

## ASX Announcement



### Rural Bank and Elders announce new nine-year distribution agreement

**Wednesday, 28 November 2018:** Rural Bank (a wholly-owned subsidiary of Bendigo and Adelaide Bank (ASX: BEN) and Elders (ASX: ELD)) today announced a new nine-year exclusive distribution agreement, signalling the continuation of a partnership that began in 1998 with the establishment of a joint venture company that received a banking license in 2000.

The nine-year agreement, to come into effect from March 4, 2019, replaces the existing distribution agreement which had been in place since 2008. As part of the new arrangement, Rural Bank will acquire from Elders the wholly-owned company that employs approximately 95 Elders financial services staff. Ensuring continuity of customer service and a regional presence, these staff will remain located in Elders branches, servicing their current and potential banking customers.

The new agreement will have a non-material, accretive impact on BEN earnings per share after the first full year of operation, and is subject to customary conditions precedent.

Bendigo and Adelaide Bank Chairman, Robert Johanson, said the new agreement ensured Australia's farmers and agribusinesses would continue to access specialist banking services and products through more than 400 Bendigo Bank, Rural Bank and Elders branches spread across every state and territory of Australia.

"Our partnership with Elders, means that at a time when many financial service providers are withdrawing services from regional areas, we will continue to provide a regionally based specialist agricultural banking service across Australia," Mr Johanson said.

"This new long-term agreement demonstrates our shared passion and confidence in Australian agriculture, and the value that a specialist and knowledgeable farm finance offering provides." "It means that all banking staff offering Rural Bank products will benefit from becoming direct employees of Rural Bank, with the specialisation and dedicated compliance regime that is required of a bank," he said.

Rural Bank CEO and Managing Director Alexandra Gartmann said the new agreement leverages each business's respective strengths and connection to agriculture – Elders' iconic brand and extensive branch network, and Rural Bank's specialist agri-banking expertise.

"For our customers it will be business as usual, with no change to their banking arrangements or facilities. It's the same people, delivering the same products and services, with the same commitment to helping Australian farmers grow," Ms Gartmann said.

#### Details

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