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MEDIA RELEASE

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BOQ disappointed at Bendigo rejection of merger proposal

Bank of Queensland today announced it would consider its position following the Bendigo Bank Board's decision to reject a merger proposal between the two banks.

Bank of Queensland Managing Director, Mr David Liddy, said the decision was disappointing.

"We strongly believe in the compelling logic for the merger and the shareholder value which would be created. Together we are natural allies against the big banks," he said.

"We believed a premium of 25% on one month VWAP prior to the merger proposal announcement, representing a premium of more than 48% as of the close of the ASX yesterday, was a compelling proposal for Bendigo Bank's shareholders.

"We had also committed to protecting Bendigo Bank's unique strengths by retaining its name and brand, its Bendigo headquarters and its community bank branch model, and expanding its community branch network and community investments in the future," Mr Liddy said.

Bank of Queensland's merger proposal offered Bendigo Bank shareholders 0.748 Bank of Queensland shares and A\$5.50 cash for each Bendigo share.

On Monday's closing Bank of Queensland share price of \$18.85, the merger proposal is valued at \$19.60, a 48.4 per cent premium to Bendigo Bank's share price on 16 March, and a 42.6 per cent premium to Bendigo Bank's 1 month VWAP on 16 March.

Bank of Queensland's Total Shareholder Returns for the last five years was 193%.

Shareholders requiring further information regarding the Bank of Queensland merger proposal with Bendigo Bank, please call 1800 135 772.

For more information please contact

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