

### **Bendigo and Adelaide Bank set to repay note holders in Southern Finance acquisition**

**Friday 21 December 2012:** Southern Finance and Bendigo and Adelaide Bank have today announced that they have signed a sale agreement under which Bendigo will acquire from Southern Finance its loan book and other assets, with the purchase price to repay Southern Finance note holders.

Bendigo and Adelaide Bank Managing Director, Mike Hirst, said he was pleased to sign the deal, which is in the best interests of customers and the community.

"The deal realises the value of Southern Finance's assets freeing up the funds needed to repay its investors," Mr Hirst said.

"Following the deal, the Bank is well-positioned to support the financial goals of borrowers, and financial planning customers."

"This is great news for Southern Finance customers, who now have certainty of their finances before Christmas."

Mr Hirst said the area in which Southern Finance operates is Bendigo and Adelaide Bank's heartland and customers who have used Southern Finance in these communities will now have a substantial offering with Bendigo and Adelaide Bank.

"The community and customer-connected philosophy that drives Bendigo and Adelaide Bank will support customers with an exceptional product and service offering," Mr Hirst said.

Southern Finance CEO, Ashley King, said while the agreed acquisition is complete, the transition period is expected to take approximately six months.

"Now that the deal is complete, the payment of redemptions to note holders whose investments have matured in the deferred period, including at call, can now recommence," Mr King said.

"Term investments that have not yet matured will be redeemed at their stated maturity dates or earlier at the discretion of Bendigo and Adelaide Bank.

"It is expected that all notes will be redeemed on or before 30 June 2013.

"Southern Finance has developed strong relationships with borrowers and note holders and Bendigo and Adelaide Bank has a long history of investing in regional Australia, so we're very confident that they will support our customers to achieve their financial goals while supporting the local community," Mr King said.

The court has ordered that suspension of payment of redemptions to note holders will end at 9am on Monday 24 December 2012 so that payments can resume.

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