

Media Release



Bendigo Bank welcomes rating upgrade

14 February 2005: Bendigo Bank managing director Rob Hunt today welcomed the decision by international rating agency Standard & Poor's to upgrade the bank's long-term credit rating.

In a statement issued earlier today, Standard & Poor's increased Bendigo's long-term rating to BBB-plus.

Mr Hunt said: "This positive move in the Company's credit rating is obviously welcome. It will broaden our appeal in international markets and contribute to lowering Bendigo's wholesale funding costs."

Bendigo Bank currently derives about 15 per cent of its funding from wholesale markets, but this has been increasing with the need to fund the excellent rate of growth in assets (21 per cent in calendar year 2004).

"Standard & Poor's statement acknowledges the progress we have made in recent years in building our balance sheet, diversifying our asset base and revenue plans and improving our performance," Mr Hunt said.

"This has resulted from a consistent and very different retail banking strategy focused on helping customers achieve their financial goals and on building the prospects of each of the communities in which we operate.

"Bendigo Bank today is a much different company from when we converted to banking status 10 years ago.

"We have cultivated a strong brand which is welcomed Australia-wide; we have a vastly expanded distribution network; we have taken on alliance partners who have strong connections with their customer bases; and our customer numbers have swelled to almost a million. Our community engagement model is building a relevance for our business which gives us excellent long-term prospects.

"Finally, the many major investments we have made have already been expensed and our balance sheet is very strong. We are in good shape to capitalize on further growth opportunities."

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