

Knowing the way forward

Inspired by a decade of community-focused banking



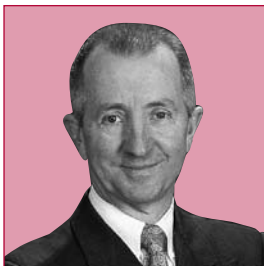
THE BENDIGO SHAREHOLDER MAY 2006

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Transition of chairmanship



Robert Johanson
Chairman

The transition of Bendigo Bank's chairmanship from Mr Richard Guy OAM to Mr Robert Johanson took effect from 27 March 2006.

This follows Mr Guy's announcement at last year's annual general meeting regarding the Board's plans to ensure smooth and effective Board renewal.

At the meeting, Mr Guy told shareholders he would step down as Chairman, effective from the end of March 2006, and that with the unanimous support of the Board, the Bank's Deputy Chairman Mr Robert Johanson would assume the chairmanship from that date.

Mr Guy will retire as a Director later in 2006.

New Chairman takes the helm

Mr Johanson has been a Director of the Bank for 18 years and Deputy Chairman for five years. He has chaired the Bank's Risk Committee since 1996 and is a member of the Governance and Audit committees. As Chairman, Mr Johanson will focus on further developing the strategic positioning of the Bank.

Mr Johanson acknowledged the outstanding contribution by Mr Guy during his 19-year term as Chairman.

"Richard has been a Director for 24 years and his involvement with the Bank continued a long history of family service to the organisation," Mr Johanson said.

"Richard has been a courageous and effective leader during the most significant period of development in the Company's 148-year history.

"His term as Chairman has seen the organisation grow from a small building society in central Victoria into a nationally represented, diversified financial services enterprise which is in the top 150 listed companies.

"Under the leadership of Richard and our Managing Director Rob Hunt, managed assets have grown from \$176 million to \$15.6 billion and after-tax profit has increased from \$2.7 million to \$90.4 million.

"History will record this as being an extraordinary growth period."

Mr Guy said he was extremely proud of the success and progress of the Bank during his term as Chairman.

"It has been a wonderful honour to have been Chairman of such a successful organisation," Mr Guy said.

"In challenging some of the banking orthodoxies, we have created a customer and community focused Company that has enjoyed success itself by helping to create a climate in which our customers and communities can succeed. In large part this has been achieved because of the unique Bendigo

culture of which I hope I have been an able custodian.

"My time on the Board has been extremely rewarding for me, personally, but also for shareholders who have seen their wealth grow in line with our business.

"I have been fortunate to lead a great team and I wish to thank all directors, present and past, with whom I have served for their friendship and unqualified support and counsel."

Introducing our new directors

Bendigo Bank approved the appointment of two new directors to the Company's Board during February and April. They are the first new faces on Bendigo's Board since the appointment of Queensland-based directors Neal Axelby and Terry O'Dwyer as part of the First Australian Building Society merger in 2000.

Deborah Radford - appointed 27 February 2006

Ms Radford is a former Executive Director of Firecone, a boutique transaction management and consultancy company, and currently works as an independent consultant.

She has extensive government experience at senior levels and more than 16 years experience in the banking sector, specialising in mergers, acquisitions and property transactions.

Her current directorships include Forestry Tasmania, Melbourne Market Authority, City West Water and now Bendigo Bank.

Ms Radford's experience is a welcome addition to the Board, in particular her expertise in the areas of banking and finance and environmental sustainability.

Tony Robinson - appointed 24 April 2006

Mr Robinson is the Managing Director of the publicly listed company OAMPS Limited, which provides broking and financial services for insurance; risk management; workers' compensation and occupational health and safety; financial planning services; and superannuation. He is also a director of VECCI.

His previous management positions include Joint Managing Director of Falkiners Stockbroking, Managing Director of WealthPoint, Chief Financial Officer of Link Telecommunications and General Manager Corporate Services at Mayne Nickless.

Mr Robinson brings to Bendigo additional depth and breadth of corporate experience that will be valuable as the Bank seeks to capitalise on the investments made in its distribution network, product range and infrastructure over the past decade.



Deborah Radford
- appointed 27 February 2006



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Bendigo launches Our Community Account

Bendigo Bank has launched an account designed for customers who have a genuine interest in supporting their local community and others around Australia.

Customers can donate half or all of the interest earned on their account to support the community through Community Enterprise™ Foundation, the charitable arm of the Bendigo Bank Group.



Hope the labrador puppy is a recipient of funding from Community Enterprise™ Foundation

Who is Community Enterprise™ Foundation?

Community Enterprise™ Foundation is the charitable arm of Bendigo Bank. The Foundation supports a wide range of causes across Australia (and in the case of the Asian tsunami, overseas), and by opening an Our Community Account your interest donation will be used to support:

- Family, youth and children's initiatives
- Public health programs and services
- Community-related building projects
- Innovative community services
- Public education
- Arts and culture
- Environmental projects

How much of my interest donation will go back to the community?

The Foundation will not be charging an administration fee on the Our Community Account, so 100% of your interest donation will go back into the community. All donations over \$2 are fully tax deductible.

Any queries, please contact the Foundation on 1300 304 541 or email foundation@bendigobank.com.au.

Bendigo Bank Credit Card & Bendigo Rewards

Have you redeemed your privilege?

Eligible Shareholder Privileges Card holders are entitled to the following privileges on Bendigo Bank credit cards:

- 5% discount off the normal standard rate for the Bendigo Red Up to 44 Days Interest Free credit cards. With your choice of either MasterCard or Visa and automatic membership of Bendigo Rewards.
- 5000 Bonus Reward Points. If you successfully apply for a Bendigo Bank "Interest Free Days" Red credit card we'll kick start your points tally with a bonus 5000 points.

An annual fee of \$35 applies to the Bendigo Red Up to 44 Days Interest Free credit cards.

Shareholder Privileges are available to personal customers holding 500 or more fully paid BEN shares or 40 Bendigo Preference Shares, or companies holding 1500 or more fully paid BEN shares or 120 Bendigo Preference Shares.

Community Bank®

Seven branches to open in eight weeks

Bendigo Bank's **Community Bank®** model is still growing strongly with seven branches expected to open in May and June.

Communities in Cobden (Victoria), Lancelin and Albany (WA), Hervey Bay and Babinda (QLD), Bungendore in NSW, and Coolalinga – our first branch in the Northern Territory – are expected to be open and operating before the end of the financial year.

Bendigo Bank is currently working with another 30 communities; at least 11 of those are expected to open a **Community Bank®** branch by the end of the calendar year.

Committees in Wallan, Wantirna, Bright and Creswick in Victoria, Jurien Bay (WA), Berowra, Gilgandra, Harden and Tumbarumba (NSW), and Mundubbera and Logan Village (QLD) expect to be open and operating within the next six months.

Helping out a Community Bank® community in need

Bendigo Bank's **Community Bank®** network of companies has extended a helping hand to the remote Queensland community of Babinda, devastated by Cyclone Larry.

On the eve of launching its **Community Bank®** public share offer, the Babinda community was hit by Cyclone Larry.

Weeks later, and with the overwhelming support of the community, the share offer to enable the opening of Babinda **Community Bank®** branch is about to be launched.

If Babinda's share capital-raising falls short of the minimum capital required, Australia's 177 **Community Bank®** companies have offered to purchase a small number of shares, ensuring Babinda **Community Bank®** branch opens its doors before the end of the financial year.

With the key element of the **Community Bank®** model to ensure ownership is retained locally, the shareholdings purchased will remain for sale on the Bendigo Stock Exchange, to be purchased by people within the Babinda community as their economy recovers.

The proposal was suggested by a **Community Bank®** director at a recent **Community Bank®** conference and was overwhelmingly supported by the network.

Babinda's share offer will open on Saturday 27 May.



Community Saver Card

Local discounts for local shoppers

Launching in June, Bendigo Community Saver Card will offer **Community Bank®** customers discounts when they shop locally.

Locally branded, the card is free to customers of participating **Community Bank®** branches and can only be used within that local community.

The card will encourage local shopping and help boost local business, which in turn will benefit everybody in the participating community.

Our MD opens Henty Civic Centre

Drive five hours north of Melbourne, or seven hours south-west of Sydney and you will arrive at Henty, the "home of the header".

This community has achieved quite amazing feats in the past 10 years.

This town was the first community in NSW to embark on Bendigo Bank's **Community Bank**[®] journey, at a time when others in the financial industry were questioning the merit of the model and communities were sitting back waiting to see how this banking model would work. Henty opened its locally owned branch in January 1998, kick-starting a remarkable period of development in a town of just 1100 people.

In 2004, after a three-year campaign, the \$6 million Henty Hospital opened its doors – the community raised more than \$120,000 towards the cost of landscaping and extras for the hospital.

In February 2006, the community celebrated the launch of a \$1.6 million Community Civic Centre. Again, the community raised more than \$1 million towards the total cost of the centre, which is the largest of its kind between the regional cities of Albury and Wagga Wagga.

After seeing the town's civic spirit and achievements, a Melbourne-based developer recently announced the construction of a \$15 million aged care facility in the town.

In the two years from 2004 to 2006, it is estimated that more than \$25 million will be spent in commercial development in the town.

Bendigo Bank Managing Director Rob Hunt participated in the official opening of the Henty Community Civic Centre on 10 February.

"We are proud of our partnership with communities throughout Australia, including Henty," Mr Hunt said.

"As I travel around the country and meet with not only our staff but other communities, I regularly turn to the Henty story as an example of what one community can achieve.

"When we launched **Community Bank**[®] as an alternative banking model, I said that it was always going to be about more than simply banking. It was about mobilising, engaging and uniting the community to work as one to achieve great things.

"Henty's **Community Bank**[®] branch is only one example of what the people of Henty have achieved by working together."

Henty **Community Bank**[®] branch achievements:

- Initially contributed from company profits \$315,000 to the Community Civic Centre development.
- Provided a \$700,000 loan for completion of the project and a further \$150,000 annually to cover the cost of the loan until it has been paid off.
- In 2005, allocated \$150,000 to a wide range of community projects.
- Bendigo Bank held its NSW/QLD Regional Conference at the Civic Centre on 30/31 March, with more than 100 delegates taking part.



Bendigo Bank Managing Director Rob Hunt and Henty **Community Bank**[®] branch Chairman Milton Taylor at the official opening of the new Henty Community Civic Centre.

Community Report

Bendigo Bank in the community

With the success enjoyed by our shareholders obvious to anyone who has followed our annual reports over the past 10 years, it is time, we believe, to also look at the success of others.

During May, Bendigo Bank will release a Community Report outlining our various community engagement initiatives, and examining their outcomes to date. It also tells some of the community success stories, which are becoming increasingly evident across our network.

Public companies across the world are coming under increasing pressure to be more responsible for community outcomes that emanate from their business practices. Our Community Report will show how our activities contribute.

We are pleased to enclose an abridged version of our Community Report. You can request a full copy from our Share Registry on 1800 646 042, or email share.register@bendigobank.com.au

Shareholder news

Changing address?

Please ensure you advise of any change of address.

Broker-sponsored shareholders should advise their broker, not our Share Registry (which is unable to process your request).

Issuer-sponsored shareholders should advise our Share Registry in writing to Bendigo Bank Share Registry, PO Box 480, Bendigo, Victoria 3552.

Have you received multiple newsletters?

If your household has received multiple copies of this newsletter and you would only like to receive one, please advise our Share Registry on 1800 646 042.

Become an e-shareholder

By registering to become a Bendigo Bank e-shareholder, you will receive most of your documents on line, including your Concise Annual Report and shareholder newsletters. To register, simply log on to www.bendigobank.com.au/ shareholders and enter your details.

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