



Bank of Queensland Limited
ABN 32 009 656 740
259 Queen Street, Brisbane 4000
GPO Box 898, Brisbane 4001
Telephone (07) 3212 3333
Facsimile (07) 3212 3409
www.boq.com.au

MEDIA RELEASE

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Bank of Queensland confirms \$500-600 million Entitlements Issue

Bank of Queensland (ASX: BOQ) today confirmed its arrangements for equity financing for the merger proposal announced for Bendigo Bank (BEN) on Monday 19 March.

Part of the cash consideration to Bendigo Bank shareholders under the merger proposal will be funded through an entitlements issue to all BOQ shareholders. Under the merger proposal BOQ is offering a combination of cash and shares, which includes 0.748 Bank of Queensland shares and A\$5.50 cash for each Bendigo Bank share.

Bank of Queensland Managing Director, Mr David Liddy said resolution of the merger funding paves the way for BOQ to further progress merger discussions with BEN and meets one of the proposal conditions.

"ABN AMRO Rothschild (AAR) has provided an offer of underwriting on acceptable terms to BOQ, and senior debt needed to fund the remaining purchase consideration will come from our existing funding sources," he said.

It is proposed that the subsequent entitlements issue will be lead managed by AAR and Macquarie Equity Capital Markets Limited and the size of the entitlements issue is expected to be between \$500-600 million subject to assessment of the final capital position of the merged group.

The terms of the entitlements issue will be confirmed and announced at a later date, and timing will be subject to the finalisation of the merger proposal and scheme of arrangement to be considered by BEN shareholders.

Bank of Queensland will keep the market fully informed as it works towards a negotiated merger implementation agreement in the coming weeks.

For more information please contact

Paul Turner GM Corporate Affairs & Customer Relations Bank of Queensland	Phone: 07 3212 3522 Mobile: 0439 730 547 Email: paul.turner@boq.com.au
Peter Brookes Partner Cannings Corporate Communications	Phone: 02 8284 9966 Mobile: 0407 911 389 Email: pbrookes@cannings.net.au