Bendigo Bank Group Memorandum

Bendigo Bank

DATE:	Wednesday, 8 October 2003
SUBJECT:	Unsecured Subordinated Perpetual Convertible Capital Notes

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The attached letter will be issued to all holders of Bendigo Bank Unsecured Subordinated Perpetual Convertible Capital Notes.

September 2003

Dear Noteholder,

Unsecured Subordinated Perpetual Convertible Capital Notes – Issued 1997

I would like to advise you of a recent taxation change affecting Bendigo Bank in relation to the Capital Notes you hold.

As a result of the change, it is expected that Bendigo Bank will move to repay the principle amount of your notes by 30 June 2004, subject to APRA approval being obtained.

Bendigo Bank would like to re-purchase your notes at the face value of $4.10 per Capital Note.

Prior to this re-payment, you will have two opportunities to convert your notes to fully paid Ordinary Shares on a 1:1 basis. You will have opportunities to convert your notes to shares on 30 November and 31 May 2004. You will receive a reminder prior to these dates.

These opportunities to convert to ordinary shares may represent significant value to you. The average share price during the past five days has been $9.09. This compares favorably to the $4.10 re-purchase price that would otherwise apply to the capital note ($4.10). The most recent share dividend payments made on ordinary shares also exceeded the interest payments applicable to the notes.

It is important to understand that this letter does not constitute taxation or financial advice. I would strongly recommend that you seek advice from an independent adviser before making a decision.

Yours sincerely,

Allan Thomas
Manager – Share Registry