

# POMSoX Announcement and Press Release

## **BSP to Sell the Colonial Fiji Life and Health Insurance Businesses**

Bank South Pacific today announced its intention to sell Colonial Fiji Life Limited (CFL) and its wholly owned subsidiaries: Colonial Health Care (Fiji) Limited, Colonial First State Investments (Fiji) Limited, Colonial Services Ltd, Future Farms Limited and associated companies Suva Private Hospital Limited (72.8%), Suva Central Limited (50%) and Richmond Limited (61%).

The Chairman of BSP, Mr Noreo Beangke, said in making this decision that the Board of BSP is of the view that the opportunities for the Bank to maximise shareholder wealth are in the banking sector. "The impact", he said of the Exxon Mobil led LNG project on the PNG economy is profound. GDP growth is forecast in excess of 8.5% and demand for lending within an acceptable risk/return framework is expected to be at an all time high."

The Chief Executive Officer of BSP Mr Ian B. Clyne agreed and said that to meet this demand will not only require a substantial amount of physical capital but it also requires the exclusive time and attention of management at all levels.

"This", he said "together with the energy required to complete the extensive change management projects that are underway at BSP make a compelling case to offer the business of CFL to a party that is able to provide capital and expertise to ensure the continued growth of the business".

He went on to say that it was difficult decision for the Bank to make but that he firmly believed it was the right one for shareholders of BSP and one that is clearly in the interests of policy holders as well as the continued development and career opportunities for the CFL staff.

Sale of the business is by way of an Information Memorandum leading to expressions of interest, discussions with parties, selection of the preferred party and execution of a Share Sale and Purchase Agreement.

The Bank has engaged First Commercial Limited to advise on the sale of the CFL group. Copies of the information memorandum may be obtained from FCL on execution of a non disclosure agreement.

Enquiries should be directed to: First Commercial Limited, 11/37 Bligh St. Sydney by phone 612 92306020 or by facsimile 612 9221 9540.

Sale of CFL and its subsidiaries is subject to approval by the Reserve Bank of Fiji of a scheme for the transfer of all of CFL's issued shares.