credits, and other tax credits, expected to be attached to the dividend)			5.2% – 4.3%

* *FY2015F (Pro Forma including Assetinsure) and FY2015F (Pro Forma excluding Assetinsure) are non-GAAP pro forma figures. The CBL Group believes this pro forma information more closely reflects the Group's post-Offer business and provides a better basis for investors to assess both historical and prospective financial information. FY2015F (Pro Forma excluding Assetinsure) excludes the financial performance of Assetinsure in FY2015 where Assetinsure is forecast to make a loss. Assetinsure is forecast to return to profit in FY2016F. The FY2015F pro forma information incorporates the adjustment for unrealised foreign exchange gains and losses reflected in the Adjusted NPAT per Share. More information on the pro forma financial information is set out in Section 7* The CBL Group's financial information.

Wherever prospective financial information appears in this PDS (including in the key investment metrics presented in this section) you should read that financial information together with the assumptions set out in Section 7 *The CBL Group's financial information* and also the risk factors set out in Section 8 *Risks to the CBL Group's business and plans.* There is no guarantee that the results set out in the prospective financial information will be achieved.

[5] Adjusted NPAT is a non-GAAP financial metric. It is calculated as NPAT adjusted for unrealised foreign exchange gains or losses. CBL considers adjusted NPAT is useful for investors as it is used as a calculation basis for CBL's dividend policy (see Section 6 *Key features of ordinary shares in CBL* for further information on CBL's dividend policy). A reconciliation of adjusted NPAT to information prepared in accordance with GAAP is available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "The CBL Group's Prospective Financial Information, and a reconciliation of non-GAAP to GAAP information".

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Letter from the Chairman

Dear Investor,

On behalf of the Board, it is my pleasure to invite you to become a Shareholder in CBL.

The CBL Group is a credit surety and financial risk insurer. It has an international distribution network built up over the last 15 years, with 8 offices (11 once the Assetinsure acquisition completes) in 4 continents. The CBL Group sells insurance and underwrites insurance risk in 25 countries and its Head Office is in Auckland, New Zealand.

The CBL Group has sought to focus on identifying profitable, non-traditional insurance lines particularly in local and offshore construction and property industries. The Group seeks to tailor products to individual clients, taking into account the regulatory environment in writing risk. The Group believes it has proprietary knowledge in specialist insurance products and has developed relationships with local insurance partners in several countries, which have delivered reliable income streams to the business.

The CBL Group has been successful in achieving revenue and earnings growth over the past five years while effectively managing its risk exposure. The Group manages its risks by seeking to take a conservative approach to underwriting, partnering with in-country insurers, limiting individual claim size and offering a number of different insurance products in several countries.

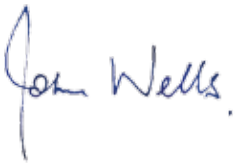
The Board is proud of the achievements of the CBL Group and we are pleased to provide this opportunity for you to be part of what we believe to be a group of companies that have the ability to grow revenue and profit, and deliver for its customers and its shareholders.

A listing on the NZX Main Board and ASX provides additional capital for future growth, should strengthen Regulatory Capital and will allow employees and public market investors the opportunity to share in CBL's success.

This PDS contains important information about the CBL Group and the Offer. We encourage you to read this PDS carefully and consider in particular the *Risks to the CBL Group's business and plans* section before making your investment decision.

The Board looks forward to CBL becoming a publicly listed company and welcomes your participation in this Offer.

Yours sincerely



Sir John Wells KNZM
Chairman
CBL Corporation Limited

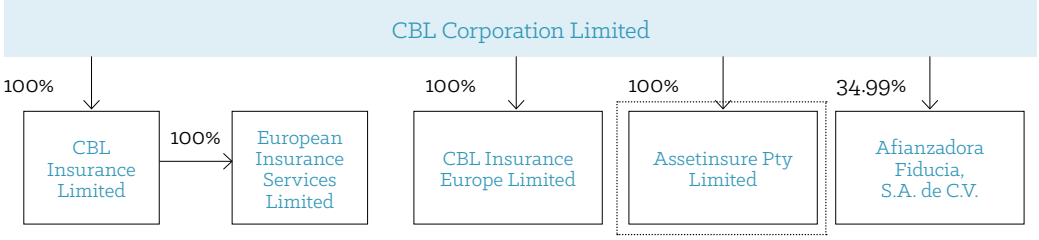
2 The CBL Group and what it does

2.1 Overview of the CBL Group

Business description

The CBL Group sells insurance and underwrites insurance risk in 25 countries with underwriting, accounting, treasury, claims and management all run from its Head Office in Auckland, New Zealand. The CBL Group also operates a Managing General Agency ("MGA")[6] in Europe, EISL.

Simplified Corporate Structure Chart[7]



	CBL insurance	EISL	CBL insurance Europe	asset insure	FIDUCIA
Activity	Risk taker	MGA	Risk taker	Risk taker	Risk taker
Revenue type	Premiums	Commissions and Fees	Premiums	Premiums	Premiums
FY2014 GWP (NZ$m)	185.9	54.0	1.9	n/a	n/a
Regulator	RBNZ	UK FCA	Central Bank of Ireland	APRA	Insurance Commission Mexico

Source: CBL management

[6] An 'MGA' is an intermediary between brokers and insurers, with the authority to bind insurers to policies written by the MGA where the insurer has issued an authority (binder) to the MGA to do so.

[7] The simplified corporate structure chart shows only material operating subsidiaries. There may be other holding entities interposed between these companies, but all are 100% ultimately owned by CBL unless otherwise stated. A copy of the full structure diagram for the Group is available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited". Assetinsure Pty Limited is not yet a member of the Group. CBL has an agreement to buy all of the shares in Assetinsure, which is unconditional and is expected to settle shortly after listing.

CBL business model

The CBL Group operates an integrated insurance business model, with various operating subsidiaries acting respectively as reinsurer, licensed insurer and MGA.

- Reinsurer: Entities within the CBL Group underwrite risk written by other insurers in exchange for an agreed share of the premium and risk. The majority of this reinsurance business is derived by CBL Insurance through relationships it has with brokers and MGAs which is then placed with insurers that Group entities reinsure.
- Licenced insurer: Entities within the CBL Group act as a licensed insurer and write business directly into certain countries taking into account local market regulations.
- MGA: One of the subsidiaries in the CBL Group, EISL, is an MGA – an intermediary between brokers and insurers with power to bind insurers to policies issued by EISL.

	Customer	Broker	MGA	Insurer	Reinsurer
Activity	Approach made to broker for insurance coverage	Arranges insurance cover for customer	Arranges insurance cover for customer. Can bind insurer to customer's policy	Liaises with Broker and MGA. Underwriter of customer's insured risk	Underwriter of insurer's risk
CBL Group companies			EISL EUROPEAN INSURANCE SERVICES LTD	CBL insurance CBL insurance Europe FIDUCIA asset insure [8]	CBL insurance CBL insurance Europe asset insure [8]

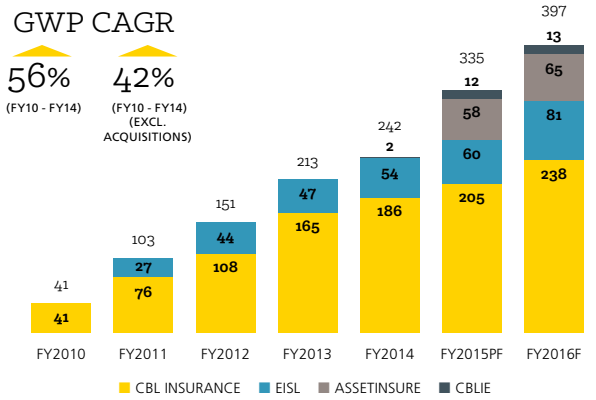
[8] Assetinsure is not yet a wholly owned subsidiary of the Group. A contract to acquire all of the shares in Assetinsure has been signed and is unconditional, but will settle following completion of the Offer.

Key business milestones

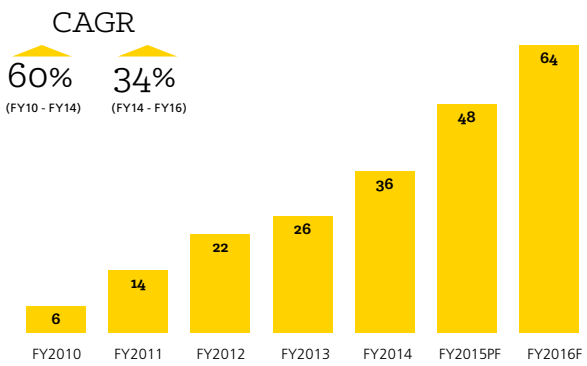
The Group started its operations with CBL Insurance over 40 years ago and has grown substantially over this period, both organically and via acquisition.

YEAR	MILESTONE
1973	CBL Insurance founded
1996	The current majority shareholders purchased 100% of the company
1997	The business adopts a new strategic direction, beginning with the introduction of new products such as IATA Travel Bonds
2000	Expansion initiated offshore with the objective of transforming the Group into an international player in the insurance industry, whilst retaining its core competencies in credit risk – particularly in the building sector
2002	Won the right to offer Travel Agents' Bonds and Cargo Agents' Bonds in Malaysia and Australia. Opened its first overseas representative office
2003	Started underwriting business in the UK
2006	Acquired the Danish business of Accent, a European provider of unemployment insurance. The Group opened its second overseas representative office, in London
2007	Carried out a formal restructure of its corporate and organisational structure, and appointed a new CFO and Managing Director who have continued to lead the Group through to the present day
2010	Developed a 5 year strategic plan to grow GWP ($40 million) and Operating Profits ($4.5 million) six-fold to GWP of $240 million and Operating Profits of $30 million by end of 2015
2011	CBL Insurance obtained an investment grade international financial rating from insurance company ratings specialist A.M. Best Acquired EISL (for cash consideration – and contemporaneously the vendors of EISL purchased shares in CBL, over which CBL exercised an option to purchase in 2013). Group revenues exceeded $100 million for the first time
2012	Acquired the business, brands, intellectual property and distribution of Deposit Power (for cash consideration). Deposit Power is the market leader in deposit bonding in Australia
2013	Acquired CBLIE (then called Achmea Insurance Ireland Ltd) (for cash consideration), providing the Group with a licensed European insurer able to write business throughout the European Union
2014	Achieved audited financial year-end GWP of $242 million, and Operating Profits of $36 million – a year ahead of the 5 year projection in 2010
2015	Acquired a 34.99% stake in Mexican bonding and surety insurance provider, Fiducia (for cash consideration). Entered into an agreement (now unconditional) to acquire 100% of Australia based insurance provider, Assetinsure (for consideration of both cash and shares in CBL) Received an upgrade in A.M. Best rating to B++ (Good) with an outlook of stable

Gross Written Premium ($m) – FY2010 – FY2016F



Operating Profit ($m) – FY2010 – FY2016F



Source: CBL management

Historic financial information above reflects organic growth of the business in addition to growth resulting from acquisitions made in FY2011 (EISL), FY2012 (Deposit Power) and FY2013 (CBLIE). Forecast financial information for FY2015PF and FY2016F also includes the financial impact of Assetinsure which is not reflected in historical periods (see Section 7.1 *Financial information presented* for further details on the different types of financial information presented in this PDS).

Key business strengths

1. Established company with a track record of performance

- Existing majority owners have operated the business since 1996 with key executives remaining significantly invested in the business
- Since FY2010, the Group has grown GWP by a CAGR of 42% on an organic basis and a CAGR of 56% including acquisitions which were undertaken in FY2011, FY2012 and FY2013. The Group has also exhibited 60% p.a. growth in operating profit since FY2010 (including acquisitions). Further growth is expected over the forecast period (see Section 7 *The CBL Group's financial information*)
- CBL has a track record of value enhancement through both organic growth and acquisitions including EISL, Deposit Power and CBLIE

2. Core focus on profitable, non-traditional insurance lines with key business partners

- CBL has endeavoured to focus on identifying profitable, non-traditional insurance lines with a particular focus on offshore construction and property industries
- In FY2015PF, approximately 52% of the Group's key products are annually renewable products requiring the payment of annual premiums. Management estimate renewal rates of approximately 80% for these products
- CBL's senior management have invested in establishing trusted partnerships with key business producers in offshore locations, which CBL regards as having good distribution and policy acquisition and administration abilities (see the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited" for further details)
- The Group focuses on writing business which is expected to generate profit soon after the point of writing (see Section 2.6 *Strategy and outlook for the Group* for further details). The Group does not rely on income generated from invested premiums
- The Group has a track record of innovation through developing new products in conjunction with local market partners and risk sharers
- A number of offshore markets in which the Group operates require compulsory insurance for certain activities such as residential and commercial construction, providing opportunities to identify profitable parts of the market

3. Conservative underwriting and risk management processes

- The CBL Group's strategy focuses on growing profitable business lines whilst seeking to maintain conservative underwriting and risk management processes
- CBL seeks to mitigate its risk exposure by being spread across a significant number of policies with low average value risk exposures in a number of countries across a fairly wide range of products
- Many of the insurance products CBL offers have the ability to recover claims from insured counterparties. CBL generally seeks to avoid exposure to natural perils or disaster risk
- CBL Insurance is currently rated B++ (Good) by A.M. Best Rating Agency, an internationally recognised independent ratings agency considered to be industry experts in insurance (see Section 2.3 *Overview of the CBL Group's operating entities* for further details)

4. Challenges for new entrants
   - The insurance industry is typically highly regulated and requires relatively high establishment and ongoing costs including Regulatory Capital requirements to meet local and offshore solvency requirements
5. Operating leverage
   - CBL views itself as operating with high operating leverage driven by scalable systems and infrastructure
   - High operating leverage has a multiplier effect on profit. CAGR growth in GWP over the last 4 years to 31 December 2014 of 56%, has generated CAGR growth in NPAT of 65%
   - CBL believes it has the ability to derive business utilising a small team of experts and via intermediaries which incur a large amount of the distribution, acquisition and initial policy administration and reporting costs
6. Significant growth opportunities
   - CBL has an international distribution network which provides a platform for future growth
   - CBL sees the purchase of Assetinsure primarily as a strategic acquisition to enable the Group to distribute products in Australia through an APRA regulated entity, to increase its Australasian and Southeast Asian business and also to introduce certain Assetinsure products and relationships into its own international markets
   - Increased financial strength as a result of the IPO capital raising is expected to provide additional avenues for revenue and profit from already - identified new product lines being written into new and existing markets
   - For further detail about CBL's future growth, see Section 2.6 *Strategy and outlook for the Group* and Section 7 *The CBL Group's financial information*
7. Senior management with long tenure are supported by an experienced Board
   - CBL senior management have a long history with the company, with the average service being 10 years. CBL sees its management team as having, to date, successfully executed on its strategic plan of offshore growth with a core focus on profitable, non-traditional insurance lines (see Section 2.8 *CBL's Directors and senior management* for further details)
   - The Board comprises individuals with core competencies in insurance, international banking and corporate governance

2.2 The CBL Group's key products and geographies

The CBL Group principally focuses on bonds and financial surety products for the construction and property industries.

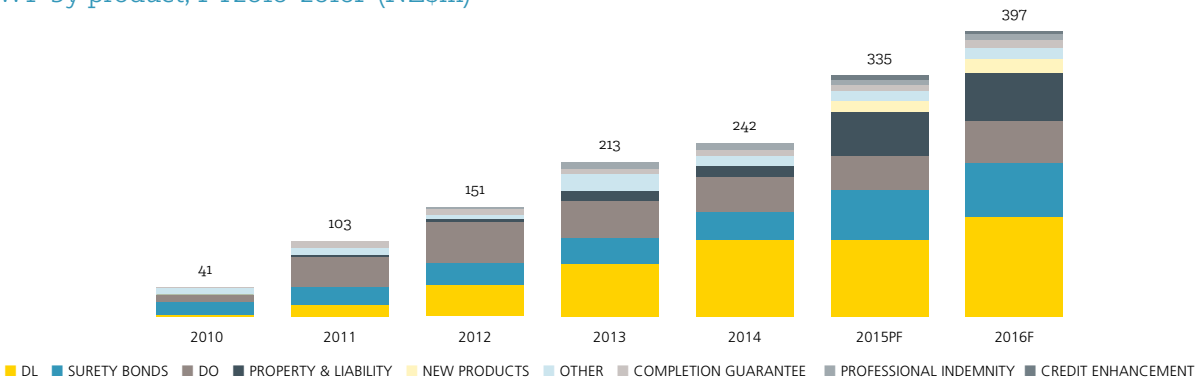
This is a broad market. CBL's assessment is that many of the larger insurers do not focus on the part of the insurance market that the Group is focussed on.

MAIN PRODUCT GROUP	CLAIMS REPORTING PERIOD	DESCRIPTION	MAIN GEOGRAPHIES
Decennial Liability ("DL")	10 yrs	DL is a compulsory insurance that contractors carrying out building works in certain jurisdictions must have. The DL policy period is for 12 months with the insurer recognising claims lodged against the contractor (the insured) for up to 10 years from the end of the policy period. If a defect has been caused by the contractor relating to work carried out during the insured period, the DL policy should cover the contractor from being pursued for loss caused to a third party as a result of the contractor's defective workmanship. Typically, the party pursuing the contractor for recovery of its loss is a DO insurer (see below) which has had a claim made on its DO policy covering the project that the contractor which caused the defect was working on.	France Scandinavia Mexico
Dommages Ouvrage ("DO")	10 yrs	DO is compulsory insurance taken out by the builder (with the homeowner being named as insured) in France when undertaking renovations or building a new home to protect against construction defects. The defect must be linked to the construction period but cover is for a period of 10 years. Effectively the DO insurer agrees to "finance" the remediation of any building defects claimed within 10 years on behalf of the homeowner, and to recover its payment from the liable contractor's DL insurer.	France
Property	<12 mths	Property includes a variety of property - related products offered mainly through Assetinsure, including commercial property and industrial special risks, commercial strata or body corporate properties, agricultural businesses and SME business general, property and product liability.	Australia
Surety Bonds	<12 mths – 7 yrs	Bonds are provided to contracting parties to secure one party's liability to a third party principal for the performance of a contractual or financial obligation. Bonds can take many different forms. CBL Insurance writes bonds for Performance Bonds, Contractor Bonds, IATA Travel Bonds, Home Deposits and Builders Warranty.	New Zealand Australia Pakistan Kuwait Italy Scandinavia France UK Ireland Mexico
Professional Indemnity	<12mths	Solicitors' professional indemnity insurance provides cover for liability arising from professional advice or services provided. It protects companies and employees facing claims of negligence arising from a failure to perform professional services or errors relating to those services.	UK Ireland
Credit Enhancement	<12mths	Credit enhancement insurance seeks to deliver to the insured a more efficient funding package to be offered by a funder by providing certain assurances if the insured defaults against its loan. It also covers a specialist Lender Protection portfolio and Income Protection portfolio, both of which provide the contracting parties greater certainty that borrowed funds will be repaid.	Australia Singapore
Completion Guarantee	<12mths	This is a completion bond attaching to an individual building. It only guarantees the financial completion of the building and does not bind the insurer to the timeline of the build contract.	France

RECOVERY OF CLAIMS OTHER THAN BY WAY OF REINSURANCE	UNDERWRITER	UNDERWRITING METHOD	CBL'S VIEW OF KEY MARKET PARTICIPANTS
There is generally no recovery of liability claims except in the case of qualifying small craftsmen in France who have agreed to assume the risk of a deductible on claims, and refund it to the insurer in consideration for an attractive premium.	CBL Insurance	Inwards reinsurance from our business partners. Business originates from our relationships with MGA's such as SFS and our own MGA, EISL.	Mutuelles du Mans Assurances (MMA) COVEA Insurance AXA Insurance ALBINGIA Insurance AmTrust SMABTP
Insurer confirms and pays the claim and assesses which contractor is liable for the defect. Full recovery of the claim cost is then sought from the liable contractor's DL insurer. CBL does not write DO for a project where CBL is also the DL provider for one of the contractors.	CBL Insurance	Inwards reinsurance from our business partners. Business originates from our relationships with MGAs such as SFS and our own MGA, EISL.	Same as above
There is no recovery of claims.	Assetinsure	Both directly underwritten and through a captive MGA.	QBE AIG IAG Suncorp Vero
Indemnity security is normally required, along with personal covenants of the contractor principals.	CBL Insurance CBLIE Assetinsure	Directly underwritten insurance. Directly underwritten insurance. Through its partnership arrangements.	Coface HCCAmTrust RSA Generali Euler HermesAtradius Vero QBE Allianz Zurich Lloyds Master Builders Association Bank guarantees
There is no recovery of claims.	CBL Insurance	Inwards reinsurance from our business partners.	AXA ELITE HISCOX
Recovery is against the defaulting borrower, or specific collateral security, or the defaulting contractor.	CBL Insurance Assetinsure	Directly underwritten through our own MGA, EISL.	N/A
There is some recovery ability of claims from indemnities held from contractors.	CBL Insurance	Inwards reinsurance from our business partners. Business originates from our relationships with MGA's such as SFS and our own MGA, EISL.	CEGC (Compagnie Européen de Guarantie at Caution) QBE Caisse d'Epargne Bank

CBL has had a track record of GWP growth through a focus on its core product suite and expansion into offshore markets.

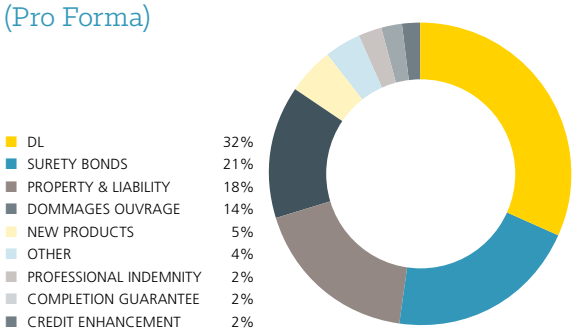
GWP by product, FY2010-2016F (NZ$m)



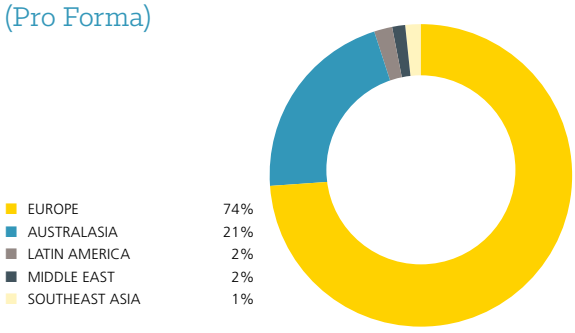
Source: CBL management

Historic financial information above reflects organic growth of the business in addition to growth resulting from acquisitions made in FY2011 (EISL), FY2012 (Deposit Power) and FY2013 (CBLIE). Forecast financial information for FY2015PF and FY2016F also includes the financial impact of Assetinsure which is not reflected in historical periods (see Section 7.1 *Financial information presented* for further details on the different types of financial information presented in this PDS).

GWP by product, FY2015F (Pro Forma)



GWP by geography, FY2015F (Pro Forma)

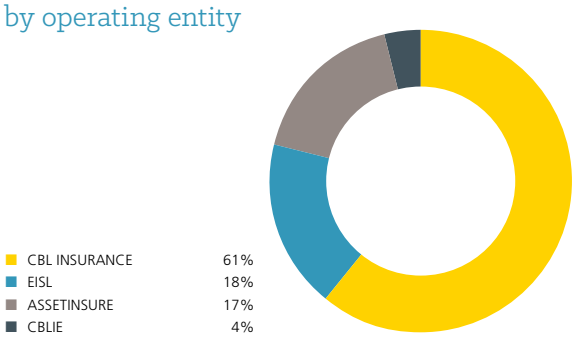


Source: CBL management

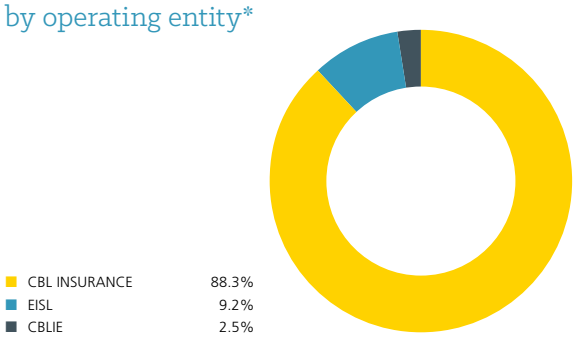
2.3 Overview of the CBL Group's operating entities

CBL Insurance and EISL are the Group's largest operating entities. In aggregate they are expected to contribute in excess of 78.9% and 98.9% of FY2015PF GWP and operating profit respectively.[9]

CBL FY2015F (Pro Forma) GWP by operating entity



CBL FY2015F (Pro Forma) operating profit by operating entity*



** FY2015F (Pro Forma) operating profit presented excludes Assetinsure which is expected to contribute a NZ$2.8m loss in FY2015F (Pro Forma).*

Source: CBL management

[9] Fiducia is treated as an investment in associates for the purpose of accounting and the results are not consolidated into GWP and operating profit. Share of associates' profits is included below operating profit and is therefore excluded from the graphs.

CBL Insurance

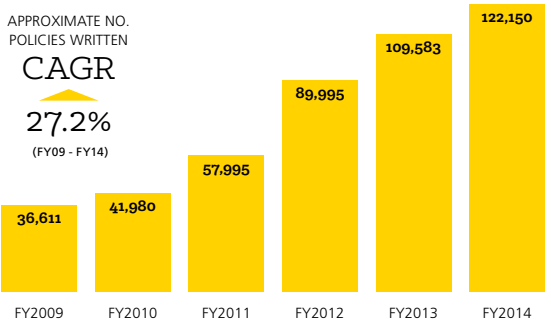
CBL Insurance is headquartered in Auckland, New Zealand, and as the Group's largest operating entity, provides the majority of products that the Group offers.

CBL Insurance carries out most of its business as a reinsurer whereby the risk is written by a local insurer partner, which retains a share of the premium and risk, with the rest ceded to CBL Insurance as a reinsurer.

CBL Insurance owns the Deposit Power business which writes home loan deposit guarantees in Australia and New Zealand. A deposit guarantee is offered by CBL Insurance as a substitute for the cash deposit required on signing a residential sale and purchase agreement and settlement. All Deposit Power business is written directly by CBL Insurance in New Zealand.

CBL Insurance seeks to mitigate its risk exposure by being spread across a significant number of policies with low average value risk exposures in a number of countries across a fairly wide range of products. CBL Insurance has achieved a significant growth in policies written in recent years, driving revenue growth and profitability.

CBL Insurance – number of policies written



Source: CBL management

CBL partly attributes the growth in the number of policies written to growth in the businesses of its business producers and partners. CBL also believes it obtained more business by increasing the limits up to which it writes business.

CBL Insurance is rated by A.M. Best and currently has an investment grade financial strength rating[10] of B++ (Good) and a bbb issuer credit rating, with both outlooks 'Stable'. A.M. Best is an internationally recognised independent ratings agency and a specialist in insurance companies. A.M. Best's website is www.ambest.com.

EISL

CBL Insurance has worked with EISL since its formation in 2006. EISL developed into an important business partner of CBL Insurance, and subsequently CBL Insurance acquired 100% of the business in 2011. EISL's head office is in Tunbridge Wells, UK, with another office in Paris, France.

With a network of approximately 800 independent insurance brokers spread across major cities and regions in France, EISL is one of the largest independent MGAs operating in France. EISL's core products are in the French construction insurance market, where it delivers three primary products, being DO, DL and Completion Guarantees (see Section 2.2 *The CBL Group's key products and geographies* for further details).

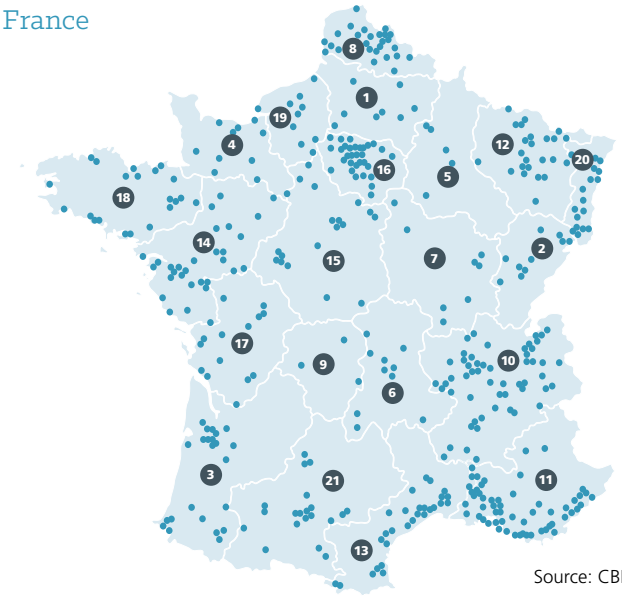
EISL is an MGA licensed by the UK Financial Conduct Authority ("UK FCA"), with insurance underwriting authority. EISL acts as an MGA with agreements to bind various insurers including Elite, Alpha, AmTrust, Nationale Borg and various Lloyd's syndicates. EISL takes no insurance underwriting risk itself. EISL is a Lloyds Coverholder, is authorised to conduct insurance mediation and has a passport to work in France under the Insurance Mediation Directive Outward Service Provisions.

EISL brokers are spread across the major cities and regions in France and each one has made an application to become an EISL approved broker with an approved "code" status.

[10] Financial strength rating' is an independent opinion of an insurer's ability to meet its ongoing insurance policy and contractual obligations.

Map of EISL broker network locations in France

● Broker location



1	Amiens	**11**	Marseille
2	Besancon	**12**	Metz
3	Bordeaux	**13**	Montpellier
4	Caen	**14**	Nantes
5	Chanlons-en-Champagne	**15**	Orleans
		16	Paris
6	Clermont-Ferrand	**17**	Poitiers
7	Dijon	**18**	Rennes
8	Lille	**19**	Rouen
9	Limonges	**20**	Strasbourg
10	Lyon	**21**	Toulouse

Source: CBL management

EISL has been a stable business and has had a consistent trend of growth in number of policies written and average premium in the last three years. Approximately 40% of EISL's business is annually renewable. In 2014 CBL Insurance reinsured approximately 45% of the annual insurance premiums that EISL generates via two of EISL's insurer partners in Europe. EISL also places business with AmTrust, various Lloyds syndicates, Alpha Insurance and Elite Insurance.

As an MGA, EISL seeks to continually identify ways to deliver additional product solutions to its broker network to increase their business with EISL. EISL has recently added Commercial Property and Liability products to its core offerings. CBL believes these additional products represent a significant growth opportunity for EISL across France.

EISL's strategy is to increase the quality of its European broker network. This should provide opportunities for new products and increased business for EISL, some of which may be of benefit to CBL Insurance as reinsurer also.

CBLIE

The Group acquired Achmea Insurance Ireland Limited in November 2013. The company was subsequently renamed CBL Insurance Europe Limited. CBLIE is a licensed European insurer with an office in Dublin and is regulated by the Central Bank of Ireland. All of the previous in-force insurance written by CBLIE before its acquisition by the Group has been novated back to the vendor and the CBLIE business is now in run-off, with residual claims being met from reinsurers or the company's claims reserves of approximately €3.2m which are being managed with a view to finalising and closing those claims[11].

CBLIE was a strategic acquisition to enable the Group to directly write insurance anywhere in the European Union. CBLIE has commenced writing new European business with a similar focus on non-traditional profitable business as the rest of the CBL Group, but not in conflict with CBL's existing European business.

Assetinsure

Assetinsure is a specialty insurer based in Australia. Assetinsure was established in 2003 following the acquisition of a book of insurance in run-off from Gerling Re Australia. Assetinsure subsequently obtained an APRA licence in 2004 to write reinsurance business. The Gerling book run-off is 89% complete and the business now provides a range of specialty products including: credit enhancement, surety, property and complete strata insurance, covering sectors such as aviation, mining, infrastructure, agriculture and other rural sectors from its three offices in Sydney, Brisbane and Perth.

The CBL Group has known and had business dealings with Assetinsure shareholders and senior management for over 20 years, and agreed in March 2015 to acquire 100% of the shares in Assetinsure. Although the acquisition of Assetinsure is unconditional, CBL is yet to settle the transaction. Settlement is expected to occur shortly after listing. Part of the purchase price for this acquisition will be payable in shares in CBL to key senior executives and independent directors. Shares will be allotted contemporaneously with allotment under the IPO, or held in trust for allotment post-listing. The price per Share will be NZ$1.83.

CBL sees the purchase of Assetinsure primarily as a strategic acquisition to enable the Group to distribute products in Australia through an APRA-regulated entity, to increase its Australasian and Southeast Asian business and also to introduce certain Assetinsure products and relationships into its own international markets.

Assetinsure has developed three distinct models to grow its business:

- **Partnership:** Business written on the "A" rated paper of partners Swiss Re and Hannover Re, with Assetinsure acting as both MGA and proportionate reinsurer to the respective partners in order to share the premium risk and profit;

[11] A line of business in 'run-off' means no additional business is being written and the company is only liable for claims relating to existing and former policies. The claims are fully reserved, meaning that all known claims and any potential future claims from those policies are either covered by reinsurance agreements or the company's claims reserves are considered sufficient to cover the expected liabilities.

- **Agency:** Business written through select underwriting agencies on Assetinsure paper; and
- **Corporate:** Broker intermediated business written on Assetinsure paper.

Existing senior management are expected to continue with the business following the acquisition by the Group.

Fiducia

CBL Insurance (as a regulated reinsurer in Mexico) has been providing reinsurance in Mexico for 10 years and in 2012 established an office in Mexico City. In January 2015, CBL entered into an agreement to acquire 34.99% of Fiducia for cash consideration of US$2.5 million. This transaction completed in May 2015.

Fiducia, established in 1994, is a specialist bonding and surety insurance company that underwrites credit and surety bonds for the Mexican corporate sector. Fiducia provides a vehicle through which the CBL Group can expand on its presence in the Mexican bonding and surety market.

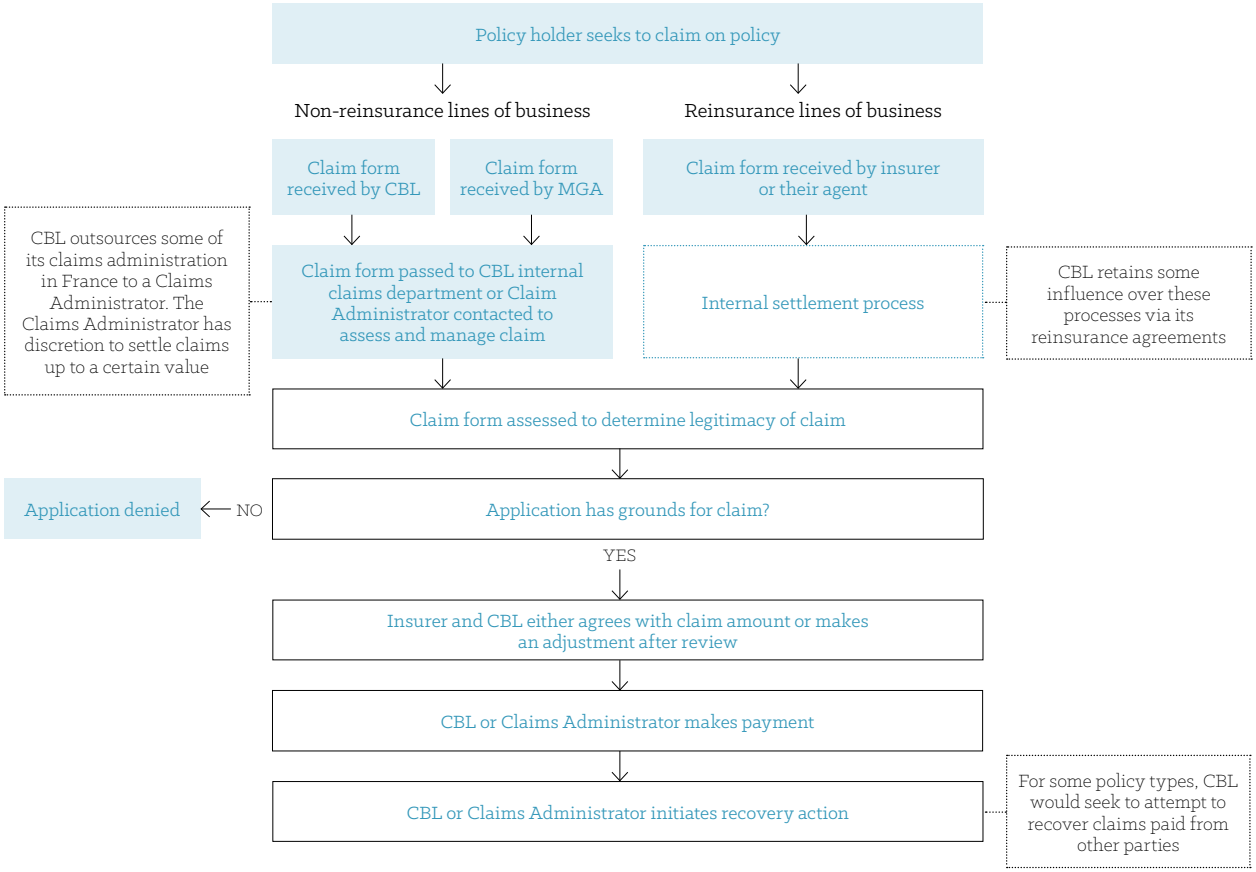
The CBL Group's partnerships

The CBL Group has relationships with local insurance partners in the markets in which it operates in order to facilitate local market access. Local partners rely on CBL to originate and underwrite the business risk and retain a share of the premium and risk.

Further information about the CBL Group's partnerships can be found on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited".

2.4 The Group's reinsurance and claims policies

Claims process and policy



It is CBL's policy to respond to and settle all genuine claims in a timely manner and to pay claims fairly, based on policyholders' entitlements.

To reduce the risk exposure of the Group, there are claims review policies in place to assess all new and ongoing claims and to regularly review claims handling procedures.

Claims provisions are established using valuation models and include a risk margin for uncertainty.

The Group has sought to limit its exposure on DO and DL by focusing on small-to-medium risks. CBL has been writing this class of business for 10 years now, with its average claim being €3,800. Every claim over €25,000 is considered a "large loss" claim and the Third Party Administrators (TPAs) in France are monitored and supervised by the CBL claims department in respect of those "large loss" claims. The largest loss that CBL has ever received and paid over this period is €193,000 gross of recovery.

It is the Group's policy that DO risk is only written by it in respect of a contract where all the main contractors to the project have DL (against which CBL Insurance can recover its DO losses) from French insurers on CBL's approved DL insurer panel.

Reinsurance policy

CBL's current policy seeks to avoid products with high individual or aggregate risk exposure, and its policy is to not write any business that it would not otherwise take on whether it is reinsured or not. Reinsurance is used as a mechanism to share business and risk with business partners, or as a stop loss cover in the event that losses were to increase unexpectedly.

CBL's reinsurance policies are designed with the objective that any one risk or programme will not have a material negative impact on CBL's financial position from paying an unexpected claim in the ordinary course of business, taking into account the:

- Nature of the risk;
- Statistical possibility of a maximum probable loss; and
- Nature of the indemnity security taken to mitigate the risk or increase the recovery from any claim.

Policies are taken out with a variety of re-insurers with both quota share and excess of loss treaties and CBL's policy is to reinsure with reinsurers rated "A" or higher. The relationships with CBL's key reinsurers go back up to 10 years.

CBL accepts risk in respect of circa 122,000 policies of insurance per year. The insured parties are almost all business corporates ranging from small building companies, and small travel agents, to larger construction companies (building residential and small office buildings, no high rise) and municipal organisations. Some of these companies are rated, but most are not. CBL cedes risk and reinsurance risk with reinsurers all of which are "A" rated.

2.5 Industry overview

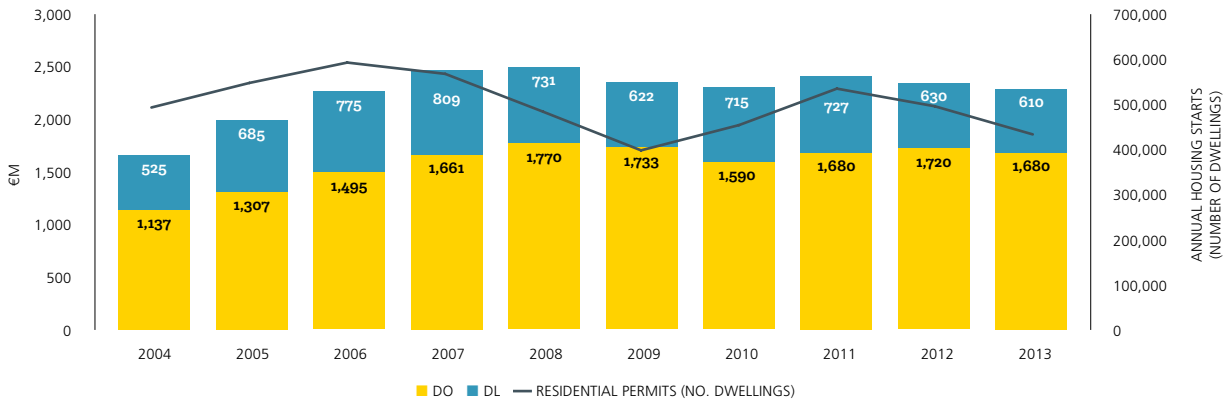
The Group has a presence in the offshore construction and property insurance industries, with a particular focus on France. Approximately 52.8% of the Group's FY2015PF GWP is expected to come from France (72% in FY2014). Approximately 91% of this GWP is forecast to be generated from French builders warranty products, particularly DO and DL.

Builders warranty in France can be traced back to the French Civil Code of 1804. Since then, CBL is advised that laws pertaining to liability have tended to evolve in ways to provide consumer protection. The same logic drives the insurance that covers the liability of builders and contractors. These products are compulsory under French law and are therefore present on construction sites throughout France. There are a number of types of insurance cover required both during and after the construction period. The total builders warranty market in France is estimated by CBL to be €9.1 billion in 2015.

DO/DL market in France

Business is originated in the DO market when a new property is built or renovation programme undertaken. Furthermore, to be able to operate on worksites, contractors must hold a DL insurance certificate. As such, the construction market is a key driver of DO/DL and related building risk activity. One of those drivers is the level of building permits issued into the market.

DO/DL premiums vs. the residential construction permit cycle in France



Source: DO/DL numbers: *Association Francaise de L'assurance, Les assurances de biens et de responsabilité - Données clés 2013, http://www.ffsa.fr/sites/upload/docs/application/pdf/2014-09/donnees_cles_dommages_juin_2014_simplepage_2014-09-10_11-09-22_376.pdf.*

Source: Residential permits: *Ministère de l'Écologie, du Développement durable et de l'Énergie, http://www.statistiques.developpement-durable.gouv.fr/logement-construction/s/logements.html.*

The CBL Group believes that the DO/DL and related construction insurance risk markets combined have premiums of approximately €2 billion in France. The CBL Group looks to operate in the area of residential or small commercial markets which it regards as lower risk.

The Group has achieved growth in its DO/DL products despite the relatively flat performance of the total DO/DL market. This is due to its focus on increasing market share in specific subsectors. The Group's market share in France across these key products is estimated by management to be less than 2% of the total DO/DL and related construction insurance premium market. The Group has targeted profitable business within this significant market, and has obtained higher premium rates from medium size contractors prepared to pay for the services of a rapid, efficient, and responsive insurer.

The Group focuses on writing DO risks up to €15 million gross sum insured with many of the risks written having sums insured of less than €5 million (smaller risks). As a result of the focus on the smaller section of the market, CBL's average claims are under €5,000. These levels of sum insured are considered small in the DO market and are not seen by the Group as the primary focus of large insurers whom it believes focus on the larger DO risks from buildings such as large commercial and government projects (eg hospitals, stadiums, heavy industry, high rise buildings, ports).

For DL, the Group (via its key producers of EISL and SFS) focuses on the small contractors market in France. The small contractors market is large with an estimated 320,000 of the 380,000 contractors known by CBL to be operating in France within the Group's target market (being contractors with annual turnover of less than €5 million). For these contractors (referred to by the Group as small craftsmen) to be able to operate on worksites they must produce their DL insurance certificate. These policies are annual policies with high renewal retention levels which is expected to assist in seeing incremental growth in the future.

Other markets

Outside of DO/DL, CBL's next largest product areas are Surety Bonds (20.7% of FY2015F GWP) and Property & Liability (mainly in Australia through Assetinsure) (17.9% of FY2015F GWP) with the remaining five product groups together generating approximately 15% of FY2015F GWP. CBL offers a range of products within Surety Bonds and Property & Liability product categories and sells into a diverse number of geographies (see Section 2.2 *The CBL Group's key products and geographies*). The markets for these products are competitive and significant in size relative to the amount of GWP CBL generates and therefore CBL has a relatively immaterial market share within these product categories.

2.6 Strategy and outlook for the Group

The CBL Group's strategy focuses on growing profitable business lines whilst seeking to maintain conservative underwriting and risk management processes. This approach involves the following:

Focus on Specialty Insurance Markets

The Group's product portfolio has steadily evolved to offer a relatively broad range of products, although these products remain fairly specialised in nature. The Group believes it has a competitive advantage in offering these products. An increasing proportion of the Group's business in France is annually renewable business. Expertise is required to structure these products appropriately. In addition, CBL's understanding is that the large French insurers with their own distribution, policy acquisition and administration abilities, do not like to pay high commissions to large brokers whereas the Group does not seek to duplicate or pay for those distribution abilities itself. As such, the Group believes the profitability in these markets is more sustainable.

Focus on Profitable Products

The CBL Group believes its executive and underwriting management teams have a track record of delivering underwriting profit and growth, underpinned by effective portfolio management. The Group seeks to make underwriting profits every year on the GWP it writes rather than relying on investment income from invested GWP. It attempts to find ways to grow in markets that it believes to be profitable, but does not look to reduce its price to maintain market share. Accordingly, the Group's GWP profile has seen a shift to non-DO/DL products, as the Group has shifted focus from an increasingly competitive market, into new, higher margin, annually renewing products such as Tous Risques Chantier (TRC).

Respond Rapidly to Market Opportunities and Challenges

The CBL Group plans to grow its business to take advantage of opportunities in markets believed to be most suited to its expertise to generate consistent underwriting profits. When market conditions have been challenging, or when actual experience has not been as favourable as anticipated, the Group has endeavoured to act quickly to evaluate the situation and to make changes to seek to protect profits and preserve equity. Evidence of this has been the Group's ability to maintain growth in DO and DL, despite operating in a flat market, by targeting new product niches such as social housing and small commercial buildings.

The Group has a small market share which it believes it can grow despite a flat overall market. It looks to do so by encouraging new business through customer service.

Expand the Group's Product Portfolio within its Areas of Competency

The CBL Group actively explores new areas of business with a view to enlarging its core earnings base. Over the years, the Group has expanded its product portfolio, from its core competencies in the building sector, to write numerous classes of specialty insurance. An example of this includes the introduction of creditor policies in Denmark. We believe our management and underwriting skills provide us with a competitive advantage in being able to act to identify and commercialise new products.

Build on Partner Relationships and Expand into New Markets

The CBL Group has built its presence in the international market through establishing business relationships with committed clients, producers and business partners who share common goals and are focused on good quality and profitable underwriting. The Group offers a diverse range of products across its international network, but benefits from the majority of its business being originated by 11 main clients. CBL believes that these relationships provide the platform for the Group to develop new products in existing markets, grow existing product lines, open new markets and seek or create new key relationships. The Group aims to strengthen relationships and build its business with high performing agents.

CBL currently owns EISL and Deposit Power. EISL is the second largest producer of business for CBL Insurance. Given its ownership of these entities, CBL has influence over the origination of this business and therefore does not see itself at risk of losing business from these business partners.

Maintain a Strong Balance Sheet

Balance sheet integrity is seen as integral to the CBL Group's long-term success. The CBL Group strives to maintain a balance sheet that provides it with the flexibility needed to both pursue opportunistic growth and maintain the financial strength to meet potential future claims. In order to maintain balance sheet integrity, the CBL Group seeks to estimate the amount of future obligations, especially reserves for claims, in a consistent and appropriate fashion, with actuarial advice and support.

Consider Targeted Acquisitions

The CBL Group intends to continue to seek to acquire additional books of specialty insurance business that fit its underwriting capabilities as well as company acquisitions. Recent strategic acquisitions have included CBLIE, enabling the Group to directly write insurance in the European Union; Assetinsure, enabling CBL to distribute products in Australia through an APRA regulated entity; and a 34.99% stake in Fiducia, allowing the Group to grow its book of bonding business in Mexico including by offering roll-out surety bonds, a product that there is increasing demand for in the deregulating Mexican fuel supply and gas station markets.

Outlook

The Group is consistently monitoring opportunities to enter into new markets and product lines, and prepares a three year rolling business plan to see that growth opportunities are executed. Integration of the Assetinsure acquisition and Fiducia investment will provide the Group with a channel to grow in Australasia and Mexico.

See also Section 8 *Risks to the CBL Group's business and plans* for information about the risks to the Group's strategies and outlook outlined above.

2.7 Regulation

CBL Insurance is regulated as a licensed insurer by RBNZ. All insurers carrying out insurance business in New Zealand are required to be licensed by RBNZ under the IPSA. Under the IPSA, CBL Insurance is required to have an Appointed Actuary to review its financial information in accordance with applicable solvency standards. The Appointed Actuary is required to sign off on a half-yearly Regulatory Capital return, and annually prepare and file with RBNZ a Financial Condition Report and Insurance Liability Valuation Report. CBL Insurance's current Appointed Actuary is Grant Mackay of PricewaterhouseCoopers.

CBL Insurance is also registered as a reinsurer with the Registry of Foreign Reinsurers in Mexico, and has a reinsurance licence in Colombia which it obtained in 2012 and has renewed annually. However, CBL Insurance does not currently write any business in Colombia nor does it currently plan to write any business there in the short to medium term.

EISL is a UK registered and domiciled insurance MGA licensed and regulated by the Financial Conduct Authority in the UK. EISL is required to maintain a level of capital equivalent to the higher of £5,000 and 2.5% of its total annual income from regulated activities (being its underwriting agency insurance business).

CBLIE is an Ireland registered and domiciled insurer with the ability to write business in any country in the European Union and is regulated by the Central Bank of Ireland. Under the Central Bank of Ireland, CBLIE is required to annually obtain a Statement of Actuarial Opinion from an actuary approved by the Central Bank of Ireland certifying that the company's reserves are at least as much as the signing actuary's Best Estimate and that its solvency requirement has been correctly calculated. CBLIE's signing actuary is Dermot Marron of Allied Risk Management. In addition, the adequacy of the reserves is reviewed by PwC (Ireland) as part of the annual audit process.

CBLIE is also required to have an Actuarial Function under Solvency II requirements; the Solvency II requirements are due to come into force in January 2016, but companies subject to Solvency II are expected to have the Actuarial Function in place from 2015. This role is outsourced to Allied Risk Management.

Assetinsure is an Australian registered company, regulated by APRA with Quantium as its appointed actuary, and is peer-reviewed by KPMG.

2.8 CBL's Directors and senior management

Board of Directors

CBL's Board currently comprises of a non-executive Chairman, three independent non-executive Directors (one of whom is based in France and Hong Kong, and one of whom is based in Ireland), one non-executive non-independent Director and one executive Director.

All current Directors hold Shares in CBL (either directly or indirectly) – see Section 2.9 *Substantial shareholdings in CBL* for more detail.

The Board intends to adopt, from listing, various board policies and charters as typical for a company listed on the NZX Main Board and the ASX. From listing, a copy of these policies and charters will be available on CBL's website www.cblcorporation.co.nz. Many of these policies and procedures have already been implemented as a result of CBL Insurance and CBLIE requiring them to be in place, to meet regulatory compliance requirements.

Chairman

Sir John Wells

Sir John has a background in governance and financial services in both private and public organisations, a career in merchant and investment banking, and provides direction on strategy and growth opportunities.

He is currently the non-executive Chair of Bancorp group, and also the Chair of Development Auckland Limited, Fisher Funds Management Limited and Sheffield North Island Limited. He is an advisory board member of Marsh, an independent director of Martin, Jenkins & Associates Limited, and Chair of the World Masters Games 2017 Limited.

Sir John was awarded a Distinguished Companion of The New Zealand Order of Merit (DCNZM) for his services to business and sport in the New Year Honours 2009, and was subsequently invested with a Knighthood. At the 2013 Halberg Awards he was the recipient of the Sport New Zealand Leadership Award.

Managing Director

Peter Harris

Peter participated in the buyout of CBL Insurance in 1996, initially heading up sales and international revenue, and was appointed Managing Director in 2007. Peter was seconded to the Victorian Builders Warranty Advisory Council in 2008. Peter is also an "Authorised Person" with the UK FCA and the Central Bank of Ireland. Peter is Chairman of CBL Insurance Europe Limited.

Prior to joining CBL Insurance, Peter was an investment banker, a director and shareholder in General Capital & Commerce Limited, a director of Boston Marks International Limited, and a senior executive of Fletcher Steel Limited. Peter was awarded the Air New Zealand Young Businessman of the Year in 1984.

Peter is a member of the NZ Institute of Management and the NZ Latin America Business Council as well as being a foundation member of the Spirit of New Zealand Foundation.

He obtained his M Mktg I after studying through the University of Auckland Business School, and is an alumni member of the Australian Graduate School of Management.

Non-executive Director

Alistair Hutchison

Alistair participated in the buy-out of CBL Insurance in 1996. He has a background as an economist and has specialist expertise in financial services, public administration and micro-lending.

Alistair is a past member of the Board of Governors, World Bank, International Monetary Fund and Asian Development Bank, and was previously the Financial Secretary of Samoa.

He currently holds equity participatory positions in various financial services companies in New Zealand and the Southwest Pacific and is Chairman of Federal Pacific Group Limited.

Alistair has post graduate degrees in Accounting and Economics from Victoria University, New Zealand.

Twenty five years ago, Alistair was adjudged bankrupt as a result of giving a personal guarantee in respect of a substantial bank loan to a corporate borrower which subsequently defaulted on the loan after the sudden death of a principal of the company in an air-crash who was also a guarantor. The bankruptcy was discharged in 1993.

In December 2014, Alistair was awarded the Order of Merit of Samoa by the Head of State of Samoa.

Non-executive Independent Director

Anthony (Tony) Hannon

Tony has an investment banking career covering mergers, acquisitions, dispositions, capital raising, private equity, venture capital and mezzanine finance.

He is currently Chairman of Snow Sports New Zealand, General Capital Technologies Limited, Omni Health Limited and Healthpoint Partners Limited, and a director of Aotearoa Fisheries Limited, CSX Holdings Limited and Sealord Group Limited. Over the last 20 years Tony has held many prominent directorships including Canterbury of New Zealand Limited, Jade Software Corporation Limited, Nextwindow Limited, Jucy Rentals (Jucy Group Limited) and AJ Hackett Bungy Group.

Tony also established New Zealand's first pure Mezzanine Investment Fund. He has a BCom (Accounting and Economics) from Otago University.

In the 10 year period prior to this PDS, Tony was a director or former director of the following companies which became subject to insolvency events: 4WD Experience NZ Limited, CIL Realisation Limited, HSP Properties Limited, PT Services Limited, Radius Property Holdings Limited, Pico Holdings Limited and Picobi Limited. Tony was no longer a director of these, apart from HSP and Radius, at the time the relevant insolvency events occurred.

Non-executive Independent Director

Ian Marsh

Ian has extensive international senior management and board governance experience in the financial services sector across his 40 year career. He has held a variety of executive and managerial positions with American Express Company, with geographical responsibilities across Europe, the Middle East and Asia, including Greater China, Korea, Japan and the Philippines. Ian concluded his American Express career as President and CEO of the Japan Region. Subsequent to this he was Managing Director and Executive Vice President for Western Union Asia Pacific and a member of the executive team that took Western Union public on the New York Stock Exchange.

He is currently non-executive director of Pre-Cash Inc., Chairman of the Remuneration Committee and a member of the Audit Committee. Previously he was a non-executive director of Ireland based Fexco, Chairman of the Compliance Committee and member of the Remuneration Committee. He was also a non-executive director of the US based Hypercom Corp, and Chairman of the Compensation Committee. Prior to this Ian was non-executive Chairman of the Gilman Group in Hong Kong.

Ian also served as President-Europe of The Reader's Digest Association, Inc.

Ian is educated in London and studied the Institute of Bankers qualifications.

Non-executive Independent Director

Norman Gerald (Paul) Donaldson

Paul is a highly accomplished senior executive with in excess of 15 years' extensive experience operating at board and executive committee level. Reporting directly to the group CEO of a FTSE100 listed company he is a seasoned executive with broad international director level experience across a wide range of business disciplines.

Paul retired as Executive Director Broker Relationships & Sales; and Chairman, Global Speciality Lines for RSA Insurance plc, part of the Royal & Sun Alliance (RSA Group), in June 2014, after 38 years in various roles. These roles included four years as Managing Director, UK Commercial and nine years as CEO RSA Ireland, as well as being a member of RSA Canada Board for three years.

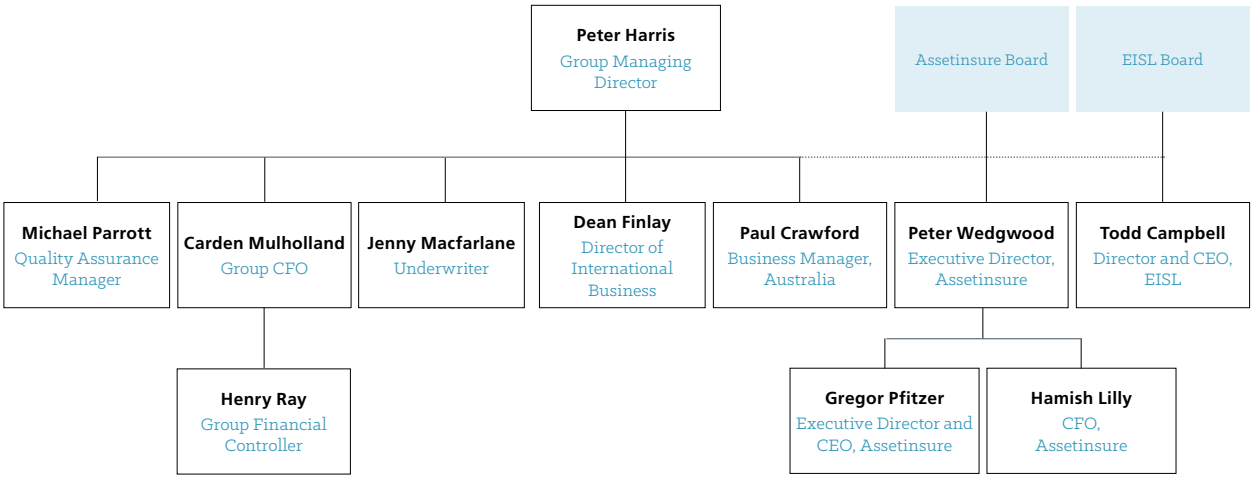
Paul is domiciled in Dublin, Ireland and is currently also a director of CBLIE, Ryan Direct Group Millennium Insurance Brokers Ltd, Two Druids Ventures Ltd, Pharma International Insurance Ltd and Talanx Re. Paul is a Fellow of the Chartered Insurance Institute London and Chartered Insurer, and Honorary Vice President, Chartered Insurance Institute, and a past President of the Irish Insurance Federation.

Senior management

CBL's senior management team currently comprises a Managing Director, a Chief Financial Officer, a Director of International Business, an Underwriter, a Group Financial Controller, a Quality Assurance Manager, a Business Manager (Australia), and a CEO – EISL.

All current senior managers (other than Michael Parrott) hold shares in CBL – see Section 2.9 *Substantial shareholdings in CBL* for more detail.

When the sale and purchase agreement relating to the Assetinsure acquisition completes (as described further in Section 2.3 *Overview of the CBL Group's operating entities*), it is expected that Gregor Pfitzer (Chief Executive Officer of Assetinsure), Peter



Wedgwood (Executive Director of Assetinsure), and Hamish Lilly (Chief Financial Officer of Assetinsure) will be considered senior managers of the Group. The biographies of Gregor, Peter and Hamish are also set out below. You should note that the inclusion of these persons as senior managers of CBL is conditional on the Assetinsure acquisition completing.

Group Managing Director

Peter Harris

Refer to Director biography above.

Group Chief Financial Officer

Carden Mulholland

Carden joined CBL Insurance in 2007 and is responsible for all the Group's financial operations and is an "Authorised Person" with the Financial Conduct Authority in the UK and the Central Bank of Ireland.

He has over 20 years of experience predominantly in the banking and finance sector having worked for Macquarie Bank and previous to that the Bank of New York Mellon in London and Barclays Life Assurance in London.

Carden obtained his Bachelor of Commerce and a Diploma in Business Communication from the University of Auckland and is a Chartered Accountant with Chartered Accountants Australia and New Zealand. Carden also completed the Advanced Management Program at Harvard Business School in 2013.

Carden was a director of Land Trustees Management Limited (at the request of a creditor) until 14 March 2008. Liquidators were appointed to that company on 31 July 2009, 16 months after Carden left the board.

Director of International Business

Dean Finlay

Dean was appointed International Business Director in May 2009. He is responsible for CBL Insurance's international sales and servicing operations.

Previously Dean has had experience with Farmers Mutual Insurance Group and Tower Insurance and was the Managing Director of ISOS New Zealand and General Manager ISOS Australasia.

Dean was a professional cricketer in Yorkshire, UK and played first class cricket in New Zealand, and received his MBA from Henley Business School (UK).

Underwriter

Jenny Macfarlane

Jenny started her insurance career with Royal Insurance, underwriting SME business insurance, and with ANZ Banking Group in the period 1985 - 1999.

She started with CBL in 2000, and has worked through most parts of the organisation including policy wording, risk underwriting, and claims and becoming Operations Manager in 2007.

In 2011, Jenny was seconded to EISL to carry out and implement a 6 month cultural alignment between the French-focussed EISL, and the global outlook of CBL.

In 2012, Jenny was appointed CBL Risk Underwriter. She has extensive knowledge of all operations of the business and systems and has primary ownership of risk underwriting with certain delegated responsibilities, and is a member of the Underwriting Risk Committee.

Jenny has completed the Australian Graduate School of Management Women Leaders program.

Group Financial Controller

Henry Ray

Henry was appointed to his current role in July 2011 and is responsible for the Group's internal and external financial, regulatory and tax reporting. Prior to CBL, Henry has had experience with IAG New Zealand Limited, Brit Insurance Limited (UK) and Markel Syndicate Management Limited (UK). Henry is a Chartered Accountant with the Institute of Chartered Accountants in England and Wales.

Quality Assurance Manager

Michael Parrott

Michael was appointed as Quality Assurance Manager of the Group effective from 31 August 2015 and is responsible for internal audit, regulatory compliance, and ensuring best practice across a number of areas of the CBL Group including risk management, financial risk and reporting, and other areas of governance.

Prior to CBL, Michael worked at Airwork Holdings Limited as Group Risk Manager, NIWA (National Institute of Water and Atmospheric Research) as Chief Financial Officer and Company Secretary, and TOWER Insurance Limited and TOWER Investments Limited as Senior Commercial Manager and Chief Financial Officer respectively. Michael also worked as Head of Trading

Risk Management at Westpac Institutional Bank, and for some years at Deloitte in both New Zealand and London as Senior Manager Audit.

Michael has a BCom from the University of Canterbury, is a Chartered Accountant and member of Chartered Accountants Australia and New Zealand, and is a certified member of the Institute of Financial Professionals New Zealand Inc.

Business Manager, Australia

Paul Crawford

Paul was appointed to his current role in May 2014 and is responsible for developing, expanding and growing core business streams and reviewing new opportunities. He is now an Executive Director of a number of entities in the CBL Group.

Prior to CBL, Paul spent eight years in General Management roles with Western Union across both Europe and Asia, encompassing a broad range of activities including business leadership and management, sales, business development and mergers and acquisitions.

He also spent over eight years with AMP in various General Management roles with responsibilities spanning Australia, New Zealand and the UK, including the establishment of PRIORITYONE Home Loans and AMP Bank. Paul has also held executive roles with Household Financial Services and Citibank Australia as well as various executive director roles, the largest of which revenue exceeded US$1 billion.

Director and CEO, EISL

Todd Campbell

Todd was appointed CEO of EISL in 2012 and prior to this he was Director – Latin America & Special Projects for CBL Insurance.

He has more than 20 years of general insurance and legal experience. Todd obtained his law degree from Mercer University School of Law and his undergraduate degree from Appalachian State University, USA. After practicing in US M&A and Insurance regulatory law for 10 years, became President of Gramercy Insurance Company for 10 years, leaving in May 2010. Gramercy was placed into liquidation in 2013.

As an expert in law, management and leadership, he was appointed in 2006 to the Board of Directors of Sagicor Life Insurance Company, an A-rated life insurer based in the US and a subsidiary of Sagicor Financial Corporation, listed on the London Stock Exchange.

Todd is a Member in good standing of the State Bars of Georgia and North Carolina.

Executive Director, Assetinsure

Peter Wedgwood

Over the past 30 years, Peter has introduced and developed a number of specialist insurance products into Australia through his various companies. His three prime activities have been surety, credit enhancement and residual value insurance.

Peter is qualified as a Chartered Accountant and spent 10 years post qualification in the oil and aerospace industries.

Peter was a director of Epoch Wine Group Pty Ltd prior to that company going into voluntary liquidation in September 2014.

Executive Director and Chief Executive Officer, Assetinsure

Gregor Pfitzer

Gregor has more than 20 years experience in general insurance. Gregor spent eight years as underwriter and underwriting manager for marine and special risk classes in Germany for the Gerling Insurance Group. He was made General Manager of the Australian subsidiary in 1999. Since 2003 Gregor has headed the insurance operation (underwriting and claims) at Assetinsure.

Gregor holds a degree in economics from the University of Cologne.

Chief Financial Officer, Assetinsure

Hamish Lilly

Hamish has more than 20 years accounting and finance experience. Hamish spent 10 years in chartered accounting, working in Australia, New Zealand and the US before moving into the insurance industry. He has held a number of senior finance roles including more than 15 years in the insurance industry.

2.9 Substantial shareholdings in CBL

Current substantial shareholdings in CBL

As at the date of this PDS, the following shareholders have a relevant interest in 5% or more of the ordinary shares in CBL (being the only class of shares on issue).

NAME	LEGAL OWNERSHIP OR OTHER NATURE OF THE RELEVANT INTEREST	ORDINARY SHARES IN WHICH PERSON HAS RELEVANT INTEREST AS AT THE DATE OF THIS PDS		CONSIDERATION AND OTHER TERMS OF ACQUISITION
		ORDINARY SHARES	%	
Oceanic Securities Pte Ltd	Registered holder (ultimate beneficial interest held jointly by Peter Harris (83%), Alistair Hutchison (17%))	44,210,000	28.34%	• 5,835,000 Shares were issued on 24 December 2013, for an aggregate issue price of $5,835,000, which equates to $1 per share • 1,860,000 Shares were sold on 28 February 2014, for an aggregate sale price of $7,440,000, which equates to $4 per share • 100,000 Shares were sold on 29 July 2014, for an aggregate sale price of $400,000, which equates to $4 per share

continued overleaf

NAME	LEGAL OWNERSHIP OR OTHER NATURE OF THE RELEVANT INTEREST	ORDINARY SHARES IN WHICH PERSON HAS RELEVANT INTEREST AS AT THE DATE OF THIS PDS		CONSIDERATION AND OTHER TERMS OF ACQUISITION
		ORDINARY SHARES	%	
Oceanic Securities Pte Ltd *(contd)*	Registered holder (ultimate beneficial interest held jointly by Peter Harris (83%), Alistair Hutchison (17%))	44,210,000	28.34%	• 3,000,000 Shares were acquired on 28 February 2014, for no consideration • 1,560,000 Shares were acquired on 1 November 2014, for an aggregate purchase price of $6,240,000, which equates to $4 per share • 1,000,000 Shares were transferred on 23 April 2015 for no consideration (these Shares were previously held by Oceanic Securities Pte Ltd as bare trustee for Adam Massingham, and were then transferred into a separate entity controlled by Adam Massingham) • 50,000 Shares were transferred on 29 April 2015, for no consideration (these Shares were previously held by Oceanic Securities Pte Ltd as bare trustee for Sami Damoussi, and were then transferred into Sami Damoussi's own name) • 7,385,000 Shares were subdivided on a 6:1 basis into 44,310,000 Shares on 11 August 2015 • 100,000 Shares were transferred on 25 August 2015, for no consideration (these shares were previously held by Oceanic Securities Pte Ltd as bare trustee for Paul Donaldson, and were then transferred into Paul Donaldson's own name)
Federal Pacific Group Limited	Registered holder (ultimate beneficial interest held jointly by Alistair Hutchison and certain family members)	48,000,000	30.77%	• 8,000,000 Shares were issued on 24 December 2013, for an aggregate issue price of $8,000,000, which equates to $1 per share • 8,000,000 Shares were subdivided on a 6:1 basis into 48,000,000 Shares on 11 August 2015
Stichting Lygon Pension Fund	Registered holder (ultimate beneficial interest held by Peter Harris)	15,000,000	9.62%	• 2,500,000 Shares were issued on 24 December 2013, for an aggregate issue price of $2,500,000, which equates to $1 per share • 2,500,000 Shares were subdivided on a 6:1 basis into 15,000,000 Shares on 11 August 2015
Eurasia Investment Limited	Registered holder (ultimate beneficial interest held jointly by Peter Harris (50%) and Alistair Hutchison (50%))	11,400,000	7.31%	• 4,950,000 Shares were issued on 24 December 2013, for an aggregate issue price of $4,950,000, which equates to $1 per share • 3,000,000 Shares were sold on 28 February 2014, for no consideration • 50,000 Shares were sold on 1 September 2014, for an aggregate sale price of $200,000, which equates to $4 per share • 1,900,000 Shares were subdivided on a 6:1 basis into 11,400,000 Shares on 11 August 2015
CCEJ Holdings Limited	Registered holder (ultimate beneficial interest held by Carden Mulholland)	9,780,000	6.27%	• 1,650,000 Shares were issued on 24 December 2013, for an aggregate issue price of $1,650,000, which equates to $1 per share • 1,630,000 Shares were subdivided on a 6:1 basis into 9,780,000 Shares on 11 August 2015
Sunshine Nominees Limited	Registered holder (ultimate beneficial interest held by Peter Harris)	9,000,000	5.77%	• 1,500,000 Shares were issued on 24 December 2013, for an aggregate issue price of $1,500,000, which equates to $1 per share • 1,500,000 Shares were subdivided on a 6:1 basis into 9,000,000 Shares on 11 August 2015

Substantial shareholdings in CBL immediately after completion of the Offer

The following persons are likely to have a relevant interest in 5% or more of the ordinary shares in CBL (being the only class of shares on issue) immediately after completion of the Offer:

		INDICATIVE OWNERSHIP OF CBL FOLLOWING COMPLETION OF THE OFFER ON THE BASIS THAT THE OFFER IS FULLY SUBSCRIBED	
NAME	LEGAL OWNERSHIP OR OTHER NATURE OF THE RELEVANT INTEREST	ORDINARY SHARES	%
Federal Pacific Group Limited	Registered holder	48,000,000	21.46% to 22.83%
Oceanic Securities Pte Ltd	Registered holder	39,400,000	17.61% to 18.74%
Stichting Lygon Pension Fund	Registered holder	15,000,000	6.71% to 7.13%
Peter Harris	Ultimate beneficial owner of Shares held by Oceanic Securities Pte Ltd (91%), Stichting Lygon Pension Fund, Eurasia Investment Limited and Sunshine Nominees Limited	58,850,000	26.31% to 27.99%
Alistair Hutchison	Ultimate beneficial owner of Shares held by Federal Pacific Group Limited and Oceanic Securities Inc (9%)	51,400,000	22.98% to 24.45%

Substantial shareholdings in CBL held by Directors and senior managers

Directors and senior managers who have a relevant interest in the ordinary shares in CBL (being the only class of shares on issue) are as follows:

		ORDINARY SHARES IN WHICH PERSON HAS RELEVANT INTEREST AS AT THE DATE OF THIS PDS		INDICATIVE OWNERSHIP OF CBL FOLLOWING COMPLETION OF THE OFFER ON BASIS THAT OFFER IS FULLY SUBSCRIBED	
NAME	LEGAL OWNERSHIP OR OTHER NATURE OF THE RELEVANT INTEREST	ORDINARY SHARES	%	ORDINARY SHARES	%
Peter Harris	Beneficial interest in Shares held by Oceanic Securities Pte Ltd, Stichting Lygon Pension Fund, Eurasia Investment Limited, Alliance Investments Limited and Sunshine Nominees Limited	66,760,000	42.79%	58,850,000	26.31% to 27.99%
Alistair Hutchison	Beneficial interest in Shares held by Oceanic Securities Pte Ltd, Federal Pacific Group Limited and Eurasia Investment Limited	61,000,000	39.10%	51,400,000	22.98% to 24.45%
Paul Donaldson	Legal and beneficial owner	100,000	0.06%	100,000	0.04% to 0.05%
Carden Mulholland	Beneficial interest in Shares held by CCEJ Holdings Limited	9,780,000	6.27%	7,824,000	3.50% to 3.72%
Dean Finlay	Beneficial interest in Shares held by Dean Finlay, Lisa Finlay and Balance Accountants as trustees of the Finlay Family Trust	6,600,000	4.23%	5,280,000	2.36% to 2.51%
Todd Campbell	Beneficial interest in Shares held by Larkspur Group Inc.	1,200,000	0.77%	960,000	0.43% to 0.46%
Anthony Hannon	Beneficial interest in Shares held by Relational Capital Limited	600,000	0.38%	510,000	0.23% to 0.24%
Ian Marsh	Beneficial interest in Shares held by Bright Castle Assets Limited	600,000	0.38%	510,000	0.23% to 0.24%
Sir John Wells	Beneficial interest in Shares held by Anthony Clive Sandlant and Kenneth Hugh Baguley as Trustees of the Twickenham Trust	600,000	0.38%	600,000	0.27% to 0.29%
Jenny Macfarlane	Beneficial interest in Shares held by JMAC Holdings Limited	600,000	0.38%	480,000	0.21% to 0.23%
Paul Crawford	Legal and beneficial owner, and beneficial interest in Shares held by SEDNA Super Pty Ltd	600,000	0.38%	531,000	0.24% to 0.25%
Henry Ray	Legal and beneficial owner	300,000	0.19%	240,000	0.11% to 0.11%

Note: A number of the vendors under the Assetinsure acquisition will subscribe for Shares on completion of that transaction. The total number of Shares to be issued to the vendors of Assetinsure will be 5,612,652, issued at NZ$1.83 a Share. Of this, Peter Wedgwood, Gregor Pfitzer and Hamish Lilly (who are proposed senior managers of the Group), or entities associated with them, will subscribe for 2,934,252 Shares. These parties will also be subject to escrow arrangements. Further details can be found on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Escrow Deed – Assetinsure".

2.10 Interests of Directors and senior managers

Directors' remuneration and other benefits

The total of the remuneration and value of other benefits received by each Director in respect of CBL or any other member of the CBL Group during FY2014 was as follows:

NAME OF DIRECTOR	DIRECTORS' FEES RECEIVED FROM THE CBL GROUP IN FY2014*	OTHER REMUNERATION RECEIVED FROM THE CBL GROUP IN FY2014
Sir John Wells	$147,000	Nil
Alistair Hutchison	$90,000	$100,000**
Peter Harris	Nil	$1,594,000†
Anthony Hannon	$72,000	Nil
Ian Marsh	$188,000††	Nil
Paul Donaldson	$11,600Þ	Nil
Total	$508,600	$1,694,000

* *Reimbursements for any expenses incurred by Directors in their capacity as directors are excluded from these amounts.*

** *Fees received for management and underwriting services provided to the CBL Group.*

† *Compensation for services provided as Managing Director of the CBL Group.*

†† *Ian Marsh was paid $55,000 in director's fees as a director of CBL, and $133,000 in director's fees as Chairman of EISL.*

Þ *Directors' fees as a director and chair of the risk committee of CBLIE (Paul's appointment commenced mid-September 2014). Paul was only appointed as a director of CBL on 27 July 2015, so did not receive any director's fees from CBL in 2014.*

The pool of remuneration available to CBL Directors (in their capacity as directors of CBL or any of its subsidiaries) is expected to change to $750,000 in total, plus €30,000 (to be paid to Paul Donaldson in his capacity as a director of CBLIE) if approved by Shareholders prior to listing. This will allow for some increases in Directors' fees over the next two years and allow for remuneration of Paul Donaldson, who has recently been appointed as a Director.

Employees' remuneration and other benefits

CBL did not employ people directly in FY2014 (this is done by other companies in the CBL Group)[12]. The number of employees or former employees of the CBL Group who (not being Directors of CBL) during FY2014 received remuneration and any other benefits (in their capacity as employees) that in value was or exceeded $100,000 per annum was as follows:

REMUNERATION BRACKET	NUMBER OF EMPLOYEES
$100,000 - $109,999	5
$110,000 - $119,999	1
$120,000 - $129,999	2
$130,000 - $139,999	1
$140,000 - $149,999	2
$150,000 - $159,999	1
$190,000 - $199,999	1
$220,000 - $229,999	2
$270,000 - $279,999	1
$320,000 - $329,999	1
$350,000 - $359,999	1
$550,000 - $559,999	1
$730,000 - $739,999	1
$1,160,000 - $1,169,999	1

CBL does not expect the remuneration or benefits of employees of the CBL Group exceeding $100,000 during FY2015F to be materially different from those in the table above.

Material interests in the CBL Group

Particulars of any direct or indirect material interest in CBL or any of its subsidiaries, or in any agreement entered into on behalf of or in respect of CBL or any of its subsidiaries, that any Director, proposed Director, senior manager or proposed senior manager or any person associated with them has, or has had at any time since 1 January 2012, and that are material to either the person who has the interest, or CBL or any of its subsidiaries, are as follows.

Shareholdings

- All current Directors and members of senior management (other than Michael Parrott) hold shares in CBL (either directly or indirectly). In particular, you should note that interests associated with Peter Harris (Managing Director) and Alistair Hutchison (Director) currently control approximately 82% of CBL (in aggregate), and after completion of the Offer will control approximately 49% to 52% (in aggregate). See Section 2.9 *Substantial shareholdings in CBL* for more detail about the shareholdings of Directors and senior managers.
- Prior to December 2013, CBL Insurance was the parent company of the CBL Group. On 24 December 2013 the CBL Group underwent a restructure whereby all existing shareholders swapped their shares in CBL Insurance for an equivalent number and value of shares in CBL, and CBL acquired the subsidiaries in the CBL Group. A number of the existing Shareholders (who are associated persons of various Directors and senior managers of CBL) therefore previously had a material interest in CBL Insurance. These interests were all divested on 24 December 2013 and CBL Insurance is now a wholly owned subsidiary (via a holding company) of CBL.

Agreements

- Sir John Wells is a director of Bancorp New Zealand Limited, which is a 60% shareholder in Bancorp Corporate Finance Limited ("BCFL"). BCFL entered into an agreement with CBL on 7 April 2015 for the provision of Financial Advisory Services in the context of the proposed IPO of CBL. Such agreement

[12] On 1 April 2015 the Managing Director became an employee of CBL. The Chief Financial Officer of the Group was previously employed by CBL Insurance, and on 1 April 2015 became an employee of CBL.

was reached on an arms' length basis and Sir John (who is not a manager or Director of BCFL) was not involved in CBL's decision making around the appointment. The agreement will terminate on completion of the IPO. The total fees deriving from this agreement are included in the "issue expenses" information on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited".

- All of the senior managers, including Peter Harris, have entered into employment agreements with members of the CBL Group. Peter Harris' employment agreement as Chief Executive of the Group recognises his role with the Group since 1996 and includes a termination payment of up to 24 months' remuneration, if it is agreed between him and the Board that he will resign or in case of a change of control. Carden Mulholland's employment agreement includes payments on termination which may be up to 12 months' compensation in certain cases including a change of control.
- Each of Todd Campbell, Jenny Macfarlane, Henry Ray and Dean Finlay are parties to loan agreements pursuant to which CBL loaned funds to these persons (or their Shareholder entities) in relation to their subscription for Shares in CBL. Each of Todd, Jenny, Henry and Dean (and/or their relevant Shareholder entity along with Adam Massingham (who is not a senior manager but has a shareholder loan)) have irrevocably authorised CBLNZ to pay on their behalf, from the proceeds of the sale of certain of the Shares to be sold by these persons to CBLNZ and made available by CBLNZ under the Offer, the amount due to CBL to repay the full amount of the relevant loans. This payment will occur when CBLNZ distributes the proceeds to Selling Shareholders.
- Prior to listing, CBL intends to enter into a deed of indemnity and access by deed poll ("Indemnity"). Under the Indemnity, CBL must indemnify its past, present and future Directors (and those of related companies of CBL) and certain employees (and those of related companies of CBL) (each an "Indemnified Person"), against:
  - the Indemnified Person's reasonable costs incurred in any proceeding that relates to liability as a Director or employee of CBL (or a related company of CBL), but only if judgment is given in the Indemnified Person's favour, or in which the Indemnified Person is acquitted, or if the proceeding is discontinued; and
  - liability (other than criminal liability or liability in respect of a breach, in the case of a Director, of the duty specified in section 131 of the Companies Act 1993 or, in the case of an employee, of any fiduciary duty owed to CBL (or a related company of CBL) under section 131 of the Companies Act 1993) to any third party for acts or omissions as a Director or employee of CBL (or a related company of CBL), and against the Indemnified Person's reasonable costs in defending or settling any related claim.

  CBL must also effect directors and officers liability insurance for usual perils related to the activities of the Indemnified Persons in relation to CBL. The insurance must provide a "run-off cover" such that the Indemnified Person, after he or she ceases to be a Director or employee of CBL (or a related company of CBL), remains insured for events that occurred during the time that the Indemnified Person held office for at least seven years after he or she ceased to be a Director or employee of CBL (or a related company of CBL). If the Indemnified Person has an insurance policy that expressly covers his or her liability as a Director or employee of CBL (or a related company of CBL), the Indemnified Person must make a claim under that policy for any liability that the Indemnified Person may be able to claim under the Indemnity. The Indemnified Person must reimburse CBL using any relevant proceeds the Indemnified Person receives under that policy.

  The Indemnity excludes certain claims, such as claims resulting from liability for which an indemnity is prohibited by law. CBL must also not effect insurance for liability and costs not permitted by the Companies Act 1993 and FMC Act.
- Certain Directors and senior managers have entered into a sale and purchase agreement with CBLNZ, pursuant to which those persons agree to sell a certain number of their Shares to CBLNZ. CBLNZ will make these Shares available under the Offer. The sale and purchase agreement also contains escrow arrangements relating to all of the Shareholders in CBL as at the date of this PDS (other than Alan Clarke and Harvey Wetherill), as described further in Section 5 *Terms of the Offer.*

Information regarding related party disclosures can also be found in section 33 of CBL's 2014 Annual Report, which is available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "CBL Corporation Limited Annual Report 2014".

2.11 Relevant proceedings or actions

From 2005 to 2007, CBL Insurance was the subject of regulatory inquiry in the United States ("US") in relation to its two insurance programmes in that country, which were "livery insurance" for taxis, shuttles and limousines, placed by independently owned Phoenix Brokers Inc., and insurance for hot air balloon operations, placed by National Program Management, Inc ("NPL"). In 2005, the Insurance Department in the State of Georgia ("Georgia Insurance Department") alleged that CBL Insurance was in breach of insurance regulations in offering livery insurance when it was allegedly not licensed or domiciled in a US State or territory. CBL Insurance did not accept that there was a breach, on the basis that it was offering all insurance through a US-based insurance company that it had acquired, but co-operated with the Georgia Insurance Department and ceased writing new business, although it ensured that all claims were paid. Phoenix Brokers Inc. was liquidated. CBL Insurance ultimately resolved the Georgia Insurance Department's regulatory action in May 2007 without paying any fines, or agreeing that any breach of any insurance regulations had occurred, by entering into a Deferred Prosecution Agreement under which it repaid US$750,000 in premiums to clients, and together with others, including Peter Harris, agreed not to write business directly in the US (apart from reinsurance) for a period of 10 years. In 2014, the Georgia Insurance Department agreed to terminate this restriction for CBL Insurance and Peter Harris early, although CBL Insurance does not presently write any business in the US.

In March 2005, in consequence of NPL's concerns about the Georgia Insurance Department action, CBL Insurance withdrew from its Hot Air Balloon insurance programme managed in Florida and handed it over to another insurer. When notified of this, the Florida Office of Insurance Regulation ("Florida Office") alleged that CBL Insurance had breached insurance regulations, issued a 'cease and desist' notice and stated that it intended to order CBL Insurance to pay a fine and make restitution of premiums. CBL Insurance rejected these allegations. The matter was ultimately resolved on the basis that, in summary, CBL Insurance paid US$10,000 to the Florida Office as a contribution towards its administration and investigation costs, and CBL Insurance was allowed to run off its insurance policies through to natural expiry.

3 Purpose of the Offer

The purpose of the Offer is primarily to raise capital to assist CBL to fund further growth, strengthen Regulatory Capital and to enable the Selling Shareholders to realise a portion of their investment. The Offer is also expected to benefit CBL by providing it access to capital markets, increasing CBL's profile and providing an opportunity for CBL to broaden its investor base.

The Offer comprises an offer by CBL and CBLNZ of between 71.4 million and 84.9 million Offer Shares with a value between $123.0 million and $132.2 million based on the Indicative Price Range. These Offer Shares comprise:

- $90 million of new Offer Shares which are to be issued by CBL (being 48.6 million to 62.1 million Offer Shares based on the Indicative Price Range); and
- up to 22.8 million of existing Offer Shares, which are to be transferred by the Selling Shareholders to CBLNZ and offered for sale by CBLNZ (with a value of $33.0 million to $42.2 million based on the Indicative Price Range). Selling Shareholders intend to retain 60% to 63% of the Shares after the Offer.

The $90 million of gross proceeds from the offer of new Shares will be used as follows:

	USE OF PROCEEDS OF CBL	STRATEGY
$32.7m	To fund the cash price of the acquisition of the share capital of Assetinsure[13]	The acquisition should enable the Group to: • distribute products in Australia through an APRA regulated entity; • to increase its Australasian and Southeast Asian business; and • introduce certain Assetinsure products and relationships into its own international markets.
Up to $20m	To increase the Regulatory Capital of CBL Insurance	Increasing CBL Insurance's Regulatory Capital is expected to enhance its ability to: • grow existing lines of business; • write new lines of business; • acquire books of business; and • potentially achieve a higher A.M. Best credit rating which will open new channels of business particularly in the banking sector.
$28.9m	• To enable the CBL Group to pursue additional organic growth • To increase the Regulatory Capital of CBLIE on an as needed basis • To provide capital for future acquisitions by the CBL Group	To assist the Group with future organic growth through writing new and existing lines of business Increasing the Regulatory Capital of CBLIE will enhance its ability to acquire books of business CBL Group will continue to pursue potential acquisition opportunities that meet its criteria
$8.4m	Offer costs	Payment for legal, accounting and financial advisory, plus any listing costs
$90m	**Gross Proceeds**	

A minimum of $90 million must be raised before the Offer Shares are issued or transferred. The Offer is not underwritten.

[13] Part of the purchase price for this acquisition will be payable in Shares in CBL to selling shareholders in Assetinsure.

4 Key dates and Offer process

Key dates

PDS lodged	7 September 2015
Bookbuild	17 September 2015
Pricing and Allocation	17 September 2015
Priority Offer Opening Date	7 September 2015
Priority Offer Closing Date	14 September 2015
Broker Firm Offer Opening Date	21 September 2015
Broker Firm Offer Closing Date	6 October 2015
Settlement of Shares to be quoted on ASX	9 October 2015
Settlement of Shares to be quoted on NZX	12 October 2015
Allotment of Shares to be quoted on NZX and ASX	12 October 2015
Expected commencement of trading on the NZX Main Board and ASX*	13 October 2015
Expected dispatch of holding statements	by 19 October 2015
Expected payment of first dividend	April 2016

* *Trading on ASX (which will initially be on a deferred settlement basis) will not be on a normal ('T+3') settlement basis until after the dispatch of holding statements. Each of ASX, CBL, CBLNZ, the Joint Lead Managers and the Share Registrar disclaim all liability, whether in negligence or otherwise, to persons who trade Offer Shares before receiving their holding statements.*

This timetable is indicative only and the dates may change. The Offerors, in conjunction with the Joint Lead Managers, reserve the right to vary or extend these dates. The Offerors may also withdraw the Offer at any time before the allocation of Offer Shares or accept late Applications (either generally or in individual cases).

See Section 5 *Terms of the Offer* for further information about these dates.

5 Terms of the Offer

5.1 Key terms

The table below sets out the terms of the Offer. CBL's Constitution sets out the terms of the Shares. You can find a copy of the Constitution on the offer register www.business.govt.nz/disclose, offer number (OFR10268).

What is the Offer?	See Section 1.1 *What is this?* for an overview of what the Offer involves. No person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of CBL, the Shares or any return on investment pursuant to this Offer.
Key dates	See Section 4 *Key dates and Offer process* for information about the key dates of the Offer.
Price	See Section 1.5 *How pricing of ordinary shares in CBL is fixed* for information on the Indicative Price Range and how the Final Price will be fixed.
Structure of the Offer	The Offer is an offer of: • $90 million of new Offer Shares (being 48.6 to 62.1 million Shares based on the Indicative Price Range) which are to be issued by CBL on the Allotment Date; and • up to 22.8 million existing Offer Shares (being $33.0 to $42.2 million of existing Offer Shares based on the Indicative Price Range) which will be offered for sale by CBLNZ. For the purposes of NZX Listing Rule 7.1.8, based on the Indicative Price Range the existing Shareholders are expected to retain approximately 133.2 million of existing Shares, representing between 60% and 63% of the total Shares on issue following the Offer. The Offer includes: • the Broker Firm Offer, which is only available to New Zealand resident clients of selected NZX Firms who have received a firm allocation from that NZX Firm; • the Priority Offer, which consists of an offer to: - Holders of the Notes in CBL issued through FIIG Securities Limited and the close associates of the holders of the Notes (as described further in Section 7 *The CBL Group's financial information*); and - Employees, close associates of employees, close business associates and significant clients of CBL; and • the Institutional Offer, which consists of an invitation to bid for Offer Shares made to selected Institutional Investors in New Zealand, Australia and certain other jurisdictions. There is no general public offer. Members of the public wishing to subscribe for Shares must be allocated Shares by an NZX Firm; there is no public pool under which you may subscribe for Shares. You should contact an NZX Firm to determine whether you may be offered Shares under the Broker Firm Offer. The key terms of each of the Broker Firm Offer, Priority Offer and Institutional Offer are described further in Section 5.2 *Broker Firm Offer, Priority Offer and Institutional Offer* below.
Escrow arrangements	Each of the Shareholders of CBL as at the date of this PDS (except Alan Clarke and Harvey Wetherill) and some of the vendors of Assetinsure who are to subscribe for Shares on the completion of the aquisition of Assetinsure (namely Peter Wedgwood, Gregor Pfitzer and Hamish Lilly and entities associated with them), are subject to an escrow arrangement under which they have agreed not to sell, transfer or otherwise dispose of their Shares which are not sold or transferred prior to or as part of the Offer until at least the first day after the date on which CBL releases to NZX CBL's preliminary announcement of its financial results in respect of the financial year ended 31 December 2016. Alan Clarke and Harvey Wetherill were two of the original founders of EISL. They each received shares in CBL Insurance as part of the acquisition by CBL Insurance of EISL in 2011. CBL Insurance later bought back a number of these shares. The shares held by Alan Clarke and Harvey Wetherill in CBL Insurance were swapped for an equivalent number and value of Shares in CBL as part of the restructure of the Group that occurred on 24 December 2013. See Section 2.10 *Interests of Directors and senior managers* for further details on the restructure. Alan Clarke and Harvey Wetherill hold an aggregate of 0.28% of the total Shares in CBL as at the date of this PDS. These restrictions do not apply (and therefore Shares can be sold) in certain circumstances. You can find more information about the escrow arrangements on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited".

Refunds and scaling	The Offer may be withdrawn by the Offerors at any time before the allocation of the Offer Shares, at the Offerors' sole discretion. If the Offer or any part of it is withdrawn, then the relevant Application amounts will be refunded without interest no later than 5 Business Days after the decision to withdraw the Offer is announced. If you apply for a total Application amount that is not a multiple of the Final Price, your Application will be rounded down to the nearest multiple of the Final Price and any difference will be retained by CBL. Money received in respect of Applications which are declined in whole or in part will be refunded in whole or in part (as the case may be). Refunds will be paid to unsuccessful Applicants within five Business Days after allocation of Offer Shares or after an Application has been declined (as applicable). Refunds will be paid in the manner you elect any future dividend payments to be paid. Interest will not be paid on any Application Monies refunded to Applicants. Oversubscriptions will not be accepted.
Applications	An Application is an offer by you to subscribe for Offer Shares having the value specified in the Application Form, at the Final Price, on the terms and conditions set out in this PDS (including any replacement of it), the offer register (at www.business.govt.nz/disclose, offer number (OFR10268)) and the Application Form. By submitting an Application Form, you irrevocably agree to purchase the Offer Shares on those terms, notwithstanding any variations or extensions to the Closing Date or other dates which the Offerors and the Joint Lead Managers are entitled to so vary or extend. CBL, CBLNZ and the Joint Lead Managers may, at their sole discretion, treat any Application Form as valid, notwithstanding that it does not comply with the requirements above or is irregular. CBL, CBLNZ and the Joint Lead Managers may also, at their sole discretion, rectify any errors in, or omissions from, any Application Form to enable that form to constitute a valid acceptance of the Offer and to facilitate registration of the Applicant as a Shareholder, including inserting or correcting details and filling in any blanks. An Application Form may be treated by CBL, CBLNZ and the Joint Lead Managers as a valid Application whether or not it is received before the applicable Closing Date, and may be accepted in respect of the full dollar amount specified in the Application Form or a lesser amount, without further notice to the Applicant. If the amount of your cheque(s) for Application Monies is less than the amount specified on your Application Form, you may be taken to have applied for such lower dollar amount for Offer Shares as for which your clear Application Monies will pay, or your Application Form may be rejected at the discretion of CBL and/or CBLNZ in consultation with the Joint Lead Managers. Acceptance of your Application will give rise to a binding contract. CBL, CBLNZ and the Joint Lead Managers reserve the right to refuse all or any part of any Application without giving a reason. Until the allotment of Offer Shares, Application Monies received will be held in a separate account for the benefit of the Applicants according to their respective entitlements and for CBL and CBLNZ. Any interest on Application Monies will be paid to the Offerors to offset against their issue costs. If you apply for Offer Shares, you should ensure that sufficient funds are held in your account(s) to cover the amount of your Application. The banking of Application Monies does not constitute confirmation of allotment of any Offer Shares or the acceptance of an Application. Further, if your cheque does not clear, your Application may be rejected. See Section 11 *How to apply* for further information about Applications and how to apply for Offer Shares.
Allocation	The allocation of Offer Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer will be determined by the Offerors in consultation with the Joint Lead Managers following completion of the Bookbuild, having regard to the allocation policies outlined in Section 5.2 *Broker Firm Offer, Priority Offer and Institutional Offer* below.
Allotment	The allotment of Offer Shares to successful Applicants is scheduled to take place on 12 October 2015. You should ascertain your allocation (if any) before trading in the Offer Shares. If you applied under the Broker Firm Offer, you can do this by phoning the NZX Firm from whom you received an allocation of Offer Shares. If you applied under the Priority Offer, you can do this by contacting the Share Registrar.

continued overleaf

Allotment (contd)	If you wish to sell your Shares on the NZX Main Board after confirming your allocation you must have a Common Shareholder Number ("CSN") and an Authorisation Code (FIN). New Zealand residents with a CSN will have their Offer Shares allotted under their CSN, if the CSN was provided on the Application Form. If a CSN is not provided on the Application Form, or the Application details do not match the CSN details, a new CSN and Authorisation Code (FIN) will be allocated to the Applicant. Allotment statements with your allotment details and CSN will be despatched within 5 Business Days after allotment. Where an email address is provided on the Application Form, the allotment statement will be despatched electronically to you. The associated Authorisation Code (FIN) will be sent by the Share Registrar as a separate communication by mail. If you have a CSN and Authorisation Code (FIN), you may access your holding information on the Share Registrar's website: • New Zealand Registry: www.computershare.co.nz (you will be required to enter your CSN and Authorisation Code (FIN)). • Australian Registry: www.computershare.co.nz (you will need your holder number and postcode for secure access). If you sell Offer Shares prior to receiving your Security Transaction Statement you will do so at your own risk. None of CBL, CBLNZ, the Joint Lead Managers, the Share Registrar, nor any of their respective officers, employees or advisers accepts any liability or responsibility should you or any person attempt to sell or otherwise deal with Offer Shares before you receive a statement showing the number of Offer Shares allocated to you (if any). CBL expects that trading of the Shares on the NZX Main Board and ASX will commence on 13 October 2015. If admission to list on the NZX Main Board is denied, or the Offer does not proceed for any other reason, all Application Monies will be refunded in full without interest no later than five Business Days after announcement of the decision not to proceed. However, the failure to achieve listing on ASX will not, of itself, prevent the issue or sale of the Offer Shares under the Offer from proceeding whether in Australia or otherwise. However, it would mean that there will not be an active market on ASX on which to sell those Offer Shares in Australia.

5.2 Broker Firm Offer, Priority Offer and Institutional Offer

Overview of Offer		
BROKER FIRM OFFER	PRIORITY OFFER	INSTITUTIONAL OFFER
The Broker Firm Offer is available to New Zealand resident clients of selected NZX Firms who have received a firm allocation from that NZX Firm. You can contact an NZX Firm to determine whether you may be offered Shares by them under the Broker Firm Offer.	The Priority Offer is available to: • Holders of the Notes in CBL issued through FIIG Securities Limited and the close associates of the holders of the Notes (as described further in Section 7 *The CBL Group's financial information*); and • Employees, close associates of employees, close business associates and significant clients of CBL. CBL and FIIG Securities Limited will contact those persons who are offered Shares under the Priority Offer.	The Institutional Offer comprises an invitation to selected Institutional Investors in New Zealand, Australia and certain other jurisdictions to apply for Offer Shares. Certain Institutional Investors and NZX Firms will be invited to bid for Offer Shares in the Bookbuild to be undertaken on or about 17 September 2015 (as explained in Section 1.5 *How pricing of ordinary shares in CBL is fixed*).
How to apply		
BROKER FIRM OFFER	PRIORITY OFFER	INSTITUTIONAL OFFER
Once you have received confirmation of a firm allocation from an NZX Firm, you can apply for Offer Shares under the Broker Firm Offer by completing the Broker Firm Application Form at the back of this PDS. Detailed instructions on how to apply are contained in the Application Form and in Section 11 *How to apply.* If you wish to apply under the Broker Firm Offer you should contact your NZX Firm if you require further instructions.	If you have been invited by CBL or FIIG Securities Limited to participate in the Priority Offer, you can apply for Offer Shares by completing the Priority Offer Application Form at the back of this PDS. Detailed instructions on how to apply are contained in the Application Form and in Section 11 *How to apply.*	Full details of how to participate, including bidding instructions, will be provided by the Joint Lead Managers to invited participants in due course.

Minimum and maximum Application amount

BROKER FIRM OFFER	PRIORITY OFFER	INSTITUTIONAL OFFER
Applications under the Broker Firm Offer must be for a minimum amount of $2,000 worth of Offer Shares. If you apply for a total Application amount that is not a multiple of the Final Price, your Application will be rounded down to the nearest multiple of the Final Price and any difference will be retained by CBL.	Applications under the Priority Offer must be for a minimum amount of $1,000 worth of Offer Shares. If you apply for a total Application amount that is not a multiple of the Final Price, your Application will be rounded down to the nearest multiple of the Final Price and any difference will be retained by CBL. There is no maximum amount that can be applied for by investors applying under the Priority Offer, although a maximum of $10 million worth of Offer Shares has been reserved for the Priority Offer. Subject to there being a maximum of 6.9 million Offer Shares reserved for the Priority Offer, Applicants will receive a guaranteed minimum allocation of $1,000 worth of Offer Shares at the Final Price (or such lower value applied for, subject to the minimum Application of Offer Shares above).	Not applicable.

How to pay

BROKER FIRM OFFER	PRIORITY OFFER	INSTITUTIONAL OFFER
Applicants under the Broker Firm Offer should make payments by: • direct debit (by including your direct debit details on the Application Form); • cheque (cheques should be drawn on a New Zealand bank, crossed "Not Transferrable" and made payable to "CBL Share Offer"; or • otherwise in accordance with the directions of the NZX Firm from whom you received an allocation. See the Application Form for more details.	Applicants under the Priority Offer should make payments by: • SWIFT payment in cleared New Zealand dollars; • direct credit in cleared New Zealand or Australian dollars; or • cheque (cheques should be drawn on a New Zealand bank, crossed "Not Transferrable" and made payable to "CBL Share Offer". See the Application Form for more details.	Full details of how to pay will be provided by the Joint Lead Managers to successful participants in due course.

Return of Application Forms and Application Monies

BROKER FIRM OFFER	PRIORITY OFFER	INSTITUTIONAL OFFER
Applicants under the Broker Firm Offer should send their completed Application Form and Application Monies to the NZX Firm who granted the Applicant a firm allocation. Applications must be received (with payment) by the NZX Firm with sufficient time as to enable the NZX Firm to forward the Application and payment to the Share Registrar by 5.00pm on the Closing Date.	Applicants under the Priority Offer should send their completed Application Form and Applications Monies to the Share Registrar by 5pm on 14 September 2015.	Not applicable.

Closing Date for receipt of Applications

BROKER FIRM OFFER	PRIORITY OFFER	INSTITUTIONAL OFFER
The Broker Firm Offer opens at 9.00am on 21 September 2015 and will close at 5.00pm on 6 October 2015 (being the Closing Date). The Closing Date may be changed by the Offerors with the prior written consent of the Joint Lead Managers. Changes will be advised by NZX announcement. The Offerors reserve the right to refuse to accept Applications received by the Share Registrar after the Closing Date. Applicants are encouraged to submit their Application Form and Application Monies as early as possible in advance of the Closing Date and to allow a sufficient period for mail processing time.	The Priority Offer opens at 9.00am on 7 September 2015 and will close at 5.00pm on 14 September 2015. The closing date of the Priority Offer may be changed by the Offerors with the prior written consent of the Joint Lead Managers. Changes will be advised by NZX announcement. The Offerors reserve the right to refuse to accept Applications received by the Share Registrar after the closing date of the Priority Offer. Applicants are encouraged to submit their Application Form and Application Monies as early as possible in advance of 14 September and to allow a sufficient period for mail processing time.	Not applicable.

Allocation policy

BROKER FIRM OFFER	PRIORITY OFFER	INSTITUTIONAL OFFER
Allocations by NZX Firms under the Broker Firm Offer to their Applicant clients will be determined by those NZX Firms. It will be a matter for the NZX Firms to ensure that Applicant clients who have received an allocation from them receive the relevant Shares. Applicants should contact their NZX Firm from whom they received their allocation to find out if their Application was successful.	The number of Offer Shares to be offered under the Priority Offer, and the allocation of Offer Shares among participants in the Priority Offer, will be determined by the Offerors in consultation with the Joint Lead Managers. There is no assurance that any person applying for Offer Shares under the Priority Offer will be allocated any Offer Shares or the number of Offer Shares for which it has applied. Applicants should contact the Share Registrar by email at cbl@computershare.co.nz to find out if their Application was successful.	The Offerors, in consultation with the Joint Lead Managers, will determine the allocation of Offer Shares among Institutional Investors and NZX Firms that have bid for Offer Shares in the Bookbuild. The number of Offer Shares to be offered under the Institutional Offer, and the allocation of Offer Shares among participants in the Institutional Offer, will be determined by the Offerors in consultation with the Joint Lead Managers. There is no assurance that any participant in the Bookbuild will be allocated any Offer Shares or the number of Offer Shares for which it has bid. The allocation policy will be influenced by a number of factors which may include: • the number and price of Offer Shares bid for by particular bidders; • the timeliness of the bid by particular bidders; • CBL's desire for an informed and active trading market for the Shares on the NZX Main Board and ASX; • CBL's desire to have a wide spread of institutional Shareholders on its share register; • the overall level of demand for Offer Shares in the Institutional Offer, the Broker Firm Offer and the Priority Offer; • the size and type of funds under management of particular bidders; • an assessment of whether particular bidders will be long term Shareholders; and • any other factors that the Offerors or the Joint Lead Managers deem relevant.

5.3 Listing

Listing on the NZX Main Board

Application has been made to NZX for permission to list CBL, and to quote the Shares on the NZX Main Board. All of NZX's requirements relating to that application that can be complied with on or before the date of this PDS have been duly complied with. However, NZX accepts no responsibility for any statement in this PDS.

NZX has authorised NZX Firms to act on the Offer. The NZX Main Board is a licensed market operated by NZX, which is a licensed exchange regulated under the FMC Act. Initial quotation of the Shares on the NZX Main Board is expected to occur on 13 October 2015 under the stock code "CBL".

Listing on the ASX

Application will be made to ASX after this PDS (accompanied by the Additional Australian Information) is lodged with the Australian Securities and Investments Commission for CBL to be admitted to the official list of ASX and for the Shares to be granted official quotation on the financial market operated by ASX. ASX is not a registered market under the FMC Act.

ASX takes no responsibility for the contents of this PDS (or the Additional Australian Information) or for the merits of the investment to which this PDS and the Additional Australian Information relate. Admission to the official list of ASX and quotation of the Shares on the ASX are not to be taken as an indication of the merits, or as an endorsement by ASX, of CBL or the Shares.

Subject to certain conditions (including any waivers obtained by CBL from time to time), CBL will be required to comply with the ASX Listing Rules (as they apply to CBL on admission, and in future periods). In the light of certain proposed (but not, as at the date of this PDS, implemented) amendments to ASX's 'Foreign Exempt Listing' admission category for companies listed (or proposing to list) on the Main Board of NZX, CBL is presently considering whether to apply to ASX (with any such application to be made following implementation of the amended ASX Listing Rules) to have its listing category on ASX reclassified as a 'Foreign Exempt Listing'. Were this application to be made by CBL (and accepted by ASX), and while CBL would still need to comply with the NZX Listing Rules (other than as waived by NZX), CBL would not also need to comply with ASX Listing Rule obligations, but rather would only need to comply with the rules specified in ASX Listing Rule 1.15. CBL will announce any such change in its listing category to ASX and NZX in accordance with its continuous disclosure obligations.

Quotation, initially on a deferred settlement basis, of the Shares on ASX is expected to occur on or about 13 October 2015 under the stock code "CBL". Normal ('T+3') settlement of Shares traded on ASX will not occur until the commencement of trading on ASX on the business day immediately following the dispatch of holding statements (expected to occur by 19 October 2015).

5.4 Regulatory restrictions

Although CBL's Constitution does not contain restrictions on the transfer of CBL's Shares, you should note that the insurance regulatory requirements to which various subsidiaries of CBL are subject include the requirement for persons who acquire or divest certain amounts of CBL's Shares to notify or obtain the approval of the relevant regulator about these acquisitions/divestments.

More detail on the applicable regulatory requirements that are current as at the date of this PDS are available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited".

5.5 Further information

The following information can be found on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited":

- information on ASX Listing Rule waivers and confirmations obtained;
- Australian Securities and Investments Commission relief obtained;
- selling restrictions relating to overseas investors; and
- selling restrictions relating to the Takeovers Code and the Overseas Investment Act 2005.

6 Key features of ordinary shares in CBL

The key features of ordinary shares in CBL do not differ from those that apply to ordinary shares in a company generally.

See Section 5.4 *Regulatory restrictions* for an overview of certain regulatory requirements relating to the acquisition and divestment of CBL's shares.

Dividend policy

For the six months ended 30 June 2015, CBL's dividend policy is to not pay a dividend due to the timing of the IPO. For periods ending after 1 July 2015, CBL's dividend policy is to distribute 30% of Adjusted NPAT subject to its Regulatory Capital and liquidity requirements.

CBL intends to pay dividends semi-annually, typically in October and April of each year and to impute and/or frank dividends fully, if possible given the level of imputation and franking credits available.

The Directors will monitor the Group's projected cash flow and capital requirements and will review this policy on an annual basis.

Despite the intentions set out above, CBL can give no assurances as to the level or frequency of any dividend (or other distributions, if any) payable, or the level of imputation or franking credits, if any, attached to any dividends. Payment of dividends is at the discretion of the Directors, and dividends (if any) will be declared only after meeting appropriate solvency requirements. Should CBL pay dividends, it will expect to pay them on a fully imputed dividend basis.

7 The CBL Group's financial information

The financial information is presented in New Zealand dollars, except for the Assetinsure financial information which is presented in Australian dollars, and is rounded to the nearest thousand (unless stated otherwise), which may result in some discrepancies between the sum of components and totals within tables, and also in certain percentage calculations.

This PDS contains prospective financial information, which is based on the Directors' assessment of events and conditions existing at the date of this PDS and the accounting policies and assumptions set out in the prospective financial information on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "The CBL Group's Prospective Financial Information, and a reconciliation of non-GAAP to GAAP information". You should read the prospective financial information in this PDS in light of those assumptions, and in conjunction with the other information in this PDS (including, in particular, the information in Section 8 *Risks to the CBL Group's business and plans*).

Prospective financial information by its nature involves risks and uncertainties, many of which are beyond the control of the CBL Group. The Board believes that the prospective financial information has been prepared with due care and attention, and consider the assumptions, when taken as a whole, to be reasonable at the time of preparing this PDS. Actual results are likely to vary from the information presented. Results may not occur as expected, and the variations may be material. Accordingly, neither the Directors nor any other person can provide any assurance that the prospective financial information will be achieved and investors are cautioned not to place undue reliance on the prospective financial information.

7.1 Financial information presented

There are three different types of financial information presented in this PDS:

- **Statutory historical financial information** as reported in the CBL Group and Assetinsure's financial statements.
- **Statutory prospective financial information** includes the forecast results presented on the same basis as that on which CBL intends to report under NZ GAAP in the future.
- **Pro forma prospective financial information** ("PFI") adjusts the statutory prospective financial results to reflect the capital structure of the CBL Group following completion of the Offer, the full year forecast result for Assetinsure, exclusion of one-off Offer costs, exclusion of transaction costs relating to acquisition of Fiducia and Assetinsure, unrealised foreign exchange translation loss, the reversal of the net amortisation impact relating to the Assetinsure acquisition and excluding gains on sales of investments. More information on pro forma adjustments and the principal assumptions on which the pro forma financial information is based is available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "The CBL Group's Prospective Financial Information, and a reconciliation of non-GAAP to GAAP information".

Certain information included in this section (being profit for the year excluding foreign exchange, acquisition ratio, net claims ratio and the pro forma information described above) is non-GAAP information. An explanation of the non-GAAP measures employed by the CBL Group, and reconciliations to information prepared in accordance with GAAP, are available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "The CBL Group's Prospective Financial Information, and a reconciliation of non-GAAP to GAAP information".

7.2 A summary of how the CBL Group generates revenue

The CBL Group generates revenue through the following main sources:

- *Reinsurance premium:* entities within the CBL Group underwrite risk written by other insurers in exchange for an agreed share of the premium and risk;
- *Direct insurance premium:* entities within the CBL Group act as licensed insurers and write business directly; and
- *Commissions and fees:* EISL is an intermediary between brokers and regulated insurers and earns brokerage commission.

Key drivers of the CBL Group's financial performance can be found in Section 1.7 *Key drivers of returns.*

These tables provide key financial information about the CBL Group. Full financial statements are available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268). If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

7.3 Selected financial information

CBL Group

	HISTORICAL			PROSPECTIVE		
NZ$M	FY2012	FY2013	FY2014	FY2015PF	FY2015F	FY2016F
(YEAR ENDED 31 DEC)	STATUTORY	STATUTORY	STATUTORY	PRO FORMA, INCLUDING ASSETINSURE	STATUTORY	STATUTORY
Gross written premium	151.2	212.5	241.8	335.0	296.1	397.3
Movement in gross unearned premium	(18.7)	(27.3)	(15.3)	(14.5)	(12.5)	(21.9)
Gross premium	**132.6**	**185.2**	**226.4**	**320.6**	**283.7**	**375.4**
Premium ceded	(49.2)	(53.4)	(44.9)	(77.8)	(58.5)	(94.5)
Net premium	**83.3**	**131.8**	**181.5**	**242.7**	**225.1**	**280.8**
Other revenue	5.7	9.1	7.0	23.2	12.3	23.9
Total revenue	**89.0**	**140.9**	**188.5**	**266.0**	**237.4**	**304.7**
Net claims expense	(22.1)	(45.8)	(68.1)	(93.5)	(79.2)	(99.9)
Acquisition costs	(25.6)	(43.1)	(57.8)	(75.8)	(75.4)	(86.9)
Other operating expenses	(19.5)	(26.2)	(26.9)	(48.9)	(40.6)	(54.3)
Total claims and operating expenses	**(67.2)**	**(115.1)**	**(152.8)**	**(218.2)**	**(195.3)**	**(241.1)**
Operating profit	**21.8**	**25.8**	**35.7**	**47.8**	**42.2**	**63.6**
Net profit after tax	**12.9**	**18.0**	**19.4**	**29.2**	**26.1**	**40.4**
Adjusted net profit after tax[14]	12.7	15.7	23.9	29.2	26.4	40.4
Dividends	(1.1)	(1.9)	(2.9)	(3.9)	(0.8)	(9.4)
Total assets	191.4	278.2	405.3	722.3	722.4	824.2
Cash & cash equivalents	65.0	97.8	166.3	299.5	299.5	375.5
Total liabilities	146.3	226.7	337.9	530.1	530.7	601.5
Total debt	21.5	27.1	65.6	66.0	67.9	67.9
Total equity	45.1	51.5	67.5	192.2	191.7	222.7
Net operating cash flow	**39.1**	**34.2**	**71.0**	**54.1**	**71.2**	**78.6**
CBL Group KPIs						
Operating profit margin[15]	*24%*	*18%*	*19%*	*18%*	*18%*	*21%*
Net claims ratio[16]	*31%*	*38%*	*40%*	*41%*	*37%*	*38%*
Acquisition ratio[17]	*35%*	*36%*	*34%*	*34%*	*36%*	*33%*

Notes:

1. *Expenses in FY2015PF, FY2015F and FY2016F include ongoing costs of the CBL Group being listed of $0.96m, $0.96m and $0.96m respectively.*
2. *Other revenue includes investment income, commissions and overhead recovery, sublease rental income and IT revenue (being revenue generated from the licensing of Graile software by Assetinsure). Further detail can be found on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "The CBL Group's Prospective Financial Information, and a reconciliation of non-GAAP to GAAP information".*

[14] Please refer to footnote 5 on page 4.

[15] Operating profit margin is defined as: operating profit divided by total revenue. The operating profit margin is an indication of how profitable the total business operations of CBL are.

[16] Net claims ratio is defined as: net claims expense incurred as a percentage of net premium as an insurer (where net claims is calculated as gross claims incurred (including IBNR (incurred but not reported)) less claims recoveries such as reinsurance and other recoveries). The net claims ratio is an indicator of how profitable business written by CBL is.

[17] Acquisition ratio is defined as: the total of commission and operating expenses incurred in the generation of net premium (ie the direct cost to write the business such as commissions or fees) expressed as a percentage of net premium (as an insurer). The acquisition ratio shows how expensive it is to generate new business.

The historical financial information included in the table on the previous page excludes Assetinsure. The historical performance of Assetinsure is set out below, and full financial statements for both the CBL Group and Assetinsure for FY2012, FY2013 and FY2014 are available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268).

The prospective financial information provided in the table on the previous page includes Assetinsure. FY2015PF includes a full year of financials for the acquisition of Assetinsure and reflects the capital structure of the CBL Group had the Offer completed on 1 January 2015. The principal assumptions on which the above prospective financial information is based are set out on the following pages (under the headings 'Overview of prospective revenue and operating profit' for each of FY2015PF and FY2016F, respectively). A full description of assumptions and sensitivities relating to the PFI for FY2015PF and FY2016F can be obtained on the offer register at at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "The CBL Group's Prospective Financial Information, and a reconciliation of non-GAAP to GAAP information".

Material acquisition – Assetinsure

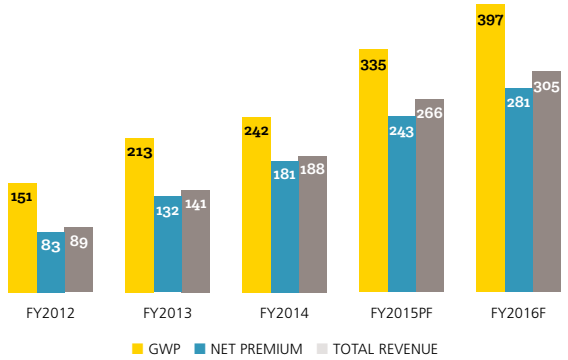
		HISTORICAL	
A$M	FY2012	FY2013	FY2014
(YEAR ENDED 31 DEC)	STATUTORY	STATUTORY	STATUTORY
Gross written premium	56.5	62.0	54.0
Movement in direct unearned premium	(3.9)	(3.9)	3.7
Gross premium	**52.6**	**58.1**	**57.7**
Premium ceded	(24.4)	(29.6)	(30.8)
Net premiums	**28.2**	**28.5**	**26.9**
Other revenue	17.7	17.4	14.2
Total revenue	**45.9**	**45.9**	**41.1**
Net claims expense	(11.7)	(12.6)	(24.4)
Acquisition costs	(7.1)	(9.6)	(6.6)
Other operating expenses	(20.6)	(18.7)	(16.5)
Total claims and operating expenses	**(39.4)**	**(40.8)**	**(47.5)**
Operating profit	**6.5**	**5.1**	**(6.4)**
Net profit after tax	**4.3**	**4.8**	**(4.7)**
Total assets	174.3	169.3	160.5
Cash & cash equivalents	8.4	13.0	11.7
Total liabilities	125.1	125.0	120.9
Total debt	5.0	5.0	-
Net operating cash flow	**3.5**	**(6.3)**	**(0.7)**

The loss in 2014 was principally the result of a large one-off surety claim by Forge Group as a result of suspected fraud, strengthening of professional indemnity reserves and a movement in the risk free rate resulting in an increase in the run-off liability.

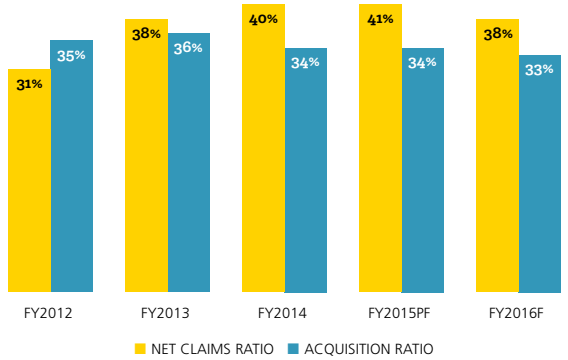
7.4 Explanations of Trends in Financial Performance

The charts below summarise the movements in GWP, net premium, total revenue, key ratios, operating profit and NPAT over FY2012, FY2013 and FY2014 and the PFI period of pro forma FY2015PF and statutory FY2016F. These charts allow for a comparison of historical financial performance to that which is forecast in the PFI period.

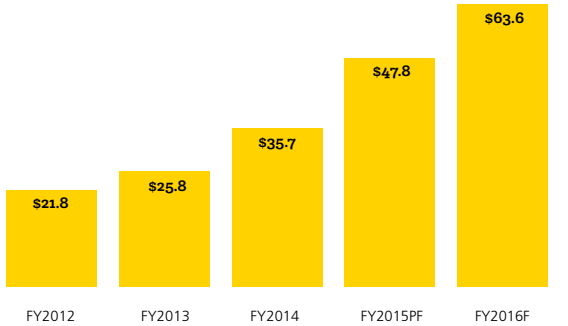
CBL Group GWP and net premium (NZ$m)



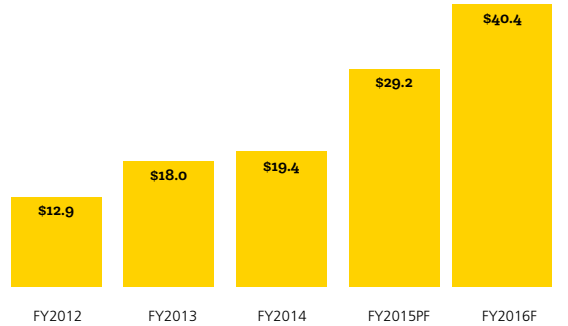
CBL Group net expense ratios (NZ$m)



CBL Group operating profit (NZ$m)



CBL Group NPAT (NZ$m)



Sources: CBL management

7.5 Overview of historical revenue and operating profit for FY2012

Operating profit increased by 51% to $21.8 million, primarily due to an increase in GWP of 47% to $151.2 million. NPAT for the Group increased to $12.9 million. Key factors that the CBL Group considers affected the FY2012 result included:

- The continued demand for the Group's products in the markets in which the Group operates. Most of the growth came from existing distribution partners who continued to grow their businesses, and the Group's increased share of that business;
- The effectiveness of the Group's claims management and reporting regime;
- The Group acquired the Deposit Power business in Australia, which the Group saw as a market leader of property deposit bonds in Australia. This acquisition assisted the Group to extend its existing business by taking over established distribution contracts that were in place with leading commercial banks and mortgage finance providers in Australia;
- The Group continued to expand its IATA default insurance protection business (which insures airlines and travellers against the payment default of travel and cargo agents), and opened a new national programme in Kuwait; and
- Continued management of overheads.

7.6 Overview of historical revenue and operating profit for FY2013

Operating profit increased by 18% to $25.8 million, primarily due to an increase in GWP of 41% to $212.5 million. NPAT for the Group increased to $18.0 million. Key factors that the CBL Group considers affected the FY2013 result included:

- GWP growth from the launch of new insurance products including residential property deposit bonds following the acquisition of Deposit Power in FY2012, motor vehicle reinsurance in the UK and property liability reinsurance in Denmark;
- Volumes for DO products decreased due to CBL's continued commitment to maintain price and focusing on underwriting profitability;
- Growth in DL products;
- Lower premiums ceded (higher retention of GWP) due to an increase in French builders warranty insurance from the mid-year acquisition of additional 25% share of the business from another reinsurer;
- Increase in operating expenses ($3.4 million) due to additional administration costs relating to Deposit Power;
- Increase in claims expense ratio to 34.7% (26.5% in FY2012) due to the reassessment of prior period DO claims reflecting actuarial assumption changes; and

- The Group acquired 100% of Achmea Insurance Ireland Limited, and on acquisition this was renamed to CBLIE. The acquisition enables the CBL Group to underwrite directly in the European insurance market.

7.7 Overview of historical revenue and operating profit for FY2014

Operating profit increased by 38% to $35.7 million, primarily due to an increase in GWP of 14% to $241.8 million. NPAT for the Group increased to $19.4 million. Key factors that the CBL Group considers affected the FY2014 result included:

- Continued strong growth in DL GWP;
- Launch of a Scandinavian Builders Warranty product;
- Lower premiums ceded (higher retention of GWP) due to higher share of French builders risk insurance following the full year of increased share of business acquired mid-2013;
- Growth in operating profit for EISL driven by an increase in GWP at a consistent commission rate;
- CBL issued a A$55 million fixed interest bond through FIIG Securities Limited that was used to replace the existing bank debt facilities; and
- Increase in net claims expense ratio to 37.5% (34.7% in FY2013) due to the reassessment of prior period DO claims reflecting actuarial assumption changes.

7.8 Overview of prospective revenue and operating profit for FY2015PF

Operating profit is forecast to increase by 34% to $47.8 million, primarily due to an increase in GWP of 39% to $335.0 million. NPAT for the Group is expected to increase to $29.2 million. Key factors that the CBL Group believes will drive the FY2015PF result include:

- The full year results of Assetinsure on the assumption that Assetinsure is owned for the whole financial year and performs in line with our expectations (rather than the 1 September 2015 acquisition date which is assumed for the statutory PFI);
- DO GWP decline of 4% following a reduction in DO in FY2013, FY2014 and the early part of FY2015 due to increased competition. A competitor that took some business away from the Group during that period has now exited the market and the Group has regained that business at previous pricing levels. Furthermore, the introduction of complementary products such as the Builders Permit product, will offset the decline in DO in FY2015PF;
- DL GWP is expected to remain flat (lower than historical growth rates) as a result of offering one of our insurance partners a higher retention in the period that offsets the anticipated growth in this revenue line;
- Continued growth in Scandinavian Builders Warranty product ($9.3 million of GWP);
- The reintroduction of Builders Warranty product in Mexico following the implementation of a mandatory insurance programme by the Mexican Government. CBL Insurance and its local insurer partner Seguros GMX have been appointed as one of two insurers for the programme;
- EISL GWP growth supported by continuation of historical growth in DL and sales of a new Completion Guarantee product recently negotiated with an A-rated London insurer;
- FY2015F includes actual claims experience for the period up to the date of lodgement of the PFI where such experience is materially different to the FY2014 assumptions. The forecast estimates are unchanged from the assumptions adopted in the FY2014 audited accounts of CBL and Assetinsure;
- Increase in reinsurance in FY2015PF due to the acquisition of Assetinsure. Excluding Assetinsure, outwards reinsurance is expected to decrease slightly due to a change in product mix;
- Favourable foreign exchange rate impacts for the second half of 2015PF;
- Increase in headcount to scale for growth with expected benefits to materialise in FY2016F; and
- Additional ongoing expenses associated with being a listed entity.

7.9 Overview of prospective revenue and operating profit for FY2016F

Operating profit is forecast to increase by 33% to $63.6 million, primarily due to an increase in GWP of 19% to $397.3 million. NPAT for the Group is expected to increase to $40.4 million. Key factors that the CBL Group believes will drive the FY2016F result include:

- Growth of 24% in DO GWP as the market for DO products is expected to stabilise following exit of a competitor in 2015 that took market share away from the CBL Group;
- DL GWP growth of 30% as a result of continuing to provide our business partners with capacity and allow them to grow their underlying businesses;
- The launch of new products through CBLIE including the introduction of credit policies in Denmark;
- Continued growth of Completion Guarantee products through EISL;
- Growth in Assetinsure products primarily relating to Agency and Fire policies (Assetinsure's two largest products);
- EISL is forecast to have 36% GWP growth from FY2015PF with minimal overhead growth as it capitalises on a cost base scaled for growth in FY2015PF;
- Actual claims in FY2016F are consistent with the forecast estimates made for net claims reserves on a product-by-product basis. The forecast estimates are unchanged from the assumptions adopted in FY2015; and
- A full year favourable foreign exchange rate impact.

7.10 Financing arrangements

(a) In April 2014, CBL issued A$55 million of medium term Australian dollar notes ("Notes") through FIIG Securities Limited. The Notes were issued in accordance with an Information Memorandum, Note Trust Deed and other issuing documents (available on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "FIIG Documentation").

The Notes have a fixed interest rate of 8.25% per annum and a fixed coupon amount of A$41.25 per payable semi-annually in arrears, and mature on 17 April 2019. The Notes may be repaid earlier at CBL's option on the third and fourth anniversaries, subject to an early repayment premium. The Notes have no maintenance financial covenants, but are subject to incurrence-based covenants.

The Notes are guaranteed by several other companies in the CBL Group including EISL but excluding CBL Insurance and the other regulated insurance subsidiaries of the Group, and those guaranteeing entities have also entered into a General Security Deed with Permanent Custodians Limited as Security Trustee ("GSD"). The GSD provides for, amongst other things, the appointment of a receiver if CBL is in default, and contains a power of attorney in favour of both the Security Trustee and any Receiver for the purposes of ensuring compliance with CBL's obligations under the GSD.

(b) There is also a fixed interest loan from Alpha Insurance A/S to Intercede 2408 Limited, the parent company of EISL (ultimately owned by CBL) for working capital purposes. The balance as at 31 December 2014 was $7.8 million and is subject to a fixed interest rate of 6.0% per annum repayable on 31 December 2019. In addition, CBL Insurance advanced a subordinated loan to Alpha Holdings A/S (which had a balance of $8.4 million as at 31 December 2014). This loan was assigned to CBL Corporate Services Limited on 31 July 2015. There exists a right of set off for these loans.

The Notes and the Alpha loan are currently CBL's only form of debt; it does not currently have any bank debt.

7.11 Regulatory Capital ratios

Each of the Group's regulated underwriting entities is required to meet stipulated Regulatory Capital requirements. The Board's policy is to maintain a capital base to protect stakeholders' interests and meet regulatory requirements while still creating shareholder value. The PFI assumes that the CBL Group's regulated entities continue to meet all their Regulatory Capital requirements.

As a non-life insurer supervised by RBNZ, CBL Insurance must maintain a minimum Regulatory Capital level in accordance with the requirements of the Solvency Standard for Non-life Insurance Business published by RBNZ and under the IPSA. Under this Standard, CBL Insurance is required to maintain a minimum Regulatory Capital level. As part of RBNZ's prudential supervision of CBL Insurance, CBL is in regular dialogue with RBNZ regarding its the IPSA prudential management and reporting and filing responsibilities. RBNZ queried CBL Insurance's and its Appointed Actuary's interpretation of clauses of the applicable IPSA standards and the resulting calculation of CBL's Regulatory Capital. RBNZ accepts that despite it having had some differences with CBL Insurance regarding certain applications of the IPSA standard at December 2014, CBL Insurance met the regulatory solvency condition of its IPSA licence. As part of its discussions with RBNZ, on 29 July 2015 CBL Insurance further increased its Regulatory Capital by $10 million of additional equity (sourced intragroup). Further, up to $20 million of the proceeds from the Offer will be used to further increase CBL Insurance's solvency which, together with the $10 million of equity prior to the Offer, will bring CBL Insurance within its targeted Regulatory Capital surplus ratio range of 135% - 165% as adopted by the Board of CBL Insurance as part of its Capital Management Plan and which the Board remains committed to.

CBLIE is an Ireland registered and domiciled insurer, with the ability to write business in any country in the European Union and regulated by the Central Bank of Ireland. The company is required to maintain minimum capital as calculated under the EU Solvency 1 formula. Regulations stipulate that the company should maintain capital, allowable for solvency purposes, at 150% of the calculated threshold amount. In addition, company policy dictates that this level be maintained at 200% of the threshold amount. As at 31 December 2014, CBLIE's Regulatory Capital surplus ratio was calculated by it at 1401%. As of 1 January 2016, requirements will be calculated under the EU Solvency 2 formula, a new common European framework for prudential regulation based on economic principles for the measurement of assets and liabilities. On commencement of the new regime, CBLIE is expected to meet its Regulatory Capital requirements under the EU Solvency 2 formula.

EISL, the UK based MGA, is regulated by the UK FCA and all other operating subsidiaries and partners are subject to various levels of regulation from their domestic regulator, as well as some EU regulation. EISL is required to maintain a level of capital equivalent to the higher of £5,000 and 2.5% of its total annual income from regulated activities (being its underwriting agency insurance business). This complies with the rules issued by the FCA. During the year ended 31 December 2014, EISL complied with all externally imposed capital requirements.

Assetinsure is registered with APRA and is subject to prudential standards which set out the basis for calculating the prudential capital requirement ("PCR") which is a minimum level of capital, on a risk-based basis, that the regulator deems must be held to meet policyholder obligations. Assetinsure uses the standardised framework for calculating the PCR detailed in the relevant prudential standard and referred to as the prescribed method which is determined to be the sum of the capital charges for insurance, investment, investment concentration and catastrophe and concentration risk. At 31 December 2014, Assetinsure calculated its Regulatory Capital surplus at 225%.

7.12 Investment portfolio

The CBL Group's investment strategy focuses on generating income from profitable premium writing rather than its investment activities. As a result, currently the Group predominantly holds cash, fixed term deposits and a small portfolio of equities to generate investment income. The CBL Group does not look to rely on investment income to meet its insurance liabilities. The CBL Group has sought to take a conservative approach to investing. As the business grows, the Group may look to extend the instruments it invests in beyond cash and cash equivalents. If the Group does so, its intention is to continue to invest in conservative instruments but with a better expected return than cash and cash equivalents taking into account the regulatory framework under which the Group operates. As at 31 December 2014 the CBL Group's investment portfolio consisted entirely of cash and fixed interest investments including term deposits and government fixed interest securities.

8 Risks to the CBL Group's business and plans

Set out below is a description of the circumstances that we are aware of that exist or are likely to arise that significantly increase the risk to our financial position, financial performance and plans. We have included our assessment of the likelihood of the circumstances arising (low, medium or high) and the impact if they arose (low, moderate or severe), the nature and potential magnitude of the impact, together with the strategies we have adopted to mitigate the circumstances arising.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(a) Under-provision for (i) claims that have been notified but not yet settled; and/or (ii) claims that have been incurred but not notified, including with respect to Assetinsure as described in Risk (i) below.	The ultimate profitability of business written in a year is not known until: a) the reporting period has expired; b) the period of risk exposure for that business has expired; c) all claims from that period have been notified; d) all notified claims have been settled; and e) where relevant all recoveries are made. This may be many years after the policy is written for certain product lines. For example, the nature of a significant amount of our business in France are short term risks, but there is a long "claims' notification and settlement period", which could be up to 10 years. Recoveries could take even longer. Reserves do not represent an exact calculation of liability. Rather, reserves represent an estimate of what we expect the ultimate settlement and administration of current and future claims will cost us, and our ultimate liability may be greater or less than current reserves. In assessing the appropriate provision for claims, we rely heavily on our past experience and judgement. We have not found comparable third party data for our actuary to test our provision against.	In determining our provisions, we have regard to information about historic claims paid, as well as the ability to make recoveries from third parties and a variety of other statistical techniques. We continually monitor "Actual vs Expected" claims performance and the adequacy of reserves and can make adjustments to our provisioning on the basis of our ongoing analysis of claims development information. Provisioning for claims is also partly informed by requirements of the regulations applicable in the relevant jurisdictions. For example, our provisioning will be relevant to the calculation of risk margins, sufficiency and other regulated measures. Further, CBL Insurance and CBLIE's provisioning is both tested and independently verified by appointed independent third party actuaries. Having underwritten the business referred to for many years, we believe the information which we have accumulated, our past experience, and our judgement which is tested by our actuary, is the best information available to us for making provision for claims.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Moderate.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(b) Failing to maintain the conditions of our licence from RBNZ including the requirement to maintain the minimum Regulatory Capital requirements under the IPSA.	Failing to maintain the conditions of our licence from RBNZ and comply with the requirements under the IPSA, including the requirement to maintain the minimum Regulatory Capital requirements under the IPSA, could mean that CBL Insurance could jeopardise its licence and in that unlikely event, CBL Insurance would have to stop issuing insurance policies to New Zealand policy holders. Such an event would likely have a material adverse effect on our reputation and therefore on our financial performance, notwithstanding the relatively small amount of the Group's business that is done with New Zealand policy holders.	As part of RBNZ's prudential supervision of CBL Insurance, CBL Insurance is in regular dialogue with RBNZ regarding its prudential and reporting and filing responsibilities. RBNZ queried CBL Insurance's and its Appointed Actuary's interpretation of clauses of the applicable IPSA standards and the resulting calculation of CBL Insurance's Regulatory Capital at December 2014. RBNZ accepts that despite it having had some differences with CBL Insurance regarding certain applications of the IPSA standard, CBL Insurance met the minimum solvency condition of its IPSA licence. In addition, on 28 July 2015, CBL Insurance increased its Regulatory Capital by the issue of $10 million of additional equity (sourced intragroup). Further, the Board of CBL Insurance has in place a Capital Management Plan which has been filed with RBNZ and to which the Board remains committed to, where CBL seeks to operate at a Regulatory Capital surplus of between 135% and 165%. Regulatory Capital is monitored regularly in order to be in a position to take appropriate action (including increasing capital) before a potential breach of the IPSA occurs. Capital raised under this PDS will further strengthen CBL Insurance's position. We have regular communication with RBNZ in which we seek to address any concerns they may have.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Severe.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(c) A material proportion of our revenue arises from the sale of insurance products in France which are compulsory to be taken out. Accordingly, a change to French law which could result in these products no longer being compulsory, would likely be detrimental to CBL's profitability.	DO and DL insurance products in France are expected to represent 45.9% of Group GWP in pro forma FY2015PF.	Monitor changes in French and European Union politics and approach to regulation in this area. We expect that French insurers and Consumer Protection Agencies would lobby against such unexpected changes. In any case we expect the incentives to take out DO and DL insurance will continue even if they became optional.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Moderate.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(d) A material proportion of our revenue is generated by a select group of brokers and intermediaries not owned by us. The loss of one of these, or a material adverse change to the underlying contractual terms of the relationship, may be detrimental to our revenue, profitability and business while we take action to replace revenue generated by these sources.	CBL underwrites and accepts risk through a select group of brokers and MGAs (EISL, Olimpia, GMX and SFS being key). CBL generated approximately 65% of its FY2014 GWP through its top four external intermediary relationships. The loss of a key external insurance relationship, or alternatively, a significant change to the terms of the agreement with those intermediaries may have a material adverse effect on CBL's financial position and performance, at least until a substitute is found.	We have established relationships with our key insurance intermediaries. If CBL were to lose such a relationship, it would seek to use an alternative intermediary to replace the relationship. The Group wishes to continue to build additional business with its key insurance intermediary partners, and it is not contemplating taking any business away from them. The business that CBL Insurance writes through Alpha and Elite could be written by CBLIE reasonably quickly (ie we expect 1-3 months) if either of those parties advised they wished to withdraw. CBL's relationships with these key intermediaries go back up to or over 10 years. CBL works to see that its brokers and MGAs value the insurance risk capacity and underwriting capability that CBL provides. In particular, EISL has established the EISL Brokers Club ("Supporters d'EISL") which is focused on growing the revenue by 20% year on year from the best and most loyal brokers (currently numbering about 50 brokers out of EISL's total network of around 800 brokers throughout France). Members of the EISL Broker Club receive dedicated training and enhanced commissions when sales targets are achieved. EISL is experiencing positive results from the creation of the Supporters d'EISL. Contractual arrangements with brokers and MGAs have usual formal industry notice periods for termination of between 1 and 12 months by either party.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Moderate to Severe in the short to medium term, while we implement actions to substitute the loss of that broker, MGA or intermediary with another.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(e) Our underwriting process not accurately assessing (and pricing) the risks underwritten.	Our financial position and performance depends upon our ability to assess accurately the potential claims and associated recoveries under the terms of the insurance policies or reinsurance contracts we underwrite. If our underwriting process fails to correctly assess and/or price the risks underwritten, CBL's financial position and performance may be affected (including to a material extent if the assessment is materially wrong). An increased risk exists, at least in the short to medium term, with respect to risks written via newly acquired businesses, until they have been integrated in the CBL underwriting process, and their results tested and adjusted.	We have developed an underwriting process and model that has delivered reliable forecasts for our business for a number of years. We have the ability to review and change our pricing for new or renewing business. We are not locked into any long term agreement in this regard. Ongoing loss developments are frequently fed back to the underwriting team to adjust prices if necessary. Use of adequate reinsurance can remove some of this risk.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Low to Severe.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(f) CBL obtains reinsurance coverage in respect of certain products. If the reinsurer defaults for any reason, CBL would be additionally exposed to the reinsurer's share of the risk as well as its own.	CBL cannot be sure that its reinsurers will pay all reinsurance claims on a timely basis or at all. For example, a reinsurer may become insolvent. The failure of a reinsurer to pay does not lessen CBL's contractual obligations to the insured party. If a reinsurer fails to pay the expected portion of a claim or claims, our net claims might increase substantially and adversely affect our financial position and performance. Any disputes with reinsurers regarding coverage under reinsurance contracts could be time-consuming, costly and uncertain of success.	Our policy is to obtain reinsurance coverage with "A" or higher rated reinsurers. Further, reinsurance premiums due, and the reinsured's share of future loss recoveries, could be set off against any loss that CBL incurred from any failure of a reinsurer.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Moderate to Severe.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(g) The Managing Director and other senior members of our management team have worked for CBL for some time and are seen as having been instrumental in our growth and success. The unplanned loss of key team members could be disruptive to our business and potentially adverse.	CBL's future success depends, in part, on our ability to retain our experienced management team and key employees. If one or more senior management team members departed, this may result in management distraction and/or interruption and may adversely impact CBL's ability to maintain its operating levels of business and manage its risk exposure. This could have a material adverse effect on our financial performance.	CBL has sought to develop loyalty in its management team, with all senior managers (other than Michael Parrott) being shareholders in the company as at the date of this PDS. CBL works to build the visibility and personal exposure of all our senior managers to our key clients, seeking to see that more than one person builds a relationship with key parties we do business with.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Low to Severe, depending on who left and the number of departures at one time.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(h) The claims management process may result in lower than expected claims recoveries from third parties or the cost of pursuing claims recovery may prove more expensive than estimated.	If CBL's actual claim recoveries are significantly lower than expected this may have a material adverse effect on CBL's financial position and performance. Several of CBL's product reserving assumptions include assumptions regarding recoveries from third parties. In particular, CBL's DO reserves assume material recoveries. CBL estimates the cost of claims recovery within its reserves calculation. Should the cost of recovery significantly exceed CBL's estimates this may have a material adverse effect on CBL's financial position and performance.	CBL uses a dedicated claims recovery unit in France to maximise claims recovery and minimise recovery times and cost. Recovery of DO claims in France is mandated by regulation. CBL continually monitors its claims recovery estimates, making adjustments where required. CBL's claims recovery estimates allow for a discount on recovery and smaller than possible collections.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Medium.
	OUR ASSESSMENT OF IMPACT	Moderate to Severe.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(i) Completion or integration of Assetinsure acquisition does not proceed as planned, or Assetinsure's performance is below CBL's expectations. Assetinsure has provided for some significant potential exposure to a number of risks in respect of which policies were written in the past. If that provisioning is inadequate, this could impact on Assetinsure and our profitability and financial performance.	CBL expects to complete the acquisition of Assetinsure shortly after listing. Acquisitions carry inherent uncertainties and risks, including challenges in integrating the acquired business and obtaining expected financial benefits, cultural fit and unforeseen costs or losses. CBL conducted a limited legal due diligence of the Assetinsure business before its acquisition. If CBL was unable to integrate Assetinsure as planned and/or achieve the expected financial results from the acquisition this may adversely affect our financial position and performance. Further, both the provisioning made by Assetinsure for claims and the underwriting process followed by them may end up being suboptimal or inaccurate. See risks described in (a) and (e) of this table as they may apply to Assetinsure also. The most significant group of claims and potential claims comprise approximately 40% of Assetinsure and 12% of CBL Insurance's total provisioning. The provisions made for that group of claims takes account of particular risks and uncertainties and is considered reasonable by CBL, Assetinsure and Assetinsure's actuary.	Completion of the acquisition is unconditional and a project team is responsible for seeing this occurs as planned. We have not forecast any additional revenue or profit from leveraging our ownership of Assetinsure. Operational due diligence was carried out by CBL and its advisers as part of the acquisition process for Assetinsure, including confirmation that Assetinsure had made (in CBL's view) adequate reserves in its balance sheet for the payment of its expected claims, taking into account Assetinsure's independent and peer-reviewed actuary's report. Once the acquisition has completed and the business of Assetinsure is integrated into the CBL Group, Assetinsure's practices around provisioning for claims, reinsurance and its underwriting process will be further reviewed and aligned with the Group's practices to the extent appropriate. This may also involve discontinuing certain lines of product that do not align with the Group's strategy.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Medium.
	OUR ASSESSMENT OF IMPACT	Low to Moderate.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(j) Regulatory risk including loss of licence.	CBL's business could be adversely affected by changes in laws or regulations in the countries in which it operates, particularly those in relation to the insurance business, including but not limited to asset and reserve valuation requirements, surplus requirements, enterprise risk and risk-based capital requirements. It is also possible that a regulator increases the capital or solvency requirements of entities within the Group, potentially impacting the ability of CBL to pay dividends. In any environment, but particularly in a highly regulated one, it is possible that a company within the CBL Group could inadvertently breach a law or regulation and be liable for that or have its licence suspended or even withdrawn.	All of CBL's risk-taking entities (being CBL Insurance and CBLIE) and Assetinsure have approved "capital management plans" in place, which set Regulatory Capital bands within which to operate, and action plans to take if Regulatory Capital moves below those targeted boundaries. CBL monitors compliance with conditions of registration applied by any regulatory agencies.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low.
	OUR ASSESSMENT OF IMPACT	Low to Severe.

DESCRIPTION OF RISK	OUR ASSESSMENT OF NATURE AND MAGNITUDE	MITIGATION STRATEGIES
(k) Over 97% of our business occurs outside New Zealand, so our business has an exposure to currency risk.	The Group operates internationally, and so it is exposed to currency risk from various activities conducted in the normal course of business. There is a risk of an unrealised loss arising from an unfavourable movement in the foreign exchange rates in the market, however CBL leaves premiums in the currencies which they are earned in because that is the currency future claims will be paid from. To that extent, CBL has a natural hedge against currency risk. The financial impact from exposure to currency risk is reflected in the financial reporting through three main mechanisms: (i) translation of asset and liability foreign values into New Zealand figures for accounting purposes; (ii) translation of the financial performance of foreign operations; and (iii) translation of the financial position of foreign operations.	The actual currency risk is managed by CBL keeping premiums in the currency in which they are earned. The unrealised translation risk to CBL Insurance is managed with a currency swap program to reduce the unrealised effect of currency movements against the New Zealand dollar for accounts purposes. A regular review of the foreign currency financial positions is carried out by the Chief Financial Officer and the Audit and Financial Risk Committee. The Chief Financial Officer also reports on this to the Board in his monthly report.
	OUR ASSESSMENT OF LIKELIHOOD OF CIRCUMSTANCES ARISING	Low to Medium.
	OUR ASSESSMENT OF IMPACT	Moderate.

Other risks that we are aware of that exist or are likely to arise that significantly increase the risk of the Group's financial position, financial performance or plans can be reviewed on the offer register at www.business.govt.nz/disclose, offer number (OFR10268) in the document entitled "Other material information relating to the initial public offering of ordinary shares in CBL Corporation Limited".

9 Tax

In this section, 'you/your' refers to the person who acquires the Offer Shares (including but not limited to an individual, trust or company).

Tax can have significant consequences for investments and can affect your return from the Shares.

If you have any queries relating to the tax consequences of the investment, you should obtain professional advice on those consequences.

10 Where you can find more information

Further information relating to CBL and the Shares is available on the offer register (for example, CBL's Constitution and financial statements). A copy of information on the offer register is available on request to the Registrar. The offer register can be accessed at www.business.govt.nz/disclose, offer number (OFR10268).

Further information relating to CBL is also available on the public register at the Companies Office of the Ministry of Business, Innovation and Employment. This information can be accessed on the Companies Office website at www.business.govt.nz/companies.

Once CBL is listed, it will be required to make half-yearly and annual announcements to NZX and ASX and such other announcements as required by the listing rules from time to time. You will be able to obtain this information free of charge by searching under CBL's stock code "CBL" on NZX's website www.nzx.com and ASX's website www.asx.com.au.

Further information about CBL is also available free of charge on its website, www.cblcorporation.co.nz.

Further information about CBL's operating subsidiaries can be found on www.cblcorporation.co.nz and www.gb.eisl.eu.com.

11 How to apply

11.1 How to apply

You should read this PDS and other available information carefully before applying for Offer Shares.

You can apply for Offer Shares as follows:

- Broker Firm Offer: You can apply for Offer Shares under the Broker Firm Offer by completing the Broker Firm Application Form at the back of this PDS.
- Priority Offer: If you have been invited by CBL or FIIG Securities Limited to participate in the Priority Offer, you can apply for Offer Shares by completing the Priority Offer Application Form at the back of this PDS.
- Institutional Offer: Full details of how to participate, including bidding instructions, will be provided by the Joint Lead Managers to invited participants in due course.

11.2 Privacy Policy

If you apply for Offer Shares, you will be asked to provide personal information to CBL, CBLNZ, the Share Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application.

Your personal information will be used:

- for considering, processing and corresponding with you about your Application;
- in connection with your holding of Shares, including sending you information concerning CBL, your Shares and other matters CBL considers may be of interest to you by virtue of your holding of Shares; and
- for conducting an audit or review of the activities contemplated above.

To do these things, CBL, CBLNZ or the Share Registrar may disclose your personal information to:

- each other;
- their respective related companies; and
- agents, contractors or third party service providers to whom they outsource services such as mailing and registry functions. However, all of these parties will be bound by the same privacy policies as CBL, CBLNZ and the Share Registrar.

In addition, if you elect to pay by one-time direct debit, the Share Registrar will communicate with your nominated bank (including providing your personal information) for the purposes of processing your payment.

Failure to provide the required personal information may mean that your Application Form is not able to be processed efficiently, if at all.

Where CBL, CBLNZ and the Share Registrar hold personal information about you in such a way that it can be readily retrieved, you have a right to obtain from CBL, CBLNZ and the Share Registrar confirmation of whether or not they hold such personal information, and to access and seek correction of that personal information under the Privacy Act 1993 by contacting the privacy officers of CBL and the Share Registrar at their respective addresses shown in the Directory.

You can also access your information on the Share Registrar's website:

New Zealand Registry:
www.computershare.co.nz (you will be required to enter your CSN and Authorisation Code (FIN)).

Australian Registry:
www.computershare.co.nz (you will require your SRN (Shareholder Reference Number) and postcode for secure access).

12 Contact information

CBL

CBL Corporation Limited
Level 8, 51 Shortland Street
Auckland, 1010
Phone: +64 (9) 303 4770

CBLNZ Limited

CBLNZ Limited
Level 8, 51 Shortland Street
Auckland, 1010
Phone: +64 (9) 303 4770

Share Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
Phone: +64 (9) 488 8777
Email: enquiry@computershare.co.nz

Financial Advisers to CBL

Bancorp Corporate Finance Limited
11th Floor, 191 Queen Street
Auckland 1010
Phone: +64 (9) 309 8270

Legal Adviser – IPO

Minter Ellison Rudd Watts
Level 20, Lumley Centre
88 Shortland Street
Auckland 1010
Phone: +64 (9) 353 9700

Joint Lead Managers

UBS New Zealand Limited
Level 17, PwC Tower
188 Quay Street
Auckland 1010
Phone: +64 (9) 913 4800

Forsyth Barr Limited
Level 23, Lumley Centre
88 Shortland Street
Auckland 1010
Phone: +64 (800) 367 227

Legal Adviser

Fortune Manning
Level 12, Chorus House
66 Wyndham Street
Auckland 1010
Phone: +64 (9) 915 2401

Investigating Accountant

KPMG
KPMG Centre
18 Viaduct Harbour Avenue
Auckland 1140
Phone: +64 (9) 367 5800

Auditor and Tax Adviser

Crowe Horwath
Level 29, 188 Quay Street
Auckland 1010
Phone: +64 (9) 303 4586

13 Glossary

Additional Australian Information	Additional information containing disclosures relevant to Australian investors in the Institutional Offer and to comply with requirements for a recognised offer under Chapter 8 of the Australian Corporations Act 2001 (Cth) and the Australian Corporations Regulations 2001 (Cth), which information accompanies or is attached to this PDS for the purposes of the Institutional Offer made in Australia
Adjusted NPAT	NPAT adjusted for unrealised foreign exchange gains or losses
Assetinsure	As the context requires, Assetinsure Holdings Pty Limited and/or the wholly owned subsidiaries of Assetinsure Holdings Pty Limited
Allotment Date	12 October 2015, unless brought forward or extended by CBL
A.M. Best	A.M. Best Rating Agency, an internationally recognised independent ratings agency which specialises in insurance
Applicant	An investor whose application for Shares has been received by the Registrar prior to the Closing Date
Application	An application to subscribe for Shares under the Offer
Application Form	The Application Form attached to this PDS to subscribe for Shares under the Broker Firm Offer or the Priority Offer (as applicable)
Application Monies	The monies payable on Application
APRA	Australian Prudential Regulation Authority
ASX	ASX Limited ABN 98 008 624 691, or the financial market operated by ASX Limited, as the context requires
ASX Listing Rules	The listing rules of ASX and **ASX Listing Rule** means a rule contained in the ASX Listing Rules
Board or Board of Directors	The board of directors of CBL
Broker Firm Offer	The offer available to New Zealand resident clients of selected NZX Firms who have received an allocation from that NZX Firm
Business Day	A day on which the NZX Main Board is open for trading
CAGR	Compound Annual Growth Rate. The average year-over-year growth rate of an investment over a specified period of time
CBL	CBL Corporation Limited
CBL Group or Group	Includes CBL and its wholly owned subsidiaries as at the date of this PDS and, as appropriate, Assetinsure (when acquired) and the 34.99% investment in Fiducia. References to the CBL Group or Group also refer to both the pre-and post-December 2013 corporate structures
CBLIE	CBL Insurance Europe Limited
CBL Insurance	CBL Insurance Limited
CBLNZ	CBLNZ Limited, which was incorporated with the principal purpose of acquiring and selling the existing Offer Shares
Closing Date	6 October 2015
Constitution	The new constitution of CBL which will be adopted on listing
Director	A director of CBL
DL	Decennial Liability insurance, a 12 month renewable liability policy covering the work of a contractor on building sites during that 12 month policy period
DO	Dommages Ouvrage insurance, which is insurance taken out by the home owner when undertaking renovations or building a new home to protect against construction defects
EBIT	Earnings before interest and income tax also referred to as "Operating Profit"
EBITDA	Earnings before interest, income tax, depreciation and amortisation
EISL	European Insurance Services Limited
F	The inclusion of **F** after a reference to a financial period is an indication that it is a forecast period. For example, "FY2016F" means the year ending on 31 December 2016, which is a forecast period
Fiducia	Afianzadora Fiducia, S.A. de C.V.

Final Price	The price per share at which the Shares will be allotted, expected to be determined on or about 17 September 2015
FMC Act	Financial Markets Conduct Act 2013
FMC Regulations	Financial Markets Conduct Regulations 2014
FY	A financial year
GAAP	Generally Accepted Accounting Practice
Glossary	This glossary of key terms
GWP	Gross Written Premium
Indicative Price Range	$1.45 to $1.85 per Offer Share
Institutional Investors	Investors who the Joint Lead Managers determine are persons to whom an offer or invitation in respect of ordinary shares may be made without the need for a lodged PDS under the FMC Act
Institutional Offer	The offer available to selected Institutional Investors in New Zealand, Australia and certain other jurisdictions
IPO	The initial public offer of Shares in CBL pursuant to this PDS
IPSA	Insurance (Prudential Supervision) Act 2010
Joint Lead Managers	UBS New Zealand Limited and Forsyth Barr Limited
MGA	Managing General Agency (an intermediary between brokers and insurers)
Net Premium	Gross premium less the portion of premium that the Group cedes to third party reinsurers under outward reinsurance agreements
Notes	Medium term Australian dollar notes issued by CBL, as described in Section 2.1 *Overview of the CBL Group*
NZD or NZ$ or $	New Zealand Dollar
NZX	NZX Limited
NZX Firms	A sharebroking firm authorised to trade shares on the NZX Main Board
NZX Listing Rules	The Listing Rules of the NZX Main Board in force from time to time
NZX Main Board	The main board equity securities market operated by NZX
Offer	The offer of ordinary shares under this PDS
Offer Shares	Ordinary shares in CBL offered for subscription by CBL and CBLNZ under the Offer
Offerors	CBL and CBLNZ
PDS	This Product Disclosure Statement
Priority Offer	The offer available to employees, close associates of employees, close business associates and significant clients of CBL, and holders of the Notes in CBL issued through FIIG Securities Limited and the close associates of the holders of the Notes
Prospective Financial Information or PFI	Financial information for CBL for years 2015F and 2016F
Prospective Period	The financial years ending 31 December 2015 and 31 December 2016
Regulatory Capital	A term used in insurance regulations which calculates how much capital a regulated insurer should have, as explained further in Section 1 *Key Information Summary*
RBNZ	Reserve Bank of New Zealand
Selling Shareholders	The CBL Shareholders who have elected to sell some or all of their Shares into the Offer via CBLNZ
Share Registrar	Computershare Investor Services Limited
Shares	Ordinary shares in CBL
UK	United Kingdom
US	United States of America
We, our, us	As the context requires, either CBL or the CBL Group

CBL*corporation*

BROKER FIRM

CBL Share Offer

BROKER STAMP

APPROVER CODE

This Application Form is issued with the Product Disclosure Statement (**PDS**) dated and prepared as at 7 September 2015 for the Offer of fully paid ordinary shares in CBL Corporation Limited (**CBL**). This Application Form represents an offer to purchase the Shares described in the PDS and Disclose register entry for the Offer. Any capitalised terms used in this Application Form but not defined have the same meaning as given to those terms in the PDS. If you require assistance filling in this Application Form, call the Share Registrar on +64 9 488 8777.

A. APPLICANT DETAILS

Applications must be in the names of natural persons, companies, or other legal entities, up to a maximum of three names per Application. **Applications by trusts, funds, estates, partnerships or other unincorporated bodies must be made in the individual names of the persons who are the trustees, proprietors, partners or office bearers (as appropriate).**

If, for your own purposes, you want to record that the Applicants hold their Shares on a particular account or for a particular purpose, you can record that in the "Company / Trust / Account Designation". If you are applying on behalf of your children, or some other person in respect of whom you have the required authority, you should complete the Application Form in their name.

Title and First Name(s)		Surname	
Title and First Name(s)		Surname	
Title and First Name(s)		Surname	
Company/Trust/Account Designation (if applicable)			
Postal address	Street address or PO Box	Suburb/Town	
	City	Postcode	
Telephone	Mobile	Daytime	

B. APPLICANT PAYMENT

Applications must be accompanied by payment. This Application Form and your payment must be sent to your broker so as to enable forwarding to the Registrar by 5.00pm (New Zealand time) on 6 October 2015. **The minimum amount you can apply for is NZ$2,000.** Please complete the boxes below. The Final Price will be determined on or about 17 September 2015 and will be available by contacting an NZX Firm.

Number of Shares applied for:		Final Price:		Total Application Amount
	X	$	=	$

Choose ONE of the PAYMENT options below. Please tick the box next to your selected option.

◯ **OPTION 1** **Please make a one-time direct debit from the bank account stated below**

By ticking this box and submitting this Application Form, I agree that the Share Registrar is authorised to withdraw from this account the full dollar amount of Shares applied for on the terms and conditions for one-time direct debit. The terms and conditions can be obtained by calling +64 9 488 8777.**Please confirm with your bank that payments can be direct debited from this account.**

New Zealand dollar bank account details for one-time direct debit payment.

Name of bank _____ Account holder name _____

Account details

Bank	Branch No.	Account No.	Suffix

◯ **OPTION 2** Please find attached my payment by **CHEQUE** for the dollar amount of Shares applied for above made payable to "CBL Share Offer" and crossed "Not Transferable".

◯ **OPTION 3** Payment will be made by another method as arranged with your NZX Firm. You should carefully follow your NZX Firm's instructions as to payment or your Application may be rejected.

C. COMMON SHAREHOLDER NUMBER (CSN)

A CSN is required to trade the Shares on the NZX Main Board once the Offer has closed and Shares have been allotted.

If you have other investments in shares of other securities which are quoted on a market operated by NZX and are registered under a CSN, please supply your CSN in the space provided below. A CSN is a nine digit number commencing with 31, 32, or 33. The registered holder name(s) for the CSN must match the name(s) on this Application Form. If the name(s) do not match, you will be allocated a new CSN under the name(s) provided on this Application Form. To check the registration details of your CSN, please refer to a recent securities transaction statement or remittance advice.

If you do not have a CSN, leave the space below blank and you will be allocated a CSN and Authorisation Code (FIN) when your Application is received.

If you have a CSN, please enter it here:

D. FUTURE DIVIDEND PAYMENTS

You may receive dividends from CBL in the future. **Choose ONE of the DIVIDEND PAYMENT options below. Please tick the box next to your selected option.**

◯ **OPTION 1** Pay dividends directly into my bank account. The bank account provided must be with a New Zealand registered bank.

◯ Please pay dividends directly into the bank account provided in B. APPLICATION PAYMENT.

◯ Please pay dividends directly into the bank account provided below:

New Zealand dollar bank account details

Name of bank _____ Account holder name _____

Account details [ ][ ] [ ][ ][ ][ ] [ ][ ][ ][ ][ ][ ][ ] [ ][ ][ ]

Bank Branch No. Account No. Suffix

◯ **OPTION 2** Pay dividends directly into my **Cash Management Account:**

Name of NZX Firm where Cash Management Account is held: _____

Cash Management Client Account number: [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ]

◯ **OPTION 3** Pay dividend by **cheque**

E. ELECTRONIC COMMUNICATIONS

I agree to receive Shareholder Communications via email (optional):

Please enter your email address below if you wish to receive, where applicable, all Shareholder communications (including notification of the availability of annual reports and interim reports, transaction statements, payment advices, meeting documents and any other company related information) by email. If you do not provide an email address, Shareholder communications will be mailed to you at the postal address provided on this Application Form.

_____

F. IRD NUMBER

Applicant's IRD number (only one IRD number is required in respect of a joint Application): [ ][ ][ ] - [ ][ ][ ] - [ ][ ][ ]

If you are applying on behalf of a minor (under the age of 18) or a dependent, use their IRD number. If the Applicant is a trust, company, partnership or other entity, use that entity's IRD number. Multiple Applications containing the same IRD number may not be accepted, or may be scaled on a differential basis, at the issuer's discretion.

Resident withholding tax ("RWT") will be deducted from any dividends paid to the Shareholder (unless you provide a valid RWT exemption certificate).

◯ **Exempt** – please tick this box if you hold a resident withholding tax ("RWT") exemption certificate from IRD and attach a copy of your RWT exemption certificate.

◯ Please tick this box if you are a **non-resident for New Zealand** tax purposes under the Income Tax Act 2007. You will be treated as a New Zealand tax resident unless this box has been ticked.

G. SIGNATURE(S) OF APPLICANT(S)

The Application Form must be signed off by, or on behalf of, each Applicant. If the Applicant is a company or other entity, it should be signed by a duly authorised person in accordance with any applicable constitution or governing document.

If the Applicant is a minor (under the age of 18) the parent or legal guardian should sign the Application Form on the Applicant's behalf.

If you elect to pay by one-time direct debit, you should ensure that the signatories are consistent with your bank authorities.

I/We hereby acknowledge that I/we have received the CBL PDS dated 7 September 2015. I/We apply for Shares as set out above (or such lesser number as may be allocated to me/us) subject to the terms and conditions of the PDS and this Application Form. By lodging this Application Form, I consent to the use of my personal information in accordance with the Privacy Policy set out in Section 11: "How to Apply" of the PDS.

I/we acknowledge and agree that if I/we have misrepresented that I/we am/are a New Zealand or Australian Applicant by making a false declaration, CBL may cancel the sale of Shares to me/us under the Offer, and Shares held by me/us, up to the number of Shares allocated to me/us under the Offer, may be sold.

Terms and Conditions

By signing this Application Form:

a) I/We agree to subscribe for Shares upon and subject to the terms and conditions of the PDS and this Application Form and I/we agree to be bound by the provisions thereof.

b) I/We confirm that I/we have received, read and understood the PDS.

c) I/We declare that all details and statements made by me/us in this Application Form are complete and accurate.

d) I/We certify that, where information is provided by me/us in this Application Form about another person, I/we are authorised by such person to disclose the information to you and to give authorisation.

e) I/We acknowledge that an application cannot be withdrawn or revoked by the applicant once it has been submitted.

f) I/We acknowledge that the Broker Firm Offer is only made to New Zealand resident clients of selected NZX Firms who have received a firm allocation and Australian resident investors of the Broker that has received an allocation, and by applying for Shares, I/we agree to indemnify CBL and its directors, officers, employees and agents in respect of any liability incurred by CBL as a result of my/our breaching the selling restrictions described in the PDS.

The information in this Application Form is provided to enable CBL and the Share Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise CBL and the Share Registrar to disclose information in situations where CBL or the Share Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information.

Your Application must be returned to your NZX Firm that notified you of your allocation in time for your Application to be forwarded to the Registrar by 5.00pm (New Zealand time) on 6 October 2015.

CBL*corporation*

PRIORITY OFFER

CBL Share Offer

BROKER STAMP

APPROVER CODE

This Application Form is issued with the Product Disclosure Statement (**PDS**) dated and prepared as at 7 September 2015 for the Offer of fully paid ordinary shares in CBL Corporation Limited (**CBL**). This Application Form represents an offer to purchase the Shares described in the PDS and Disclose register entry for the Offer. Any capitalised terms used in this Application Form but not defined have the same meaning as given to those terms in the PDS. If you require assistance filling in this Application Form, call the Share Registrar on +64 9 488 8777.

A. APPLICANT DETAILS

Applications must be in the names of natural persons, companies, or other legal entities, up to a maximum of three names per Application. **Applications by trusts, funds, estates, partnerships or other unincorporated bodies must be made in the individual names of the persons who are the trustees, proprietors, partners or office bearers (as appropriate).**

If, for your own purposes, you want to record that the Applicants hold their Shares on a particular account or for a particular purpose, you can record that in the "Company / Trust / Account Designation". If you are applying on behalf of your children, or some other person in respect of whom you have the required authority, you should complete the Application Form in their name.

In order to confirm your eligibility to participate in the Priority Offer, you must also select one of the following two options: **Option One**, whether you are an employee, close associate of an employee, close business associate or a client of CBL; or **Option Two**, a holder of the Notes CBL issued through FIIG Securities Limited. You must then indicate, as directed below, under Option One either your relationship to CBL or your associated entity's relationship to CBL, together with that entity's name; or under Option Two the registered name of the CBL Noteholder and your relationship to that CBL Noteholder.

Title and First Name(s) _____ Surname _____ Title and First Name(s) _____ Surname _____

Title and First Name(s) _____ Surname _____

Company/Trust/Account Designation (if applicable) _____

Postal address Street address or PO Box _____ Suburb/Town _____ City _____ Postcode _____

Telephone Mobile _____ Daytime _____

◯ **OPTION 1**

Relationship _____

Name _____

◯ **OPTION 2**

Noteholder _____

Relationship _____

B. APPLICANT PAYMENT

Applications must be accompanied by payment. If you are paying by direct credit, please email the application form along with proof of payment to cbl@computershare.co.nz.

The minimum amount you can apply for is NZ$1,000

Total Application Amount

$ _____

Please select your currency of payment

◯ **NZD** ◯ **AUD**

NZ APPLICANTS

This application form and payment must be sent to the Share Registrar by email to cbl@computershare.co.nz or by post in order to arrive no later than 5.00pm (New Zealand time) on 14 September 2015. The Share Registrar's address is Computershare Investor Services, Private Bag 92119, Auckland 1142. **Chose ONE of the PAYMENT options below.**

◯ **OPTION 1 Payment by Direct Credit**

PAY TO: Computershare Investor Services Limited
ACCOUNT NUMBER: 02-0192-0388782-29
Email the form and proof of payment to cbl@computershare.co.nz

Enter the following with your bank deposit:
PARTICULARS: Your CSN (if you have one)
REFERENCE: Your Surname and Initial

◯ **OPTION 2 Payment by Cheque**

Made payable to "CBL Share Offer" and crossed "Not Transferable"

OVERSEAS APPLICANTS

This application form and proof of payment must be sent to the Share Registrar by email to cbl@computershare.co.nz no later than 5.00pm (New Zealand time) on 14 September 2015. **Chose ONE of the PAYMENT options below.**

◯ **OPTION 1 Payment by Direct Credit (Australian Dollars)**

PAY TO: Computershare Investor Services Pty Limited
ATF CBL Corporation Limited
BANK: ANZ Bank,10/530 Collins Street, Melbourne,
Victoria 3000, Australia
ACCOUNT NUMBER: 013-006 8366-95738
Email the form and proof of payment to cbl@computershare.co.nz

Enter the following with your bank deposit:
PARTICULARS: Your CSN/SRN/HIN (if you have one)
REFERENCE: Your Surname and Initial

◯ **OPTION 2 Payment by SWIFT (New Zealand Dollars)**

PAY TO: Computershare Investor Services Pty Limited
BANK: Bank of New Zealand, 330 Broadway, Newmarket, Auckland
ACCOUNT NUMBER: 02-0192-0388782-29
SWIFT CODE: BKNZNZ22
Email the form and proof of payment to cbl@computershare.co.nz

Enter the following with your bank deposit:
PARTICULARS: Your CSN (if you have one)
REFERENCE: Your Surname and Initial

IMPORTANT: Please note that the banks will charge a fee for this service and it's your responsibility to cover all fees when making the payment. There is a fee of NZ$15.00 charged by the BNZ as the receiving bank, this must be included in your payment along with any additional fees charged by your bank or intermediary bank in NZ – please select "OUR" fees to cover all fees. Please check with your bank to ensure the payment is made in sufficient time for it to be received in Computershare's bank account by 14 September 2015. If your payment is received for less than the amount paid due to bank fees being deducted from your payment, you will not receive all of your Shares you have applied for, the amount of Shares to be allotted to you will be calculated on the payment received. If you want to utilise this service and have any questions, please contact Computershare at cbl@computershare.co.nz or +64 9 488 8777.

C. COMMON SHAREHOLDER NUMBER (CSN)

A CSN is required to trade the Shares on the NZX Main Board once the Offer has closed and Shares have been allotted.

If you have other investments in shares of other securities which are quoted on a market operated by NZX and are registered under a CSN, please supply your CSN in the space provided below. A CSN is a nine digit number commencing with 31, 32, or 33. The registered holder name(s) for the CSN must match the name(s) on this Application Form. If the name(s) do not match, you will be allocated a new CSN under the name(s) provided on this Application Form. To check the registration details of your CSN, please refer to a recent securities transaction statement or remittance advice. If you do not have a CSN, leave the space below blank and you will be allocated a CSN and Authorisation Code (FIN) when your Application is received.

If you have a CSN, please enter it here:

D. FUTURE DIVIDEND PAYMENTS

You may receive dividends from CBL in the future. **Choose ONE of the DIVIDEND PAYMENT options below. Please tick the box next to your selected option.**

◯ **OPTION 1** Pay dividends directly into my **bank account.** The bank account provided must be with a New Zealand or Australian registered bank.

◯ **New Zealand dollar bank account details** **OR** ◯ **Australian dollar bank account details**

Name of bank

Account holder name

Account details

Bank Branch No. Account No. Suffix

Name of bank

Account holder name

Account details

BSB Account No.

◯ **OPTION 2** Pay dividends directly into my **Cash Management Account:**

Name of NZX Firm where Cash Management Account is held:

Cash Management Client Account number:

◯ **OPTION 3** Pay dividend by **cheque**

E. ELECTRONIC COMMUNICATIONS

I agree to receive Shareholder Communications via email (optional): Please enter your email address below if you wish to receive, where applicable, all Shareholder communications (including notification of the availability of annual reports and interim reports, transaction statements, payment advices, meeting documents and any other company related information) by email. If you do not provide an email address, Shareholder communications will be mailed to you at the postal address provided on this Application Form.

F. IRD NUMBER

Applicant's IRD number (only one IRD number is required in respect of a joint Application). If you are applying on behalf of a minor (under the age of 18) or a dependent, use their IRD number. If the Applicant is a trust, company, partnership or other entity, use that entity's IRD number. Multiple Applications containing the same IRD number may not be accepted, or may be scaled on a differential basis, at the issuer's discretion.

Resident withholding tax ("RWT") will be deducted from any dividends paid to the Shareholder (unless you provide a valid RWT exemption certificate).

◯ **Exempt** – please tick this box if you hold a resident withholding tax ("RWT") exemption certificate from IRD and attach a copy of your RWT exemption certificate.

◯ Please tick this box if you are a **non-resident for New Zealand** tax purposes under the Income Tax Act 2007. You will be treated as a New Zealand tax resident unless this box has been ticked.

G. SIGNATURE(S) OF APPLICANT(S)

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I/We hereby acknowledge that I/we have received the CBL PDS dated 7 September 2015. I/We apply for Shares as set out above (or such lesser number as may be allocated to me/us) subject to the terms and conditions of the PDS, the applicable overseas selling restrictions contained in the PDS, and this Application Form. By lodging this Application Form, I consent to the use of my personal information in accordance with the Privacy Policy set out in Section 11: "How to Apply" of the PDS.

I/we acknowledge and agree that if I/we have misrepresented that I/we am/are able to be offered and to subscribe for Shares by making a false declaration, CBL may cancel the sale of Shares to me/us under the Offer, and Shares held by me/us, up to the number of Shares allocated to me/us under the Offer, may be sold.

Terms and Conditions By signing this Application Form:

a) I/We agree to subscribe for Shares upon and subject to the terms and conditions of the PDS and this Application Form and I/we agree to be bound by the provisions thereof.
b) I/We confirm that I/we have received, read and understood the PDS and the applicable overseas selling restrictions contained in the PDS.
c) I/We declare that all details and statements made by me/us in this Application Form are complete and accurate.
d) I/We certify that, where information is provided by me/us in this Application Form about another person, I/we are authorised by such person to disclose the information to you and to give authorisation.
e) I/We acknowledge that an application cannot be withdrawn or revoked by the Applicant once it has been submitted.
f) I/We acknowledge that the Priority Offer is only made to persons who have been offered Shares, being only those persons who are able to be offered Shares (including under applicable overseas selling restrictions) and who have received a PDS and an invitation letter from CBL or FIIG Securities Limited on behalf of CBL, and by applying for Shares, I/we agree to indemnify CBL and its directors, officers, employees and agents in respect of any liability incurred by CBL as a result of my/our breaching the selling restrictions described in the PDS.

The information in this Application Form is provided to enable CBL and the Share Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise CBL and the Share Registrar to disclose information in situations where CBL or the Share Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information.

Your Application must be returned to Computershare by 5.00pm on 14 September 2015.