Bendigo Bank

ABN 11 068 049 178

Additional information in relation to the December 2004 Half Year Financial Results

Further to the release of the Bendigo Bank half-year financial results on 14 February 2005, the bank considers it appropriate to release additional information in response to commonly asked questions from market analysts and other interested parties.

This additional information is provided in the interest of enhancing the public understanding of the December 2004 half-year financial results. A significant amount of this information is expected to form part of the bank's future financial performance reporting.

Clarify the meaning of the new tables disclosing information relating to loans and deposits growth in new branches.

Loan balance growth - new branches	**No. of new branches**	**Loan bal held $m**	**Loan growth $m**		**% growth - new branches**	**% of total loan growth**
Dec 04 half-year						
New branches	46	229.8	98.1	(6 months)	74.5	11.3
Jun 04 full-year						
New branches	46	295.9	227.2	(12 months)	330.7	12.0
Jun 03 full-year						
New branches	59	568.3	298.4	(12 months)	110.6	22.9

Number of new branches represents the number of branches opened in the 18 months prior to reporting date. Each period is discreet, including growth relating to only those branches opened in the 18 month period prior to the reporting date. Each period includes some new branches not included in the previous period and excludes some branches that were categorised as new in the previous period.

Loan balances held indicates the total gross loan balances held by those branches categorised as new for that period as at the end of the period.

% growth for new branches indicates the % growth in balances during the period for those branches categorised as new in that period over their starting balances.

% growth of total loan growth indicates the growth of balances held by branches categorised as new for the period as a % of total growth in group loan balances for that period. This percentage is expected to decline over time, as the proportion of new branches to the total branch network declines.

Deposits growth - new branches	**No. of new branches**	**Deposits held $m**	**Deposits growth $m**		**% growth - new branches**	**% of total deposit growth**
Dec 04 half-year						
New branches	46	327.1	122.1	(6 months)	59.6	10.7
Jun 04 full-year						
New branches	46	380.8	312.8	(12 months)	460.0	16.4
Jun 03 full-year						
New branches	59	601.3	465.1	(12 months)	341.5	37.1

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Deposit balances held indicates the total deposit balances held by those branches categorised as new for that period as at the end of the period.

% growth for new branches indicates the % growth in balances during the period for those branches categorised as new in that period over their starting balances.

% growth of total deposit growth indicates the growth of balances held by branches categorised as new for the period as a % of total growth in group deposit balances for that period. This percentage is expected to decline over time, as the proportion of new branches to the total branch network declines.

December 2004 Half Year - actual performance compared with market guidance

The bank affirmed its market guidance on expected increase in profit after tax, before specific items, for June 2005 year is in the range of 15-18%.

Actual performance for the December half was an increase in profit after tax, but before specific items, of 17.2%.

Provide additional information regarding deposits, funds under management and retail deposits

	Dec-04	Jun-04	Increase/(Decrease) Value	Increase/(Decrease) %	Dec-03	Increase/(Decrease) Value	Increase/(Decrease) %
	$m	$m	$m		$m	$m	
Deposits and funds under management							
Deposits	11,289.6	10,148.9	1,140.7	11.2	9,259.4	2,030.2	21.9
Managed funds-Trustee Coy	2,567.8	2,158.9	408.9	18.9	1,979.4	588.4	29.7
Total deposits and funds under management	13,857.4	12,307.8	1,549.6	12.6	11,238.8	2,618.6	23.3
Deposits dissection:							
Retail	9,629.3	9,052.1	577.2	6.4	8,396.0	1,233.3	14.7
Wholesale - domestic	906.0	599.1	306.9	51.2	505.1	400.9	79.4
Wholesale - offshore	754.3	497.7	256.6	51.6	358.3	396.0	110.5
Total deposits	11,289.6	10,148.9	1,140.7	11.2	9,259.4	2,030.2	21.9
Deposits dissection - %							
Retail	85.3%	89.2%	(3.9%)	(4.4)	90.7%	(5.4%)	(6.0)
Wholesale - domestic	8.0%	5.9%	2.1%	35.6	5.5%	2.5%	45.5
Wholesale - offshore	6.7%	4.9%	1.8%	36.7	3.8%	2.9%	76.3
Total deposits	100.0%	100.0%	-	-	100.0%	-	-
Managed funds dissection							
Common Funds - cash funds	347.5	330.3	17.2	5.2	341.2	6.3	1.8
- mortgage funds	1,289.8	1,058.8	231.0	21.8	972.5	317.3	32.6
Investment and superannuation funds	930.5	769.8	160.7	20.9	665.7	264.8	39.8
Total managed funds	2,567.8	2,158.9	408.9	18.9	1,979.4	588.4	29.7

Managed funds include those funds deposited in the Sandhurst Trustees Limited Common Funds, which are invested in the cash and mortgage investments on behalf of the investors. These funds are off-balance sheet.
Investment and superannuation funds are funds deposited for investment in managed investment and superannuation funds. The management of these portfolios is outsourced by Sandhurst Trustees Limited.

Provide information on loan growth - on and off balance sheet

	Jan-00	Jan-00	Increase/(Decrease) Value	Increase/(Decrease) %	Jan-00	Increase/(Decrease) Value	Increase/(Decrease) %
	$m	$m	$m		$m	$m	
Loans under management (gross balance)							
On-balance sheet	10,341.3	9,470.0	871.3	9.2	8,387.1	1,954.2	23.3
Securitised	574.2	682.5	(108.3)	(15.9)	740.8	(166.6)	(22.5)
STL Common Funds	1,235.4	1,103.2	132.2	12.0	1,025.8	209.6	20.4
Total Group loans under management	12,150.9	11,255.7	895.2	8.0	10,153.7	1,997.2	19.7

Loans under management represents the gross balance of loans managed by the group:
On-balance sheet loans is the gross balance of loans held by the consolidated group.
Securitised loans are loans that have been sold into securitisation programs and have been derecognised by the group.
STL Common Funds is the gross balance of loans in these funds, which are managed by Sandhurst Trustees Limited, a wholly-owned subsidiary of Bendigo Bank Limited.

Detail the growth in financial planning staff and business bankers

Data for financial planners indicates the number of staff in Bendigo Investment Services and planners/advisers located in the retail network (equivalent FTE).

Dec-03	47.2
Jun-04	45.3
Dec-04	50.0

Data for business bankers indicates the number of staff located in the retail network (equivalent FTE).

Dec-03	136.2
Jun-04	145.5
Dec-04	175.9

Correction to segment reporting

Following a review of the new segment reporting note in the Half Year Financial Report, an error in the reported 'segment result' and 'internal cost allocations' figures has been corrected. The revised numbers are set out below. These changes do not alter the segment results at the 'consolidated entity profit from ordinary activities before income tax expense' line of the report.

6 months to 31 December 2004

Results	Retail Banking $m	Community Banking $m	Wealth Solutions $m	Joint Ventures, Alliances & Corp. Support $m	Eliminations $m	Total $m
Segment result	51.3	12.8	11.6	(9.2)	(6.4)	60.5
Internal cost allocations	(18.1)	(7.4)	(0.9)	26.4	-	-
Consolidated entity profit from ordinary activities before income tax expense	33.2	5.4	11.0	17.3	(6.4)	60.5

6 months to 31 December 2003

Results	Retail Banking $m	Community Banking $m	Wealth Solutions $m	Joint Ventures, Alliances & Corp. Support $m	Eliminations $m	Total $m
Segment result	46.1	8.5	8.5	(8.7)	(3.6)	51.0
Internal cost allocations	(15.3)	(5.9)	(0.8)	22.0	-	-
Consolidated entity profit from ordinary activities before income tax expense	30.8	2.6	7.8	13.4	(3.6)	51.0

Capital Adequacy & ACE ratio

The Australian Prudential Regulation Authority (APRA) guidelines require capital to be allocated against credit and market risks. Banks must maintain a ratio of qualifying capital (comprising Tier 1 and Tier 2 capital), to risk weighted assets and off-balance sheet exposures determined on a risk weighted basis, of which at least half must be Tier 1 capital. The Bank adopted the 'standard model' approach prescribed by APRA to measure market risk. The resultant capital after applying a numeric conversion factor forms part of risk-weighted assets.

	December 2004 $m	June 2004 $m
Risk Weighted Capital Ratios		
Tier 1	8.16%	8.38%
Tier 2	2.32%	1.97%
Total capital ratio	10.48%	10.35%
Adjusted Common Equity	**6.57%**	**6.79%**
Qualifying Capital		
Tier 1		
Contributed capital	565.3	551.6
Retained profits & reserves	112.7	97.9
Less,		
Intangible assets	(61.5)	(63.7)
Net future income tax benefit	(11.4)	(8.4)
Other adjustments as per APRA advice	(12.0)	(7.7)
Total Tier 1 capital	593.1	569.7
Tier 2		
General provision for doubtful debts	40.4	37.4
Unsecured subordinated perpetual convertible capital notes	-	-
Subordinated capital notes	239.3	199.3
Asset revaluation reserve	4.9	4.9
	284.6	241.6
Less,		
Subsidiary investment residual	(9.0)	(8.9)
Total Tier 2 capital	275.6	232.7
Less,		
Investments in non-consolidated subsidiaries or associates and other banks' capital instruments	(106.9)	(99.1)
Total qualifying capital	761.8	703.3
Risk Weighted Assets	**7,267.7**	**6,797.2**

Adjusted Common Equity		
Tier 1 capital	593.1	569.7
Deduct:		
Subsidiary investment residual	(9.0)	(8.9)
Investments in non-consolidated subsidiaries or associates and other banks' capital instruments	(106.9)	(99.1)
Total Adjusted Common Equity	477.2	461.7

Adjusted Common Equity ("ACE") is one measure considered by Standard & Poor's in evaluating the Bank's credit rating. The ACE ratio has been calculated in accordance with the Standard & Poor's methodology.