

Interim Profit 2005

Presenters

The financial result

Craig Langford
Chief Financial Officer

Strategy and outlook

Rob Hunt
Managing Director

The financial result

Craig Langford
Chief Financial Officer

Performance summary

A\$ Millions

	Dec-03	Dec-04
Net Profit after Income Tax	34.6	42.8
Net profit before specific items	33.2	38.9
Lending approvals	3,098	2,987
Retail deposits	8,396	9,629
Return on Average Assets	0.71%	0.72%
Return on Average Equity	11.90%	12.41%
Earnings per Share - cents	26.9	30.5
Dividend - cents	17.0	19.0

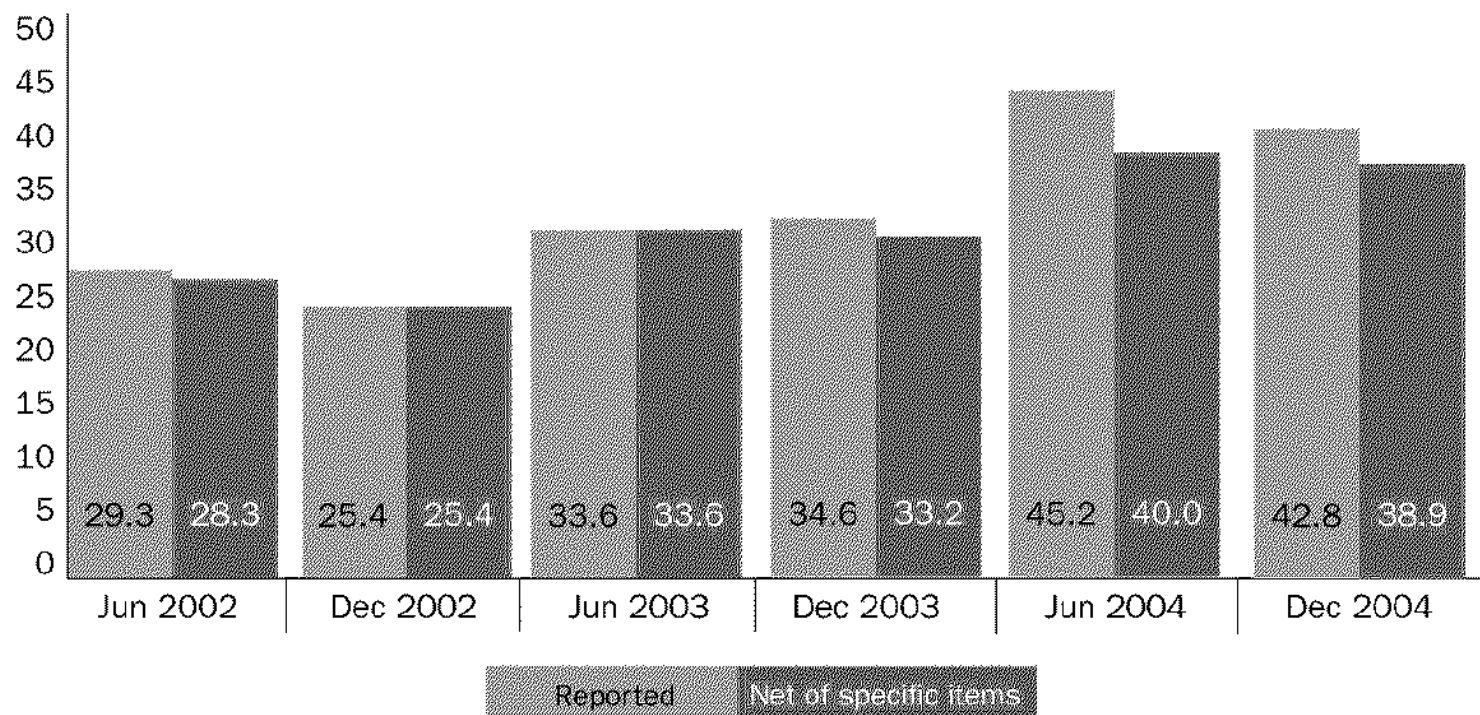
Specific items

A\$ Millions

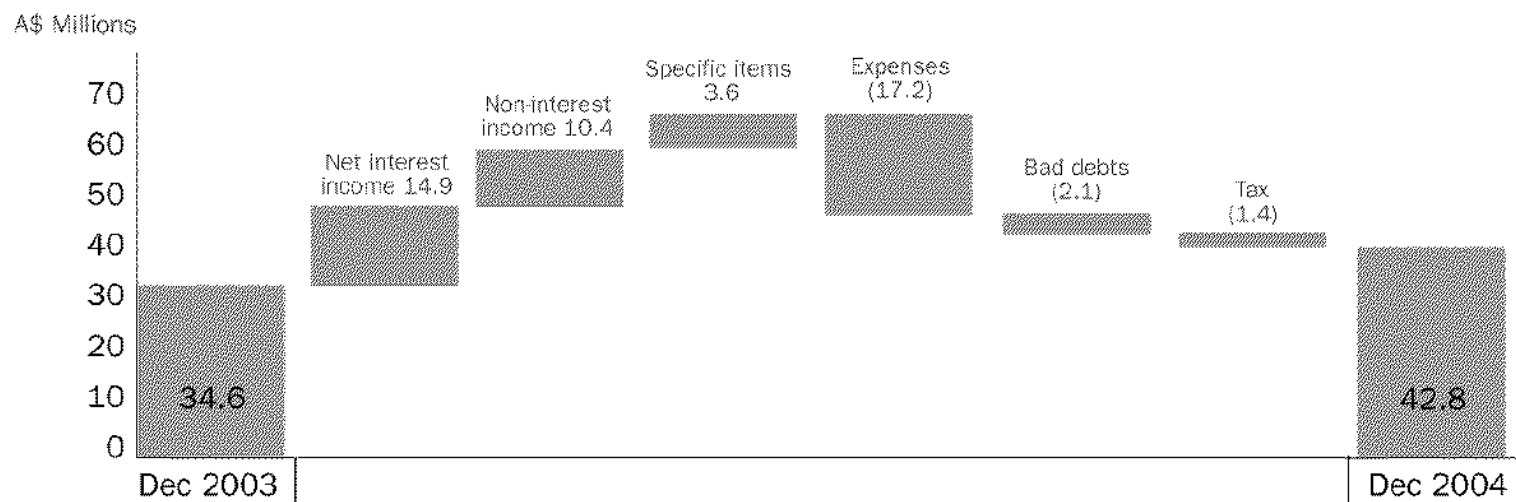
Sale of IOOF Holdings Ltd shares	5.0
Sale of Cashcard shares	0.5
Income tax effect	(1.6)
TOTAL	3.9

Operating profit after tax

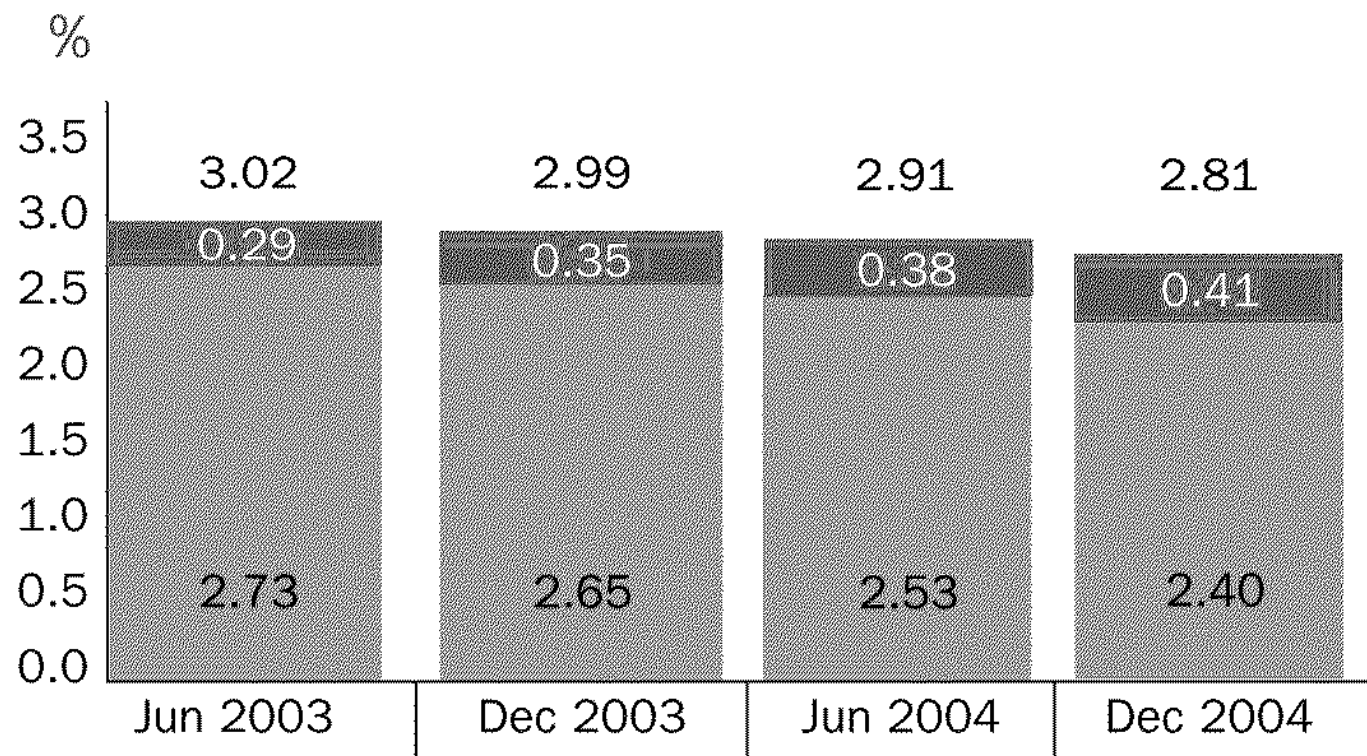
A\$ Millions



Profit performance

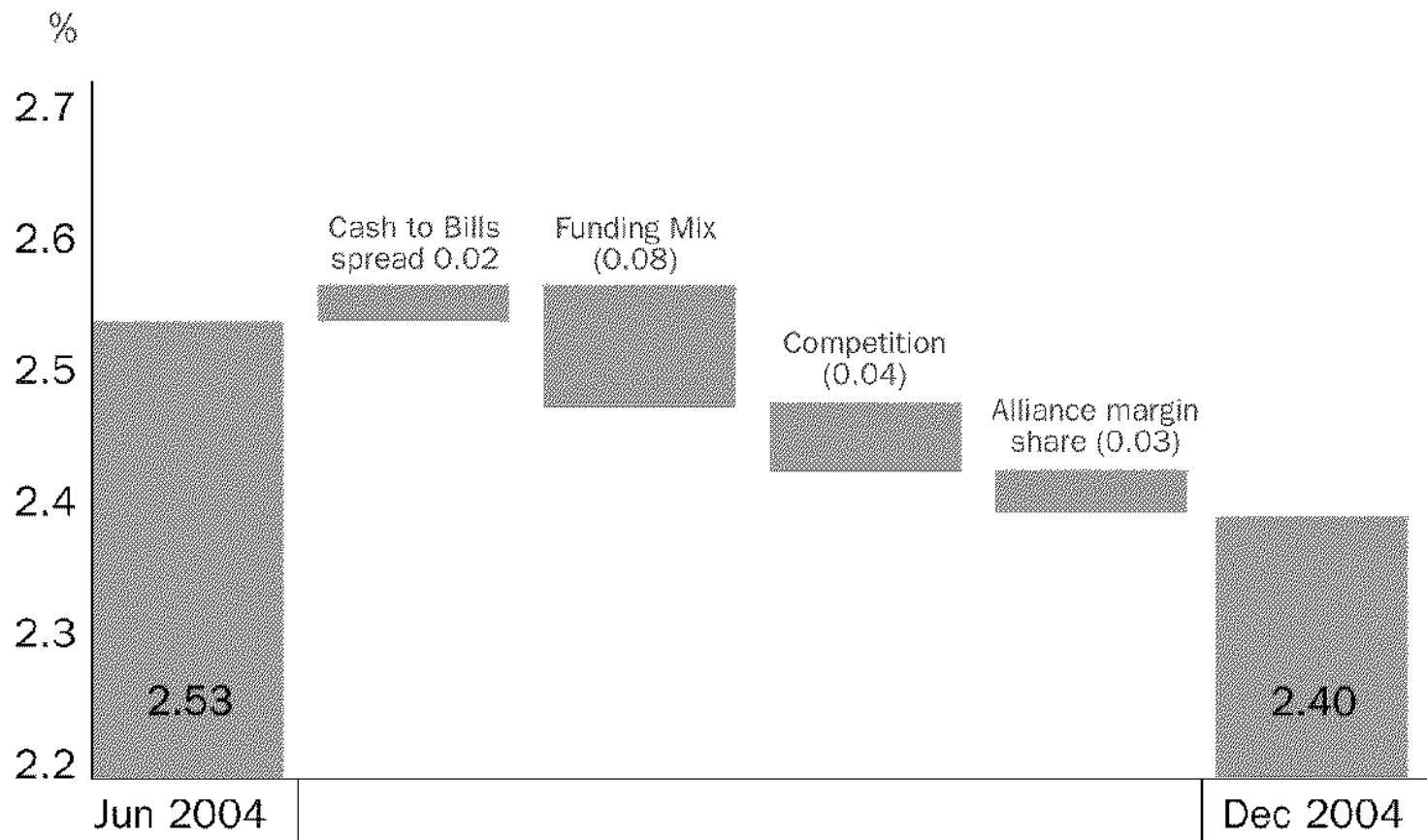


Interest margin

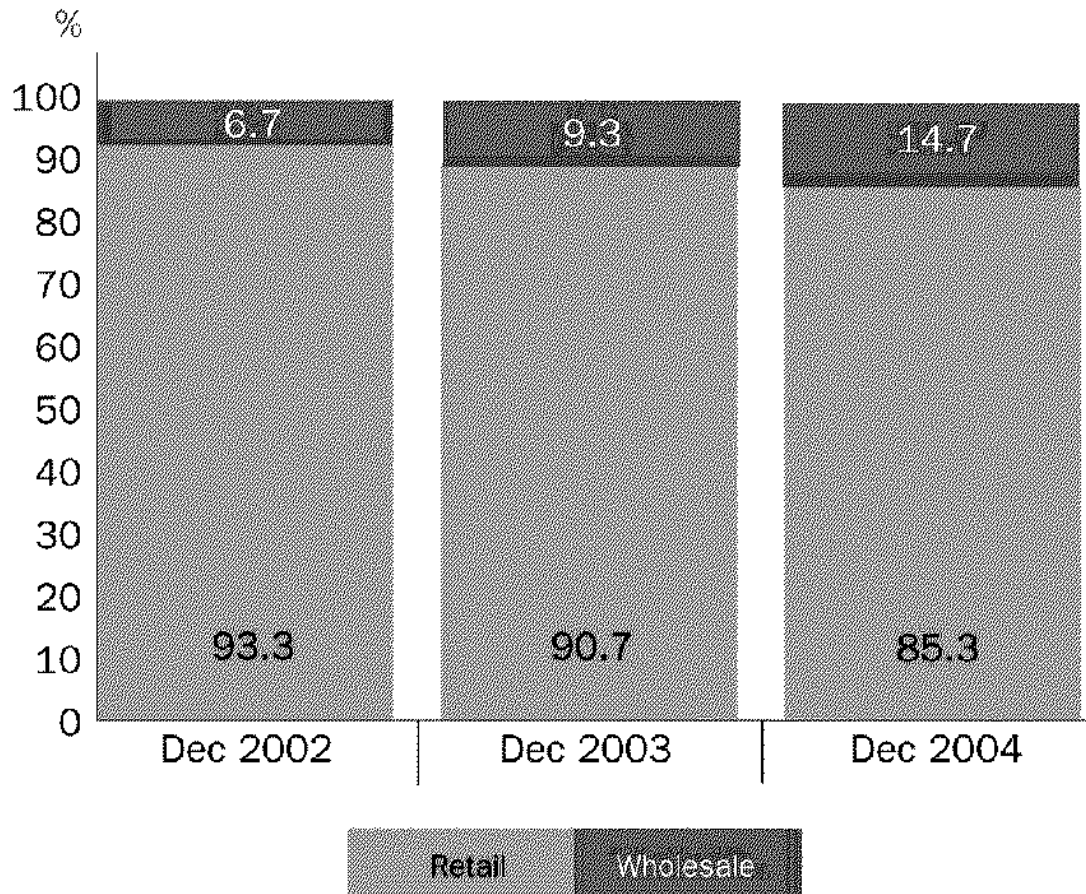


Net interest margin Community Bank & Alliances

Analysis of net interest margin

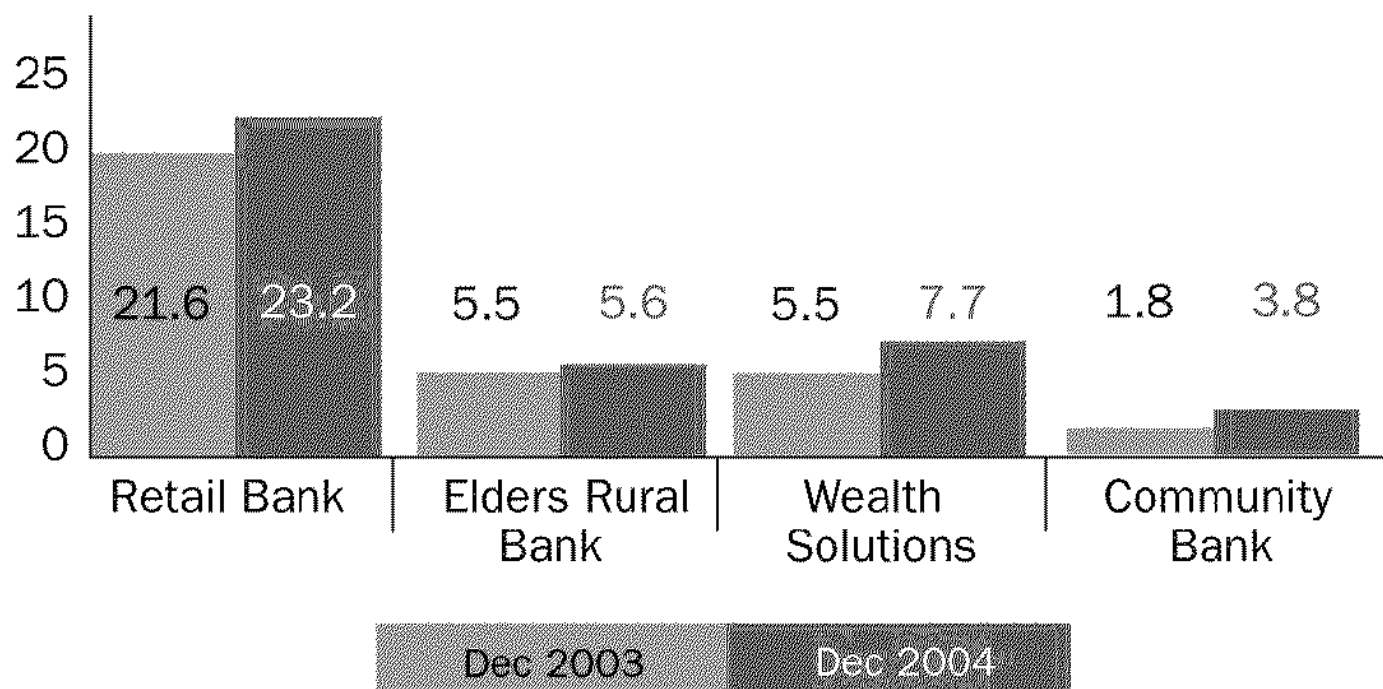


Core retail deposit base: Funding mix

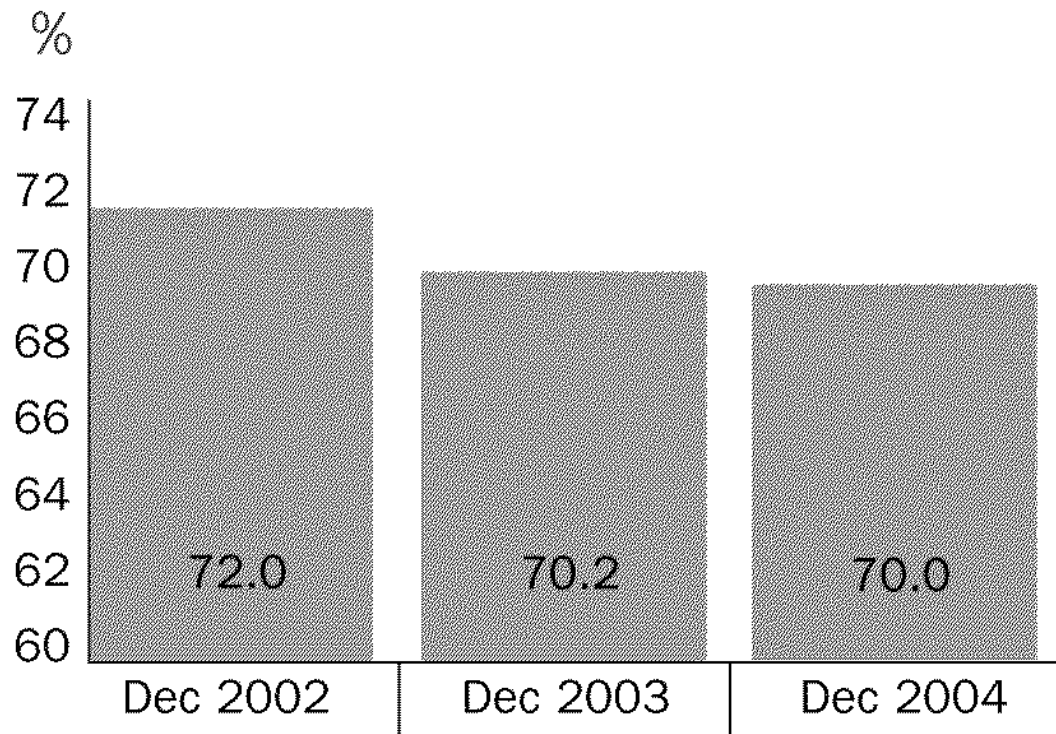


Profit contributions

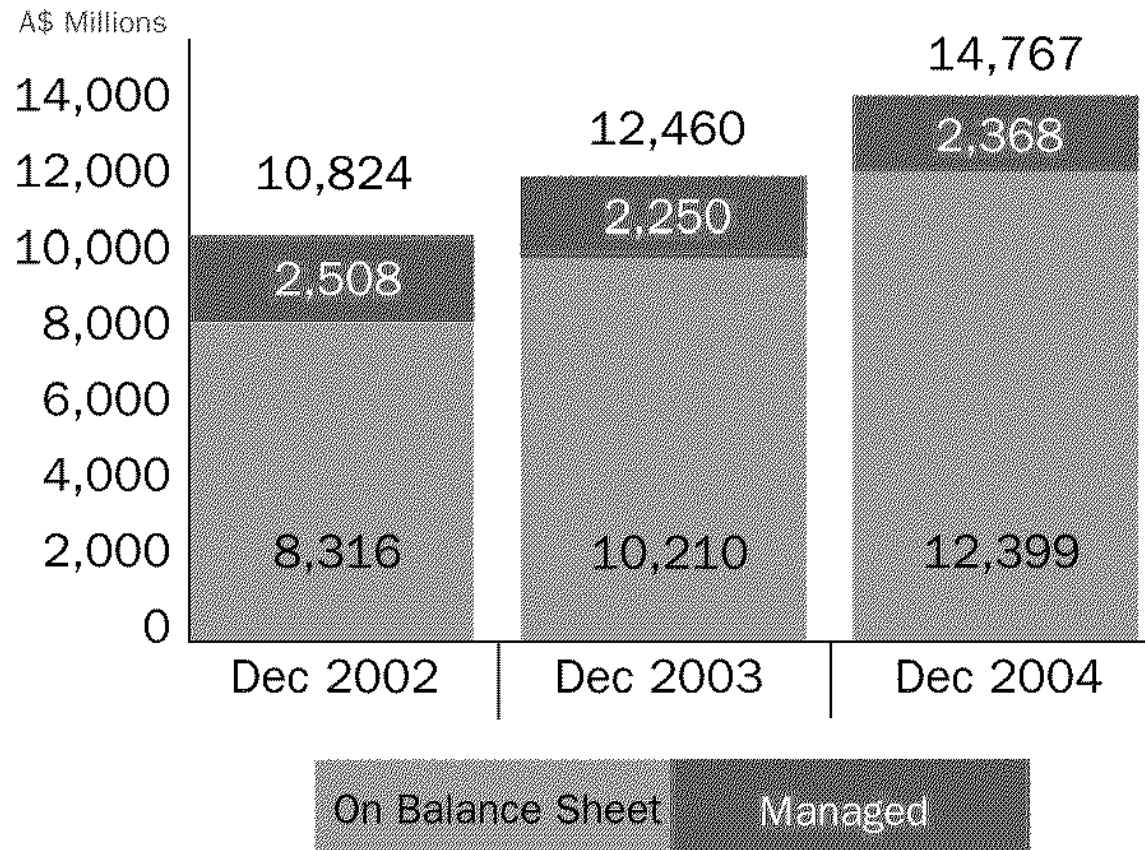
A\$ Millions



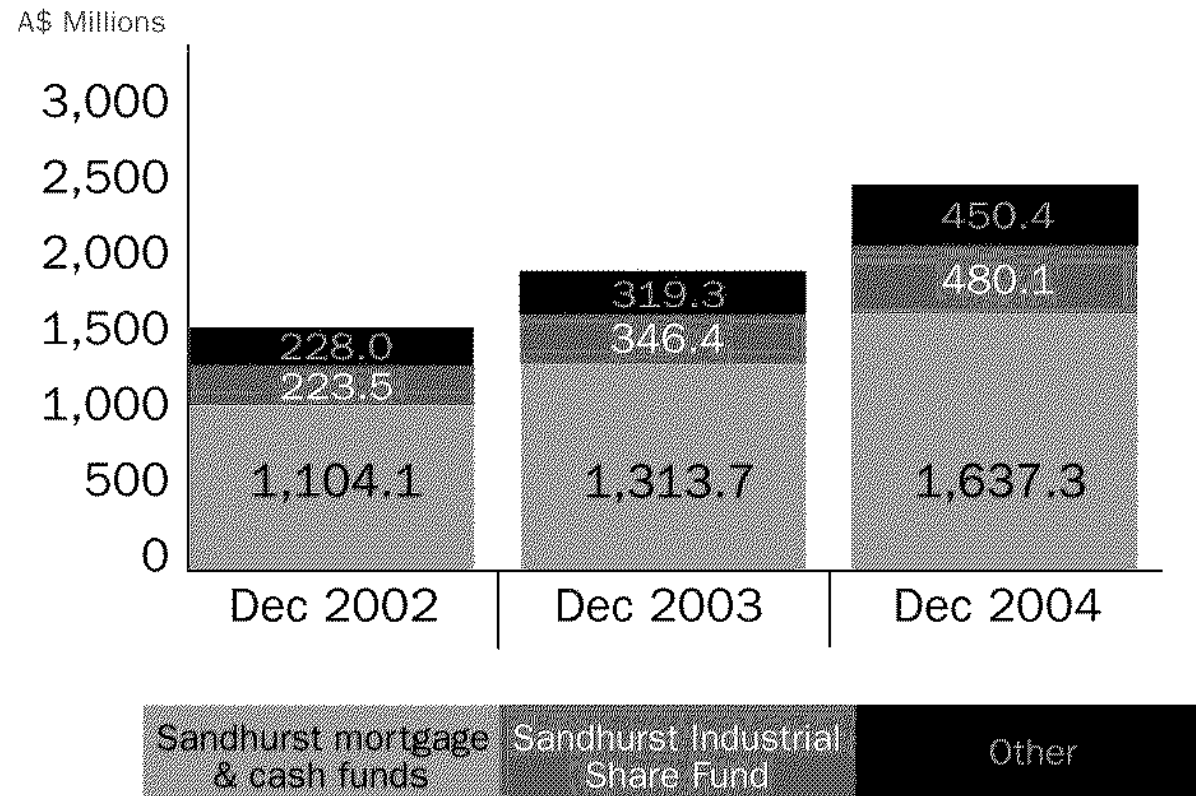
Efficiency ratio: Operating expenses/income



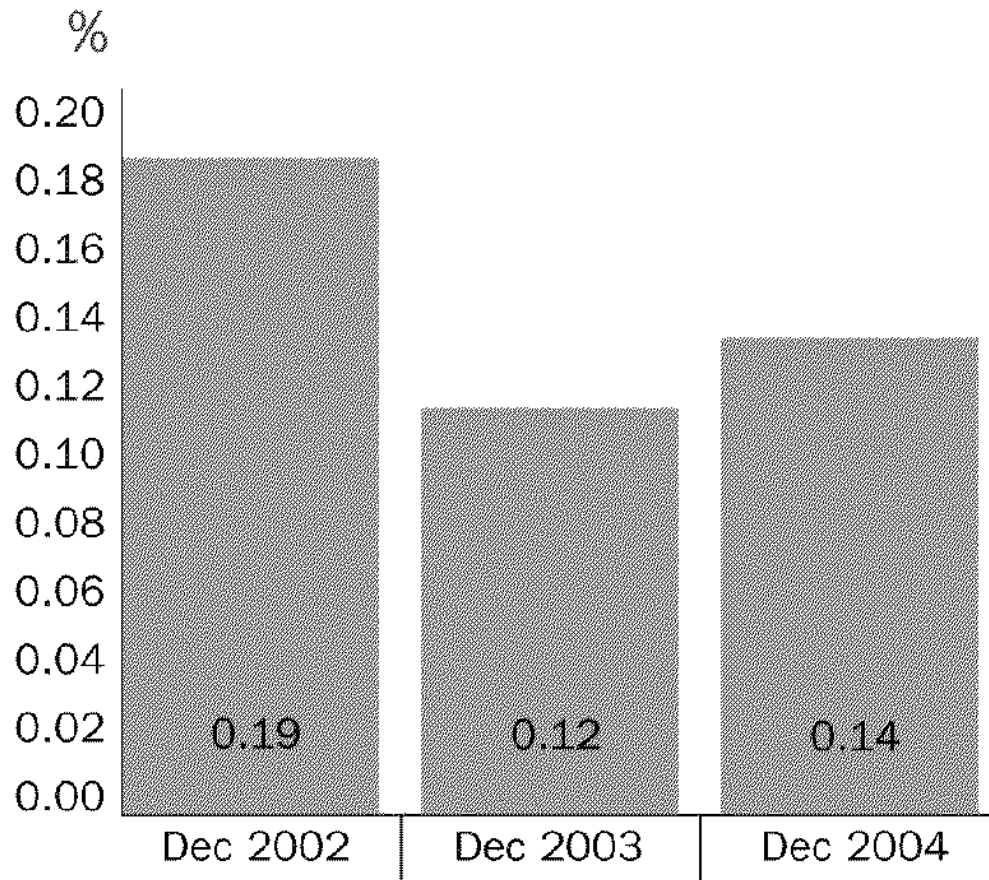
Total assets



Funds under management

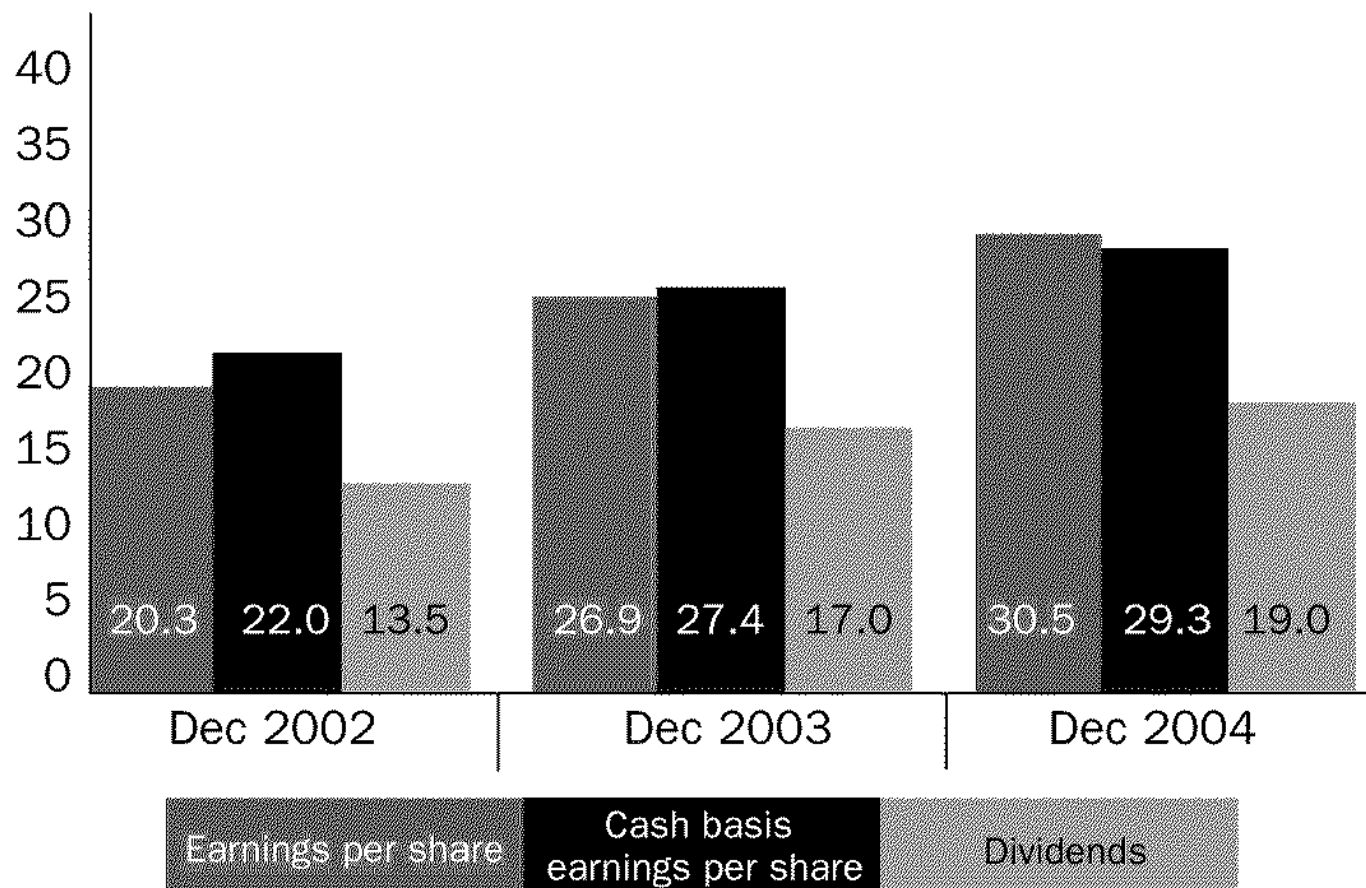


Asset quality: Impaired loans / total assets

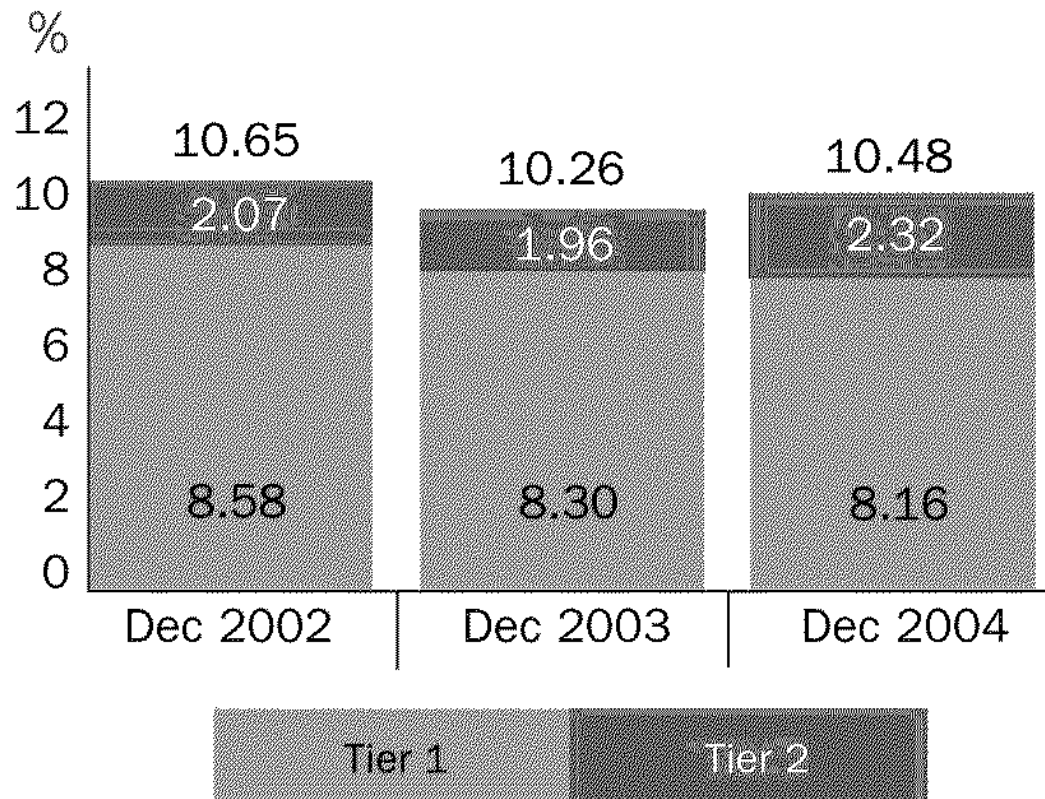


Shareholder returns

Cents



Capital adequacy



Capital structure

- Reviewed current structure in light of current market conditions
- New target capital mix- tier one 7.50% tier two 2.75%
- Issue of Perpetual Step-up preference shares
- On market share buy back



More efficient capital structure

Strategy & outlook

Rob Hunt

Managing Director

A unique and consistent strategy

Cultivate strong retail connection through:

- Creating a distinctive brand
- Expanding distribution network
(proprietary, Community Bank, alliances)
- Broadening product range
- Increasing our relevance

*A strategy aligned to our historic strengths
and our capacity to deliver*

Strategic progress

Brand welcomed Australia-wide

Branch network tripled in five years

Alliances – ERB, TBS, CSB

Broad product range includes e-bank, Wealth Solutions, business, farm, sector-specific

Customer numbers doubled in four years

Our community engagement activities are building relevance

Business progress

Business now widely diversified

-Retail bank, Community Bank,
Wealth Solutions, JV's & alliances

All growing strongly with rising earnings

Strategic investments play a key role in our
strategy

*Diversity of revenue is a key emerging
strength*

Performance progress

	2000	2004
After-tax profit	\$21m	\$80m
ROE	7.75%	12.99%
EPS	27.5c	60.2c
Dividends	24.0c	40.0c*

* 2005 interim dividend up by 2 cents

Growth is consistently strong despite a heavy investment program

The interim result

Solid progress in line with forecast

Strong growth in revenues across business

Growth is enabling further investment in capacity and improving prospects

But ... some short-term issues relating to revenue and EPS outcomes

Interim result continues our steady progress

Retail banking margins

High retail funding proportion (90%) at start of period

Increased price competition for deposits

Margin pressure caused by changes in retail/wholesale mix

Customer margins relatively stable

Bendigo grew retail base by 15% in the calendar year (assets by 21%)

Bendigo remains 85% retail-funded

Margin remains healthy

Gross margin is strong (2.81%)

Happy to share margin with Community Bank and other distribution partners

Continue to build strong relationships

- Customers
- Communities
- Alliance partners

Not chasing growth based on price

Our retail banking strategy has been consistent for a decade

Capital fine-tuning

Simple capital structure has served us well

More efficient structure will improve shareholder returns

Providing shareholders with investment choice

Improving EPS is a focus

Improved alignment between bottom line performance and shareholder returns

Bendigo's retail shareholder base is a strategic strength

Looking ahead

Strategy remains consistent - building community engagement capacity

Strong demand for brand, so ...

We will continue to invest in capacity

Growth will continue as businesses mature and expansion continues

Excellent prospects for ERB and alliances

Bendigo Bank's performance improvement remains on track

Additional Information

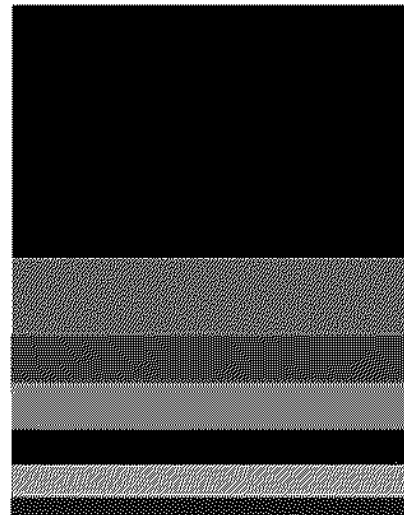
Non-interest income

\$73.4m



Dec 2003

\$88.7m



Dec 2004

- 34% Deposit A/C & transaction fees
- 17% Loan fees
- 16% Commissions (primarily Wealth Man.)
- 11% JV contributions
- 7% Securitisation
- 6% Trustee & service fees
- 4% Specific items
- 3% Insurance Commissions
- 2% Other

- 35% Deposit A/C & transaction fees
- 17% Commissions (primarily Wealth Man.)
- 14% Loan fees
- 9% JV contributions
- 9% Specific items
- 5% Trustee & service fees
- 5% Other
- 3% Insurance Commissions
- 3% Securitisation

Operating expenses

\$139.0m



Dec 2003

- 49% Staff & related costs
- 22% Administration & other expenses
- 9% Information technology costs
- 7% Occupancy costs
- 5% Property, plant & equipment costs
- 5% Fees & commissions
- 2% Amortisation of goodwill
- 1% Specific items

\$157.6m



Dec 2004

- 50% Staff & related costs
- 22% Administration & other expenses
- 7% Information technology costs
- 7% Occupancy costs
- 6% Property, plant & equipment costs
- 5% Fees & commissions
- 2% Specific items
- 1% Amortisation of goodwill

Commercial loans

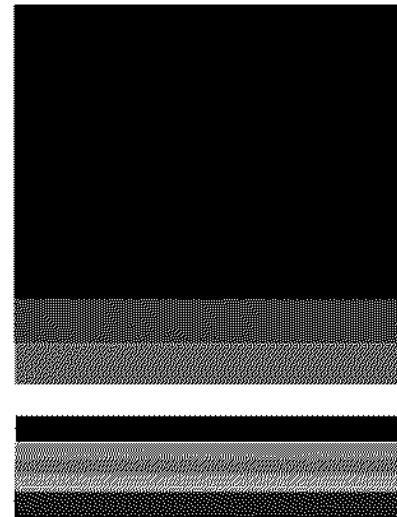
\$1,522m



Dec 2003

- 34% Property & business services
- 15% Other
- 12% Retail trade
- 12% Agriculture, forestry & fishing
- 7% Construction
- 5% Accom, cafes & restaurants
- 4% Manufacturing
- 3% Health & community service
- 3% Cultural & recreational services
- 3% Transport & storage
- 2% Wholesale trade

\$2,052m

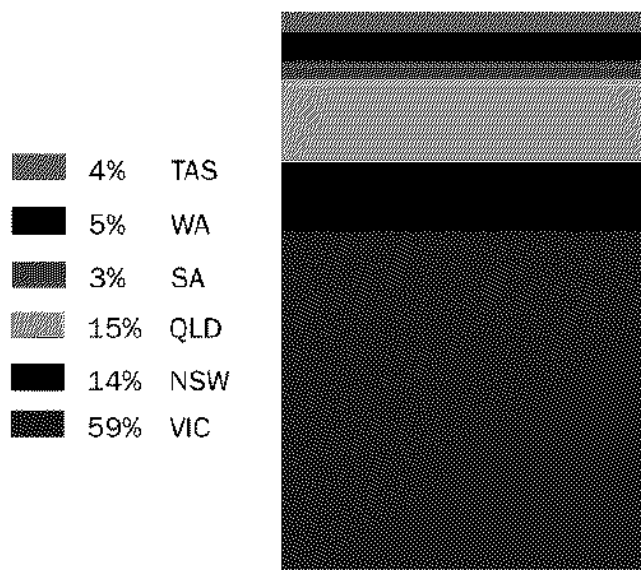


Dec 2004

- 40% Property & business services
- 12% Retail trade
- 11% Agriculture, forestry & fishing
- 10% Other
- 7% Construction
- 5% Accom, cafes & restaurants
- 4% Manufacturing
- 4% Transport & storage
- 3% Health & community service
- 2% Cultural & recreational services
- 2% Wholesale trade

Geographic spread

Loans



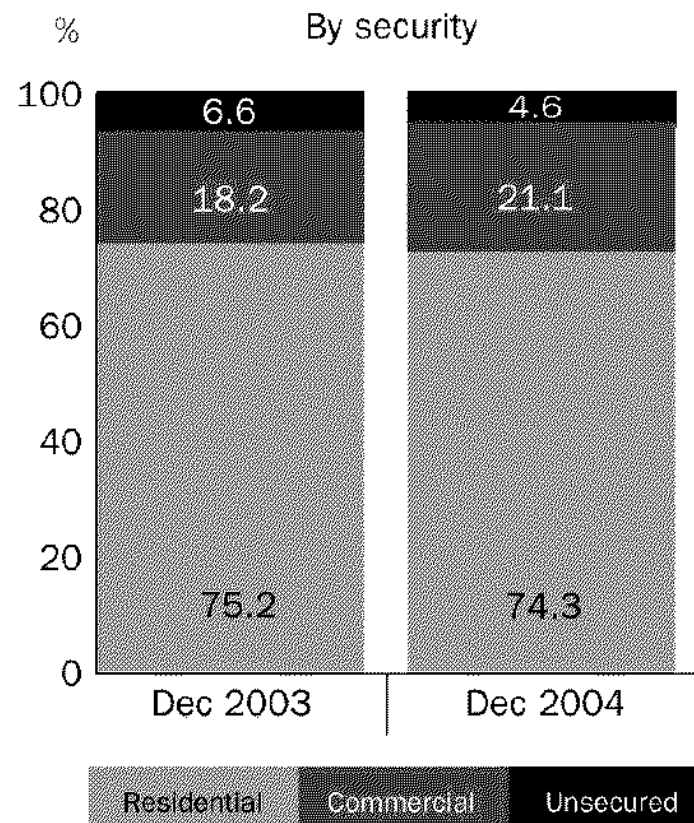
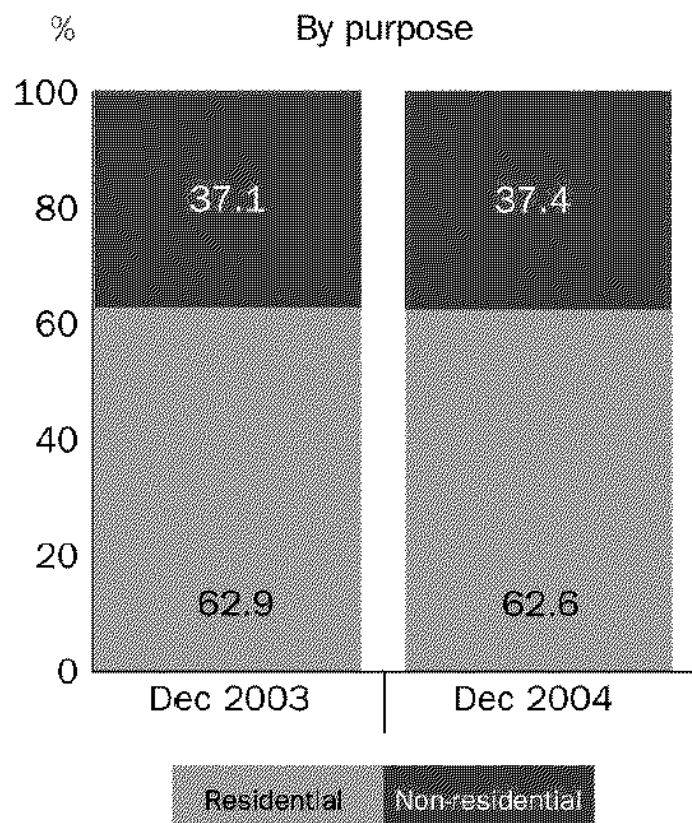
Dec 2004

Deposits

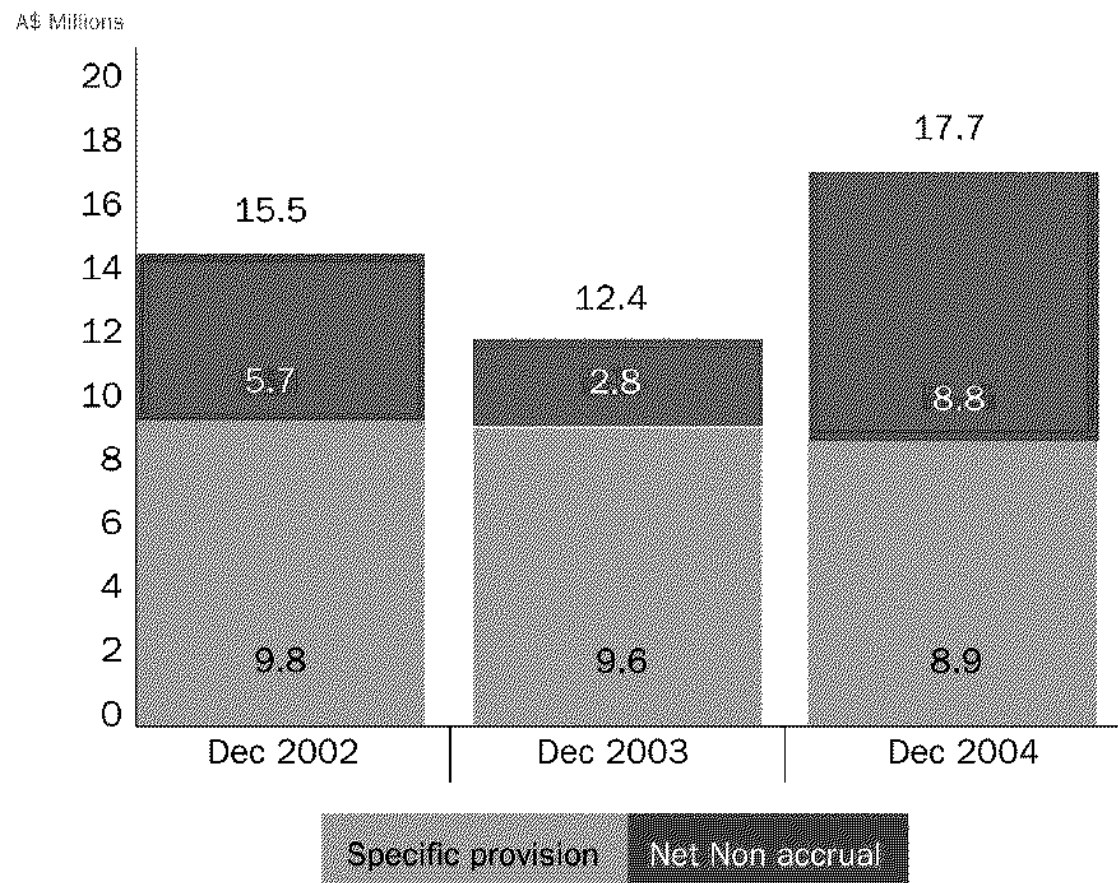


Dec 2004

Loan portfolio

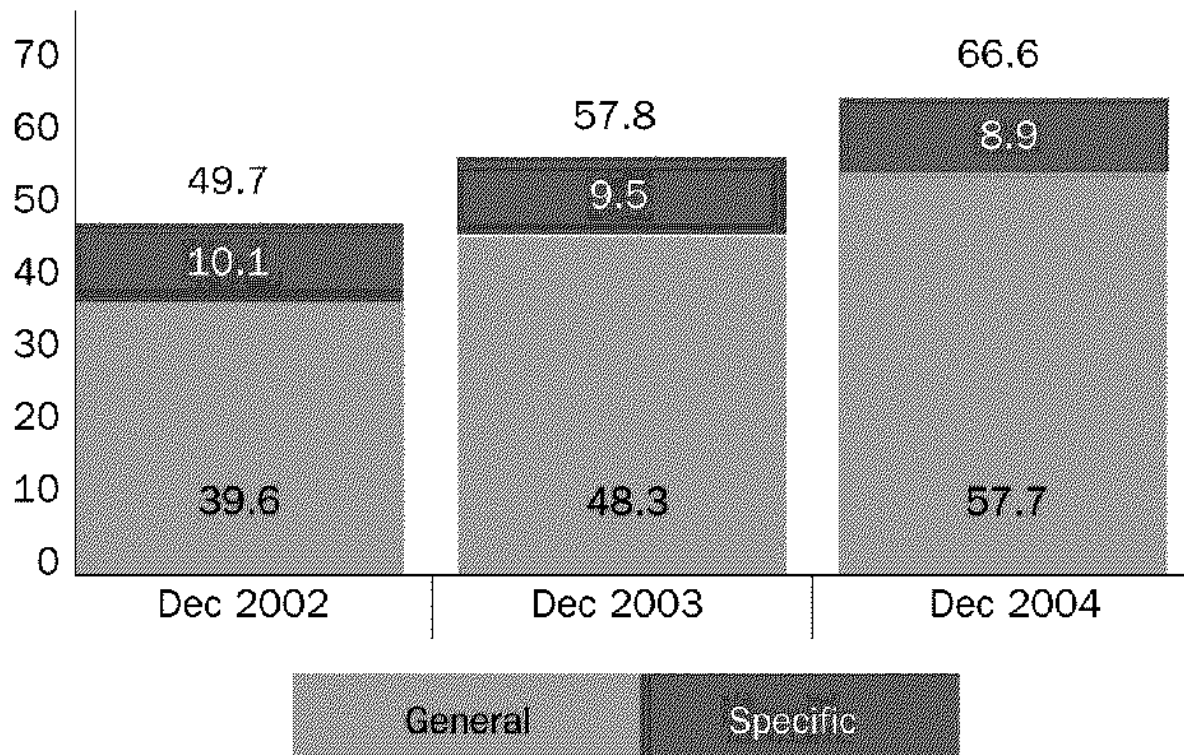


Non-accrual loans



Provision for doubtful debts

A\$ Millions



Return on equity

