

BENDIGO BANK LIMITED

Half Year Results
December 2002

2003



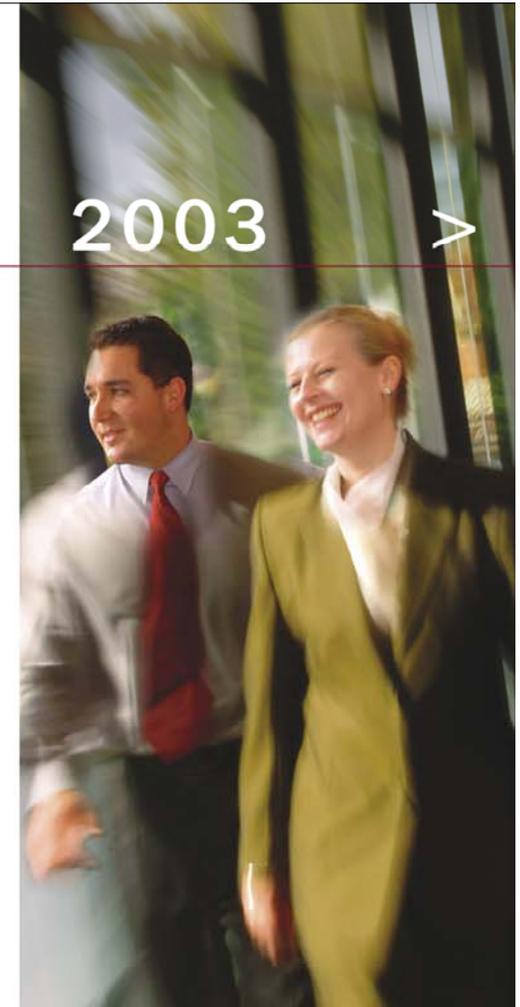
Presenters

Craig Langford

Greg Gillett

Rob Hunt

2003

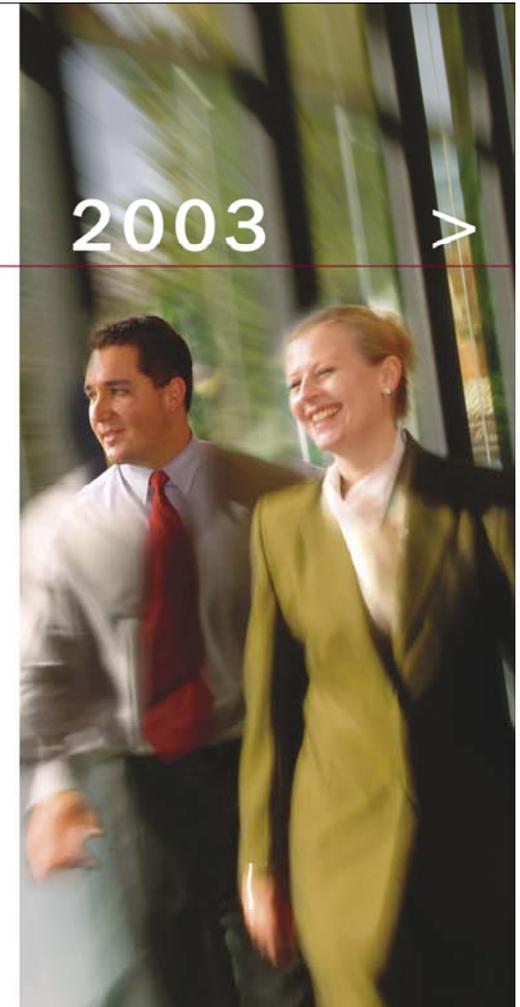


Financial result

Craig Langford

Chief Financial Officer

2003



Building sustainable performance

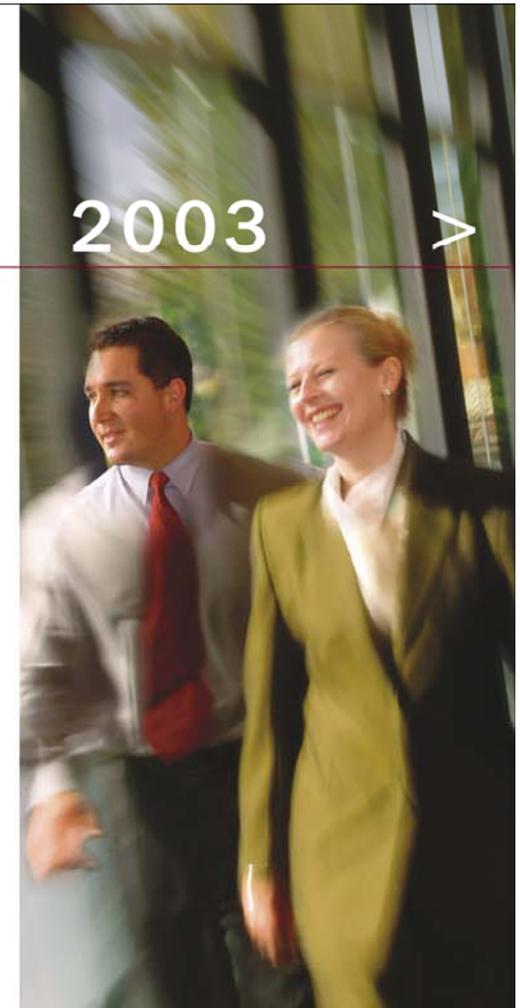
Profit increased by 30% to \$25.4 million

Earnings per share increased by
21% to 20.3 cents

Interim dividend up 1.5 cents to 13.5 cents

Excellent credit quality

2003



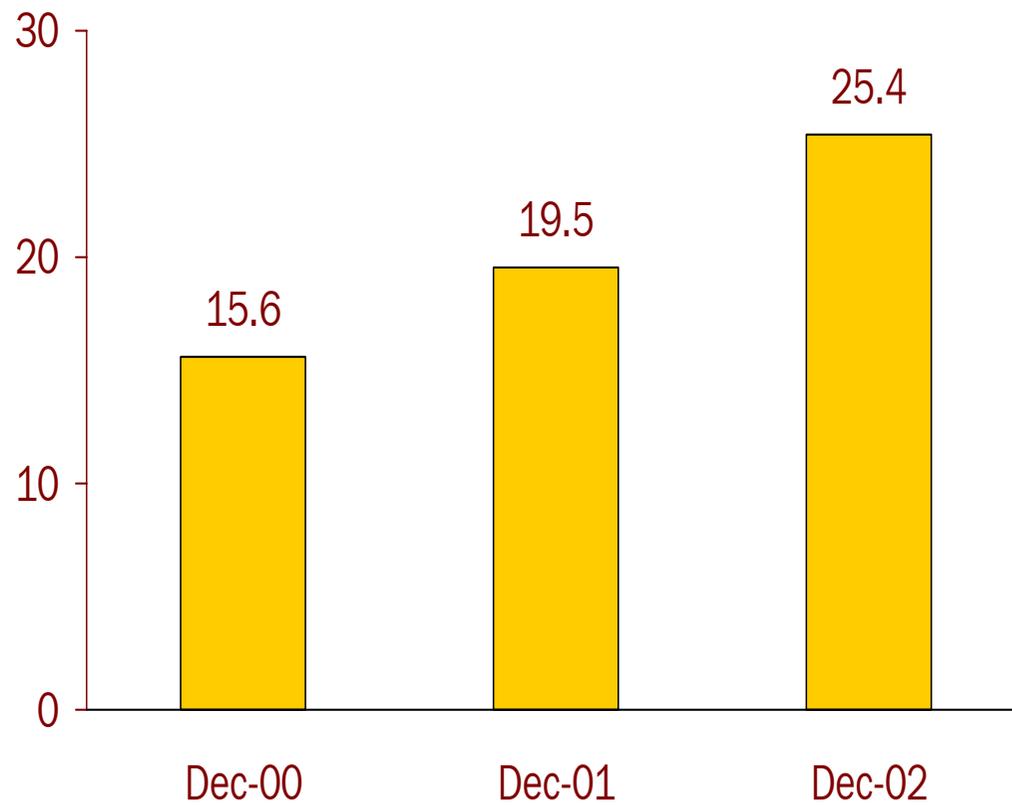
Performance summary

2003 >

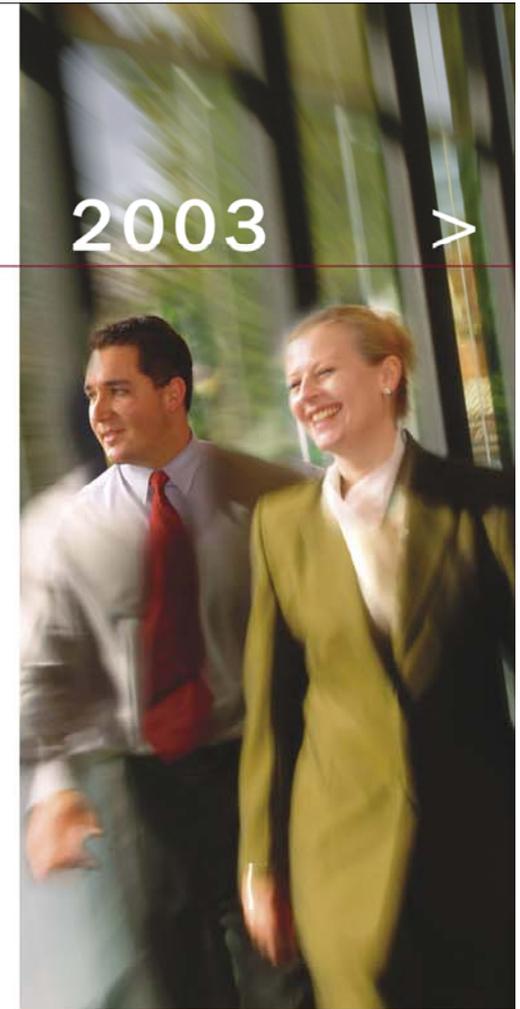
\$Millions	Dec-01	Dec-02
Net Profit after Income Tax	19.5	25.4
Return on Average Assets	0.54%	0.62%
Return on Average Equity	8.8%	9.90%
Earnings per Share - cents	16.8	20.3
Expense to Income Ratio	73.5%	73.20%
1/2Year end Assets	7,521	8,316
1/2 Year end Capital	465	529
General Provision for doubtful deb	0.55%	0.79%

Operating profit - after tax

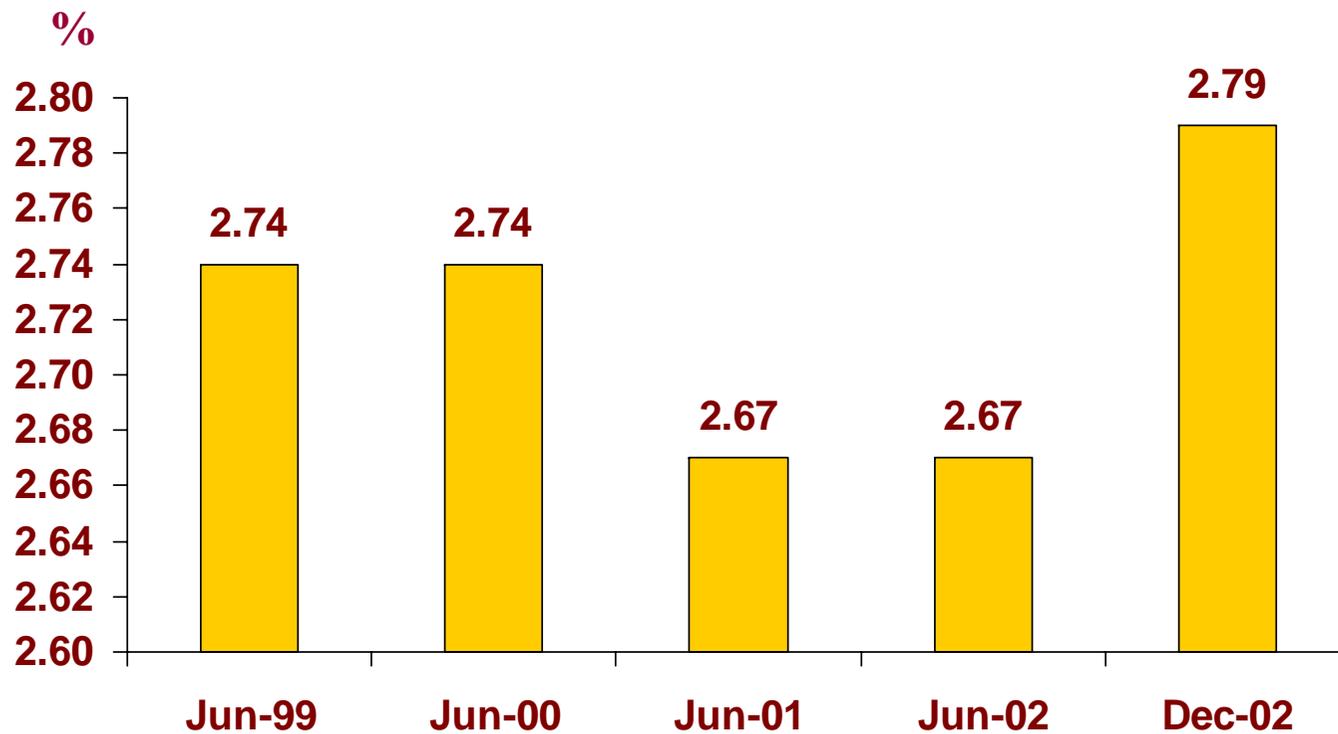
A\$ Millions



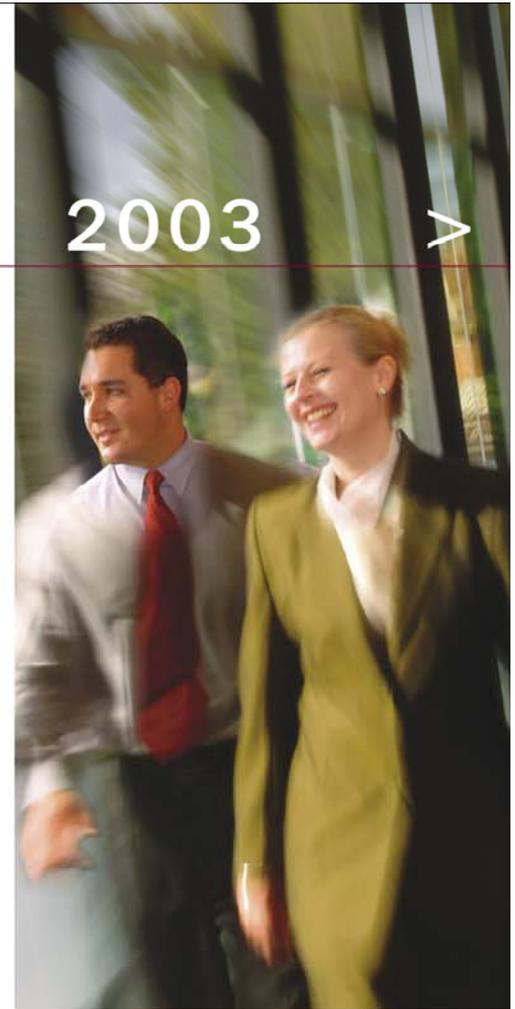
2003 >



Net interest margin

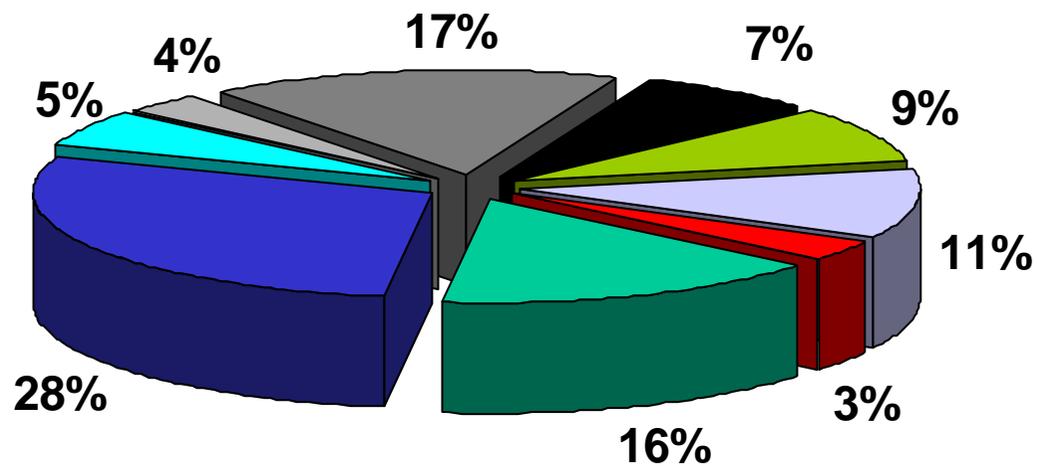


2003 >



Non interest income

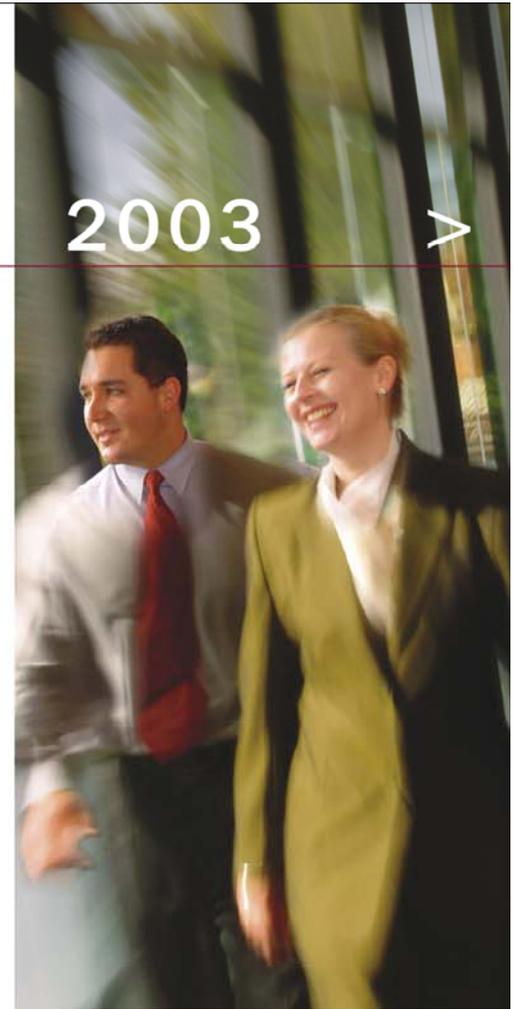
As at 31 December 2002



- Loan Fees
- Fees - Other
- Commissions - Other
- Securitisation
- Other

- Deposit A/c & Transaction Fees
- Commissions - Insurance
- Trustee, management & other services
- Share of associates net profit/(loss)

2003 >



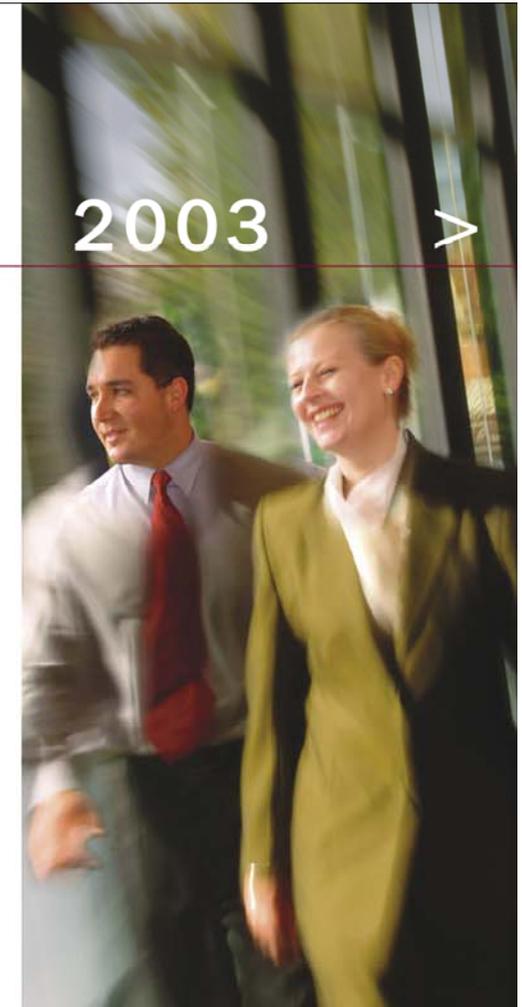
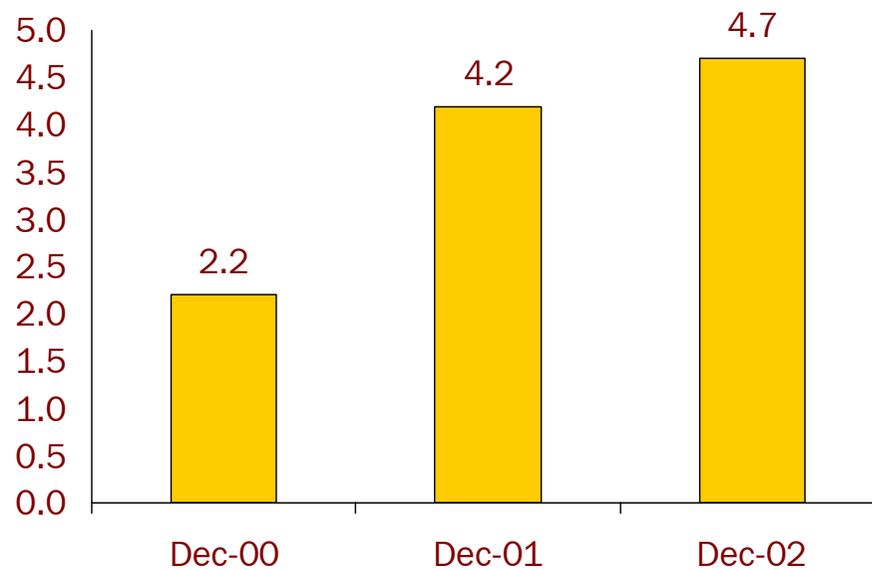
Elders Rural Bank

2003 >

- 15% increase in contribution
- Loans increased 27% to \$1.2 billion
- Solid retail funding base
- Loan quality remains excellent

A\$ Million

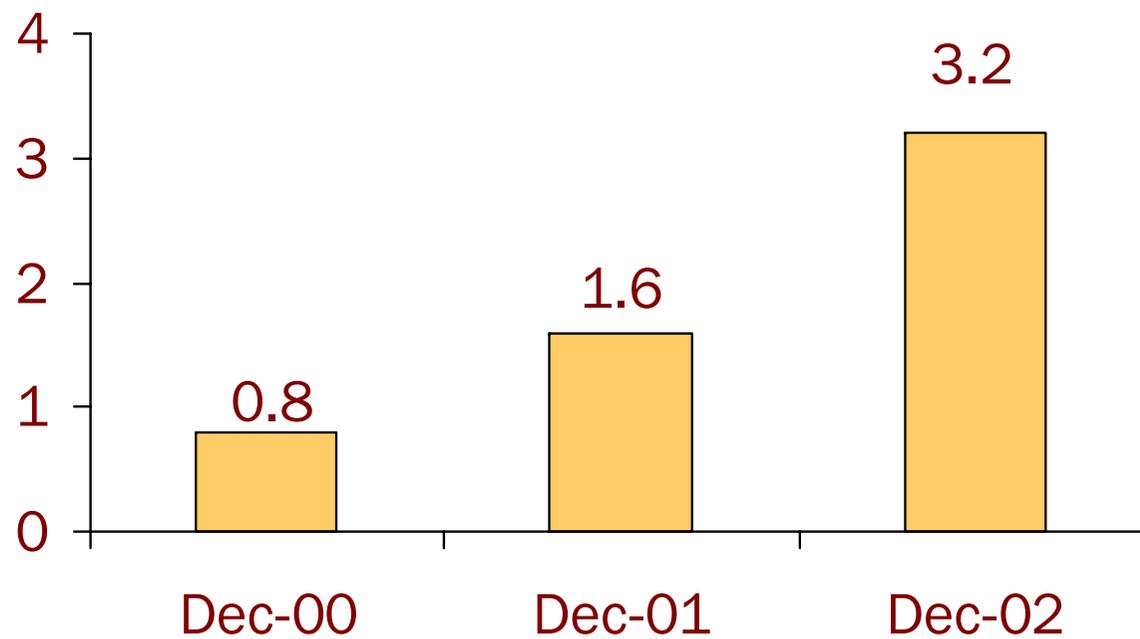
Profit Contribution



Community Bank contribution

As at 31 December 2002

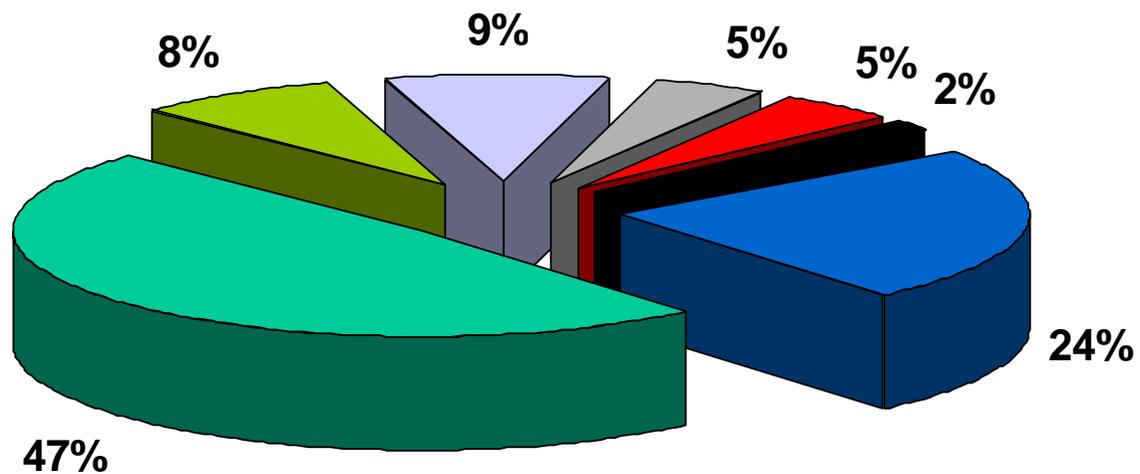
A\$ Millions



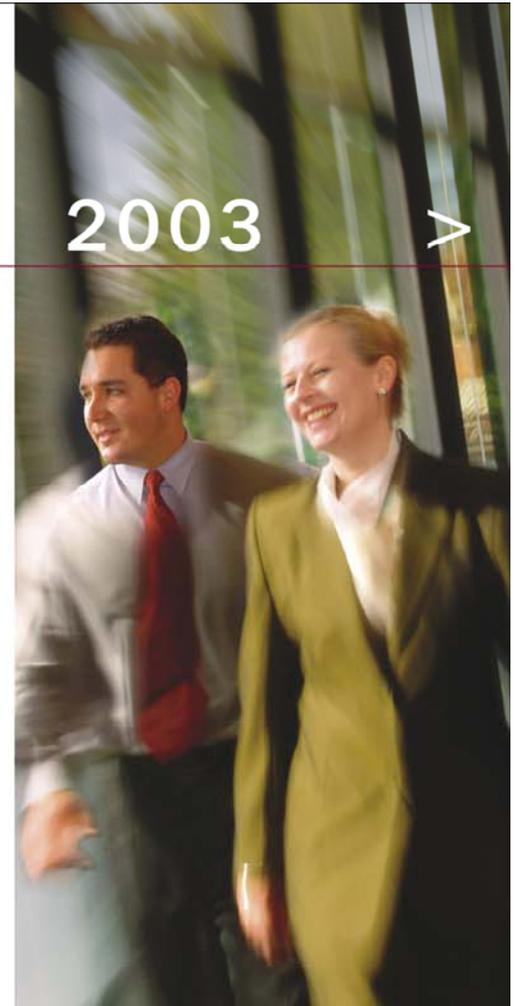
2003 >

Operating expenses

2003 >

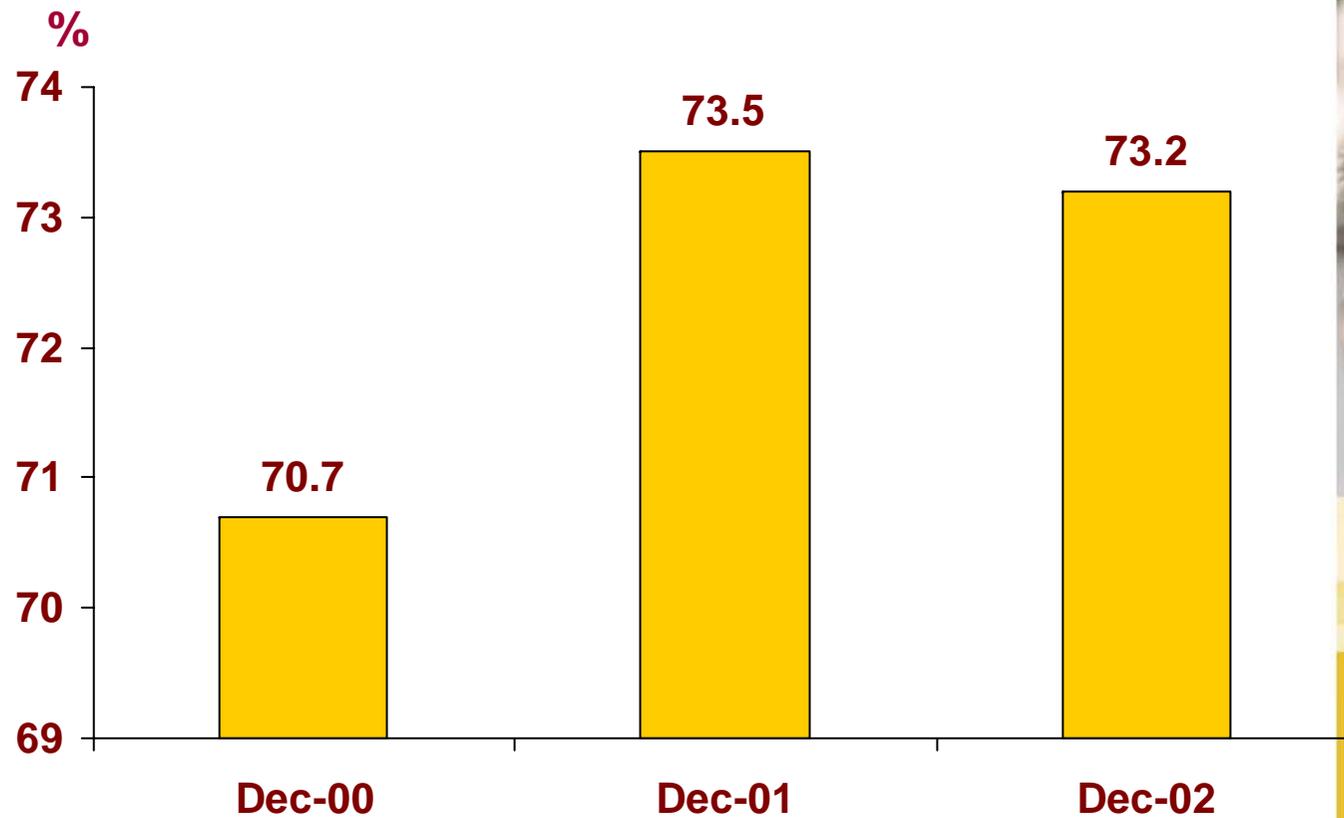


- Salaries & staff related costs
- Occupancy
- Information technology costs
- Management fees & expenses
- Depreciation/amortisation
- Goodwill amortisation
- Other operating expenses

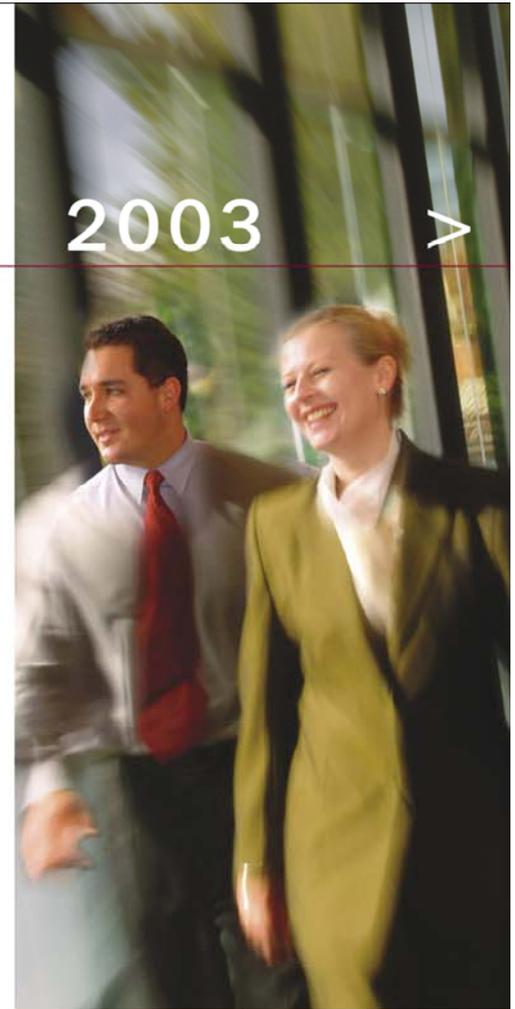


Efficiency ratio

Operating expenses / income



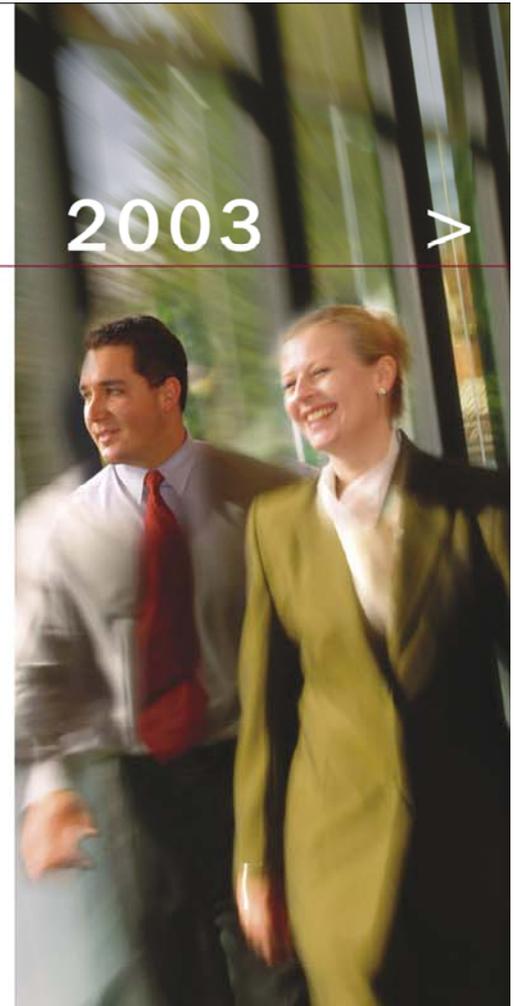
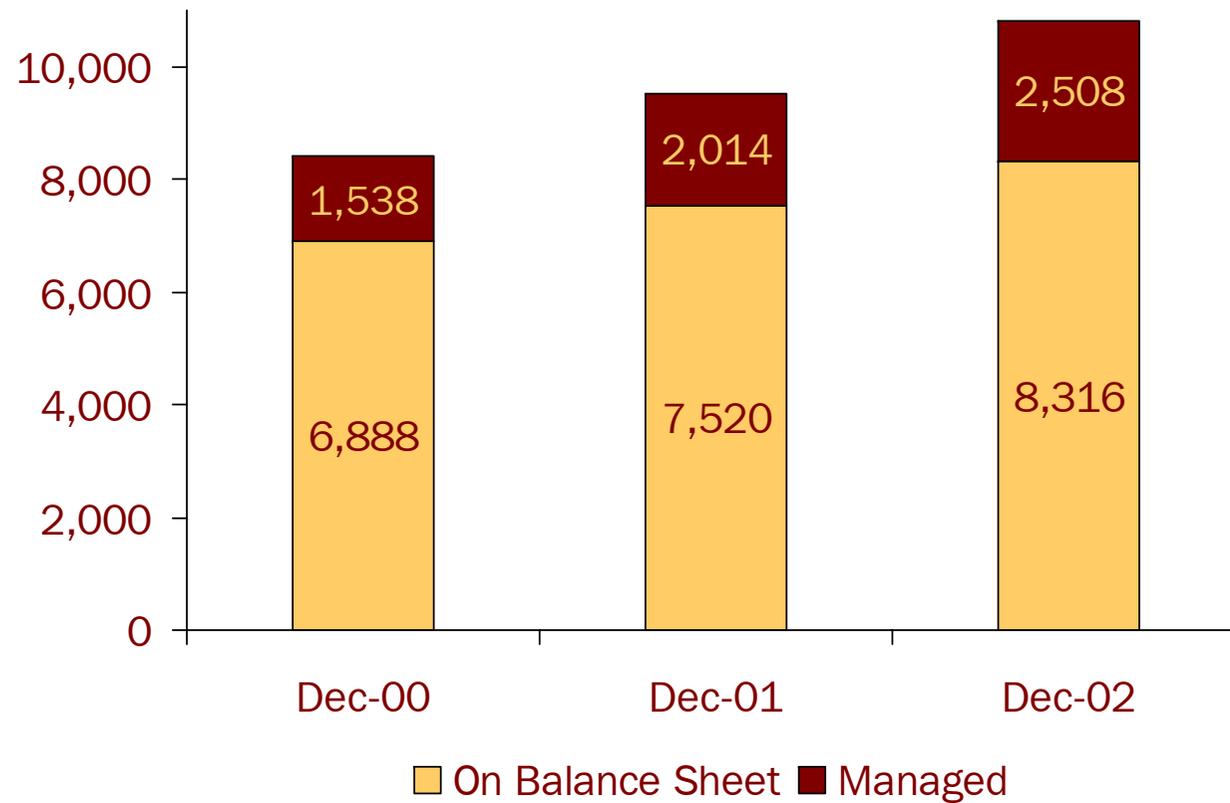
2003 >



Total assets

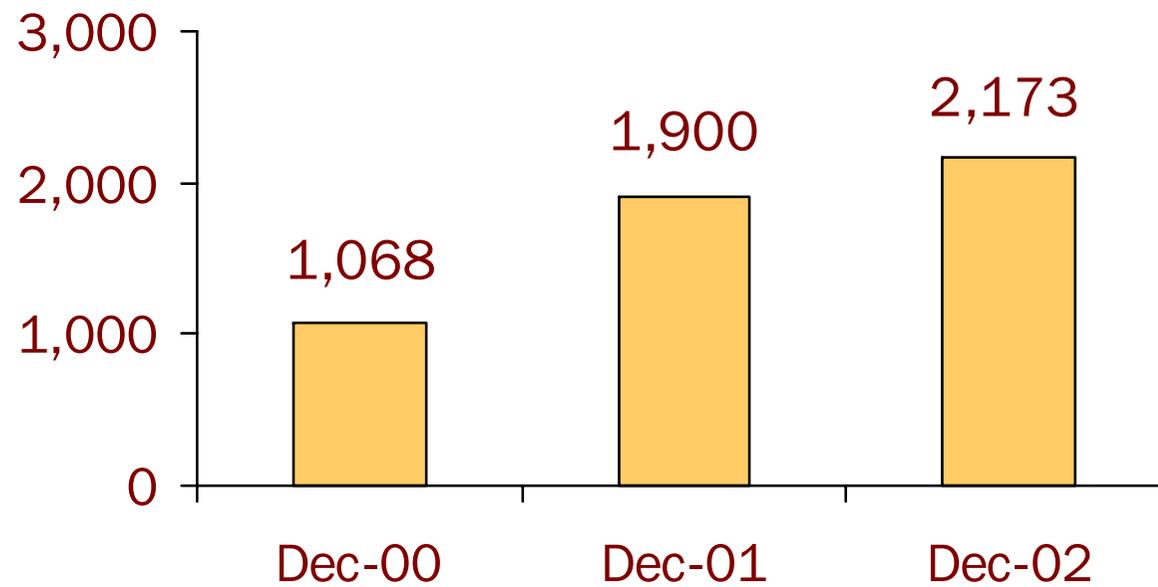
2003 >

A\$ Millions

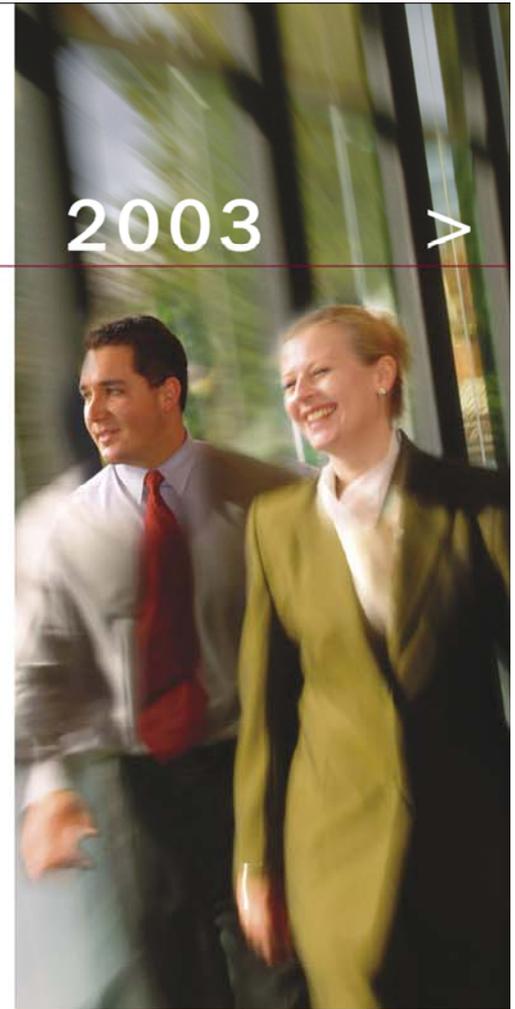


Lending approvals

A\$ Millions



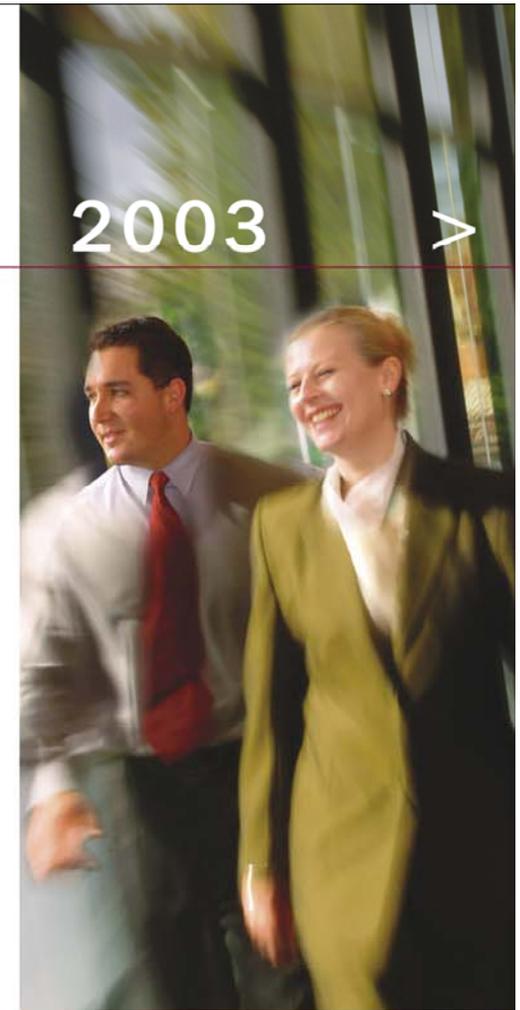
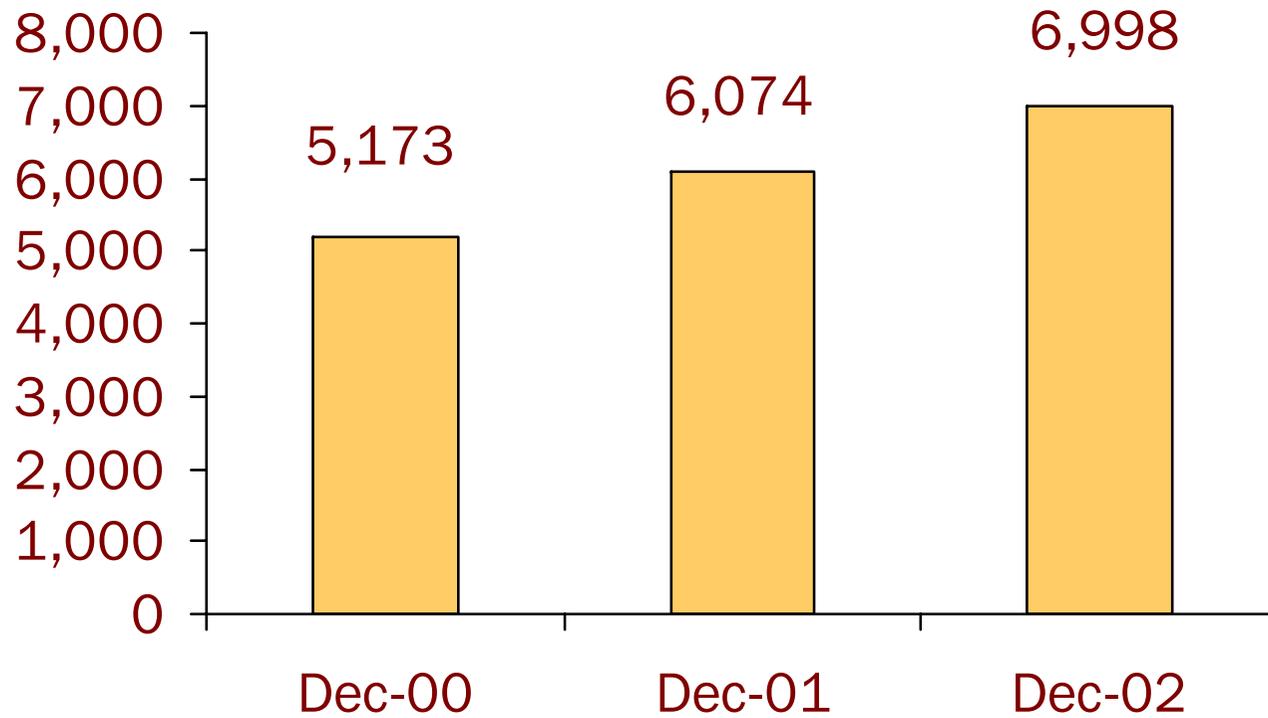
2003 >



Retail deposits

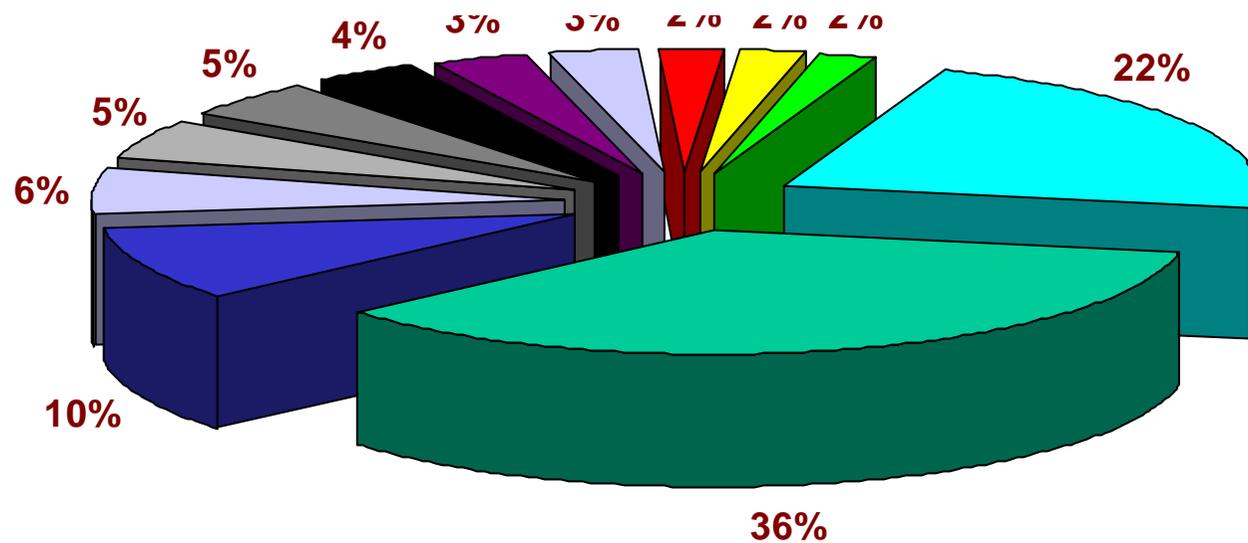
2003 >

A\$ Millions



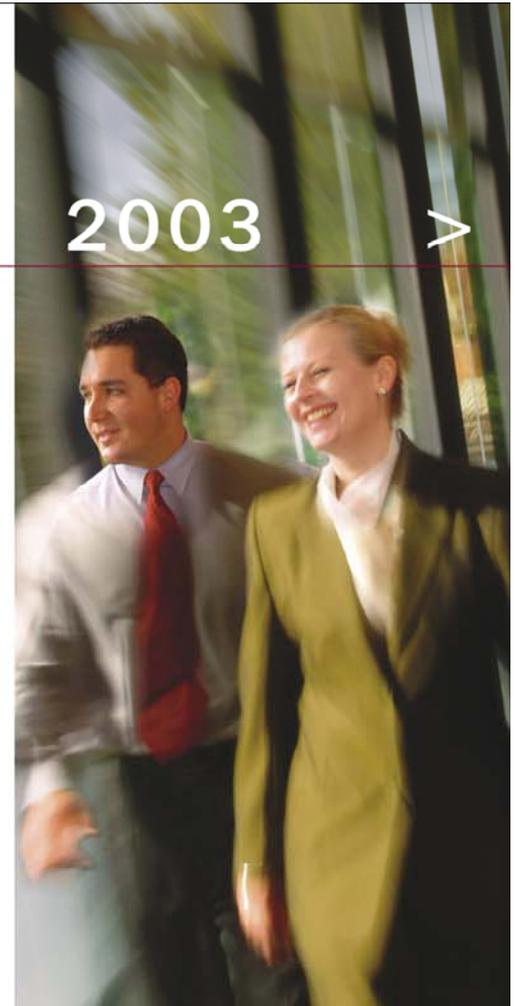
Commercial loans

As at 31 December 2002



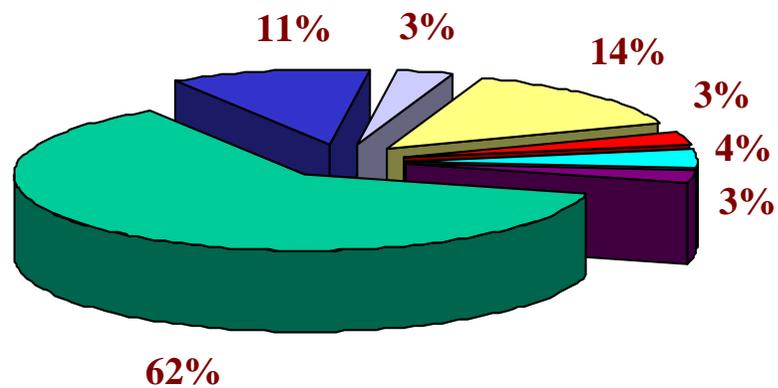
- | | | |
|-----------------------------------|--------------------------------------|-------------------|
| ■ Property & business services | ■ Retail trade | ■ Construction |
| ■ Agriculture, forestry & fishing | ■ Accommodation, cafes & restaurants | ■ Manufacturing |
| ■ Health & community service | ■ Finance & insurance | ■ Wholesale trade |
| ■ Communication services | ■ Transport & storage | ■ Other |

2003 >



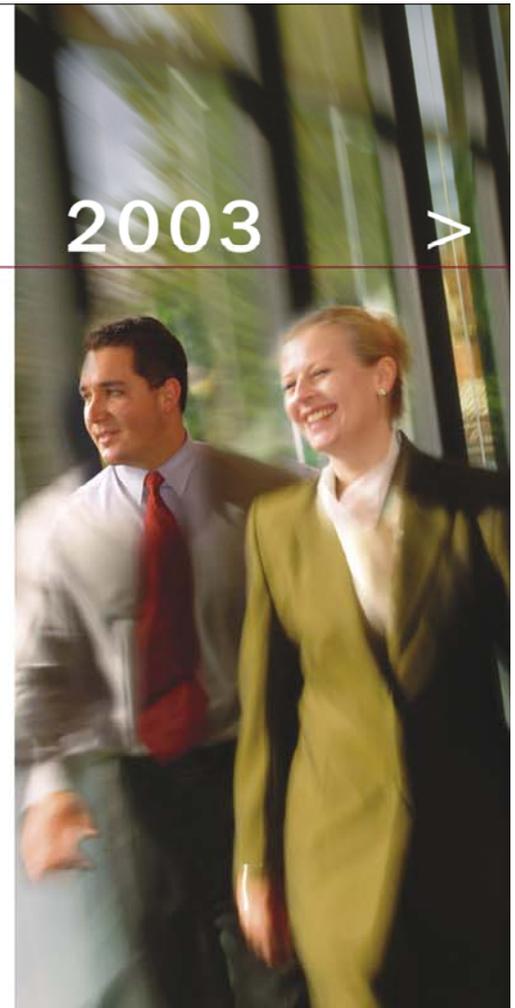
Geographic spread of loans

As at 31 December 2002



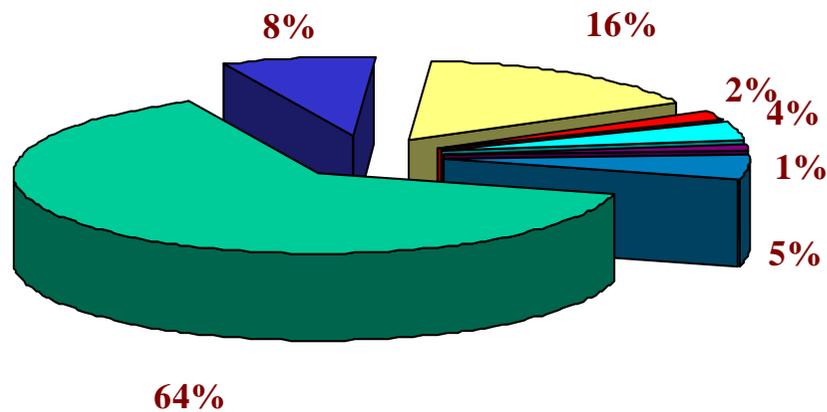
■ VIC ■ NSW ■ ACT ■ QLD ■ SA ■ WA ■ TAS

2003 >



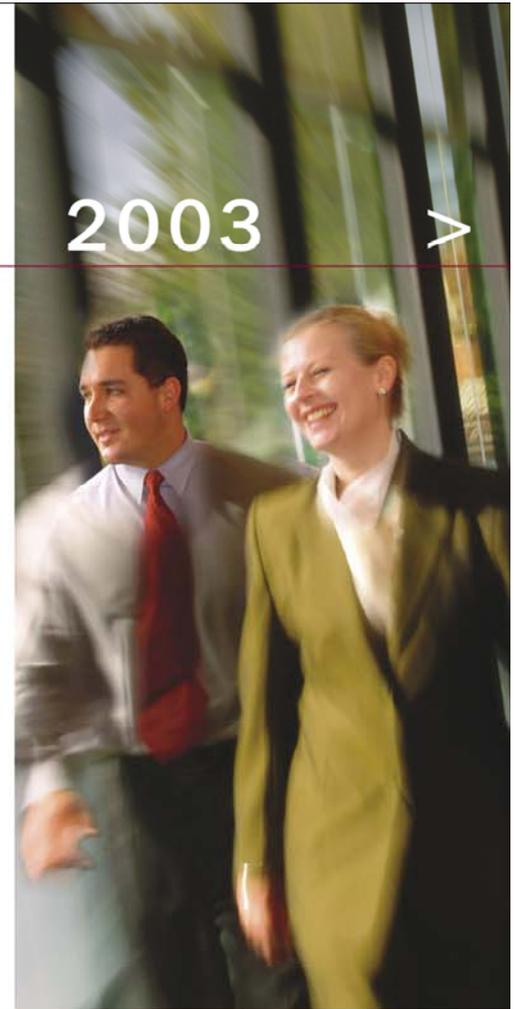
Geographic spread of deposits

As at 31 December 2002



■ VIC ■ NSW ■ QLD ■ SA ■ WA ■ TAS ■ OS/OTHER

2003 >



Core retail deposit base

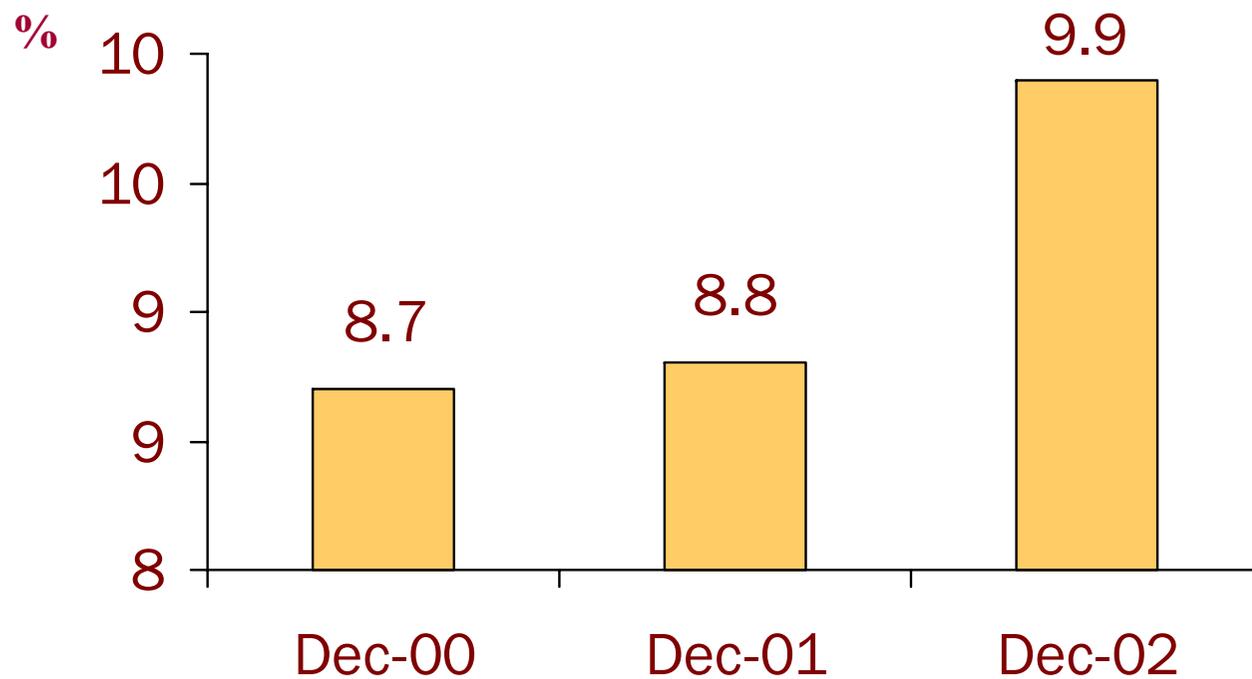
Funding mix



2003 >



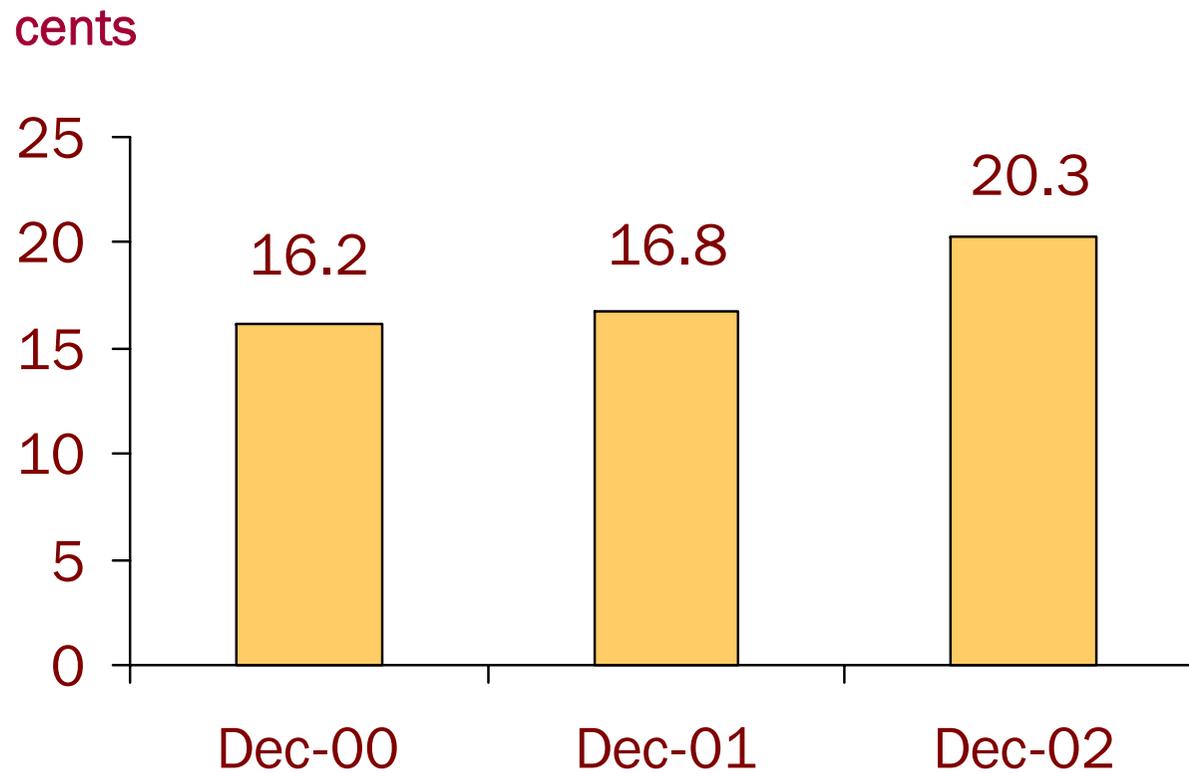
Return on equity



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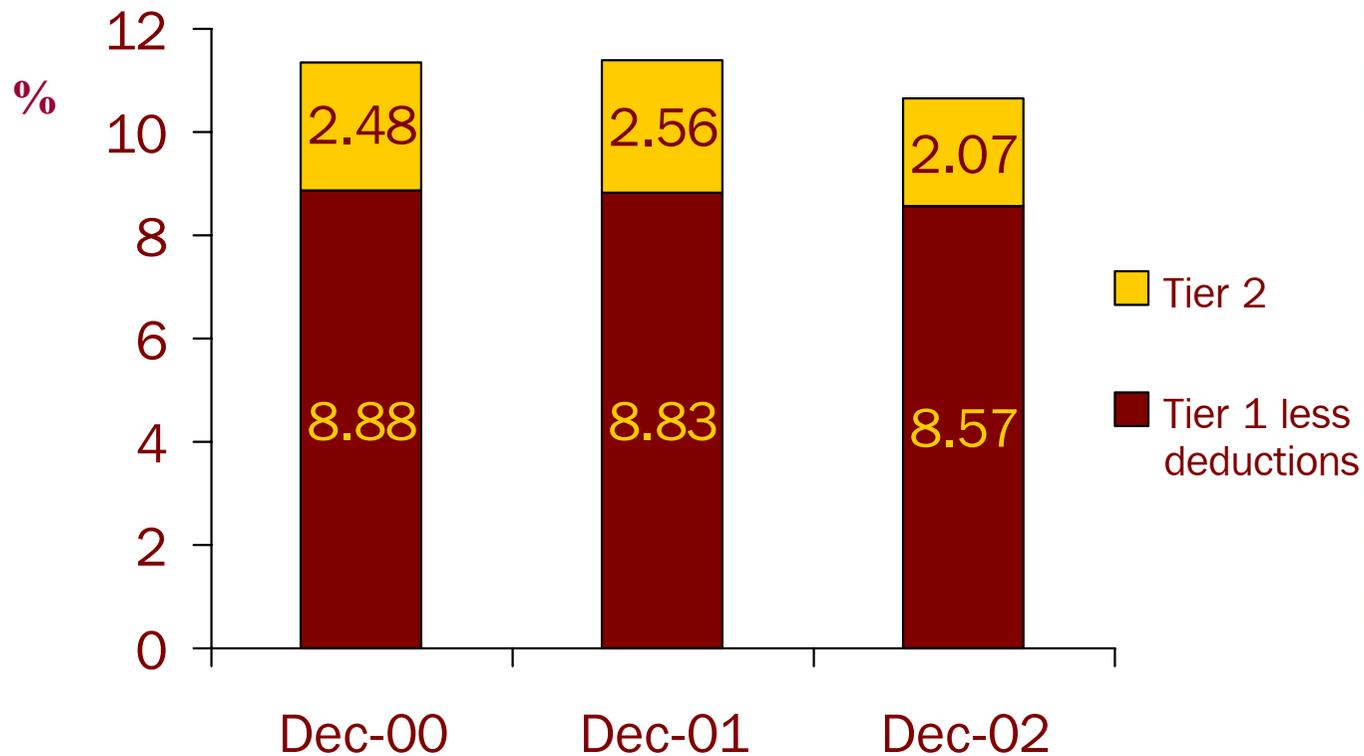
Earnings per share



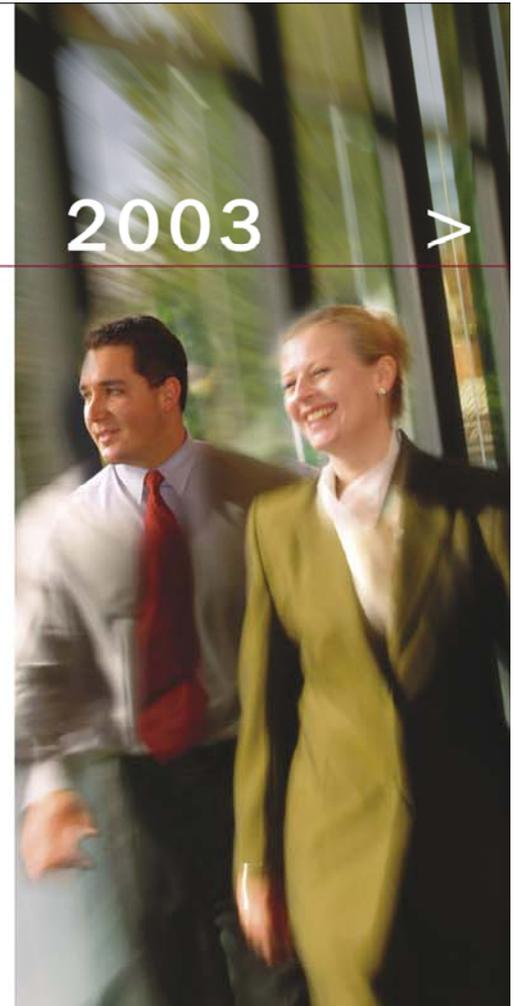
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Capital adequacy

Tier one capital remains strong. Slightly above the targeted mix of 8.0% tier one and 2-3% tier two



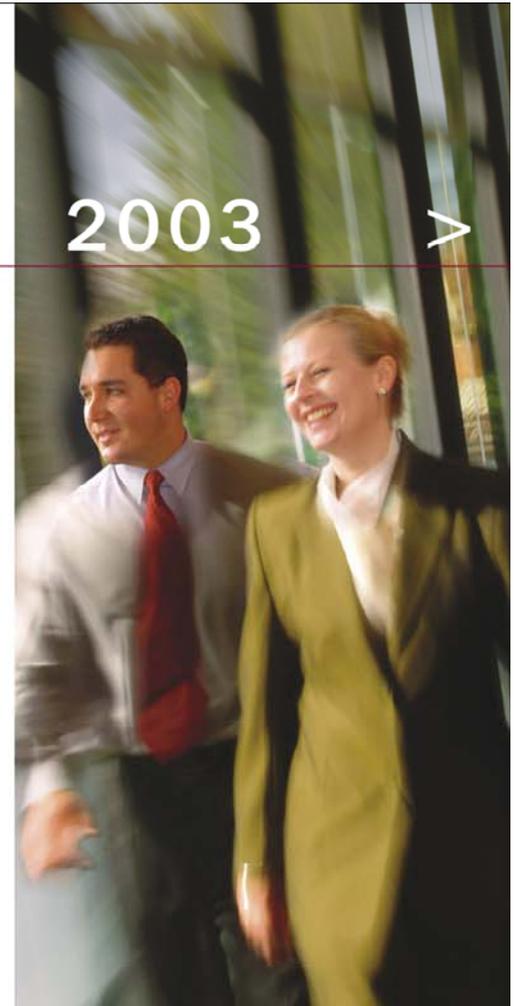
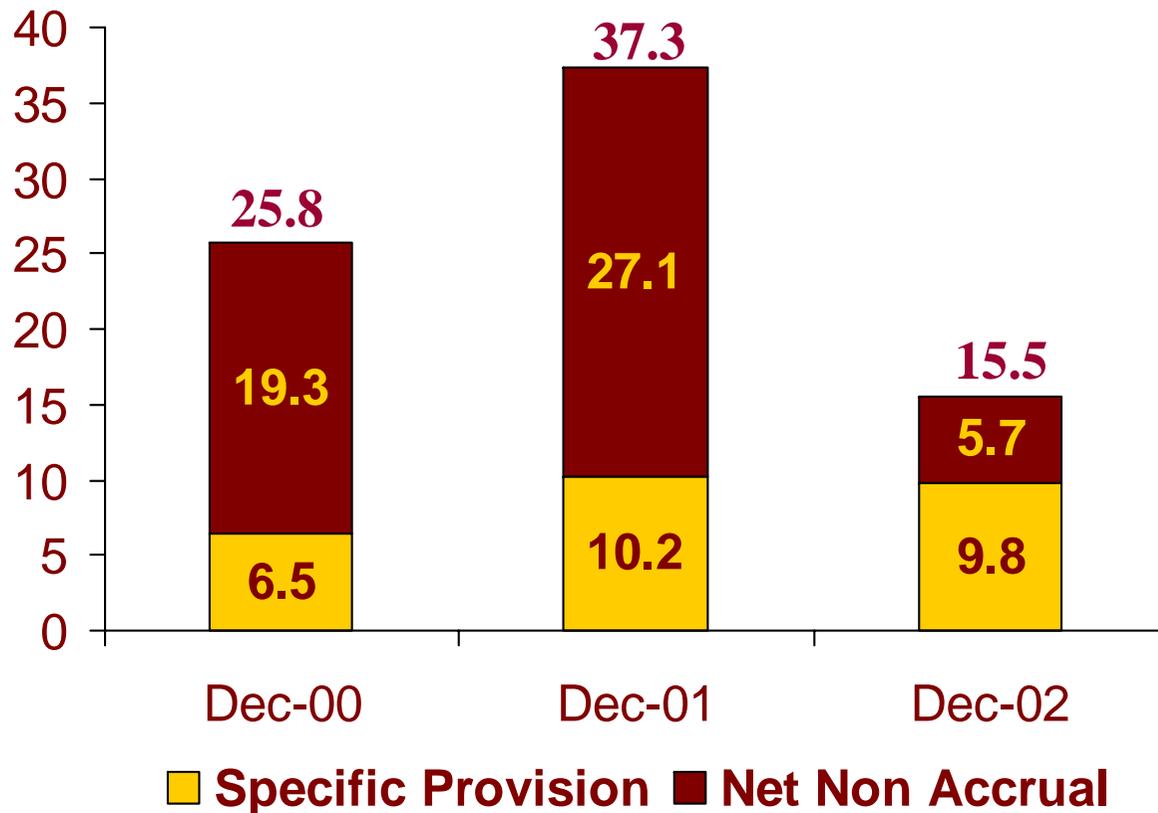
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Non-accrual loans

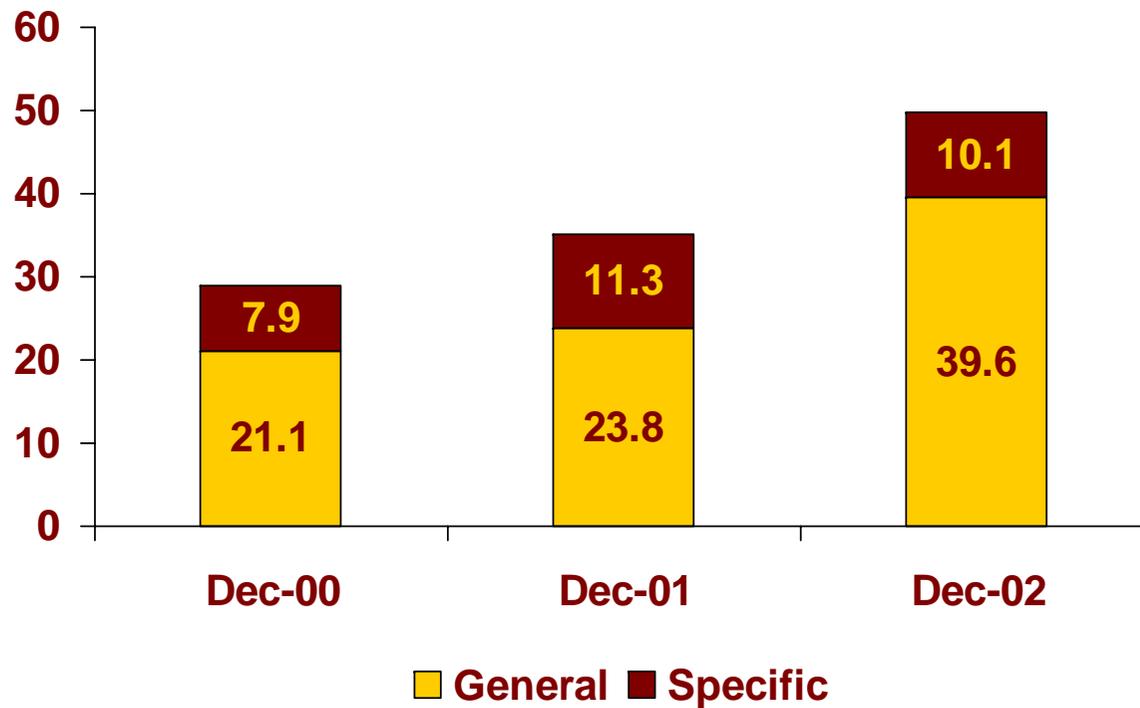
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\$A Millions

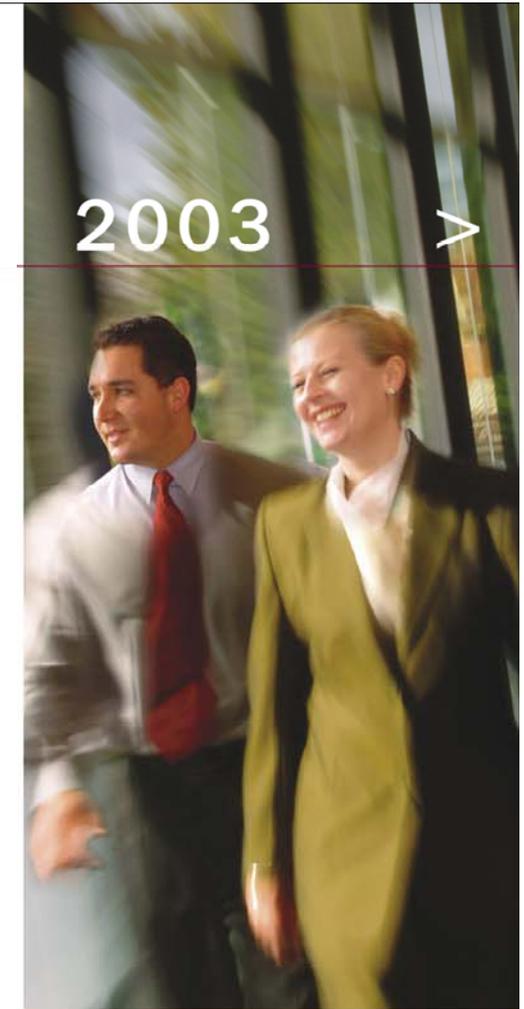


Provision for doubtful debts

A\$ Millions

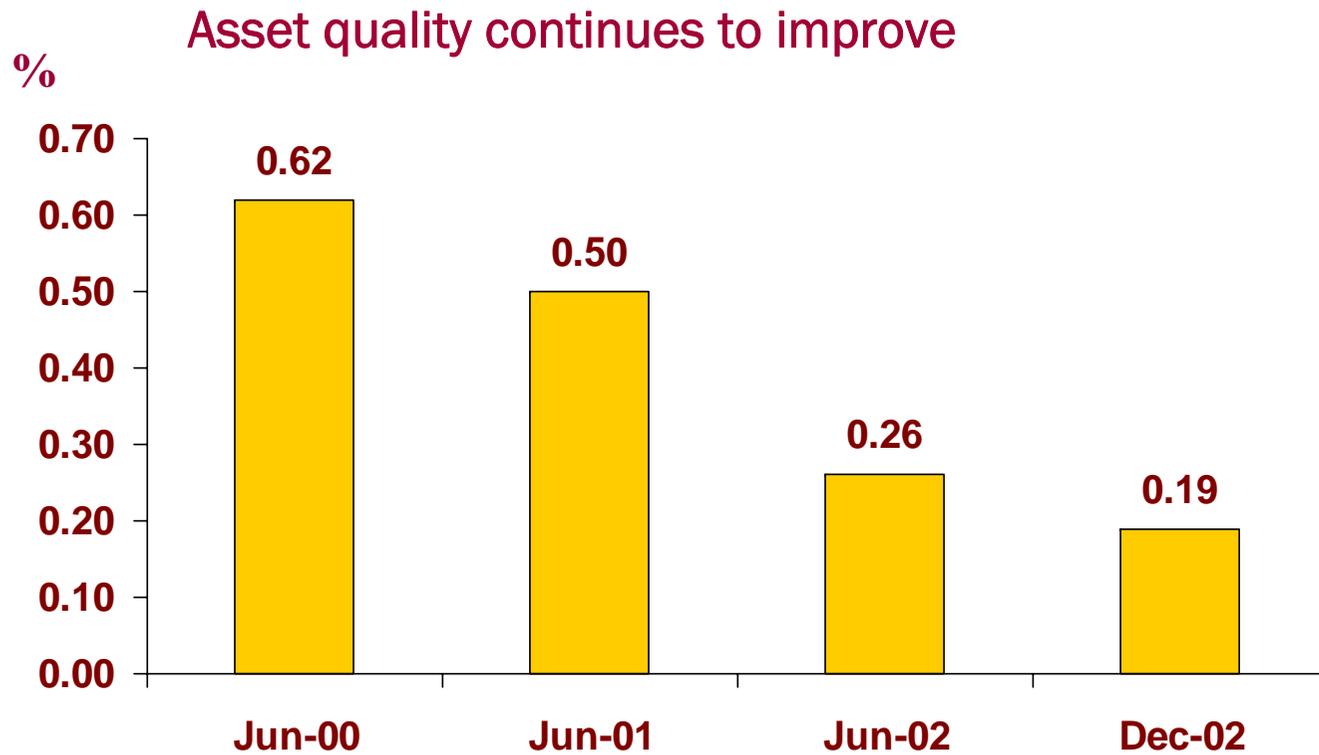


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Asset quality

Impaired loans / total assets



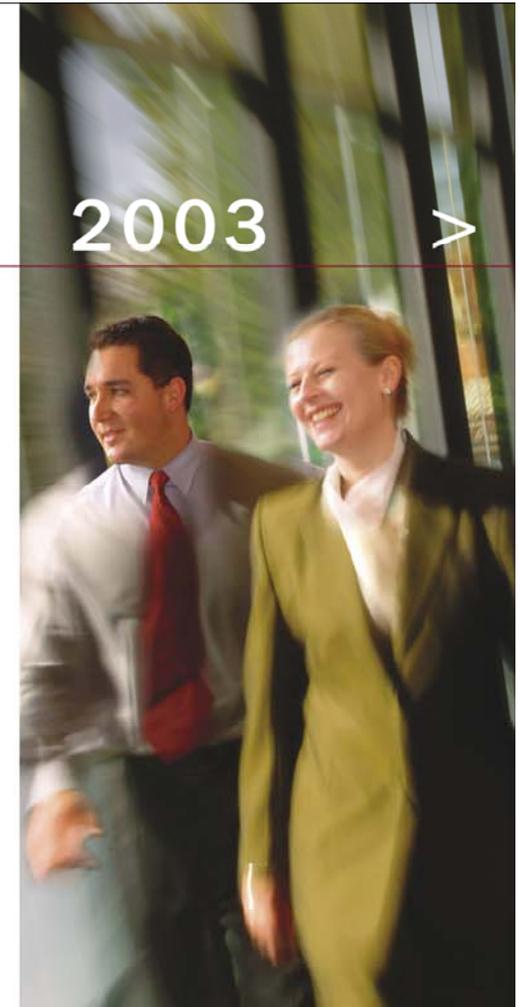
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Retail bank

Greg Gillett

Chief General Manager Retail

2003



Retail outcomes

2003

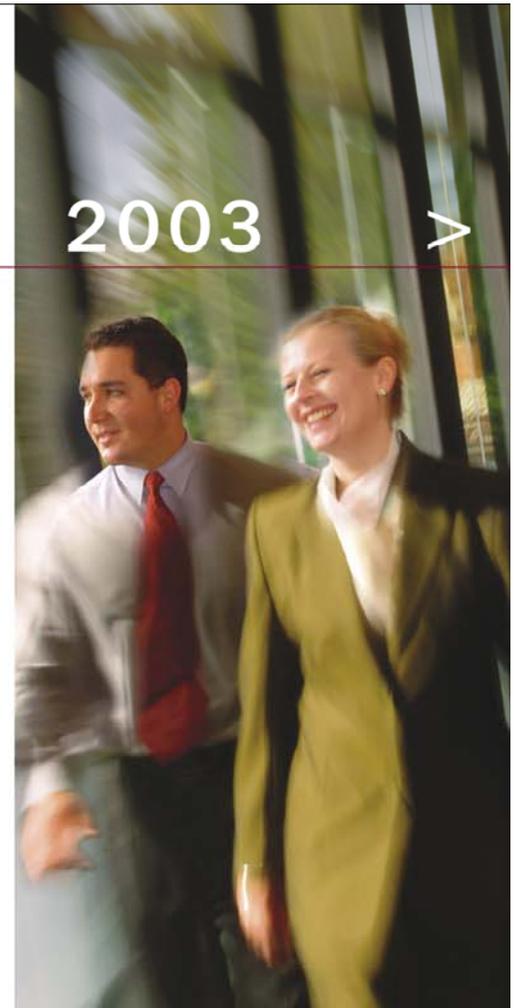


Opened 15 Community Banks. Now:

43	Vic.	21	W.A.
15	NSW / ACT	4	Qld
4	S.A.		

Opened 5 company owned branches
(all in Sydney). Now:

70	Vic.	50	Qld
9	NSW / ACT	5	Tas.
1	W.A.	1	S.A.



Retail outcomes

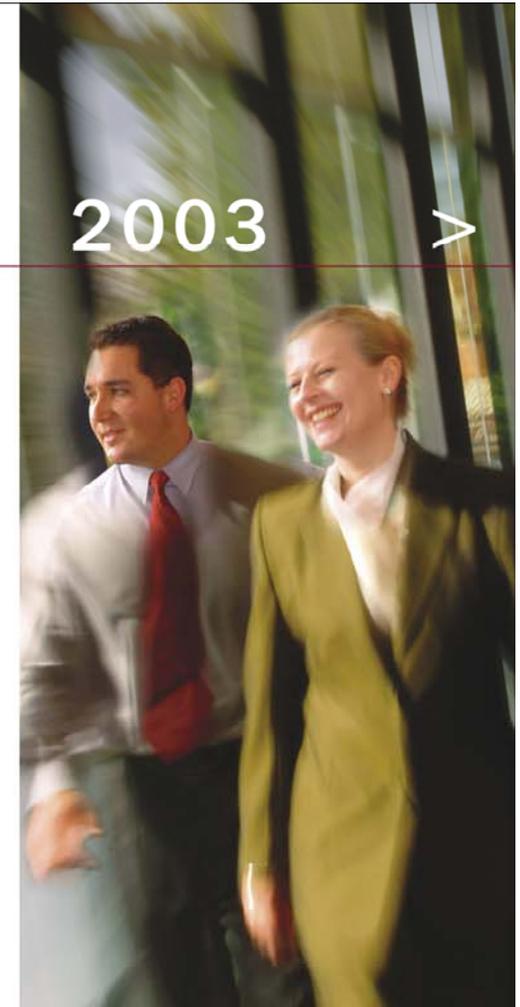
Appointed 10 financial planners to Queensland network

Appointed 11 additional business bankers

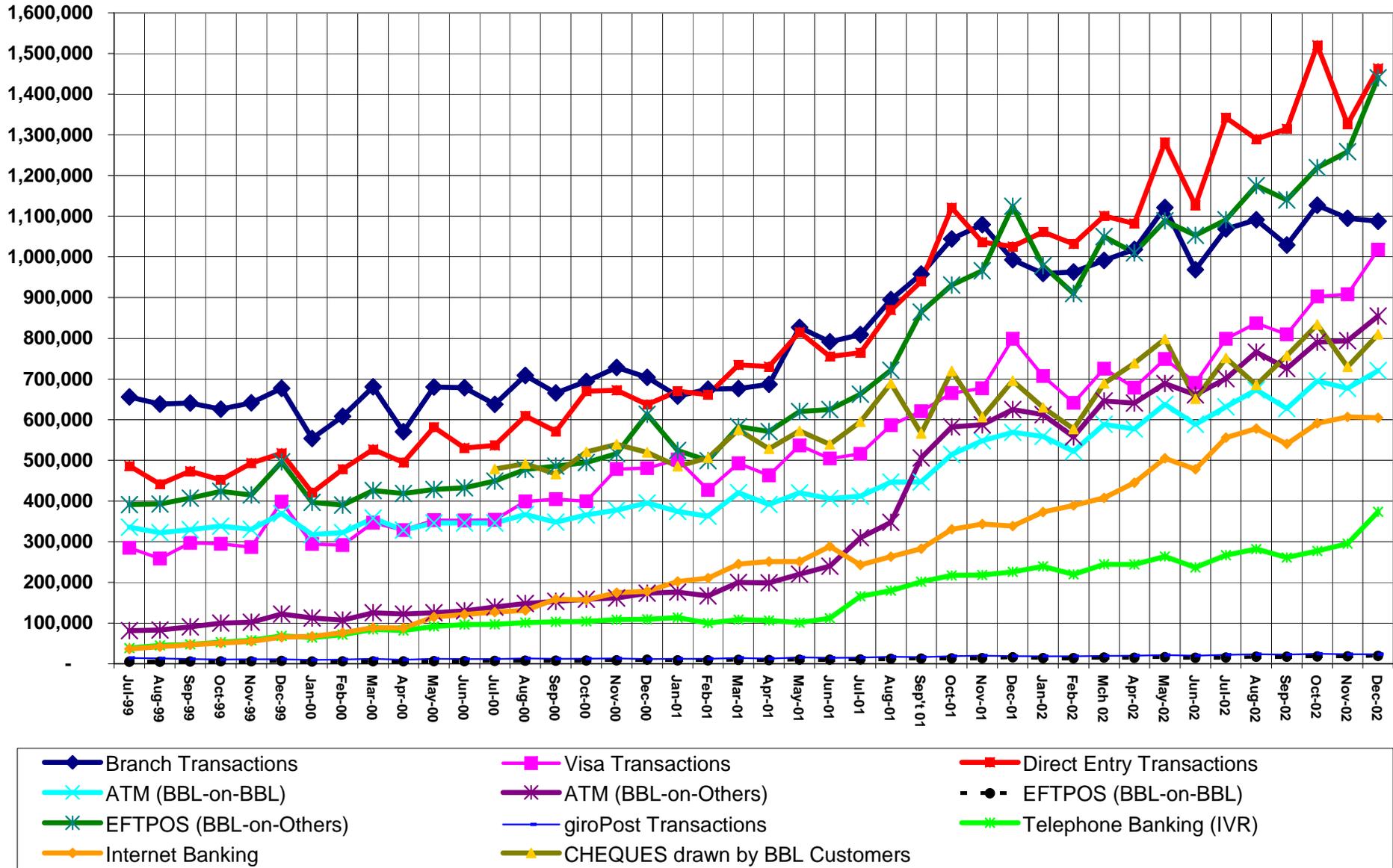
Customer numbers growing 12% pa

Business volumes growing 18% pa

2003



BBL CUSTOMER TRANSACTION VOLUMES PER MONTH BY CHANNEL (Jul 99 to Dec 02)



Remainder of year

15 Community Banks to open

Strong deposit inflow expected to continue

Demand for housing finance expected to fall slightly but we are confident of reaching year growth target regardless

2003 >

Summary: a unique bank

Only regionally based bank

Growing network

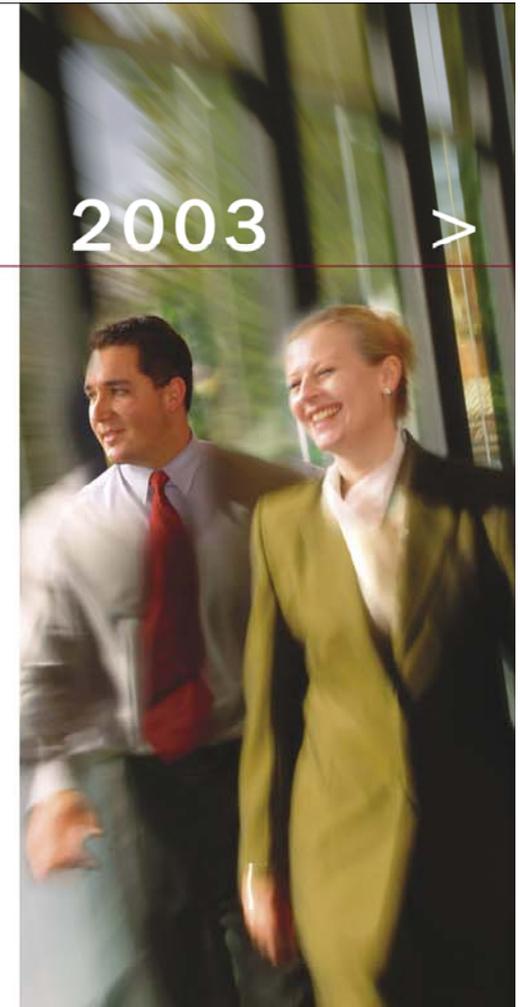
Track record in growing new markets (both sides of the balance sheet)

Strong community and regional focus

Bright prospects for volume and customer growth

Skilled in managing change and integrating new businesses

2003



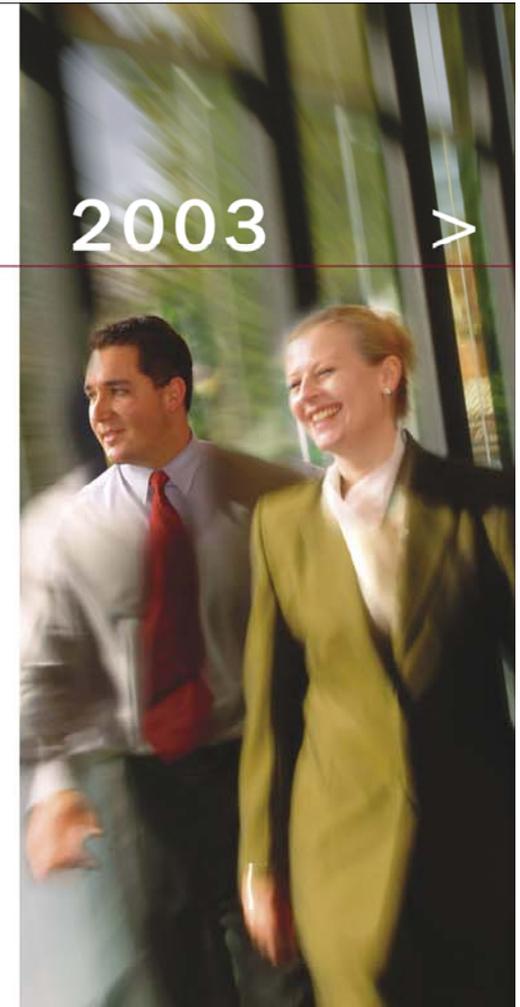
 **Bendigo Bank**

Strategy

Rob Hunt

Managing Director

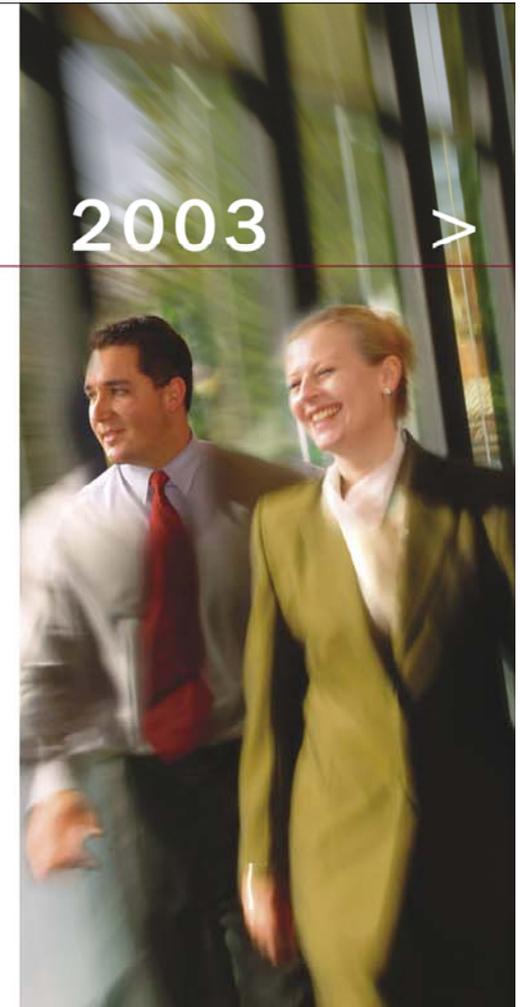
2003



Key strategies over many years

- Develop a unique position and brand
- Build and broaden national distribution capability
- Build capacity of our buyers (and their inclination to buy from Bendigo Group)
- Broaden the range of solutions
- Develop our structure and skill base to ensure it aligns with our customer and community focus

2003



Creating shareholder value

Rapidly expanding our distribution network and product range

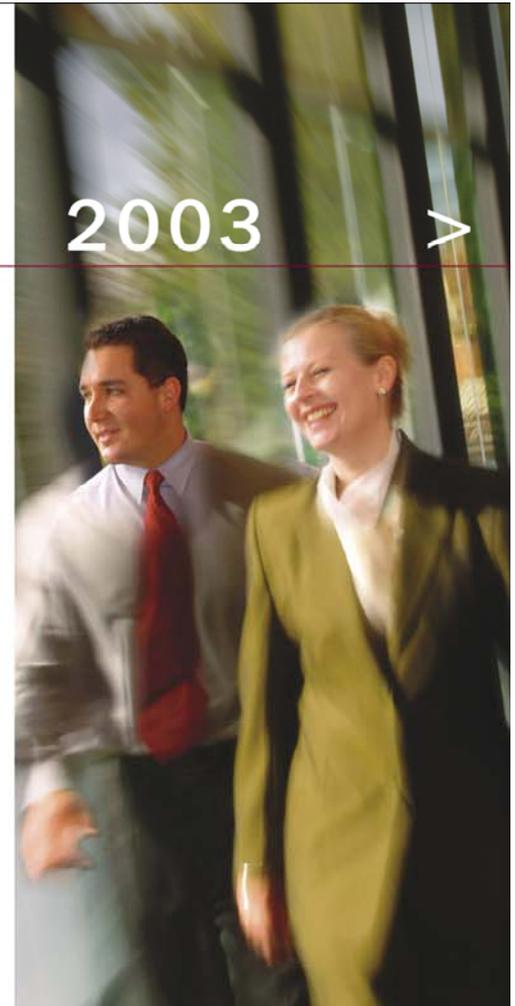
Growing the revenue base sustainably
(commitment from buyers)

Progressively building profitability

Establishing a strong brand, market positioning and point of difference

Doing the “right thing” and great business at the same time

2003 >



Creating shareholder value

Progressively building demand

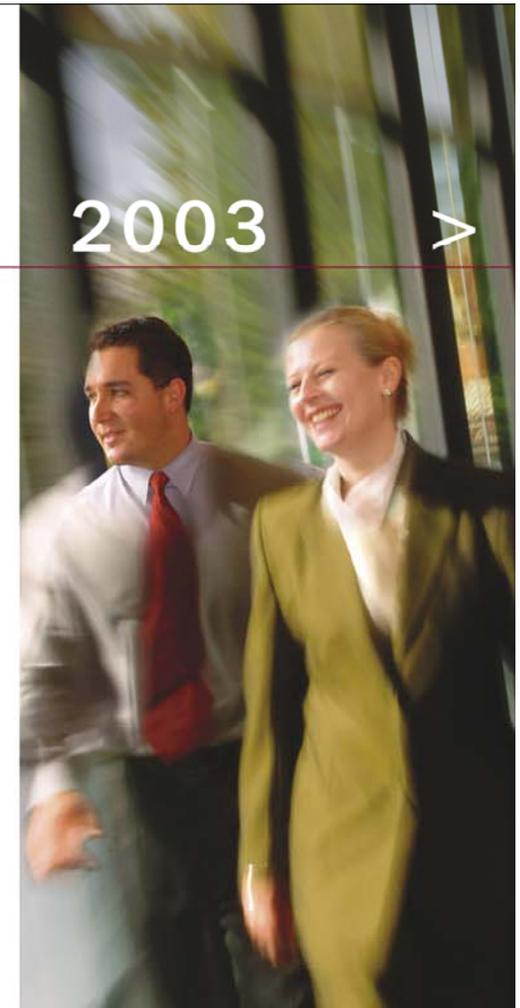
Aligning objectives with our buying base and strengthening their commitment to buy from us

Building relationships (multiple purchases) and therefore more loyal business

Improving efficiency

Continuing investments in revenue generation activities

2003

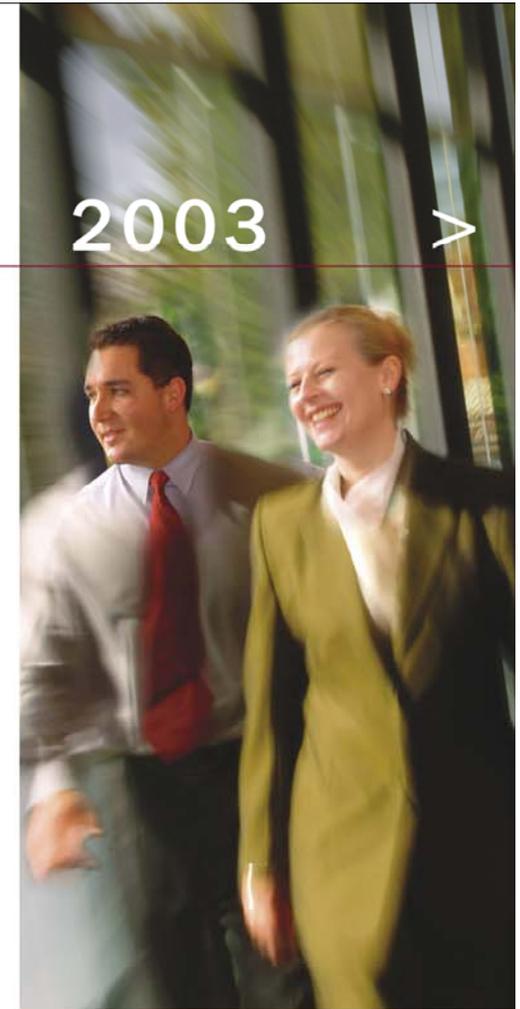


Value created

Over the past 3 years Bendigo Bank has produced solid growth in shareholder value . . .

Maintaining this momentum improves the prospect of further increasing value as the performance improves . . . (as planned)

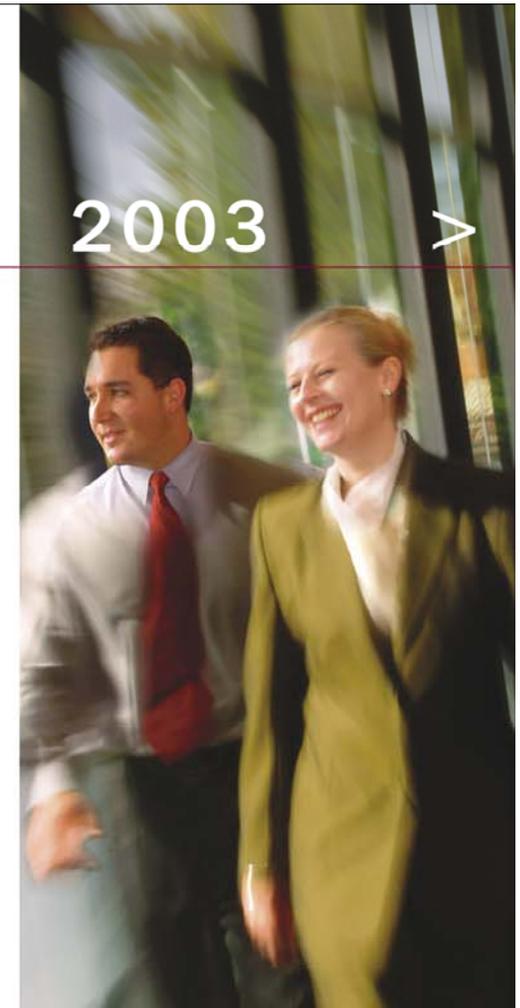
2003



Highlights



2003



First-half successes

Improved profit performance by 30%

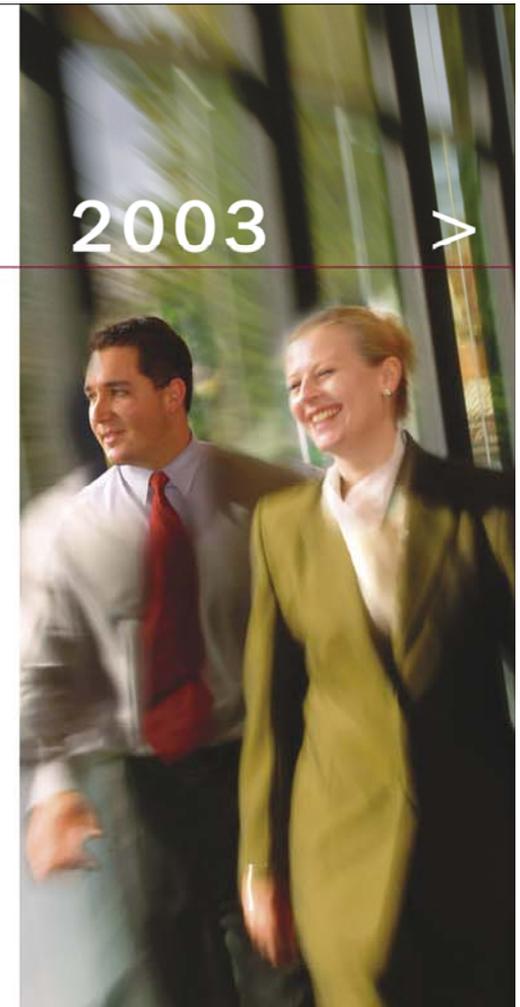
Increased distribution network and interstate representation

Increased earnings per share and dividend payment

Strong retail deposit growth

Solid lending and growth in assets under management

2003



First-half successes

Improved contribution from businesses established over past 3 years

Implemented & expanded new Wealth Management structure & product range

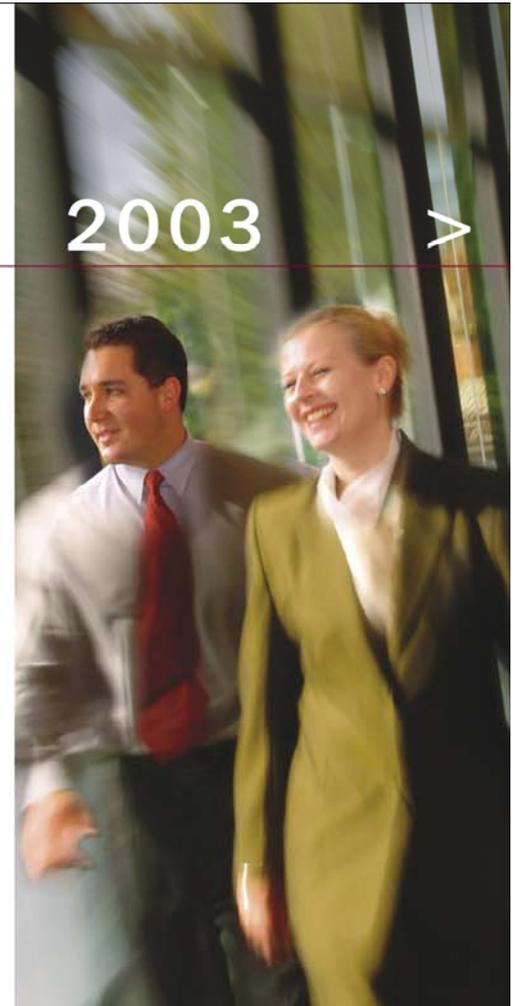
Strong asset quality performance

Continued community enhancement activities (building demand)

Increased e-Bank usage

Strong contribution from subsidiaries & joint ventures

2003



Investments continue

... to maintain strong revenue growth

91 branches to 227 branches over past 3 years
21 branches in past 6 months

Alliances and Joint Ventures

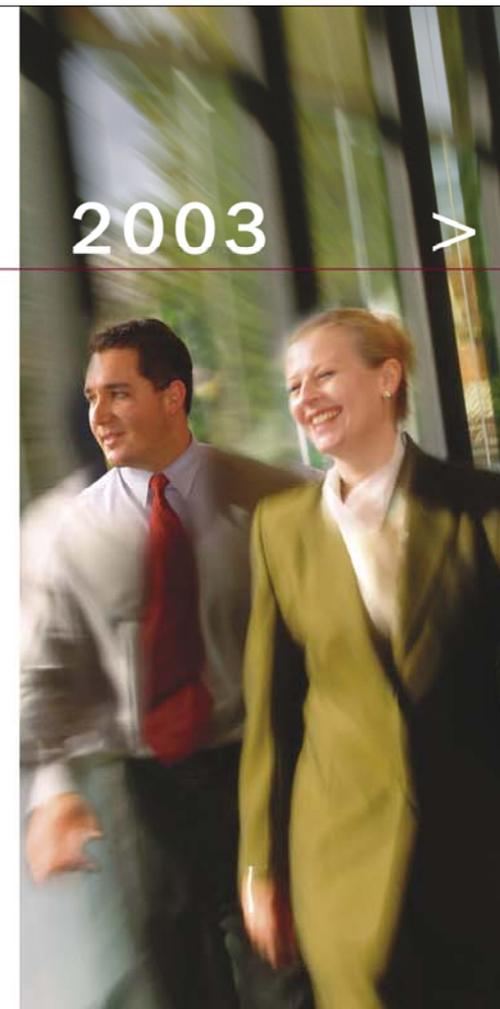
NSW developments

Community Bank expansion
5 branches in Sydney
Plus development over next few years

Expansion and implementation of Wealth
Management structure

Expansion of the advisory service
Expansion of product range (BMF)

2003



Investments continue

... to maintain strong revenue growth

Group-wide Shaping to Grow exercise

Expensed during first 6 months

Implementing improvements in 2nd half

Establishment of Community Sector Banking structure and operation

Continued growth in our skill base

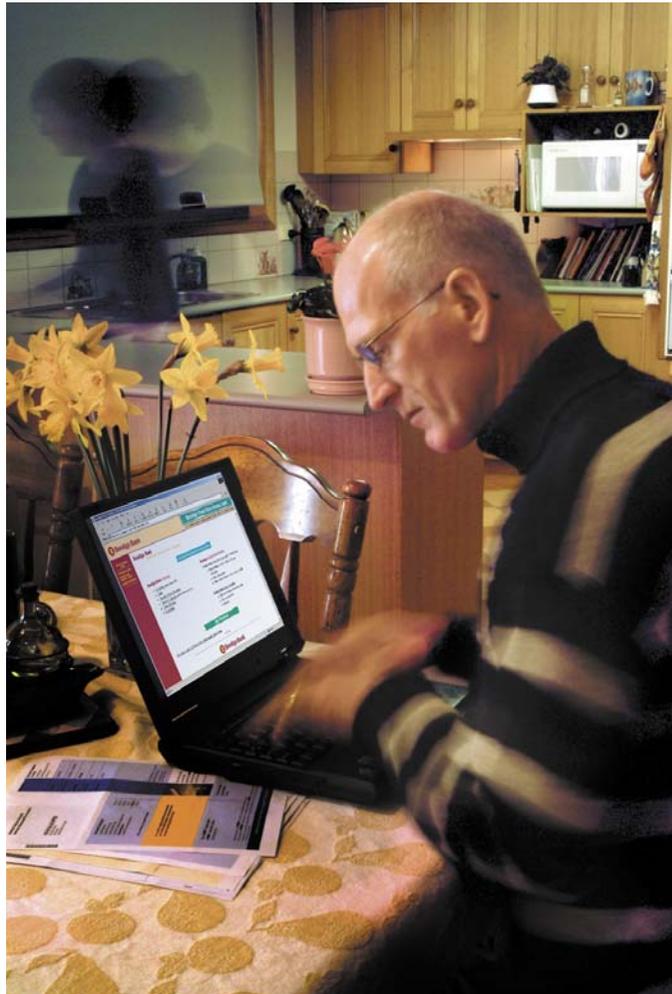
Enhanced business banking capability

Continued enhancement of risk management framework

2003



Looking forward



2003 >



Why progress will continue

Differentiated brand (unique style)

Strong growth and demand

Relevant business & community solutions

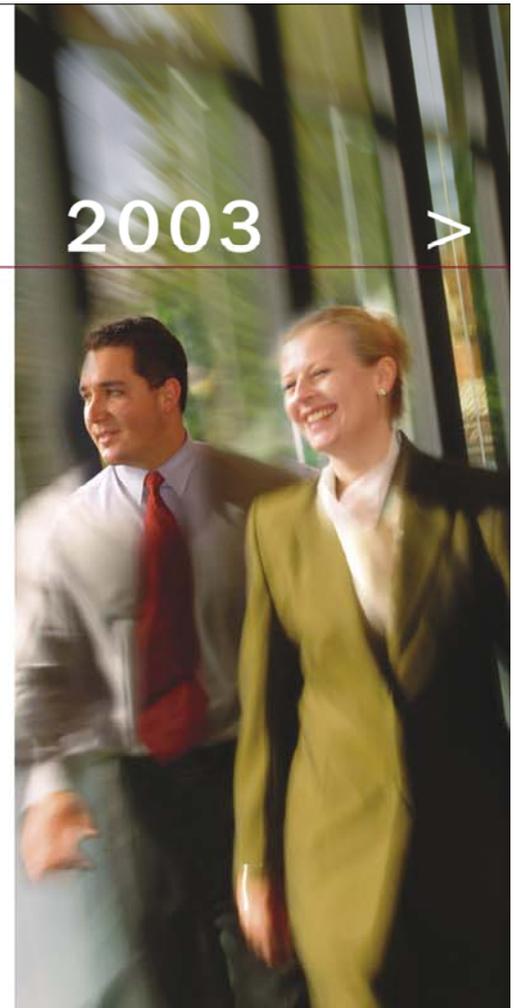
New businesses increasing contribution

50% of BBL branches under 3 years old
(Elders Rural Bank, Community Bank, Guild
Banking, Tasmanian Banking Services, Community
Sector Bank)

Wealth Management Division revenue
contribution

*Strong community and business demand for Bendigo
solutions*

2003 >



 **Bendigo Bank**

Bendigo's proven ability to ...

Integrate other businesses

Form and run alliances and partnerships

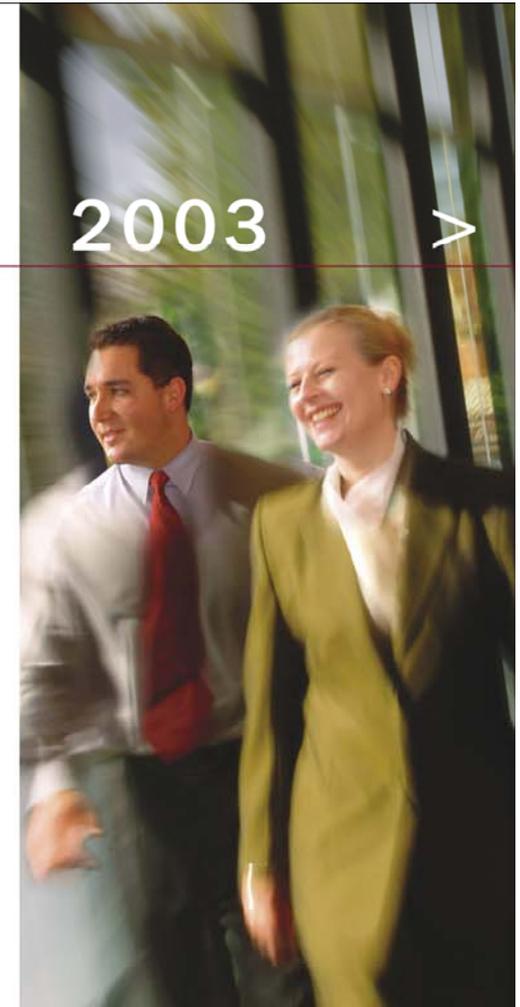
Grow our base faster than system growth

Create innovative solutions

Unite, engage and involve communities and discrete customer bases and generate strong buyer demand and commitment

In effect . . . build strong revenue growth

2003



Future

Continued growth in distribution network

Another 35-plus branches

New communities & customer groups

Growing national presence

Roll-out of Wealth Management

Expanded capability in business banking

Strong growth in e-banking

Solid increase in revenue base expected

Steady improvement in profitability & company performance

2003

