



A REWARDING FOCUS

BENDIGO BANK CONCISE ANNUAL REPORT 2003

**Bendigo Bank Limited**

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In this report, the expressions “the Bank”, “the Bendigo”, “Bendigo” and “the Company” refer to Bendigo Bank Limited; the expression “the Group” refers to Bendigo Bank Limited and its controlled entities.

Customer/Shareholder inquiries**Customer Help Centre**

1300 361 911 (local call)

8.30am - 6.30pm AEST Mondays to Fridays

Bendigo Bank OnCall

1300 366 666 (local call)

8.00am - 8.00pm AEST weekdays,

9.00am - 4.00pm AEST Saturdays,

10.00am - 4.00pm AEST Sundays

24-hour Phone Banking

1300 366 666 (local call)

24-hour e-bankingwww.bendigobank.com.au**Website:** www.bendigobank.com.au**Securities Registry:** 1800 646 042 (free call)

2003

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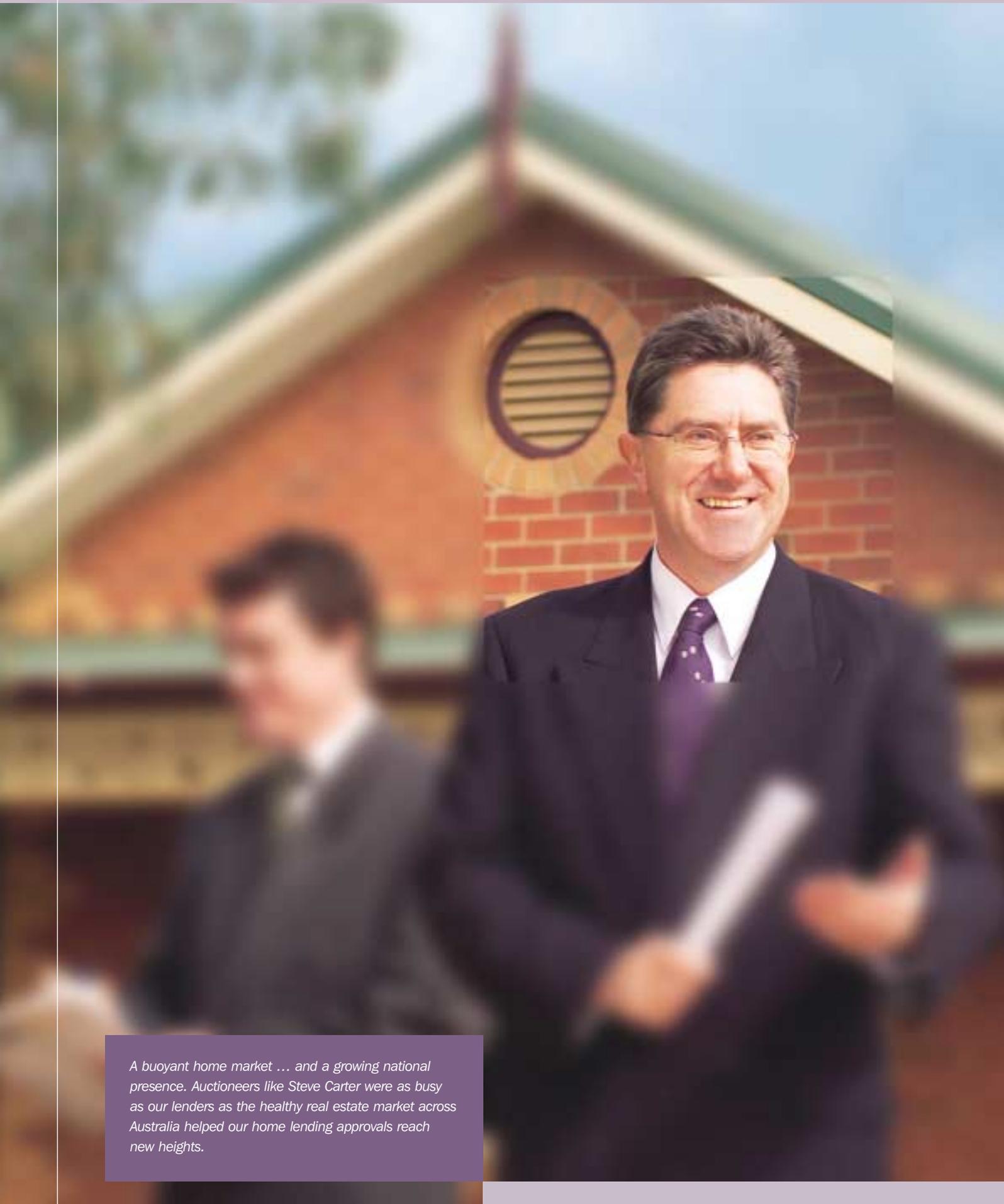
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Cover Photo: A rewarding focus ... we use our financial skills to help families build better lives. Five-year-old Jesse familiarises himself with the Bendigo way of banking on a visit to a branch with Mum, Narissa and Dad, Nathan.



WE ARE FOCUSSED ON THE
SUCCESS OF OUR CUSTOMERS
AND THEIR COMMUNITIES,
BECAUSE THAT WILL GENERATE
OUR SUCCESS.

Empathy with customers ... we agree with "Mr Goodtimes" (Bob Hunter) that every product has to be just right for the customer's needs.



A buoyant home market ... and a growing national presence. Auctioneers like Steve Carter were as busy as our lenders as the healthy real estate market across Australia helped our home lending approvals reach new heights.

OUR FOCUS BRINGS LASTING REWARDS

FINANCIAL CALENDAR 2003 - 2004

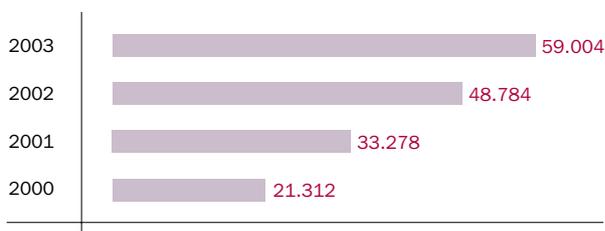
2003

13 October	Ex-dividend date
17 October	Final dividend record date
27 October	Annual General Meeting, 11.00am
31 October	Distribution of final dividend
28 November	Interest paid on 8% Capital Notes Opportunity to convert Capital Notes into Ordinary Shares
31 December	Half-year end

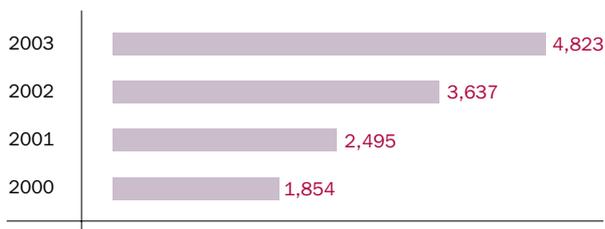
Proposed Dates 2004

February	Announcement of interim results and interim dividend
8 April	Ex-dividend date
16 April	Interim dividend record date
30 April	Distribution of interim dividend
31 May	Interest paid on 8% Capital Notes Opportunity to convert Capital Notes into Ordinary Shares
August	Announcement of final results and final dividend
31 October	Distribution of final dividend

Profit After Tax (\$ mil.)



Lending Approvals (\$ mil.)



HIGHLIGHTS

Financial

- > Profit after tax up by 21 per cent to \$59.0 million
- > Earnings per share increased by 14 per cent, to 46.8 cents
- > Lending approvals \$4.82 billion, up by 33 per cent
- > Total Group deposits grew by 18 per cent to \$8.2 billion (Retail deposits comprised 92.5 per cent of total deposits)
- > Total Group-managed assets increased by \$1.5 billion, or 15 per cent, to total \$11.9 billion
- > Net impaired loans reduced by 51 per cent, to \$5.8 million, representing just 0.08 per cent of gross loans (2002 = 0.19 per cent)
- > Shareholder dividends for the full year were 33.5 cents per share, up from 29 cents

Service

- > Six new company-owned branches opened
- > 31 new Community Bank® branches opened
- > New e-Banking interface launched (May 2003)
- > First Tasmanian Community Bank® branches launched, meaning all six States now host branches
- > Green Home Loan launched
- > Bendigo Margin Lending launched
- > Agreement with ABN AMRO broadens international trade services

Corporate

- > Won CEPA Trust Ethical Investor Sustainable Company of the Year for second year running
- > Named Good Corporate Citizen 2003 by Victoria Day Council
- > Granted trademark registration for Community Bank®, enabling us to protect the intellectual property and value established to date
- > Launched a continuous internal improvement program, Shaping To Grow
- > Shares in several Community Bank® companies listed on Bendigo Stock Exchange
- > Long-term credit rating of BBB was reaffirmed



Chairman
Richard A. Guy OAM

Group Managing Director
Rob Hunt AM

REPORT BY CHAIRMAN AND MANAGING DIRECTOR

A Rewarding Focus

In the past 12 months, Bendigo Bank has been honored with two important awards. For the second year running, we were named the CEPA Trust Ethical Investor magazine's Most Sustainable Company. The Victoria Day Committee also voted us Victoria's Good Corporate Citizen for 2003.

Taken together, we believe these awards say much about the strength of Bendigo Bank's strategy. They illustrate that "good community" and good business are not mutually exclusive – that doing the right thing by customers and communities results in strong community support for our Bank, and therefore sustainable growth in shareholder value.

Note the order in which that occurs – we invest in improving the prospects of our customers and communities, they reward us with their support, and this improves our earnings and shareholder returns. This is a long-term strategy but one which is already producing shareholder value. It requires us to focus on the needs of our customers, rather than the requirements

of the Bank, and to build our products and delivery channels accordingly. It demands consistency and commitment, from our Board right through to the staff serving our customers. It means we must listen to people and remain relevant and responsive. It sometimes requires innovative solutions such as Community Bank® or Elders Rural Bank. And it necessitates consistent investment to increase our relevance in the marketplace and to build our customer base.

Our strategy seeks to align our customers' aims and expectations with our own core competencies. It acknowledges that working with community has been our natural strength for 145 years. Our attainment of a Banking Authority eight years ago provided us with the wherewithal to extend this approach into new markets and expand our product offering. Once we determined our course, we invested – and continue to invest – many millions of dollars in staff, innovation, systems, product development and network expansion. While this was at a cost to short-term performance gains, there is now clear evidence that our strategy is beginning to bear fruit.

FOCUSSING ON SUCCESS FOR ALL STAKEHOLDERS

Shareholders have benefitted from improving dividends and capital growth. Our market capitalisation hovered around the billion-dollar mark throughout 2002/03, entrenching us in Australia's leading 150 companies. An analysis of shareholder wealth creation performed by Bloomberg and published in the Australian Financial Review in November 2002 ranked Bendigo Bank as Australia's 16th best-performed company in the five years to October 2002, with an aggregate return (share price growth plus dividends, assuming reinvestment) to shareholders of 188.98 per cent over that time.

Since then, earnings have improved further. In the year under review, 2002/03, Bendigo Bank's after-tax profit increased by a further 21 per cent, to \$59.0 million; earnings per share increased by 5.7 cents, or 14 per cent, to 46.8 cents; and the dividend to shareholders was 33.5 cents per share (fully franked), up from 29 cents.

Our profit performance is improving in line with the strong growth in our business. This is evidenced by the key performance indicator, Return On Equity (ROE), which measures the return on shareholder funds. ROE was suppressed for a number of years because of the investments needed to build our business base and market coverage. In 2000, it was low – just 7.75 per cent. In 2001, this improved to 9.03 per cent. The following year saw it jump to 10.24 per cent. Last year it reached 11.06 per cent, still below industry standards but evidencing steady progression towards a level which balances our responsibilities to our customers and communities with our shareholders' expectations of good and fair returns on their investment.

There is promise of further performance improvement, too. Our plan to improve profitability by investing wisely in revenue generation is working. In the past three years, total revenue (interest margin plus other income) has almost doubled, from \$175 million to \$346 million. It will continue to grow strongly as new branches open and recently established businesses continue to mature. Why are we confident our revenue growth will continue?

There are two reasons. Firstly, because investments we have made over the past eight years are now building earnings momentum. Secondly, our focus on improving the prospects of customers and communities has created a distinctive brand which has resonated with the public and continues to attract newcomers to the Bendigo way of banking. In 2002/03 we opened 37 new branches, grew customer numbers by 13 per cent, and successfully launched our Wealth Management Division despite a difficult investment environment. There are no signs of this momentum faltering. We anticipate opening a

further 30 branches this year, customers continue to join in healthy numbers and investment inflows remain strong.

Expanding our distribution network, of course, requires continued investment, but we are being helped by partners who have complementary skills. Good examples are Elders, which brings agricultural expertise to our joint venture Elders Rural Bank; Tasmanian Perpetual Trustees, which contributes deep knowledge of its community to the Tasmanian Banking Services joint venture; Community 21, consisting of not-for-profit sector members whose industry experience is invaluable to our Community Sector Banking joint venture; and of course those communities choosing to partner us in securing a Community Bank® branch which is committed to the success of their district. Collaborative commerce – or c-commerce – of this nature is a core competency of Bendigo Bank and it produces outcomes impossible for us acting alone. Our proven track record of making these partnerships work continues to attract new business proposals, promising yet further growth for our Company.

c-commerce only works, of course, if both partners benefit and we are committed to ensuring this happens. Each of these ventures services discrete communities-of-interest which have special needs if they are to prosper in the new economy. Improving their prospects will most surely improve ours and we are continually working to respond to their needs.

More than 100 communities have now invested time, energy and local shareholder funds in establishing Community Bank® branches of Bendigo Bank. While this is demanding of communities, it offers great rewards, most immediately local employment and the certainty of access to branch banking, but also the prospect of profits to invest in projects of local importance. More detail is provided later in this report and at www.communitybank.com.au

Our willingness to collaborate with a range of partners on mutually beneficial outcomes is producing new markets and opportunities for us. Our partners are our supporters, our advocates (900 Community Bank® directors alone) and our critics. They quickly tell us when our service has not met expectations. This willingness of our partners to embrace us frankly and honestly is an enviable position for any company. We are grateful to our partners for their advocacy of Bendigo Bank and we are committed to further improving our contribution to their success. Our strategic developments team continues to develop new business models built on commercial principles and which harness the co-operative spirit so evident in Australian communities. These opportunities are being made available to our partners.

We are not complacent about the reasons so many customers and communities have joined us in recent years. They are responding to our promise to focus on their success before expecting returns to our business and we continually reaffirm the elements within our Company which reflect that strategic focus.

Aligning all of these elements is essential to meeting our promise to remain a responsive, flexible and innovative bank. Our customers and communities frequently implore us “don’t change when you become a big bank”. What this fails to acknowledge, of course, is that we are already a much bigger bank than when the launch of Community Bank® first drew widespread public attention to our core philosophy in early 1998. Then we had 78 branches; today, with expansion through Company, community and joint venture branches, that has tripled to 247. Then we were almost exclusively Victorian; today we are represented in all States and the ACT. Then we employed 785 FTE staff; today that number is 1904 (and our Community Bank partners employ a further 500 people).

We have grown and we are growing. So how do we guard those elements that stand us apart and attract people to us? In many ways.

We train and mentor our recruits, and with 230 of our staff – more than 10 per cent – having been with us for 15 years-plus, we have a valuable core of people who are steeped in Bendigo’s ethics and philosophy. All staff are now measured on how they model our corporate values.

Most importantly, we engage with our customers and communities at every opportunity – and we ensure senior managers and Directors receive their feedback.

Community Banking™ embodies our approach and has proven a great way to grow our people. We regularly visit and work with diverse communities; we attend board meetings of local Community Bank® companies; we hold regular conferences with their directors; we have recruited experienced directors of community companies to guide other Community Bank® boards and liaise with the Bank.

We openly seek engagement with customers. Branches are adequately staffed and open for extended hours. Our automated Phone Bank invites customers to speak to a staff member before asking if they prefer self-service. The telephone numbers of every branch and our Customer Help Centre are readily obtainable. Complaints are treated as opportunities to improve. We encourage people to apply to work with Bendigo Bank because we want to hear from energetic, motivated people who share our approach to business. Our Mortgage Help Centre’s focus on offering help to customers in difficulty brings an entirely different approach to debt management.



We’re banking people ... staff like Paul Mandarino and Renee Mengler-Steel aim to use their skills as bankers to help customers achieve better outcomes for their families and businesses.

WE'RE STRATEGICALLY FOCUSED

Staff are encouraged to participate in community life. We respond to events within our communities. When sections of our home city, Bendigo, were devastated by a freak tornado in May 2003 we opened our branches to a successful public appeal for victims. Our Queensland arm was delighted to be invited to partner Mater Children's Hospital in its inaugural public fundraising appeal, which we hope will become established as a major source of funding for children's health.

Our continuous Shaping To Grow program last year restructured our head office functions to ensure we remain responsive to customers in the face of the rapid growth we expect to continue. These changes aim to provide our customer service staff with every opportunity to do what they do best – listening to what customers are trying to achieve and then using their skills in finance to help them.

The aims of Shaping To Grow are wide-reaching and incorporate the need to build better processes, better systems, improved reporting structures and even more rigorous risk management frameworks, all of which are essential to prudently manage and capitalise on growth.

We have attained our current position through the consistent application of the principles which underpinned the formation of our community based Company way back in 1858 – that our success depends on the success of our customers and our communities. This belief has not always been fashionable but is again gaining credence as people seek certainty and security in the challenging new global society.

Through retaining our focus on building sustainable communities, we are confident we can build improved and lasting returns for our shareholders.

We wish to acknowledge that our success depends on the loyalty, commitment, integrity and skill of the staff representing Bendigo Bank. (We include those people who represent our brand but who are employed by local Community Bank® companies.)

Our staff are banking people – in both senses of the phrase. They are bankers but they understand that they are literally “banking people” – our customers – to help them achieve better outcomes for their families. We admire our staff's motivation. We applaud their attitude towards their work and their determination to improve outcomes for customers and communities. We are reminded of it daily through a constant flow of compliments from grateful customers. And yes, we do receive a (much lower) number of complaints on those occasions when we do not measure up to expectations.

As Chairman and Managing Director of Bendigo Bank, we are proud to lead our staff and to have them represent the 43,000 owners of our Company.

Finally, we wish to relate a short story which we think speaks volumes about Bendigo Bank's approach. In late June 2003, we were privileged to attend the fifth anniversary celebrations for our first Community Bank® branches, at Rupanyup and Minyip in Victoria. These small farming communities support an enterprise which has secured branch banking in both towns and is now returning healthy profits. We watched a play written and performed by school children celebrating their mums' and dads' achievements in opening “their bank”. We joined the applause as 15 community organisations shared in \$30,000 in grants made by the local bank board. We spoke with traders whose businesses were benefitting from increased town traffic. And we experienced the enormous pride the whole district feels about their achievements. For us, this occasion encapsulated Bendigo Bank's business strategy – focussing on the success of our customers and communities will continue to create the goodwill which secures the long-term success of our Company. This is a rewarding focus for all concerned.

Acknowledgements

We acknowledge, with gratitude for his excellent contribution, the retirement at the 2002 Annual General Meeting of Bill Lanyon after 15 years as a Director. Bill joined us in 1987 after serving on the board of Sunraysia Building Society and, as the proprietor of Elliott Newspaper Group, proved a powerful advocate for our community engagement strategy. We have been fortunate to retain Bill's services on our Marketing Consultative Committee, drawing on his vast knowledge of media and marketing.

During the year we made some changes to further align the Group's organisational structure to our strategy and objectives. These included the conversion of the Sandhurst Trustees board to an executive management board. Retiring as Sandhurst directors on 31 December 2002 were chairman Gordon McKern and Les Austin, Geoff Henderson and Bill McGregor. Bill and Les are now members of an independent compliance committee for Sandhurst. We thank all former directors for their valuable contribution to the Company.



Richard A. Guy OAM
Chairman



Rob Hunt AM
Managing Director



Successful customers and successful communities create a successful bank ... Albino and Maria Cavallo are working with Kylie Beyer to achieve their family's financial goals.

FINANCIAL RESULT

Bendigo Bank recorded a 2002/2003 operating profit after tax of \$59.0 million, an increase of 20.9 per cent on the previous year. The result confirms our steady progression in improving revenue, profitability and performance in line with the solid growth across the Group.

Our financial result reflected the success of key elements of our eight-year strategy to create a distinctive identity and style of banking, improve customer access through broadening our branch and electronic networks, and enhance our skills and product offerings. In 2002/03 we saw:

- > Continuing evidence of the appeal of our style of banking (customer numbers increased by 13 per cent).
- > Thirty-seven new branches open.
- > The growing maturity of the 141 branches which have been part of the Group for less than three years (includes 47 branches acquired with First Australian Building Society in October 2000).
- > A 33 per cent increase in lending approvals, to \$4.82 billion, reflecting strong demand for Bendigo loans and the buoyant housing economy.
- > Strong retail deposit inflows – up by 20 per cent to \$1.3 billion. Retail deposits comprise 92.5 per cent of total Group deposits.
- > The successful launch and rapid growth of Bendigo Managed Funds and our wealth management capability.
- > Strong growth in our subsidiary companies and the Elders Rural Bank joint venture.

These factors contributed to significant increases in business volumes and revenues.

Group assets grew by \$1.3 billion, to \$9.3 billion, a 16 per cent increase. This increase was tempered by the securitisation or sale of loans totalling \$416 million from which we continue to receive management fees.

Net interest income increased by 15.4 per cent, to \$222 million, due in part to an eight basis-point improvement in interest margin, to 2.76 per cent, achieved despite the continuing low interest rate environment. Other income grew by 25.5 per cent, to \$124 million, highlighted by growth in revenues achieved by wealth management, insurance and our alliance activities.

BENDIGO HAS A DISTINCTIVE BANKING FOCUS

Total net operating income grew by 18.8 per cent, to \$346.6 million, outstripping the 13.2 per cent growth in expenses (\$257.3 million) attributable in part to continued investments in new business initiatives. While demand for the Bendigo style of banking remains strong, we will continue to make investments with the potential to produce further revenue growth.

Pre-tax profit was \$89.3 million, a 38.6 per cent increase. The tax expense included an adjustment for a previous period, leaving an after-tax profit of \$59.0 million.

Return on equity (ROE) increased from 10.24 per cent (restated to meet a new accounting standard) to 11.06 per cent. Earnings per share (EPS) increased by 13.9 per cent, to 46.8 cents. Our progress in improving these ratios is more evident when viewed over three years, reflecting increased business volumes generated by earlier investments. In those three years, ROE has improved by more than 40 per cent, and EPS has increased by 70 per cent, from 27.5 cents to 46.8 cents.

One of our challenges has been to reduce the marginal cost of servicing our ever-increasing transaction and business volumes. Our cost to income ratio last year fell below 70 per cent (69.8) and we aim to continue this improvement while sustaining our investment in building our distribution and service capacity.

Conscious that the lending boom in Australia in recent years has been fuelled by a sustained period of low interest rates, we continue our prudent approach to asset quality and provisioning. While we continue to expand our business lending (non-residential loans comprise 38 per cent of loans by purpose), 71 per cent of new loan approvals were secured by residential mortgage (as is 74 per cent of our total portfolio). Asset quality is sound. The bad and doubtful debts expense was \$15.5 million, a \$3.7 million increase, albeit against a much larger asset base. Net impaired assets declined by 51 per cent, to \$5.8 million, representing just 0.08 per cent of gross loans (2002 = 0.19 per cent). The general provision was increased by \$8.1 million to \$43.8 million to maintain a ratio of 0.79 per cent of risk weighted assets. Provisions for doubtful debts at June 2003 totalled \$54.5 million, representing 0.72 per cent of gross loan balances (2002 = 0.72 per cent).

We continue to actively manage our capital base to maintain a balance between the business needs and our desire to maximise shareholder returns. Total risk weighted capital

adequacy ratio at 30 June 2003 was 10.58 per cent, including 8.11 per cent Tier 1 capital. Equity increased by 12 per cent, to \$553 million.

The Bank's credit ratings remained unchanged:

- > Standard & Poor's: BBB/A-2
- > FITCH Rating: BBB/F-2

Result at a glance

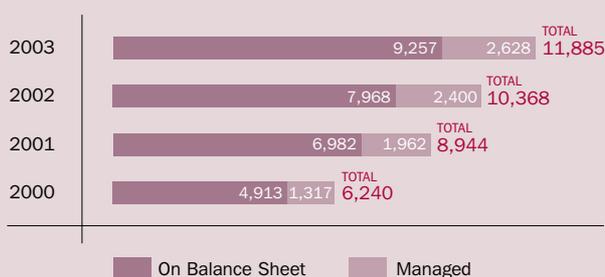
	June 03 \$'000	June 02 \$'000	% Increase/ (Decrease)
Interest income	500,634	446,954	12.0
Interest expense	278,345	254,361	9.4
Net interest income	222,289	192,593	15.4
Other operating income	124,277	99,043	25.5
Total net operating income	346,566	291,636	18.8
Total operating expenses	257,283	227,241	13.2
Profit before tax	89,283	64,399	38.6
Income tax expense	(30,246)	(26,144)	15.7
Significant item (Income tax expense)	-	10,444	-
Profit after tax	59,004	48,784	20.9

Key measures

Total equity	552,710	494,427	11.8
Loans & other receivables	7,504,016	6,209,513	20.8
Total assets	9,256,626	7,967,725	16.2
Deposits	8,241,154	6,988,485	17.9
Lending approvals	4,822,762	3,637,170	32.6
Expense to income	69.8 %	70.4 %	(0.9)
Earnings per share	46.8 cents	41.1 cents	13.9
Return on average equity*	11.06 %	10.24 %	8.0
Dividend per share - ordinary	33.5 cents	29 cents	15.5

* Restated to meet new accounting standard

Total Assets (\$ mil.)



WE FOCUS ON BUILDING OUR RELEVANCE

RETAIL BANK

This year we commissioned a major survey of our own customers and non-customers. The results were both pleasing and challenging – pleasing because our customers liked us and challenging because there is now clearly widespread knowledge of, and desire to do business with, Bendigo Bank.

More than eight-in-ten of our customers said they were satisfied or very satisfied with their bank. Significantly, almost half of those customers were happy to recommend us to others. Outside our customer base, knowledge of Bendigo Bank was considerable – and a significant proportion of those respondents said they would consider shifting at least some of their banking to us. This clearly gives us scope to further broaden our distribution networks and marketing.

These decisions will be made against a backdrop of rapid growth in customer numbers and transactions, and equally dramatic changes in customer behavior.

In the past year, our customer numbers grew by 13 per cent. This trend has not changed for almost two years and shows no sign of slowing. While we would expect this to increase transaction volumes, these have in fact far outstripped customer growth. Just six years ago we facilitated 2.3 million transactions; last year it was more than eight million. And their nature has changed. Branch transactions have fallen from 40 per cent in 1997 to just 13 per cent today. There is a clear swing towards e-bank, Phone Bank and direct entry. These transaction types barely registered six years ago but now account for one-third of transactions. Payment card transactions remain constant at around 30 per cent and ATM use remains popular.

While we cannot provide face-to-face service to all Australians who wish to bank with us, we are rapidly expanding our accessibility. Four years ago, we had just 91 branches; today we have 247 (at 30 June 2003). Over this time, the proportion of branches outside Victoria has grown from 11 per cent (eight branches) to 49 per cent (122).

We will open another 30 or so Community Bank® outlets in 2003/04 and we aim to establish a number of new Company owned branches, too. A further 30 planned ATMs will continue to expand our coverage. Having launched a new and more user-friendly e-banking interface in May 2003, we will invest further to improve the look, functionality and appeal of our online presence. We will also continue to recruit business bankers to respond to demand for our small business solutions.

Becoming more relevant to the communities we serve, and thereby increasing their inclination to buy from us, is a key element of our strategy. This tends to occur naturally in our Community Bank® branches but is not always as obvious in Company owned ones. In recent months we have reorganised the retail bank to provide local staff with more autonomy, quicker “head office” response to issues affecting customer outcomes, and more ownership and responsibility for their local community market. We continue to develop banking solutions and community business models with the capacity to improve local prospects. Examples are Community Sector Banking products to boost cashflows for not-for-profit groups and Community Telco to improve access to telecommunications services.

The outlook for 2003/04 is excellent. Based on growing demand for Bendigo Bank, and the immaturity of a significant number of branches established only in recent years, we expect healthy growth in loans and deposits.

Agencies

Our agencies now hold almost \$900 million in deposits and last year performed just on a million transactions. The network continues to grow in strategic importance. Traditionally a service option when we cannot support a full branch, agencies are increasingly being used as stepping stones for those communities wishing to join our Community Bank® network. Agency business in Altona (Vic.) was converted to a Community Bank® and we anticipate a number of communities emulating this process. Increasingly, towns or suburbs which intend to open a Community Bank® are establishing temporary agencies prior to their branch opening. We continue to develop flexible adaptations of our traditional agency model to enable us to support a wide range of community needs.

Bendigo OnCall (1300 366 666)

Our Bendigo OnCall call centres in Bendigo (Vic.) and Ipswich (Qld) perform important business development and customer service functions. OnCall serves many customers who lack a local branch or who wish to deal by phone or email. It is open earlier, and later, than our branches and provides weekend service to all customers.

Last year our team served three-quarters-of-a-million customers, wrote more than \$83 million in loans and attracted more than \$88 million in deposits. The introduction of online loan applications provided customers with another option to deal with us.



Quality service is in fashion ... our business bankers make it their business to understand the business of customers like fashion store proprietor Denise Jennings.

Business banking

Virtually every community we service depends on small business for its health and prosperity. Helping small businesses to flourish is therefore essential to our strategy to grow vibrant, sustainable markets for our financial services. Our aim is to build mutually beneficial relationships with our customers – to understand their business ambitions and create specific solutions which draw on the wide range of financial skills across our Group.

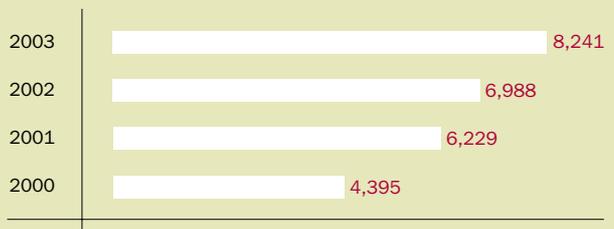
Our 2002/03 results show this Bendigo style of business banking is clearly providing an attractive alternative across our network:

- > Customer numbers grew by 15 per cent
- > We settled new loans totalling \$916 million
- > Our business asset base grew by \$445 million
- > Business banking teams grew from 44 to 54

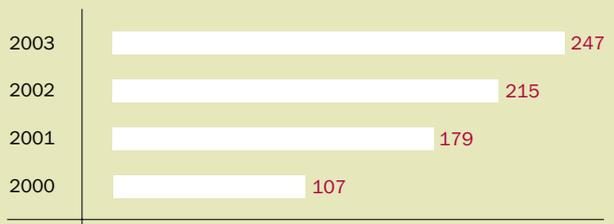
We have seen promising growth in key business indicators such as volume, average loan sizes, conversion rates, margins and customer retention.

The future of business banking will depend on our staff having the skills and knowledge to meet the increasingly complex needs of our customers, so we are investing in training and systems to ensure we continue to deliver quality service as our business grows.

Total Bank Deposits (\$ mil.)



Number of Branches



GROWING VIBRANT, SUSTAINABLE MARKETS IS PART OF OUR FOCUS



No payment blues ... the convenience of our 'Bendigo Blue' Visa card means Susan Mulqueen can enjoy her coffee knowing it has been paid for.

Cards

Our card-based payment services play a significant role in expanding the reach of our distribution network and in meeting the high demand for credit cards, general purpose payment cards, ATMs and credit card merchant facilities. During the year a new integrated business unit was formed to develop and grow opportunities in this area. Highlights included:

- > We relaunched our standard credit card and included a new MasterCard embossed with the name of Community Bank® branches. Our customers now have access to a competitively priced credit card which includes access to an "everyday" Rewards program if they wish.
- > We joined the MasterCard and Bankcard schemes to provide our customers with broader choices and the bank with a more strategic position in the marketplace, not only as an issuer of cards but as the provider of merchant facilities.
- > We re-engineered our underlying processes to improve our cost-efficiency.
- > Credit card spending and related revenues recorded double-digit growth, with receivables growing by 20 per cent.
- > We experienced solid growth in the number of merchant facilities we manage.
- > The total number of Bendigo Bank ATMs grew to 224 nationally. These have been deployed mostly at branch locations but also in a growing number of locations such as shopping centres to provide customers with more convenient access.



Dancing in the streets ... 30 June 2003 and San Remo staff and residents dance up a storm with our mascot Piggy Bank as they launch their Community Bank® branch, Australia's 100th.

The coming year will see the card business build on many of the initiatives introduced during the year. The impact of Reserve Bank reforms to reduce interchange fees for credit card, Eftpos and ATM transactions will start to be felt in 2003/04. However, we do not believe these changes will curtail demand for the convenience of card-based payments services. The biggest impact will be pricing strategies in response to the forecast changes in interchange fees. We are confident we are in a strong position to continue to offer competitively priced card products and services.

Community Bank®

The week beginning 23 June 2003 marked several major milestones in the development of our Community Bank® network.

- > Early that week, total banking business in the network passed the \$3 billion mark. Some idea of the rapid growth of Community Bank® can be gleaned from the "billion dollar" milestones. The first billion took 36 months to achieve, the second 14 months and the third just nine.
- > On 26 June, the neighboring Victorian grain towns of Minyip and Rupanyup celebrated the fifth anniversary of our first Community Bank® branches with the signing of a second five-year franchise agreement with Bendigo Bank.
- > The following day, the seaside town of San Remo, in Victoria, became the 100th community to open a Community Bank® branch.

These were by no means the only significant achievements during 2002/03. Geeveston and Dover became our first Tasmanian community owned branches, and Calwell and Wanniasa our first in the ACT, meaning Community Bank® is now represented in all Australian States and the ACT.

We also worked with the people of Logan, south of Brisbane, on a prototype "super" Community Bank® which will service not just a town or suburb, but an entire city of 170,000 residents with up to five locally owned branches supported by a Company run hub branch providing specialist services. Impressed by the enthusiasm for the project and the extent of local investment (1200 shareholders and more than \$2.4 million in local capital), we agreed to be co-investors

in the project. Existing Bendigo Bank branches at Brown's Plains and Loganholme were transferred into community ownership with the belief that the community can generate higher customer participation than we could acting alone. In July 2003 the community opened a locally owned branch in Springwood and plans further branches at Marsden and possibly Rochedale. While this is a large undertaking, its success would open the way for other "super" structures in large communities showing similar commitment, with obvious benefits to the Bank.

The "super" model is but one variation we have developed in response to the different circumstances faced by communities wishing to secure a banking partner committed to their long-term success. For various reasons, some of the more than 2400 communities which have contacted us have been able to establish support for a Bendigo Bank presence but have fallen short of the criteria for the premium option, a Community Bank® branch. In some we have opened agencies, but we are now rolling out a sub-branch model as a stepping stone to full branch status. This was pioneered by Lang Lang Community Bank® (Vic.) at neighboring Koo Wee Rup and has since been emulated by East Gosford & Districts Community Bank® (NSW) at near by Lisarow. The model still requires an initial investment by the community, but enables it to build local investment as the business grows.

In June 2003, we received registration of a ten-year trademark for Community Bank® which expires in 2011. This decision recognises the unique nature of Bendigo Bank's Community Bank® model and its success to date. Trademark recognition is a way we can protect the value and intellectual property that has been established.

Having spent six years devising, implementing and operating the network, Community Bank® is now making an important financial contribution to our business. Its after-tax contribution in 2002/03 – excluding some head office costs – was \$8.4 million, a 55 per cent increase on the previous year. Importantly, our community partners are also benefitting, with more than 40 branches now returning sustainable surpluses which totalled about \$4.5 million in 2002/03. Further details may be found on Page 18.

WE ARE FOCUSSED ON ENHANCING ACCESS FOR OUR CUSTOMERS

e-banking

e-banking continues to be the fastest-growing section of our business, with a 34 per cent increase in active users and 31 per cent more logons during 2002/03. Active users of Phone Bank grew by 29 per cent and logons by 44 per cent. From a base of zero five years ago, e-bank and Phone Bank now account for 13 per cent of all customer transactions, with around 1.5 million logons per quarter.

In May 2003, we completed a 12-month project to design, build and implement a new e-bank user interface including a wide range of new features to help the increasing number of customers choosing this service.

Insurance

Our insurance division recorded an excellent result, at the same time making significant investment in improved processes and staff training. Income grew by 19.7 per cent and profit by 27.5 per cent. Insurance Business Development Managers were appointed in NSW and Western Australia to support our growing retail network in those States. BBL House, Contents, Landlords, Car and Travel Insurance policies can now be purchased through the Bank's internet site. Branch staff also have online access to produce on-the-spot policies for our customers.

New products

In November 2002, we launched the Green Home Loan, the second of our "green loans". Aimed at promoting sustainable building practices, the loan is available for five-star environmentally rated homes and provides a 0.50% p.a. discount on our standard variable home loan.

In February 2003, we launched MasterCard credit cards as part of our strategy to place renewed focus on our credit card business.

Our subsidiary Funds Transfer Services successfully launched a bulk payment facility which enables our business customers to create one electronic file which distributes payments (such as payrolls) to multiple recipient banks.

Launched through branches in July 2002, Bendigo Margin Lending enables customers to borrow funds for investment against the security of approved shares and/or managed funds. Details are also available through Bendigo OnCall, at www.bendigobank.com.au or by contacting Bendigo Bank branches.

Queensland

The business we acquired in October 2000 through our merger with First Australian Building Society (FABS) has been transformed. All former FABS branches are now branded Bendigo Bank, all ATMs are Bendigo machines and all accounts are Bendigo products. Staff numbers have been increased, new skills imported and business banking and financial planning introduced. Four Company owned and six Community Bank® branches have been added to the network (two Company branches have also converted to Community Bank® status). Our national Loans Centre is based in Ipswich.

Establishing a clear identity as a newcomer in a highly competitive and cluttered market has required significant investment and a willingness to involve ourselves at community, business and government levels. Much has been achieved in a short time and we are pleased to report that business volumes are responding, with new customer numbers, lending and deposit inflows now consistently higher than those we inherited.

Wealth Management

The Group's Wealth Management Division provides a comprehensive solution for its customers through wholly owned subsidiaries Sandhurst Trustees (funds management and trustee services), Victorian Securities (debentures), and financial planning firms Bendigo Investment Services and Worley Securities. The division's contribution to the Group result was \$7.6 million, a 41 per cent increase.

Despite the well documented difficulties experienced by global investment markets over the past few years, Sandhurst Trustees completed a highly successful year, growing funds under management by \$450 million (35 per cent), to \$1.7 billion. Through its Corporate Trust business, Sandhurst provides custodian and security trustee services to the corporate sector and manages approximately \$4.8 billion under custody.

In a difficult equities market, Sandhurst's diverse fund offerings proved attractive both to investors seeking the safe haven of cash and property and to those seeking to take advantage of lower-priced equity markets. Today investors may take advantage of investing in cash and mortgages via the Cash Common Fund, Investment Common fund and the Sandhurst Select Mortgage Fund; Australian equities through the Sandhurst Industrial Share and Future Leaders funds; and,

via the Bendigo Managed Funds (Conservative, Balanced and Future Growth), 20 diversified funds with exposure to all major assets classes including Australian and international equities and fixed interest, property and cash. The strong performance of its funds saw Sandhurst consistently feature in Australia's top 10 managers for retail funds inflow from September 2002. Sandhurst is also the trustee of our retail Bendigo Superannuation Plan (BSP), which grew strongly and has more than 10,000 members.

Through Bendigo Investment Services, we continued to expand the in-branch provision of professional financial planning advice, appointing a team of financial advisers to service our Queensland branches and placing our first adviser in NSW. The number of Bank customers availing themselves of this

important service continues to grow. Worley Securities, based in Melbourne offers high quality financial advice and remains an important part of our network.

Our Ballarat-based mortgage investment company, Victorian Securities, continued to trade strongly with net profits before tax increasing by 15 per cent. Total assets increased by 45 per cent to \$208 million while net growth in debentures was 46 per cent, increasing debentures on issue to \$196 million. In June 2003, the firm's co-founder, the Hon. Murray Byrne, announced his retirement as an adviser to the management board of VSCL. Mr Byrne was a driving force behind the firm's success and helped establish a rapport between staff and clients which is a hallmark of its operations. We thank him for his contribution to the Group.



Banking conv-e-nience ... Brooke Hiatt pays her bills and shops online, taking advantage of Bendigo Bank's new-look e-banking system, the fastest growing part of our distribution network.

SUBSIDIARIES, JOINT VENTURES AND OTHER INTERESTS

Bendigo Stock Exchange (BSX)

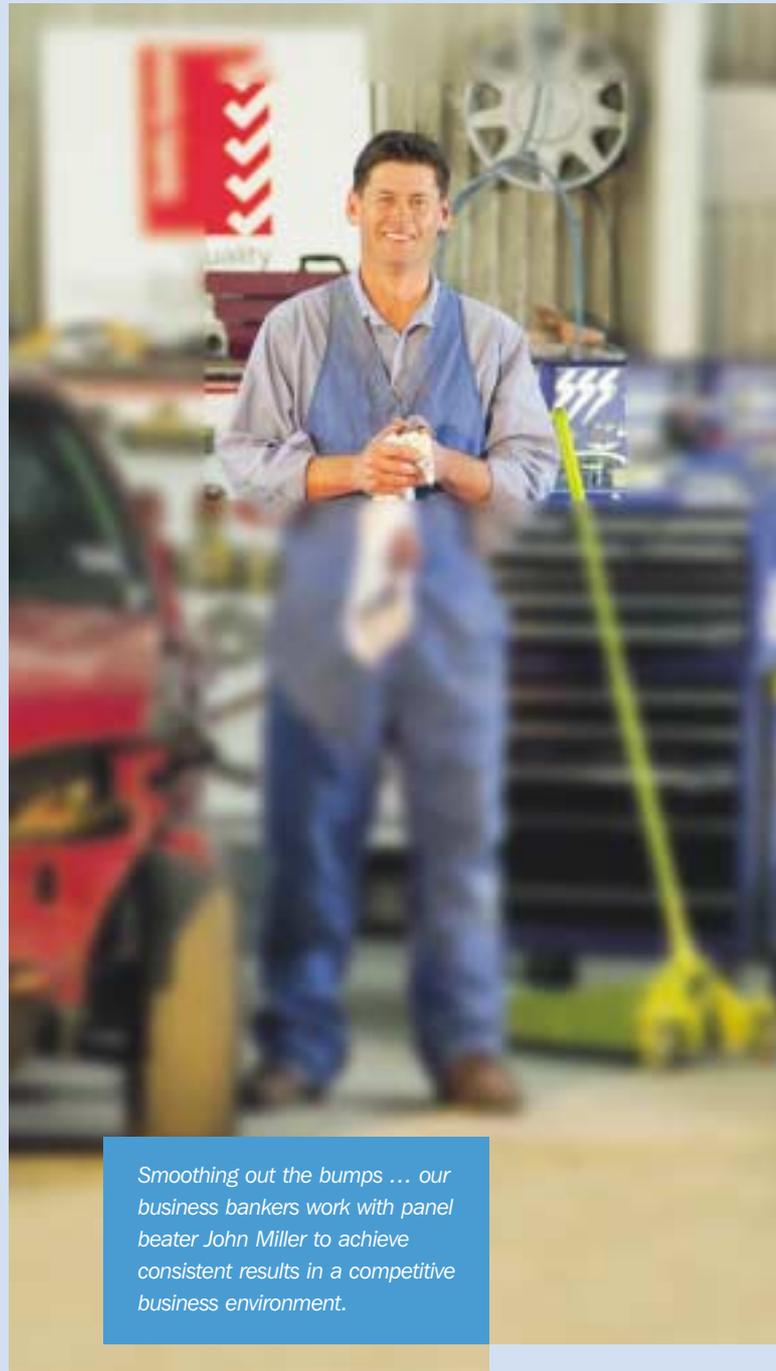
We remain a substantial shareholder in BSX, progressively developed with our strategic partners since 1997 as an alternative equity market to improve the flow of capital to the small to medium business sector. Encouraging innovators and entrepreneurs is an important element of our strategy to improve the prospects of our communities and while BSX is breaking new and challenging ground, we are encouraged by its progress. BSX has listings within three trading markets – property based managed investment schemes, small to medium enterprises and community enterprises – and has been appointed by the Victorian Government to establish to operate the world's first trading market for the transfer and assignment of Taxi Licences.

Community Developments Australia (CDA)

If Bendigo Bank is to maximise its potential, then our communities must be helped to reach theirs. Skilled and willing communities have great potential to build effective “new economy” solutions using their own resources. Through creating commercial models which help them to do so, we increase our relevance to those communities, thereby creating more willing buying bases for our services.

Most communities are dependent on suppliers for infrastructure essential to their future and so cannot plan their development with certainty. Our models change that dynamic by aggregating local demand and channelling it through a locally owned company (Community Bank® is the best-known example). This successfully harnesses co-operative spirit to a rigorous commercial model to produce successful outcomes for communities and Bendigo Bank (the service supplier). This collaborative approach has also been successfully applied to telecommunications, with the first Community Telco companies, in Bendigo and Ipswich, quickly attaining market share, profitability and a commitment from suppliers to build new service capacity in those communities.

Under the banner of our wholly owned subsidiary CDA, the Bank is now encouraging communities to extend this approach by forming local publicly owned communityenterprise™ companies through which they can entertain a range of options to address issues that are essential to their futures. This broader initiative is in its early days and we continue discussions with a number of communities across Australia.



Smoothing out the bumps ... our business bankers work with panel beater John Miller to achieve consistent results in a competitive business environment.

OUR FOCUS ENCOURAGES INNOVATION AND CO-OPERATIVE SPIRIT

Community Sector Banking (CSB)

CSB provides specialist and general banking services to Australia's not-for-profit sector. Based on our Community Bank® model and launched in July 2002, it is a joint venture between the Bank and Community 21, a company representing 19 community sector organisations.

Profits will be shared, providing incentives for sector members to bank through CSB and generating a committed buying group for Bendigo. CSB will increase banking competition in the sector, which will also benefit through improving the return it generates from its cashflow. CSB operations headquarters are based in Corrimal, a northern suburb of Wollongong, with mobile bankers based in Melbourne and Brisbane and agents in Sydney. Services are provided online, with customer organisations also able to use our branches when required.

CSB has concentrated on building its market position and brand recognition. It continues to work with sector participants to develop sector specific products including cash management trading accounts and a Fringe Benefit Tax management facility. It has also worked with participants to consider commercial, sustainable solutions for key social issues such as indigenous employment.

Community Telco

Like Community Bank®, Community Telco is a forerunner of our broader Community Enterprise approach. Bendigo Bank is the majority shareholder of Community Telco Australia, under whose umbrella communities start up their own locally owned telecommunications retail company.

This approach was piloted in Bendigo, Victoria, where Bendigo Community Telco (BCT) was launched in September 2000 and has achieved great success. BCT currently services more than 700 business customers and is strongly improving its revenue, margins and profits. It plans to extend its services to households and has announced its intention to list on the Bendigo Stock Exchange. A second Community Telco is operating in Ipswich, Queensland.

Elders Rural Bank (ERB)

ERB, our joint venture with Futuris (Elders), recorded an after-tax profit of \$19.0 million, an increase of almost 19 per cent. Gross loans increased by almost 27 per cent, to \$1.5 billion, and ERB remained fully funded by retail deposits, which increased by 39 per cent, to more than \$1.6 billion. The result was achieved despite a prolonged and severe drought which affected much of the nation.

GuildBanking

Launched three years ago, GuildBanking is an alliance with Guild Insurance & Financial Services, a subsidiary of the Pharmacy Guild of Australia, and provides specialised banking services to pharmacists on the east coast. GuildBanking made a solid contribution to profit and we anticipate a further significant increase in 2003/04. With our alliance partner, we are developing opportunities to provide banking services to other health care professionals.

National Mortgage Market Corporation

NMMC provides securitisation, funding and mortgage administration services to the Bendigo Bank Group and third party mortgage originators. Origination is a growing part of the Bank's business and is a primary focus for NMMC. The company manages government and private sector loan portfolios, and the Bank's Banksia Securitised Trusts. It achieved a 33 per cent reduction in total loan arrears in the government portfolio and record low levels in its own portfolio.

Tasmanian Banking Services (TBS)

TBS is a joint venture between Bendigo Bank and Tasmanian Perpetual Trustees which provides local ownership participation in the Tasmanian banking market. Launched with one branch (Burnie) in November 2000, TBS now operates five branches and has attracted 14,000 account-holders. The company last year grew its banking business by \$117 million, to \$245 million, and achieved profitability in its third year of operation.

BUILDING SUSTAINABLE COMMUNITIES IS AN IMPORTANT FOCUS

BENDIGO BANK IN THE COMMUNITY

It is clearly in our Company's interest to invest in creating better communities – we will always do better business in towns and suburbs which are prosperous and cohesive. Bendigo Bank supports a range of activities which might be loosely grouped under the banner of “community enhancement”. These include collaborative commerce, community development and sponsorships.

Affordable Home Loan Scheme

In conjunction with the Tasmanian State Government, KPMG & Tassie Home Loans, the Bank introduced the Affordable Home Loan scheme to help public housing tenants in Tasmania buy their own homes. The loan term is on average 15 years, repayments are limited to 20 per cent of gross household income and are automatically deducted from Centrelink entitlements. Annual rates and house insurance costs can be included. Any repayment increases are limited to increases in the Consumer Price Index. Borrowers may also have the option to access further funds for emergency household repairs.

Community Bank® – successful communities

Community Bank® is much more than just a banking solution for communities which have lost bank branches. It promotes the development of local leaders, enhances local skills by teaching communities how to run a public company, generates revenue to invest in projects of local benefit, and improves local commerce. Lastly, it boosts local confidence and morale.

Some raw statistics (June 2003) indicate some of the benefits now flowing to communities:

- > Community Bank® companies spend \$1.4 million per month in their communities.
- > More than 40 branches were recording regular monthly surpluses. In 2002/03 these trading surpluses totalled \$4.5 million.
- > Eleven Community Bank® companies had paid dividends or interest payments totalling \$704,079.
- > Contributions by local boards to their communities totalled \$1.9 million.
- > Community Banks® had contributed local sponsorships totalling \$183,563.

Other benefits do not show up on balance sheets but are nonetheless important.

- > Anecdotal evidence from many communities supports LaTrobe University research which shows the opening of a Community Bank® branch improves local economies by between three and seven per cent and their retail sectors by more.
- > A growing number of communities are establishing agencies in surrounding towns, further improving banking services in their districts.
- > Community leaders are learning how to establish and run publicly owned companies.

Customer service

We continue to respond to customer suggestions to improve our services. Customer Relationship Officers in our larger branches serve those customers requiring more detailed help, keeping transaction banking moving for others. Large print deposit and withdrawal vouchers have been introduced to help sight-impaired customers.

On 1 August 2002 we introduced Transaction Account Rebates, a new fee structure designed to reward customers who make us their preferred bank while continuing to provide a level of free banking for all customers. The new scheme also meets our aim to provide customers with information about the cost of every transaction so they can make informed choices about their banking.

Our new e-bank user interface (May 2003) was redesigned using best practise principles with the widest possible range of customers in mind. To confirm this goal was met, an accessibility audit was conducted using the ABA/W3C Internet Banking Accessibility Standard as the benchmark. This ensures visually impaired customers can use the system effectively and also supports those customers with slow connection speeds (often experienced in rural areas), cognitive difficulties and/or physical impairments. Browser compatibility tests were also conducted to ensure as many platform/browser combinations as practical could use the system.



A growing business ... like us, florist Wayne Meehan understands that strong businesses require investment and nurturing to grow returns that last.

Environment

Although by its nature retail banking does not impose a large “environmental footprint”, it is nonetheless assuming greater importance in our thinking as we encourage the development of sustainable long-term markets for our services.

Our Green Loans provide customers with price incentives to build or develop energy efficient homes. The Queensland Government in particular is enthusiastic about these lending products and we are working with several land developers keen to promote low energy housing developments.

A review of retail banking operations found that a significant proportion of the more than three million monthly bank statements we issue each year were probably of limited value to customers. They either detailed very few – or no – transactions, or were mailed to e-banking customers who enjoy 24-hour access to their account details. Our desire to revert to quarterly statements in these instances received acceptance from 94 per cent of the 65,000 customers contacted to date, an outcome which will save paper and unnecessary costs. We will gradually extend this offer to more customers.

Head office recycled a monthly average of 47.7 tonnes of paper and 22.5 tonnes of cardboard, increases of 27 and 116 per cent respectively on the previous year. Further progress is expected this year by recycling paper used in our branches and by converting all compatible printers across the Group to automated duplex printing.

We seek further savings in paper. In 2004, for example, we anticipate printing and mailing 30,000 Concise Annual Reports and 180,000 copies of The Bendigo Shareholder newsletter at a cost of more than half-a-million dollars. Our intention is to encourage our shareholders to receive Company correspondence electronically. This is expected to be a gradual process, but one which has the potential to result in significant long-term savings in paper and costs.



*In tune with community needs ...
Upwey Community Bank®, has
allocated more than \$90,000 in profits
to local groups since opening in 1998.
Lore Burns and Rueben Vrijens, both
11, were grant recipients.*

WE HAVE A UNIQUELY LONG-TERM FOCUS

Lead On

The Lead On youth development program, of which we are the major corporate sponsor, received a significant boost with the announcement by the Federal Government of \$400,000 in funding to launch new programs in five regional cities. These will be selected and launched during 2003/04, adding to programs currently running in the Victorian cities of Bendigo, Echuca, Swan Hill and Mildura plus Ipswich and Beaudesert in Queensland. We are grateful for the continuing financial support and encouragement of the Victorian and Queensland state governments, and we welcome new corporate sponsor Serco to the program.

Lead On is open to all young people and aims to provide them with life-shaping experiences in business, local government and community initiatives. It aims to foster balanced development between Australia's capital cities and regions by engendering an understanding of community in regionally born young people who more than likely will migrate to the city for education or work. These youngsters are tomorrow's leaders and investment managers and we hope Lead On will contribute towards them having a better understanding of the dynamics and the requirements of regional communities.

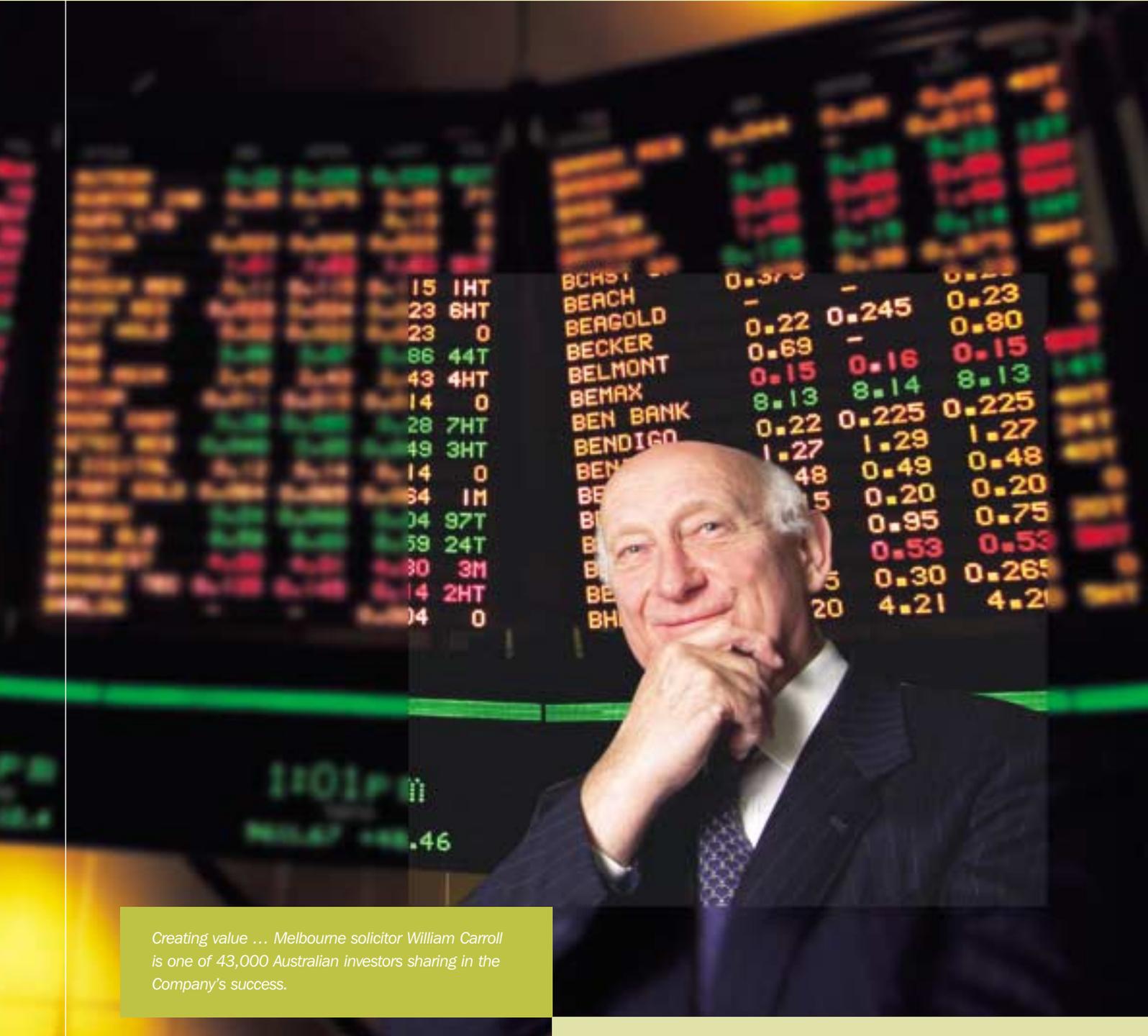
Sponsorships

The Bank's sponsorships continue to be wide-ranging, from glassware supplied for trophies at sporting events through to major corporate activities such as our sponsorship of the stage production of C.S. Lewis' classic book, *The Lion, The Witch & The Wardrobe*. This production, with its amazing larger-than-life animatronic puppets, was seen by more than 200,000 people in its Melbourne, Adelaide, Perth, Canberra and Newcastle seasons before being taken to Brisbane and Sydney later in 2003.

We have a practice of donating superceded equipment to community groups with which we have a relationship. This program last year resulted in around 200 computers being donated to charities, hospitals, schools, clubs and Lead On. Our Queensland branches were collection points for the inaugural Mater Children's Hospital Appeal and we have high hopes to help build this into a major event each year. Similarly, we helped the Salvation Army to raise more than \$50,000 for victims of a freak tornado which ripped through our home city of Bendigo in May 2003.

Our branches and regional offices now directly control discrete sponsorship budgets, ensuring local participation in allocating funds to projects accorded community priority. Conscious of our desire to improve prospects for young people, we successfully trialled a Youth Development Fund in our home region and plan to broaden its reach.

OURS IS A FOCUS WORTH INVESTING IN



Creating value ... Melbourne solicitor William Carroll is one of 43,000 Australian investors sharing in the Company's success.

SHAREHOLDER INFORMATION

As at 31 July 2003, Bendigo Bank (ASX Code BEN) had on issue 123,064,746 listed ordinary shares, 4,418,878 unlisted employee shares and 3,743,786 listed convertible capital notes.

During the past 12 months, holders of 652,107 capital notes elected to convert their notes into shares. These notes are perpetual, convertible, fixed-interest securities paying 8.00% on their issue price of \$4.10. They may be converted into ordinary shares on a one-for-one basis, at any of the six-monthly interest dates.

On 25 August 2003, the Board allotted 1,317,476 shares to employees of the Group under the terms of the Bendigo Employee Share Plan.

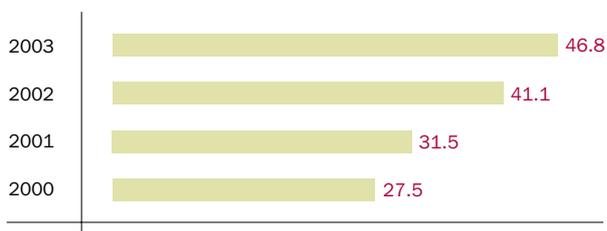
We provided holders of unmarketable parcels of shares (fewer than 65 at that time) with an opportunity to sell their holding on the open market, at market price, without incurring brokerage costs. This offer was taken up by 322 shareholders who sold a total of 9243 shares. This initiative will help reduce our Share Registry costs.

e-shareholder initiative

Subject to regulatory requirements, the Company is committed to providing shareholders with the option of receiving information and documents electronically via the internet. This will provide shareholders with timely information, will reduce waste and has the potential to save significant costs if adopted by sufficient numbers of shareholders.

We encourage shareholders to register to become an e-shareholder by visiting www.bendigobank.com.au/shareholders

Earnings per share (cents)



Dividend options

The Bank offers a Dividend Reinvestment Plan and a Bonus Share Scheme to enable shareholders to reinvest their dividends into new shares. The new shares issued under these plans are currently free of brokerage and issued at a 2.5 per cent discount to the weighted average market price over the five trading days prior to issue. Shareholders may alternatively elect to credit their dividends directly to their account with Bendigo Bank or any other financial institution. To amend the way in which shareholders have their dividends paid, they should contact the registry for a Dividend Nomination Form.

Shareholder Privileges

Individuals who hold 500 or more Bendigo Bank securities are entitled to a range of benefits under our Shareholder Privileges package. Details are available on our website www.bendigobank.com.au, or by contacting a Branch or Bendigo OnCall (1300 366 666)

Securities Registry

Manager, Allan Thomas and his staff, Karyn Flynn and Cindy Morris, can provide assistance with matters relating to all the Company's listed securities by:

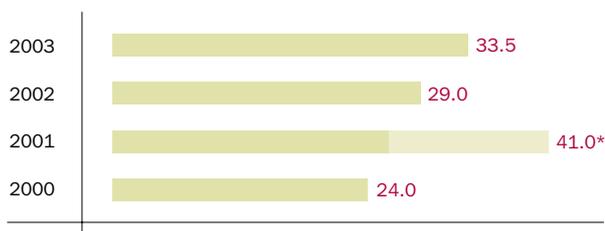
Mail: Securities Registry
Bendigo Bank
PO Box 480, BENDIGO VIC 3552

Telephone: (03) 5433 9549 or 1800 646 042

Fax: (03) 5433 9029

E-Mail: share.register@bendigobank.com.au

Dividend per share (cents)



A TEAM FOCUS

CORPORATE ISSUES

Financial Sector Reform Bill (FSR)

Enacted in March 2002, this Federal legislation aims to ensure customers of all financial institutions and intermediaries receive soundly based financial advice from trained and licensed providers. Its reforms are wide-ranging and impose considerable compliance costs on the Group. The Bank has formed a project team to implement FSR and intends to apply for its Australian Financial Services Licence during September 2003. Subsidiary companies, Sandhurst Trustees, Bendigo Investment Services, Worley Securities, National Assets Securitisation Corporation and Victorian Securities Corporation will apply for their own licences.

Information technology

Managing our own information technology (IT) needs has been a core strength during a decade of rapid growth and diversification for our business. Our IT team has provided us with the durability, flexibility and innovation required to adjust to a rapidly changing environment.

Recognising the challenges ahead, the department recently developed a plan to support the Bank's strategic direction, rapid growth and need for evermore detailed reporting. IT development will respond directly to requests from business units, with development proceeding on a plan/build/run model. Technical and management skills were recruited to cater for our increasing size and complexity.

Property review

The rapid growth and diversification across the Group has led to the fragmentation of staff accommodation. Our head office in Bendigo is actually spread across five buildings, no one of which can accommodate all our people; our Melbourne-based staff work from three buildings. A review has determined a clear need to consolidate into a single head office complex in Bendigo and one location in Melbourne. We are currently reviewing a shortlist of Bendigo sites and we are close to finalising a Melbourne location. These are essential investments, both logistically and to ensure we retain our unique culture. The review also led to the sale of several surplus properties around the nation and the renegotiation of key leases.

Supervision costs

Federal Treasury and APRA is currently reviewing the sharing of supervision costs amongst Authorised Deposit Taking Institutions (ADIs). We have submitted that the current system is fundamentally unfair in that Bendigo Bank pays 82 per cent of the supervision cost paid by banks with asset bases 40 times larger. Given the complexity of the operations of the major banks, it is not credible that the cost of supervision of a regional bank like Bendigo (with a high proportion of its assets in housing loans) could be rapidly approaching that of the majors. A more equitable approach would also satisfy the Government's desire to promote efficiency, competition and competitive neutrality. We have asked the Government to consider our views.



Tailoring services to customer needs ... despite the popularity of e-banking, branch manager Graham Taylor provides his customers with the option of face-to-face banking.

ETHICAL BEHAVIOR IS AN IMPORTANT PART OF OUR FOCUS



BENDIGO BANK LIMITED STATEMENT OF CORPORATE GOVERNANCE PRACTICES

CHAIRMAN
RICHARD GUY OAM

DEPUTY CHAIRMAN
ROBERT JOHANSON

GROUP MANAGING DIRECTOR
ROB HUNT AM

Bendigo Bank is committed to high standards of corporate governance. The Board believes that the Bank's commitment to ethical corporate dealings in the conduct of its business has been an important element of its success during its 145-year history. This commitment applies to the dealings by Bendigo Bank with its shareholders, customers, employees, suppliers, regulators and the community. It is also reflected in Bendigo Bank's corporate values. Following the release of the Australian Stock Exchange Corporate Governance Council Principles of Good Governance and Best Practice Recommendations in March 2003, Bendigo Bank has initiated a complete review of its corporate governance practices.

Role of the Board

The Board provides direction to the Bank by establishing clear objectives and strategy. Directors review and monitor performance of management and business outcomes to ensure they are consistent with the agreed strategy.

Composition of the Board

The Board currently consists of seven non-executive Directors and the Managing Director. Details of the Directors in office at the date of this statement are set out in the Directors' Report.

The Directors' Report also includes details of attendance by Directors at formal meetings of the Board and Board committees during the year.

The composition of the Board is determined on the basis of the following principles.

- > Directors feel it is desirable that the Board comprises six or seven non-executive Directors and one or two executive Directors.

- > The Chairman and Deputy Chairman of the Board should be non-executive Directors and there should be a separation between the role of Managing Director and Chairman of the Board.
- > The Board should comprise Directors with good general business skills and experience and representing a broad range of backgrounds and professions.
- > It is desirable that both genders be represented and that members come from a range of age groups, thereby bringing a blend of youth and experience to the Board.

The appointment and re-election of Directors is governed by the Bank's Constitution. The number of Directors must not be fewer than five nor more than ten. The Constitution further provides that one third of the Directors, excluding the Managing Director, must retire each year. Directors appointed after 1995 would not generally be expected to seek re-appointment after serving 15 years on the Board.

New Directors are invited to join the Board by decision of the Board, on recommendation of the Board's Governance Committee. Any new appointments to the Board must be approved by the Board and by the shareholders at the following Annual General Meeting. Upon appointment, the Bank issues a letter of appointment outlining the role of the Board, the corporate governance practices described in this statement, including formal terms of appointment, special duties and responsibilities and expected time commitments, remuneration, superannuation and expense reimbursement, indemnity and insurance arrangements, confidentiality and rights of access and share trading restrictions.



DIRECTOR
NEAL AXELBY



DIRECTOR
JENNY DAWSON



DIRECTOR
DON ERSKINE



DIRECTOR
TERRY O'DWYER



DIRECTOR
KEVIN ROACHE

Independence

The Board believes that the exercise of independent judgement by Directors is an important feature of corporate governance. In relation to independence, the Board has had regard to relevant guidelines and reports and is conscious that further developments are likely in the coming year.

The Board regards an independent Director as a non-executive Director whom the Board considers to be independent of management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgement.

Directors must disclose any material personal interest in accordance with the Corporations Act. Directors must also comply with the constraints on their participation and voting in relation to matters in which they may have an interest in accordance with the Corporations Act.

Each Director may from time to time have personal dealings with Bendigo Bank. Each Director may be involved in other companies or professional firms which may from time to time have dealings with Bendigo Bank. Details of offices held by the Directors with other organisations are set out in the Directors' Report. Full details of related party dealings are set out in notes to the Bendigo Bank financial statements as required by law.

In assessing the question of independence, the Board has also taken into account the following matters.

Richard Guy

Mr Guy has been a Director for 22 years and chairman for 18 years. Mr Guy's brother was a partner at Allens Arthur Robinson until 1999 and is now a consultant. Allens Arthur Robinson provides legal services to the Group on normal commercial terms and conditions.

Robert Johanson

Mr Johanson has been a Director for 16 years and deputy chairman for three years. Mr Johanson is a Director of Grant Samuel Ltd. Grant Samuel provides professional advisory services to the Group on normal commercial terms and conditions. The services provided during the 2003 financial year related to a Group property review, alliances and joint ventures, and strategic developments.

Neal Axelby

Mr Axelby has been a Director for three years. Mr Axelby became a Director of a predecessor to First Australian Building Society Limited (FABS) in 1985 and continued as a Director of various merged entities that were predecessors to FABS. FABS was acquired by Bendigo Bank in 2000. FABS is a non-operating wholly owned subsidiary of Bendigo Bank.

Donald Erskine

Mr Erskine has been a Director for four years.

Kevin Roache

Mr Roache has been a Director for 12 years. Mr Roache became a Director of Capital Building Society in 1987. The business of Capital Building Society was integrated into Bendigo Bank under the provisions of Part 6 of the Building Societies Act 1986 in 1992. Mr Roache is a partner in Coulter Roache, which provides legal services to the Group and leases office premises from the Group, in each case on normal commercial terms and conditions.

Terence O'Dwyer

Mr O'Dwyer has been a Director for three years. Mr O'Dwyer became a Director of a predecessor entity to First Australian Building Society Limited (FABS) in 1990 and continued as a Director of various merged entities that were predecessors to FABS. FABS was acquired by Bendigo Bank in 2000. FABS is a non-operating wholly owned subsidiary of Bendigo Bank.

OUR FOCUS ON SUSTAINABLE BANKING MEANS SUSTAINABLE BUSINESS

Jennifer Dawson

Ms Dawson has been a Director for four years. Ms Dawson was engaged by Bendigo Bank during the period 1995 to 1999, initially as a contractor (1995-1998) and then as an employee (1998-1999). During that time Ms Dawson's work included project management and internal audit management. Ms Dawson is a shareholder of Central Victorian Removals Pty Ltd. Central Victorian Removals provides relocation services to Bendigo Bank on normal commercial terms and conditions.

Assessment

The Board has assessed each non-executive Director as independent. In making that assessment, the Board has taken into account the above relationships and the following.

No Director is, or is associated directly with, a substantial shareholder of Bendigo Bank.

No Director, other than Ms Dawson, has ever been employed by the Bendigo Bank or any of its subsidiaries.

No Director is, or is associated directly with, a professional adviser, consultant, supplier, customer or other contractor of the Bendigo Bank that is material under accounting standards.

No related party dealing referable to any Director is material under accounting standards.

The Board does not consider that the term of service on the Board should be considered as a factor affecting a Director's ability to exercise unfettered and independent judgement.

In relation to Ms Dawson, the Board has noted the period of time that has elapsed since her employment ended, and is of the view that Ms Dawson's employment with Bendigo Bank should not be regarded as affecting her status as independent. The Board is of the view that Ms Dawson has demonstrated the exercise of independent judgement. Ms Dawson is also chair of the Audit Committee. In relation to Ms Dawson's role as chair of that committee, the Board has noted Ms Dawson's previous roles with Bendigo Bank, including her internal audit role. Having regard to the changes in the organisation's structure, personnel, systems, policies and procedures including the revised internal audit methodology, the Board believes that her previous roles do not impact on her ability to chair the Audit Committee effectively.

Remuneration

Remuneration arrangements for non-executive Directors are determined by the Board based upon recommendation from the Board's Governance Committee. The committee surveys the range of comparable remuneration levels, in particular within the banking and finance industry, and takes into account the remuneration which would reasonably be expected in order to attract Directors with the knowledge and experience required by the Bank.

Committee recommendations are based on a number of factors including size, complexity, medium to longer term performance of the Group, comparisons with remuneration levels of other corporations of a similar size and nature, Director responsibilities and demands placed on Directors in performing their role. The committee reviews the appropriateness of non-executive fees on an annual basis.

As the focus of the Board is on the long-term strategic direction and performance of Bendigo Bank, there is no direct link between non-executive Director remuneration and the short-term results of the Bank.

Non-executive Directors are entitled to receive a benefit in the event of their retirement from the Board. This benefit is equal to the aggregate of the remuneration paid to the Director during the three-year period before retirement. During the year the Board resolved to "grandfather" the retirement benefit entitlements of existing non-executive Directors and to establish a new arrangement in respect to future Directors appointed to the Board. The Board intends to appropriately evaluate alternative arrangements during the course of the year.

Additional fees are also paid to the members of the Credit Committee in recognition of the time and contribution associated with its responsibilities.

The remuneration of the Managing Director is determined by the Board following completion of the annual Board performance review and approval of the Group's budget and business objectives for the coming year.

The total aggregate amount of non-executive Directors' fees approved by the shareholders of Bendigo Bank at its Annual General Meeting held in October 2000 is \$900,000 per annum.

Details of Directors' and executives' remuneration is disclosed in the Directors' Report and notes to and forming part of the financial statements, and includes fees paid to Directors who serve on subsidiary boards.



Passing the baton the Bendigo way ... Share Registry Manager Allan Thomas is happy to impart his 42 years of acquired wisdom to new employee Sally Munro.

Dealings in Bank's securities

During the financial year, Directors were not permitted to deal in the Bank's securities without first notifying the Chairman and, following any dealing, the Board was required to be advised. In addition, Directors were prohibited from dealing in the Bank's securities for specific periods during the year such as the ten-week period before announcement of the Bank's annual and half-year results. A similar restriction also applied to senior officers of the Group.

A formal staff trading policy has since been adopted by the Board. The restrictions on dealing described above apply to Directors and designated officers, including members of the Executive Committee and other classes of employees who may have access to price sensitive information. In addition, all employees and Directors are prohibited from trading if in possession of price sensitive information.

Independent professional advice

Each Director is entitled to seek independent professional advice at the Bank's expense. The advice sought must be relevant to the Bank's affairs. Approval is required from the Chairman before the advice is sought and a copy of the instructions and advice obtained must be made available to all members of the Board. No Director has requested external professional advice at the Bank's expense during the financial year.

Conflict of interest

A Director is required to disclose any interests in any contract, agreement or property which may affect the Director's position as a Director of the Bank. If a conflict of interest arises, in addition to declaring an interest, the Director must not vote in respect to the matter and, if required by law or the meeting, also withdraw from discussions regarding the matter.

WE'RE FOCUSING ON OUR RESPONSIBILITIES TO OUR CUSTOMERS, COMMUNITIES AND SHAREHOLDERS

Shareholder relations

The Managing Director and Chairman are responsible for making sure that shareholders are appropriately informed about the Bank's activities and performance. This is achieved by the provision of information to shareholders in the following ways.

- > Compliance with all reporting obligations under the Corporations Act 2001.
- > Compliance with the continuous disclosure and periodic reporting requirements under the Australian Stock Exchange Listing Rules.
- > Distribution of information through quarterly shareholder newsletters and general media releases.
- > Placement of Company information on the Bank's website including results announcements, annual reports and full financial statements, market announcements and other releases which may be of interest to shareholders.
- > Webcasting of the Bank's results announcements.
- > Webcasting of the Bank's Annual General Meeting.
- > Shareholder question sheet included with the Notice of Annual General Meeting.

An Annual General Meeting is held each year for shareholders to receive and consider the annual accounts and reports of the Bank. Shareholders who are unable to attend the meeting are entitled to cast their vote by proxy and to present questions to the Bank about its activities and performance. The Chairman's address to the Meeting together with responses to commonly asked shareholder questions are provided to shareholders in the November shareholder newsletter.

Committees of the Board

To help it discharge specific aspects of its responsibility, the Board has appointed a number of committees, namely Audit, Governance, Credit, Risk, Property and I.T. Strategy committees. The Board recognises that the committees do not reduce individual Director responsibilities but make the Board more effective. Membership of all committees is reviewed annually. Each committee is governed by a formal charter which identifies its objectives and principal accountabilities. The minutes of all Board Committee meetings are tabled and discussed at the next meeting of the Board where recommendations are considered. The chairman of each committee is a non-executive Director.

Governance Committee

The Governance Committee comprises three non-executive Directors, Mr R.A. Guy (OAM) (Chairman), Mr R.N. Johanson, Mr N.J. Axelby and the Managing Director, Mr R.G. Hunt. The committee meets on an annual basis or more often as required.

The Governance Committee performs the functions of a nomination committee and remuneration committee, as well as dealing with governance generally. The committee reviews and makes recommendations to the Board on the size, composition, and criteria for Board membership, and non-executive Director remuneration arrangements. In addition the committee is responsible for the following:

- > Selecting and recommending candidates for Board membership, including appointments to fill casual vacancies.
- > Monitoring and recommending the remuneration arrangements for non-executive members of the Board and the major remuneration policy practices for the Bank generally.
- > Overseeing the process to assess the performance of the Directors and the Board as a whole.

Audit Committee

During the financial year, the Audit Committee comprised three non-executive Directors, Ms J.L. Dawson (Chairman), Mr R.A. Guy OAM, and Mr T.J. O'Dwyer and the Managing Director, Mr R.G. Hunt. The charter has since been amended to provide that all members must be non-executive Directors, and for the Managing Director to be an invited attendee. The charter also provides that the majority of members must be independent Directors and the chairman must be an independent Director who is not Chairman of the Board.

The committee meets on a bi-monthly basis and creates a forum for communication between external audit, internal audit, the Board and management. The external auditors, the manager Group internal audit and appropriate senior staff are invited to attend meetings.

The main responsibilities of the Audit Committee are the following:

- > Make recommendations to the Board on the appointment and remuneration of the external auditor, review the terms of the engagement and scope and quality of the audit.
- > Monitor compliance with the Bank's audit independence policy.
- > Determine the scope of the internal audit function and evaluate the internal audit function.
- > Monitor the effectiveness of the internal control environment established by management.
- > Review and report to the Board on the financial statements and the concise annual report before publication (including monitoring compliance with Australian accounting standards and statutory reporting requirements).

Both the internal and external auditors have clear lines of communication with the chairman of the Audit Committee.

Credit Committee

The Credit Committee currently comprises four non-executive Directors, Mr K.E. Roache (Chairman), Mr N.J. Axelby, Ms J.L. Dawson and Mr D.J. Erskine and the Managing Director, Mr R.G. Hunt. Other senior officers are invited as attendees where appropriate. The committee meets on a monthly basis or as often as required.

The Credit Committee is responsible for the approval quality, maintenance and performance of credit exposures across the Group and the approval of credits above the limits delegated by the Board to management. In addition the role of the committee includes responsibility for the following:

Approval of credit policy, credit inspection policy and portfolio policy and limits.

Monitoring credit activities in respect to origination and approval, post-decision overview, credit inspection, portfolio management, credit risk management and bad debt approvals.

Risk Committee

The Board has appointed a Risk Committee to review and monitor policies and standards for balance sheet, off balance sheet and operational risks which expose the organisation to risk of loss, taking into account the Bank's risk tolerance and overall business strategy. The committee is comprised of three non-executive Directors, Mr R.N. Johanson (Chairman), Mr K.E. Roache, Mr T.J. O'Dwyer and the Managing Director, Mr R.G. Hunt. Members of the asset & liability management committee are invited as attendees to meetings of the Risk Committee as required. The committee meets bi-monthly or more often as required.

The role of the committee includes responsibility for the following:

- > Review of the financial strategy for the Group, monitoring the development of the Group's balance sheet and off balance sheet activities and reviewing controls to limit exposures to within prudent limits.
- > Monitoring changes in the Group's balance sheet, funding and risk profile to ensure consistency with the financial strategy.
- > Monitoring of risk management policies and controls in respect to interest rate risk, funding and liquidity risk and operational risk.

The Risk Committee receives regular management information and recommendations from both the asset & liability management committee and strategic finance unit concerning business and risk strategies.

I.T. Strategy Committee

The Board has established an Information Technology (I.T.) Committee to provide assurance to the Board regarding the bank's investment in I.T. asset and the operation and direction of information technology. The committee comprises three non-executive Directors, Mr T.J. O'Dwyer (Chairman), Mr R.N. Johanson, Mr D.J. Erskine and the Managing Director, Mr R.G. Hunt.

The role of the committee is to provide oversight of Bendigo's I.T. planning and operations on behalf of the Board to achieve the following objectives:

Ensure frameworks and processes are in place for the efficient and effective management of the I.T. investment and the continuing alignment with business strategy and plans.

Ensure there are appropriate ways of measuring performance, risk and productivity.

Ensure there is a sound base supporting recommendations to the Board on overall architectural direction, I.T. investment and risk management.

Property Committee

The Bank has established a Property Committee, which comprises Mr R.A. Guy (Chairman), Ms J.L. Dawson and the Managing Director, Mr R.G. Hunt, to oversee and recommend to the Board in respect to the Group's property requirements.

The committee is responsible for reviewing recommendations and approving proposed actions in relation to the implementation of the Group's property strategy for Melbourne, Geelong, Ipswich and Bendigo.

Risk management

The recognition and management of risk is an essential element of the Group's strategy. The Board, being ultimately responsible for the management of risks associated with the Group's activities, has established an integrated framework of committee structures, policies and controls to manage risk. The risk management strategy is underpinned by a system of delegations, passing from the Board, through Board sub-committees, management committees and executive committee to the various support and business units of the Group.

The various sub-committees, governed by formal charters, have delegated authority to determine the risk management strategies of the Group, taking into account the Group's risk tolerance, business strategies and management expertise. An outline of the risk management responsibilities has been provided in the above sub-committee profiles.

The Board has approved an Operational Risk Management Framework which defines the processes and tolerance limits for managing operational risk across the Group's business operations. The framework is being progressively implemented in consultation with Group business divisions.

Ethical standards

Bendigo Bank has developed a set of corporate values, being principles which form the foundation for Bendigo's reputation for ethical behavior. They have been endorsed by the Board and apply to everyone within the Bank. The corporate values describe the Bendigo Bank culture and they form a framework to guide interactions between the Bank, customers, shareholders, suppliers and the community.

Audit independence

The Board has adopted a policy statement formalising a number of audit independence safeguards and protocols. The policy statement provides for a six-monthly reporting framework, through the Audit Committee, covering potential circumstances or events that may impact the independence of the audit function.

Continuous disclosure

The Board recognises the importance of making sure that the Bank's shareholders, and the broader investment market, are kept informed about the Bank's activities and that the Bank meets its continuous disclosure obligations.

The Bank has a continuous disclosure policy to ensure that all price sensitive information is disclosed to the Australian Stock Exchange ("ASX") under the continuous disclosure requirements of ASX Listing Rules and the Corporations Act.

The Bank's Board meeting agenda includes continuous disclosure as a standing item for Board consideration. The Bank's Managing Director, Chairman and executive officers, are responsible for identifying matters or transactions arising between Board meetings which require disclosure in accordance with the ASX Listing Rules.

All announcements to be lodged with ASX must first be approved by an authorised officer, generally the Managing Director, before release.

The company secretary is responsible for co-ordinating communications with the ASX and for making sure that information is not released to external parties until confirmation of lodgement is received from the ASX.

The Bank has established a communications policy which provides clear authorities and protocols for all communications with parties external to the Bank, in particular, the ASX, regulatory authorities, media and brokers.

The Bank is a registered member of the Australian Stock Exchange's on-line lodgement service, "ASX Online".

CONCISE FINANCIAL REPORT



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Bendigo Bank Limited
ABN 11 068 049 178

IMPORTANT INFORMATION FOR MEMBERS

The Directors' Report, Concise Financial Report and Auditors' Report contained within this document represent a Concise Report. The full Financial Report of Bendigo Bank Limited for the financial year ended 30 June 2003 and the Auditors' Report thereon will be sent, free of charge, to members upon request.

Members wishing to receive the full Financial Report and Auditors' Report may arrange to obtain a copy by either:

- (i) visiting our website at www.bendigobank.com.au, or,
- (ii) contacting the Bank's Share Registry on (03) 5433 9549.

The Concise Financial Report contained within this document has been derived from the full Financial Report of Bendigo Bank Limited for the financial year ended 30 June 2003 and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full Financial Report.

FIVE YEAR HISTORY

The Bendigo Group

	2003	2002	2001 ¹	2000 ²	1999 ³
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Performance year ended 30 June					
Interest revenue	500,634	446,954	454,365	296,762	230,224
Interest expense	278,345	254,361	293,677	179,877	137,002
Net interest margin	222,289	192,593	160,688	116,885	93,222
Specific income items	-	-	-	-	1,165
Other revenue	125,603	99,645	76,815	57,945	43,761
Specific bad & doubtful debts expense	-	10,444	-	10,500	(5,318)
Bad & doubtful debts expense (net of bad debts recovered)	15,343	11,603	10,130	7,613	6,452
Specific expense items	-	-	5,000	-	-
Other operating expenses	243,266	205,792	167,371	119,363	100,953
Profit from ordinary activities before income tax expense	89,283	64,399	55,002	37,354	36,061
Income tax expense	30,246	15,700	21,724	16,042	16,359
Net (profit)/loss attributable to outside equity interest	(33)	85	-	-	-
Profit from ordinary activities after income tax expense	59,004	48,784	33,278	21,312	19,702

Financial Position at 30 June

Total assets	9,256,626	7,967,725	6,981,517	4,913,417	4,204,239
Loans	7,504,016	6,209,513	5,592,146	3,939,894	3,298,802
Liquid assets and cash	1,418,451	1,439,866	1,125,675	801,859	713,997
Other assets	334,159	318,346	263,696	171,664	191,440
Equity	552,710	494,427	422,797	288,357	243,089
Deposits	8,241,154	6,988,485	6,229,172	4,394,669	3,775,873
Subordinated debt	204,665	161,379	135,394	78,121	82,959
Other liabilities	258,097	323,434	194,154	152,270	102,318

Share Information

Net tangible assets per share	\$3.80	\$3.38	\$3.02	\$3.00	\$2.85
Earnings per share - cents	46.8	41.1	31.5	27.5	32.6
Earnings per share before specific items - cents	46.8	41.1	34.8	36.5	30.7
Dividends per share:					
Interim - cents	13.5	12.0	11.5	10.5	10.5
Special - cents	-	-	15.0	-	-
Final - cents	20.0	17.0	14.5	13.5	12.5
Total - cents	33.5	29.0	41.0	24.0	23.0

Ratios

Profit from ordinary activities after tax to average assets	0.69%	0.65%	0.56%	0.47%	0.53%
Profit from ordinary activities after tax to average equity	11.27%	10.64%	9.36%	8.02%	10.03%
Restated Profit from ordinary activities after tax to average equity ⁴	11.06%	10.24%	9.03%	7.75%	9.70%

¹ Figures for 2001 include the acquisition of First Australian Building Society effective 11 October 2000.

² Figures for 2000 include the acquisition of Victorian Securities Corporation Limited effective 7 September 1999.

³ Figures for 1999 include the acquisition of IOOF Building Society effective 1 April 1999.

⁴ Restated return on average equity has been calculated using equity figures which exclude the provision for final dividend. Commencing 30 June 2003 the final dividend will not be provided for in the financial statements, in accordance with AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets." The restatements are made to facilitate comparison with current and future ratios.

FIVE YEAR COMPARISON

The Bendigo Group

		2003	2002	2001 ¹	2000 ²	1999 ³
Key Trading Indicators						
Retail deposits - branch sourced	(\$'000)	6,823,384	5,637,887	4,756,755	2,953,813	2,530,347
Number of depositors' accounts		974,788	850,979	720,709	481,153	439,034
Average balance per account holder	(\$)	7,000	6,625	6,600	6,139	5,763
Total loans approved	(\$'000)	4,822,762	3,637,170	2,494,609	1,854,284	1,613,490
Number of loans approved		70,175	47,325	40,614	32,243	27,751
Liquid assets and cash	(\$'000)	1,418,451	1,439,866	1,125,675	801,859	713,997
Total assets	(\$'000)	9,256,626	7,967,725	6,981,517	4,913,417	4,204,239
Liquid assets & cash as proportion of total assets (%)		15.32	18.07	16.12	16.32	16.98
Number of branches ⁴		247	215	179	107	91
Average deposit holdings per branch	(\$'000)	27,625	26,223	26,574	27,606	27,806
Number of staff (FTE)		1,904	1,754 ⁵	1,533 ⁶	1,011 ⁷	847 ⁸
Assets per staff member ⁹	(\$'mill)	4.862	4.543	4.554	4.860	4.964
Staff per million dollars of assets ⁹		0.21	0.22	0.22	0.21	0.20

Dissection of Loans by Security (\$'000)¹⁰

Residential loans		5,602,565	4,583,210	4,188,134	2,774,278	2,416,793
Commercial loans		1,446,473	1,239,538	1,041,388	893,760	740,454
Unsecured loans		463,470	403,396	337,130	293,210	142,546
Other		71,390	52,692	81,239	28,663	30,001
Gross loans		7,583,898	6,278,836	5,647,891	3,989,911	3,329,794

Dissection of Loans by Security (%)¹⁰

Residential loans		73.87	72.99	74.15	69.53	72.58
Commercial loans		19.07	19.74	18.44	22.40	22.24
Unsecured loans		6.11	6.42	5.97	7.35	4.28
Other		0.95	0.85	1.44	0.72	0.90
Total		100.00	100.00	100.00	100.00	100.00

Asset Quality

Non-accruing loans	\$'000	16,445	20,612	28,274	27,194	13,020
Specific provisions	\$'000	(10,647)	(8,674)	(8,374)	(14,505)	(5,960)
Restructured loans and assets acquired through security enforcement		-	-	-	3,315	3,640
Net impaired loans	\$'000	5,798	11,938	19,900	16,004	10,700
Net impaired loans % of gross loans	(%)	0.08	0.19	0.35	0.41	0.32
Specific provision for impairment	\$'000	10,763	9,824	9,545	15,523	6,616
Specific provision % of gross loans less unearned income	(%)	0.14	0.16	0.17	0.39	0.20
General provision for impairment	\$'000	43,762	35,688	21,789	13,826	9,454
General provision as % of risk weighted assets	(%)	0.79	0.79	0.79	0.71	0.65

¹ Figures for 2001 include the acquisition of First Australian Building Society effective 11 October 2000.

² Figures for 2000 include the acquisition of Victorian Securities Corporation Limited effective 7 September 1999.

³ Figures for 1999 include the acquisition of IOOF Building Society effective 1 April 1999.

⁴ Includes Community Bank branches.

⁵ Includes staff increases from the acquisition of Bendigo Investment Services.

⁶ Includes staff increases from the acquisition of First Australian Building Society.

⁷ Includes staff increases from the acquisition of Victorian Securities Corporation Limited.

⁸ Includes staff increases from the acquisition of IOOF Building Society.

⁹ These ratios do not take into account off-Statement of Financial Position assets under management, which totalled \$2.6 billion at 30 June 2003 (2002: \$2.4 billion).

¹⁰ For the purposes of this dissection, overdrafts and personal loans secured by residential and commercial property mortgages are included in residential and commercial loan categories respectively.

DIRECTORS' REPORT

Your Board of Directors has pleasure in presenting the 138th Financial Report of Bendigo Bank Limited and its controlled entities for the year ended 30 June 2003.

Directors

The names of the Bank's directors in office during the financial year and until the date of this report are as follows:

- > Richard A Guy OAM Chairman
- > Robert N Johanson Deputy Chairman
- > Robert G Hunt AM Managing Director
- > Neal J Axelby
- > Jennifer L Dawson
- > Donald J Erskine
- > William R Lanyon ¹
- > Terence J O'Dwyer
- > Kevin E Roache

¹ Mr William R Lanyon retired from the board on 28th October 2002.

Principal Activities

The principal activities of the Company and its controlled entities during the financial year were the provision of a range of banking and other financial services, including retail banking, business banking and commercial finance, funds management, treasury and foreign exchange services (including trade finance), superannuation and trustee services.

There was no significant change in the nature of the activities of the economic entity during the year.

Consolidated Result

The consolidated profit from ordinary activities of the economic entity, after providing for income tax, amounted to \$59.004 million (2002 - \$48.784 million).

Dividends Paid or Recommended

Dividends paid:

- > Final dividend 2002 of 17.0¢ per share, paid October 2002 \$20.004 million
- > Interim dividend 2003 of 13.5¢ per share, paid April 2003 \$16.103 million

Dividend recommended:

- > Final dividend 2003 of 20.0¢ per share, declared by the Directors on 11 August 2003, payable 31 October 2003 \$24.088 million
- > All dividends were fully franked.

Shareholders electing to receive dividends in the form of shares received the following ordinary shares, paid in full:

- > October 2002 938,571
- > April 2003 766,314

In addition, shareholders electing to receive bonus shares in

lieu of dividends received the following ordinary shares, paid in full:

- > October 2002 165,497
- > April 2003 129,140

Review of Operations

A review of operations and the results of those operations for the financial year are set out in the Report by Chairman and Managing Director which forms part of the Concise Annual Report.

Significant Changes in the State of Affairs

Total equity increased from \$494.4 million to \$552.7 million, an increase of \$58.3 million or 12 per cent. Contributed equity increased by \$15.4 million, due to \$12.7 million of shares issued under the dividend reinvestment plan and \$2.7 million of shares issued due to conversion of capital notes.

After Balance Date Events

Except as referred to in the Report by Chairman and Managing Director, or dealt with elsewhere in the consolidated financial report, there were no matters or circumstances which arose since the end of the financial year to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years. On 11 August 2003 the Bank declared a final dividend, details of which are shown above.

Likely Developments and Results

Disclosure of information relating to major developments in the operations of the Group and the expected results of those operations in future financial years, which, in the opinion of the Directors, will not unreasonably prejudice the interests of the Group, is contained in the Report by Chairman and Managing Director.

Information on Directors

The particulars of the qualifications, experience, special responsibilities and age of each Director as at the date of this report are as follows. For further information refer to the Corporate Governance section of the Concise Annual Report.

Richard A Guy OAM (58 years)

B.Appl.Sc. (Melbourne)
M.Sc. (London)
Elected to Board 1982
Current appointment expires: Oct 2005
Elected Chairman 1986

Current appointment:

Managing Director, Crystal Industries

Other directorships and appointments:

Crystal Industries Group
Girton Grammar School Ltd
Elders Rural Bank Ltd
Chairman, Otis Foundation
Patron of Salvation Army Bendigo
Red Shield Appeal
Patron of Bendigo & Central Victorian
Community Foundation
Chairman, Advisory Board Salvation Army
Northern Division

Special Responsibilities:

Chairman of Directors
Chairman, Board Governance Committee
Audit Committee
Chairman, Property Committee

Robert N Johanson (52 years)

B.A., LL.M. (Melbourne)
M.B.A. (Harvard)
Elected to Board 1988
Current appointment expires: Oct 2005

Current appointment:

Director, Grant Samuel Group

Other directorships and appointments:

Elders Rural Bank Ltd
Community Telco Australia Ltd
Chairman, National Assets Securitisation
Corporation Pty Ltd.
Member of Finance and Investment
Committee, University of Melbourne
Robert Salzer Foundation Ltd

Special Responsibilities:

Deputy Chairman of Directors
Chairman, Risk Committee
Board Governance Committee
I.T. Strategy Committee

Robert G Hunt AM (52 years)

Employee since 1973
Appointed Chief Executive Officer 1988
Appointed to Board 1990

Current appointment:

Managing Director, Bendigo Bank Group

Other directorships and appointments:

BSX Group Holdings Pty Ltd
Sunstate Lenders Mortgage
Insurance Pty Ltd
Elders Rural Bank Ltd
Sandhurst Trustees Ltd
Lead On Australia Ltd
Bendigo Community Telco Ltd
Tasmanian Perpetual Trustees Ltd
Tasmanian Banking Services Ltd
Community Telco Australia Ltd
Community Sector Enterprises Ltd
Community Sector Banking Pty Ltd
Councillor of Australian Bankers'
Association

Special Responsibilities:

Managing Director
Ex-officio member on all Committees
excluding the Audit Committee

Neal J Axelby (53 years)

A.C.I.S.
Dip. CM
F.A.I.C.D.
A.I.M.M.
A.I.F.S.
Appointed to Board 2000
Current appointment expires: Oct 2004

Previous appointment:

Chairman, First Australian Building
Society Ltd

Other directorships and appointments:

Sunstate Lenders Mortgage
Insurance Pty Ltd
Ipswich and West Morton United Friendly
Society Dispensary Ltd
Ayr Friendly Society Pharmacy Ltd
Pharmacy Management Australia Pty Ltd
ChemOz Pty Ltd
Chairman, Ipswich & Regional Area
Consultative Committee Inc

Special Responsibilities:

Credit Committee
Board Governance Committee

Jennifer L Dawson (38 years)

B.Bus (Bendigo)
F.C.A.
MAICD
Elected to Board 1999
Current appointment expires: Oct 2004

Previous appointments:

Special Projects (Bendigo Bank)
Senior Manager - Group Internal Audit
(Bendigo Bank)
Senior Manager - Audit & Business
Advisory Division (Arthur Andersen)

Other directorships and appointments:

Community Sector Enterprises Ltd
Community Sector Banking Pty Ltd
Coliban Region Water Authority
Consumer Utilities Advocacy Centre Ltd

Special Responsibilities:

Chairman, Audit Committee
Credit Committee
Property Committee

Information on Directors (continued)

Donald J Erskine (57 years)

Elected to Board 1999
Current appointment expires: Oct 2005

Previous appointments:

Director, North West Country Credit
Union Co-op Ltd
Director, Bendigo Economic
Development Committee

Current appointments:

Managing Director, Industrial Conveying
(Aust) Pty Ltd
Managing Director, Bendigo Brick
Pty Ltd
Chairman, Fortunes (Bendigo) Pty Ltd

Other directorships:

Bendigo Community Telco Ltd
Community Telco Australia Ltd

Special Responsibilities:

Credit Committee
I.T. Strategy Committee

Kevin E Roache (63 years)

LL.B, B.Com.
A.S.C.P.A.
Barrister and Solicitor of the Supreme
Court of Victoria
Elected to Board 1992
Current appointment expires: Oct 2004

Previous appointments:

Chairman, Capital Building Society
Chairman, Barwon Health - Geelong

Current appointments:

Chairman of Partners, Coulter Roache
(Lawyers, Geelong)
Member of Committee For Geelong

Special Responsibilities:

Chairman, Credit Committee
Risk Committee

Terence J O'Dwyer (53 years)

B.Com (Queensland)
Dip.Adv.Acc
F.C.A.
F.A.I.C.D.
Appointed to Board 2000
Current appointment expires: Oct 2004

Previous appointments:

Director, First Australian Building
Society Ltd

Current appointments:

Chairman, BDO Kendalls
(Chartered Accountants)

Other directorships and appointments:

CS Energy Ltd
Metal Storm Ltd
BDO Kendalls Securities Ltd
Chairman, Breakfree Ltd
Queensland Theatre Company Ltd
Queensland Regional Council Institute
of Chartered Accountants in Australia

Special Responsibilities:

Audit Committee
Risk Committee
Chairman, I.T. Strategy Committee

Directors' and other Officers' Emoluments

The method of determining Directors' Emoluments is outlined in the Corporate Governance section of the Concise Annual Report.

Details of the nature and amount of each element of the emolument of each director of the company and each of the five executive officers of the company and the consolidated entity receiving the highest emolument for the financial year are as follows.

Directors' Emoluments

	Base Fees \$	Committee Fees ² \$	At-Risk ³ \$	Other ⁴ \$	Superannuation ⁵ \$	Total Compensation \$
Non Executive Directors:						
R A Guy OAM ¹	130,192	-	-	-	11,717	141,909
R N Johanson	37,080	-	-	28,112	5,867	71,059
N J Axelby	65,192	5,000	-	-	6,317	76,509
J L Dawson	61,836	5,000	-	3,356	6,776	76,968
D J Erskine	65,192	5,000	-	-	6,317	76,509
W R Lanyon ⁷	22,044	-	-	-	2,042	24,086
T J O'Dwyer	65,192	-	-	-	5,867	71,059
K E Roache	65,192	7,000	-	-	6,497	78,689
Executive Director:						
R.G. Hunt AM (Managing Director) ⁶	484,979	-	195,000	70,021	87,460	837,460

¹ Base emolument includes Chairman's allowance of \$65,000.

² Represents fees in connection with attending Board Credit Committee meetings.

³ The performance objectives for the Managing Director are determined by the Board on an annual basis. Payment of the Managing Director's at-risk component is subject to Board approval and assessed against the achievement of the agreed performance measures.

⁴ "Other" represents the value of non-cash benefits provided and comprises salary sacrifice superannuation, home loan allowance and motor vehicle components.

⁵ Represents Company contributions to superannuation.

⁶ Mr R Hunt is a non-executive director of Tasmania Permanent Trustees Limited (TPTL). Director's fees in connection with Mr Hunt's membership on the board of TPTL are paid to Bendigo Bank Limited and recognised as a cost recovery. These fees are therefore excluded from Mr Hunt's remuneration.

⁷ Mr W R Lanyon retired from the board on the 28th October 2002. Mr Lanyon was paid a retirement benefit of \$163,334. The payment was made in accordance with the terms of the Bank's retirement benefit policy.

Emoluments of the five most highly-paid executive officers of the Company

The terms 'Director' and 'officer' have been treated as mutually exclusive for the purposes of this disclosure. The elements of emoluments have been determined on the basis of the cost to the Company and the consolidated entity. Executives are those directly accountable and responsible for the operational management and strategic direction and decision making for the Company and the consolidated entity. Under the group's organisational structure, the positions of managing director, chief general manager and general manager are defined as the group's executive.

Remuneration packages of executive officers are aligned with market relativities of comparable positions to ensure that the organisation can attract, motivate and retain the positions' incumbents. Executive remuneration packages are structured in a manner which provides that a reasonable component is "at risk", with payment contingent upon the achievement of agreed performance objectives. In accordance with the Bank's performance management process, executive performance objectives are set at the start of each financial year, linking to the Group strategic plan, business and financial objectives.

	Annual Emoluments			Long Term Emoluments	
	Base Salary \$	At-Risk \$	Other ¹ \$	Superannuation ² \$	Total \$
G D Gillett	265,600	70,000	20,263	32,235	388,098
M J Hirst	239,608	60,000	28,854	29,769	358,231
K C Langford	229,673	55,000	39,557	29,354	353,584
R H J Hasseldine	247,393	60,000	-	27,952	335,345
V M Kelly	208,147	50,000	47,445	27,676	333,268

¹ "Other" represents the value of non-cash benefits provided and comprises salary sacrifice superannuation and motor vehicle components.

² Represents Company contributions to superannuation.

Meetings of Directors

The number of meetings of the Bank's Directors (including meetings of committees of Directors) held during the year ended 30 June 2003 and the numbers of meetings attended by each Director were:

	Meetings of Committees													
	Board of Directors Meetings		Audit		Credit		Risk		Property ¹		I.T. Strategy ¹		Board Governance	
No. of Meetings Held:	15		7		12		5		5		4		1	
Attended by:	A	B	A	B	A	B	A	B	A	B	A	B	A	B
R A Guy OAM	15	15	7	7					5	5			1	1
R N Johanson	15	14					5	5			4	3	1	1
R G Hunt AM ²	15	14	7	3	12	1	5	4	5	5	4	4	1	1
N J Axelby	15	15			12	12							1	1
J L Dawson	15	15	7	7	12	12			5	5				
D J Erskine ⁴	15	14			12	12	2	2			4	4		
W R Lanyon ³	4	4	2	2										
T J O'Dwyer	15	15	7	7			5	5			4	4		
K E Roache	15	14			12	10	5	4						

¹ During the year, the Board established an I.T. Strategy Committee and Property Committee. The role and responsibilities of the Committees have been established under charters approved by the full board. An overview of the committee role and responsibilities are provided in the Corporate Governance Section of the Concise Annual Report.

A eligible to attend
B attended

² Where Mr R G Hunt was unable to attend a Board committee meeting, he was represented by his appointed alternate.

³ Mr W R Lanyon retired from the board on the 28th October 2002.

⁴ Mr D J Erskine ceased as a member of the Risk Committee following his appointment to the I.T. Strategy Committee.

Insurance of Directors and Officers

During or since the financial year end, the Company has paid premiums to insure certain officers of the company and related bodies corporate. The officers of the Company covered by the insurance policy include the Directors listed above, the secretary and Directors or secretaries of controlled entities who are not also Directors and secretaries of Bendigo Bank Limited, and general managers of each of the divisions of the economic entity.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The Company has not provided any insurance for an independent auditor of the Company or a related body corporate.

Indemnification of Officers

The constitution stipulates that the Company is to indemnify, to the extent permitted by law, each officer or employee of the Company against liabilities (including costs, damages and expenses incurred in defending any proceedings or appearing before any court, tribunal, government authority or other body) incurred by an officer or employee in or arising out of the conduct of the business of the Company or arising out of the discharge of the officer's or employee's duties.

As provided under the Company's constitution, the Company has entered into deeds providing for indemnity, insurance and access to documents for each Director who held office during the

year. The deed requires the Company to indemnify, to the extent permitted by law, the Director against all liabilities (including costs, damages and expenses incurred in defending any proceedings or appearing before any court, tribunal, government authority or other body) incurred by the Director in, or arising out of conduct of the business of the Company, a associated entity of the Company or in the discharge of their duties as a Director of the Company, a subsidiary or associated company.

Directors' Interests in Equity

The relevant interest of each Director in the share capital of the entities within the economic entity, as notified by the Directors to the securities exchange in accordance with Section 205G (1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary Shares
R A Guy OAM	280,930
R N Johanson	161,296
R G Hunt AM ¹	408,228
N J Axelby	26,257
J L Dawson	11,166
D J Erskine	103,574
T J O'Dwyer	50,000
K E Roache	32,031

¹ Includes 340,000 shares issued to Mr R G Hunt under the Bendigo Employee Share Plan.

Share Issues

The following share classes were issued during the financial year:

Description	No. of Shares
Ordinary shares issued under the Dividend Reinvestment Plan	1,704,885
Bonus shares issued in lieu of dividends under the Bonus Share Scheme	294,637
Other issues of ordinary shares, > Notes converted	652,107
Total shares issued	2,651,629

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

Share Options

During the year, or since the end of the financial year, no entity within the economic entity has granted to any person an option to take up shares in the economic entity.

Tax Consolidation

Effective 1 July 2002, for the purposes of income taxation, Bendigo Bank Limited and its 100% owned subsidiaries have formed a tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Rounding of Amounts

The amounts contained in this report and in the financial statements have been rounded off under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies. The Class Order allows for rounding to the nearest \$'00,000, however, the amounts are rounded to the nearest \$'000, due to the size of account balances.

Signed in accordance with a resolution of the Board of Directors



R.A. Guy OAM, Chairman



R.G. Hunt AM, Managing Director

Dated this 2nd day of September 2003

DISCUSSION AND ANALYSIS

Statement of Financial Performance

The Group achieved a net profit attributable to members of \$59.0 million, which represents a 21% increase from the \$48.8 million for 2002. Buoyed by a 15% increase in Group Managed Assets, the result confirms the steady progression in improving revenue, profitability and performance across the Group.

Profit from ordinary activities before income tax was \$89.3 million compared with \$64.4 million for 2002. This represents an increase of 39%. The pre-tax result for 2002 was adversely affected by a \$10.4 million specific bad debt expense relating to a change in accounting policy with respect to the tax accounting treatment of the general provision for doubtful debts. This change did not impact the after-tax result for 2002.

Net interest income increased by 15%, or \$29.7 million, reflecting a 16% growth in assets for the period. Average net interest margin was 2.76% and increased 8 basis points when compared to 2002.

Other income from ordinary activities increased by \$25.2 million, or 26%, due to increases in fee income (from loan products, liability products and electronic delivery, including ATM, Cards and EFTpos) and increased commissions from insurance, financial planning and Sandhurst Trustees commissions and fees. Share of profits from associated entities, including Elders Rural Bank Limited also increased.

Bad and doubtful debts expense increased by \$3.7 million (excluding the 2002 specific item), or 32%, predominantly due to an increase in general provision for doubtful debts to reflect the growth in assets during the financial year. The increase in general provision was \$8.1 million (2002: \$3.5 million, excluding the specific item), to maintain the ratio of the general provision to risk-weighted assets at 0.79%.

Other expenses relating to ordinary activities increased by \$37.5 million, or 18%, from the previous financial year. The major expense category increases were:

- > Staff and related costs, which increased by 24%, due to increased staff numbers. The increased staff are predominantly in our retail distribution areas, to strengthen business banking, financial planning and our expanding branch network.
- > Occupancy, other product & services delivery, advertising & promotion and general administration all increased by over 10%, predominantly due to the ongoing expansion of the group, its product range and business volumes.

The operating expense to income ratio decreased in the period from 70.4% to 69.9%.

The Directors declared a dividend of 20.0 cents per share, fully franked (at 30 per cent) on 11 August 2003. This final dividend is payable on 31 October 2003 and when combined with the interim dividend of 13.5 cents represents a dividend payout ratio of 68 per cent (2002: 69 per cent).

Statement of Financial Position

Group assets increased by \$1.3 billion, or 16%, during the financial year. Loans totalling \$416 million were securitised, or sold, during the year, decreasing asset growth by 5%. The predominant asset category increase was lending products, which increased by \$1.3 billion, or 21%.

Loans and other receivables increased strongly, due to record loan approvals, which increased by 33% to \$4.8 billion. The balance of residential loans increased by \$1.0 billion and now represents 74% of outstandings, whilst non-residential outstandings grew \$286 million and now represents 26% of outstandings by security.

The growth in loans was predominantly funded through a \$1.3 billion increase in deposits or 18%. Retail deposits were the source of this growth and now represent 92.5% of total deposits (2002: 91.2%).

The value of wholesale deposits remained steady during the financial year representing 7.5% of total deposits at 30 June 2003 (2002: 8.8%).

Funding provided by subordinated debt increased by \$43 million, or 27% during the year as part of capital management transactions to strengthen capital adequacy ratios.

Contributed equity increased by \$15.4 million, or 3% during the year, due to shares issued as part of the dividend re-investment plan (\$12.7 million) and conversion of capital notes (\$2.7 million).

Statement of Cash Flows

The Statement of Cash Flows reflects the movements in the Statement of Financial Position previously discussed. Cash flows from financing activities increased, reflecting the growth in retail deposits.

Operating activities provided \$139 million for the year flowing from the increased profit, whilst investing cash flows reflect the strong growth in loans and other receivables.

The Bank does not use this Statement of Cash Flows in the internal management of its liquidity position.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2003

	Note	Consolidated	
		2003 \$'000	2002 \$'000
Revenue from ordinary activities			
Net interest revenue			
> Interest revenue		500,634	446,954
> Interest expense		278,345	254,361
Net interest revenue		222,289	192,593
Other revenue from ordinary activities			
> Dividends		292	134
> Fees		83,107	66,642
> Commissions		24,971	16,343
> Other operating revenue		4,307	5,450
Total other revenue from ordinary activities		112,677	88,569
Share of associates' net profits (losses) accounted for using the equity method			
		12,926	11,076
Total revenue after interest expense		347,892	292,238
Expenses from ordinary activities			
Bad and doubtful debts			
> Specific items bad and doubtful debts	3	-	10,444
Total bad and doubtful debts		15,343	22,047
Other expenses from ordinary activities			
> Borrowing costs		540	505
> Staff and related costs		118,127	95,345
> Occupancy costs		21,705	18,591
> Amortisation of goodwill		4,255	4,428
> Property, plant & equipment costs		10,116	8,498
> Fees and commissions		10,911	10,903
> Administration expenses		77,146	66,832
> Other operating expenses		466	690
Total expenses from other ordinary activities		243,266	205,792
Profit from ordinary activities before income tax expense			
		89,283	64,399
Income tax expense relating to ordinary activities			
		(30,246)	(26,144)
Specific items income tax expense	3	-	10,444
Net profit		59,037	48,699
Net (profit)/loss attributable to outside equity interest		(33)	85
Net profit attributable to members of Bendigo Bank Limited			
		59,004	48,784
Net increase/(decrease) in asset revaluation reserve		-	934
Increase/(decrease) in retained profits on adoption of revised accounting standard:			
> AASB 1028 "Employee Benefits"		(275)	-
Share issue costs		-	(116)
Total revenues, expenses and valuation adjustments attributable to members of Bendigo Bank Limited and recognised directly in equity		(275)	818
Total changes in Equity other than those resulting from transactions with owners as owners attributable to members of Bendigo Bank Limited			
		58,729	49,602
Basic earnings per share (cents per share)			
	6	46.8¢	41.1¢
Diluted earnings per share (cents per share)			
	6	46.8¢	41.1¢
Franked dividends per share (cents per share)			
	5	33.5¢	29.0¢

STATEMENT OF FINANCIAL POSITION

as at 30 June 2003

	Note	Consolidated	
		2003 \$'000	2002 \$'000
Assets			
Cash and liquid assets		107,221	147,236
Due from other financial institutions		181,228	207,369
Investment securities		1,130,002	1,085,261
Loans and other receivables		7,504,016	6,209,513
Shares - other		23,307	7,568
Investments accounted for using the equity method		88,707	71,945
Property, plant & equipment		53,519	49,007
Deferred tax assets		27,172	22,626
Intangibles		67,927	72,182
Other assets		73,527	95,018
Total Assets		9,256,626	7,967,725
Liabilities			
Due to other financial institutions		129,095	211,954
Deposits		8,241,154	6,988,485
Payables		91,262	64,198
Current tax liabilities		8,508	4,560
Provision - dividend		73	20,043
Other provisions		23,448	18,532
Subordinated debt		204,665	161,379
Deferred tax liabilities		5,711	4,147
Total Liabilities		8,703,916	7,473,298
Net Assets		552,710	494,427
Equity			
Parent entity interest			
> Contributed equity		463,580	448,170
> Reserves		3,318	18,039
> Retained profits	4	85,614	28,295
Total parent entity interest in equity		552,512	494,504
Total outside equity interest		198	(77)
Total Equity		552,710	494,427

STATEMENT OF CASH FLOWS

for the year ended 30 June 2003

	Note	Consolidated	
		2003 \$'000	2002 \$'000
Cash Flows from Operating Activities			
> Interest and other items of a similar nature received		503,141	452,170
> Borrowing costs paid		(284,392)	(276,154)
> Receipts from customers (excluding interest)		112,103	88,329
> Payments to suppliers and employees		(174,670)	(223,823)
> Dividends received		8,575	7,531
> Income taxes paid		(25,341)	(12,958)
Net cash flows from operating activities		139,416	35,095
Cash Flows from Investing Activities			
> Cash flows for purchases of property, plant and equipment		(16,913)	(16,749)
> Cash proceeds from sale of property, plant and equipment		1,491	687
> Cash paid for purchases of equity investments		(32,449)	(12,854)
> Cash proceeds from sale of equity investments		272	500
> Net increase in balance of loans outstanding		(1,301,006)	(605,133)
> Net increase of investment securities		(44,595)	(288,990)
> Net cash (paid)/acquired on acquisition of subsidiary		-	900
Net cash flows used in investing activities		(1,393,200)	(921,639)
Cash Flows from Financing Activities			
> Payment for share buy-back		-	(6,528)
> Proceeds from shares issued		250	35,075
> Net increase in balance of retail deposits		1,406,057	875,544
> Net increase/(decrease) in balance of wholesale deposits		(158,770)	(108,869)
> Net increase in balance of subordinated debt		46,309	31,622
> Dividends paid		(23,359)	(20,843)
Net cash flows from financing activities		1,270,487	806,001
Net increase/(decrease) in cash held		16,703	(80,543)
Cash at the beginning of the financial year		142,651	223,194
Less cash at the end of the financial year	9	159,354	142,651
		16,703	(80,543)

NOTES TO THE CONCISE FINANCIAL STATEMENTS

1 Basis of Preparation of the Concise Financial Report

The concise financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 1039 "Concise Financial Reports". The information contained within this concise financial report has been derived from the full financial report of the company and the consolidated entity. The full financial report is prepared in accordance with the requirements of the Banking Act, Corporations Act 2001 and Australian Accounting Standards and Urgent Issues Group Consensus Views.

Where changes have been made to presentation policies, comparative figures have been adjusted to reflect those changes.

2 Changes in accounting policies and estimates

The accounting policies adopted are consistent with those of the previous year, except that in accordance with Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" a provision for dividend is not recognised as a liability unless the dividend is declared, determined or publicly recommended on or before the reporting date. This change has the effect that no liability has been recognised in the financial statements for the final 2003 dividend. This has the financial effect of reducing liabilities and increasing retained profits by \$24.088 million at reporting date, when compared to the previous accounting policy for dividends.

The consolidated entity has adopted the revised Accounting Standard AASB 1028 "Employee Benefits", which has resulted in a change in the accounting policy for the measurement of employee benefit liabilities in relation to annual leave. Previously, the consolidated entity measured these provisions based on remuneration rates at the date of recognition of the liability. In accordance with the requirements of the revised standard, the provisions are now measured based on the remuneration rates expected to be paid when the liability is settled. The effect of the revised policy has been to decrease consolidated retained profits and increase employee benefit liabilities at the beginning of the year by \$275,209. In addition, current year profits have decreased and provisions have increased by \$263,253 as a result of the change in accounting policy.

As a result of revisions to AASB 1012 "Foreign Currency Translations" any receivables or payables associated with foreign currency transactions outstanding at year end have been separately disclosed within the Statement of Financial Position. The effect of this change in policy has been to gross-up the total assets and total liabilities by \$1,869,044. There has been no impact on Net assets by this change.

	Consolidated	
	2003	2002
	\$'000	\$'000

3 Specific items

Profit from ordinary activities before income tax expense includes the following expenses whose disclosure is relevant in explaining the financial performance of the entity:

Increase in general provision relating to accounting policy changes	-	10,444
Specific items before income tax	-	10,444
Income tax benefit applicable to specific items	-	10,444
Specific items after income tax	-	-

4 Retained Profits

Opening Balance	28,295	13,276
Reversal of Provision for Final 2002 dividend on adoption of AASB 1044	19,982	-
Adjustment to Provision for Employee entitlements on adoption of revised AASB 1028	(275)	-
Adjusted Opening Balance	48,002	13,276
Net profit attributable to members of Bendigo Bank Limited	59,004	48,784
Total available for appropriation	107,006	62,060
Dividends		
> Final 2002 - dividend declared and paid	(20,004)	33
> Interim 2003	(16,103)	(13,751)
> Final 2003	-	(19,982)
Aggregate of amounts transferred (to)/from reserves	14,715	(65)
Retained profits at the end of the financial year	85,614	28,295

A provision for the Final 2003 dividend has not been recognised as it was not declared, determined or publicly recommended on or before the reporting date.

	Consolidated	
	2003	2002

6 Earnings per share

Share ratios

Basic earnings per share		46.8¢	41.1¢
Diluted earnings per share		46.8¢	41.1¢

Income

Net profit	\$'000	59,037	48,699
Net loss attributable to outside equity interest	\$'000	(33)	85
Earnings used in calculating basic earnings per share	\$'000	59,004	48,784
Earnings effect of dilutive securities		-	-
Earnings used in calculating diluted earnings per share	\$'000	59,004	48,784

Number of Shares

Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share		125,995,138	118,705,807
Effect of dilutive securities		-	-
Adjusted weighted average number of ordinary shares used in calculation of diluted earnings per share		125,995,138	118,705,807

The Unsecured subordinated perpetual convertible capital notes are not considered dilutive as they are perpetual notes.

Conversions, calls, subscription or issues after 30 June 2003

On 28 July 2003 the Board of Directors announced a new issue of shares under the Bendigo Employee Share Ownership Plan.

Details in respect to the issue are provided at Note 10.

\$'000 **\$'000**

7 Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities

Guarantees

The economic entity has issued guarantees on behalf of clients	59,436	32,135
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Other

Documentary letters of credit	4,405	3,994
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The Bank is a party to a Shortfall Deed with Sunstate LMI Pty Ltd, a wholly owned subsidiary, which provides a commitment that annual minimum premium obligations to reinsurers of Sunstate are met. As at the date of this report, there are no outstanding obligations under this deed.

(b) Contingent Asset

The company commenced discussions with the Australian Taxation Office ('ATO') in February 2003 in relation to a refund of Goods and Services Tax ('GST'). The directors are confident the discussions will result in a refund of GST. The total GST refund being claimed amounts to \$1.87 million (2002: Nil).

8 Segment Reporting

(a) Business segments

	2003 \$'000	2003 \$'000	2003 \$'000	2002 \$'000	2002 \$'000	2002 \$'000
	External	Intersegment	Total	External	Intersegment	Total
Revenue						
Interest revenue						
> Banking	492,627	579	493,206	440,358	4,910	445,268
> Trustee company	290	-	290	447	-	447
> Financial services	7,717	61	7,778	6,149	29	6,178
> Eliminations	-	(640)	(640)	-	(4,939)	(4,939)
	500,634	-	500,634	446,954	-	446,954
Other revenue						
> Banking	77,358	6,514	83,872	59,907	19,871	79,778
> Trustee company	18,400	2,100	20,500	15,081	1,531	16,612
> Financial services	16,919	3,139	20,058	13,581	2,374	15,955
> Eliminations	-	(11,753)	(11,753)	-	(23,776)	(23,776)
	112,677	-	112,677	88,569	-	88,569
Share of net profit of equity accounted investments						
> Banking	13,442	-	13,442	11,109	-	11,109
> Trustee company	-	-	-	-	-	-
> Financial services	(516)	-	(516)	(33)	-	(33)
> Eliminations	-	-	-	-	-	-
	12,926	-	12,926	11,076	-	11,076
Total segment revenue						
> Banking	583,427	7,093	590,520	511,374	24,781	536,155
> Trustee company	18,690	2,100	20,790	15,528	1,531	17,059
> Financial services	24,120	3,200	27,320	19,697	2,403	22,100
> Eliminations	-	(12,393)	(12,393)	-	(28,715)	(28,715)
Total consolidated revenue	626,237	-	626,237	546,599	-	546,599
Results						
Segment result						
> Banking			86,903			66,324
> Trustee company			9,042			5,242
> Financial services			2,298			5,247
> Eliminations			(8,960)			(12,414)
Consolidated entity profit from ordinary activities before income tax expense			89,283			64,399
Income tax expense			(30,246)			(15,700)
Consolidated entity profit from ordinary activities after income tax expense			59,037			48,699
Assets						
Segment assets						
> Banking			9,153,334			7,874,067
> Trustee company			23,863			24,282
> Financial services			276,173			263,398
> Eliminations			(196,744)			(194,022)
Total assets			9,256,626			7,967,725
Liabilities						
Segment liabilities						
> Banking			8,645,366			7,408,097
> Trustee company			6,660			7,787
> Financial services			71,172			81,800
> Eliminations			(19,282)			(24,386)
Total liabilities			8,703,916			7,473,298

8 Segment Reporting (continued)

(a) Business segments

	2003	2002
	\$'000	\$'000
	Total	Total
Other segment information		
Equity method investments included in segment assets		
> Banking	87,359	70,406
> Trustee company	-	-
> Financial services	1,348	1,539
> Eliminations	-	-
	<u>88,707</u>	<u>71,945</u>
Acquisition of property, plant and equipment, intangible assets and other non-current assets		
> Banking	39,002	28,913
> Trustee company	136	187
> Financial services	1,941	503
> Eliminations	-	-
	<u>41,079</u>	<u>29,603</u>
Depreciation		
> Banking	10,244	8,866
> Trustee company	136	123
> Financial services	706	563
> Eliminations	(12)	-
	<u>11,074</u>	<u>9,552</u>
Amortisation		
> Banking	3,849	1,411
> Trustee company	308	308
> Financial services	98	98
> Eliminations	-	2,611
	<u>4,255</u>	<u>4,428</u>
Non-cash expenses other than depreciation and amortisation		
> Banking	18,551	10,224
> Trustee company	3,497	144
> Financial services	2,169	588
> Eliminations	(10,042)	(723)
	<u>14,175</u>	<u>10,233</u>

Applicable commercial rates are used as the basis for pricing intersegment funding.

(b) Geographical segments

Bendigo Bank Limited and controlled entities operate predominantly in the geographic areas of all Australian states and the Australian Capital Territory providing banking and financial services.

Descriptions of derived revenue by segment

Banking

> Interest, predominantly derived from the provision of first mortgage housing finance; and fee revenue derived from the provision of banking services.

Trustee Company

> Commission received as Responsible Entity for managed investment schemes and for corporate trusteeships and other trustee and custodial services.

Financial Services

> Fees, commissions and interest from the provision of financial services, including leasing, financial planning, property management / development and mortgage management services.

9 Reconciliation of cash

	Consolidated	
	2003	2002
	\$'000	\$'000
For the purpose of the statement of cash flows, cash includes:		
> Cash and liquid assets	107,221	147,236
> Due from other financial institutions	181,228	207,369
> Due to other financial institutions	(129,095)	(211,954)
	<u>159,354</u>	<u>142,651</u>

10 Bendigo Employee Share Ownership Plan

Company shareholders renewed their approval for the Bendigo Employee Share Ownership Plan at the Annual General Meeting on 28 October 2001. Offers under the plan are made periodically to all employees of the economic entity and must be approved by the Board of Bendigo Bank Limited. The plan is administered by the bank's subsidiary company, BBS Nominees Pty Ltd, in accordance with the plan's deed.

Shares are issued at market prices and are funded by interest free loans from BBS Nominees Pty Ltd to individual employees. Dividends paid on shares issued under the plan are applied primarily to repay the loans. When a staff member ceases their employment, they are required to repay their loan within three months, unless they retire, then they have 12 months to repay. The plan allows these staff to request the Company to sell their employee shares to repay their loan. In the event that the proceeds of sale of the shares is insufficient to fully repay the loan, under the plan the Company has agreed to meet the shortfall. A shortfall would only be incurred by the Company where the proceeds of the sale are lower than the original loan balance less all repayments. Shares remain unlisted securities until loans are fully repaid. The market value of the Company shares at the balance date was \$8.17. At this price there is currently no shortfall liability on any loan made under this plan.

Issues made under the terms of the Bendigo Employee Share Ownership Plan during the year: Nil (2002: 2,129,760). On 28 July 2003 the Board of Directors announced a new issue of shares under the Bendigo Employee Share Ownership Plan. On 25 August 2003 1,317,476 shares were allotted to employees at an issue price of \$8.94. The issue price was determined by calculating the weighted average price of all trades of Bendigo Bank shares on the Australian Stock Exchange, over the five trading days immediately prior to allotment.

Employee Share and Loan Values

	Consolidated	
	2003 \$'000	2002 \$'000
Value of unlisted employee shares on issue at 30 June 2003 - 4,451,181 shares @ \$8.17 (2002 - 4,835,507 shares @ \$6.80)	36,365	32,881
Value of outstanding employee loans at beginning of year relating to employee shares	26,127	13,353
Value of new loans relating to employee shares issued during year	-	14,782
Value of repayments of loans during year	(3,056)	(2,008)
Value of outstanding employee loans at end of year relating to employee shares	23,071	26,127
Number of employees with outstanding loan balances	1,670	1,908

Indicative cost of funding employee loans

Average balance of loans outstanding	24,803	14,055
Interest margin foregone	2.76%	2.68%
After tax indicative cost of funding employee loans	479	264
Earnings per share - actual	- cents 46.8	41.1
Earnings per share - adjusted for interest margin foregone - cents	47.2	41.3

The cost of employee interest-free loans is calculated by applying the bank's average interest margin for the financial year to the average outstanding balance of employee loans for the financial year. This cost is then tax-effected at the company tax rate of 30% (2002: 30%).

Earnings per share - adjusted is calculated by adding the after tax indicative cost of funding employee loans to net profit attributable to members of Bendigo Bank Limited. This adjusted earnings figure is divided by the weighted average number of ordinary shares.

11 Events subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

On 11 August 2003 the Bank declared a final dividend, details of which are disclosed in the directors' report and in note 5.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bendigo Bank Limited, we state that:

In the opinion of the Directors, the concise financial report of the consolidated entity, comprising Bendigo Bank Limited and its controlled entities, for the year ended 30 June 2003:

- (a) has been derived from, or is consistent with, the full financial report for the financial year; and
- (b) complies with Accounting Standard AASB 1039 "Concise Financial Reports".

On behalf of the Board



R.A. Guy OAM, Chairman



R.G. Hunt AM, Managing Director

Dated this 2nd day of September 2003

INDEPENDENT AUDIT REPORT

To the Members of Bendigo Bank Limited

Scope

The concise financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Bendigo Bank Limited ("the Company") and the consolidated entity, for the year ended 30 June 2003. The consolidated entity comprises both the company and the entities it controlled during the year.

The directors of the Company are responsible for preparing a concise financial report that complies with Accounting Standard AASB 1039 "Concise Financial Reports", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report.

Audit Approach

We conducted an independent audit on the concise financial report in order to express an opinion on it to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. We performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports". We formed our audit opinion on the basis of these procedures, which included:

- > testing that the information in the concise financial report is consistent with the full financial report, and
- > examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report that were not directly derived from the full financial report.

We have also performed an independent audit of the full financial report of the Company for the year ended 30 June 2003. Our audit report on the full financial report was signed on 2 September 2003, and was not subject to any qualification. For a better understanding of our approach to the audit of the full financial report, this report should be read in conjunction with our audit report on the full financial report.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the full and concise financial reports, we were engaged to undertake the services disclosed in the notes to the financial statements of the full financial report. The provision of these services has not impaired our independence.

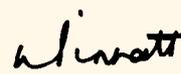
Audit Opinion

In our opinion, the concise financial report of Bendigo Bank Limited complies with Accounting Standard AASB 1039 "Concise Financial Reports".



Ian Miller, Partner

Ernst & Young
Melbourne, 2 September 2003



Warren Sinnott, Partner

Richmond Sinnott & Delahunty
Bendigo, 2 September 2003

ADDITIONAL INFORMATION

1 Material Differences

There are no material differences between the information supplied in this report and the information in the preliminary final report supplied by Bendigo Bank Ltd to the Australian Stock Exchange on 11 August 2003.

2 Audit Committee

As at the date of the Directors' report the economic entity had an audit committee of the Board of Directors.

3 Corporate Governance Practices

The corporate governance practices adopted by Bendigo Bank Ltd are detailed in the Corporate section of the Group's Concise Annual Report for 2003.

4 Substantial Shareholders

As at 19 August 2003 there were no substantial shareholders in Bendigo Bank Ltd as defined by the Listing Rules of the Australian Stock Exchange Ltd.

5 Distribution of Shareholders

Range of Securities as at 19 August 2003 in the following categories:

	Fully paid Ordinary Shares	Fully Paid Employee Shares	Capital Notes
1 - 1,000	21,020	513	1,111
1,001 - 5,000	17,925	1,002	442
5,001 - 10,000	2,628	85	46
10,001 - 100,000	1,430	35	34
100,001 and over	60	4	5
Number of Holders	43,063	1,639	1,638
Securities on Issue	123,102,628	4,380,996	3,743,786

6 Marketable Parcel

Based on the closing price of \$8.98 on 19 August 2003, the number of holders with less than a marketable parcel of the Company's main class of securities (Ordinary Shares), as at 19 August 2003, was 1,319.

7 Unquoted Securities

The number of unquoted equity securities that are on issue and the number of holders of those securities are shown in the above table under the heading of Fully Paid Employee shares.

8 Major Shareholders

Names of the 20 largest holders of Ordinary Fully Paid shares, including the number of shares each holds and the percentage of capital that number represents as at 19 August 2003 are:

Rank & Name	Number of Ordinary Fully Paid Shares	% held of Issued Ordinary Capital
Fully paid ordinary shares		
1 J P Morgan Nominees Australia Ltd	3,227,245	2.62%
2 Milton Corporation Ltd	2,939,443	2.39%
3 Westpac Custodians Ltd	2,231,476	1.81%
4 National Nominees Ltd	1,724,241	1.40%
5 Commonwealth Custodial Services Ltd	1,592,685	1.29%
6 IOOF Holdings Ltd	1,556,566	1.26%
7 Leesville Equity Pty Ltd	1,340,327	1.09%
8 Citicorp Nominees Ltd	697,491	0.57%
9 Choiseul Investments Ltd	646,095	0.52%
10 AMP Life Ltd	602,395	0.49%
11 RBC Global Services Nominees Ltd	370,000	0.30%
12 Argo Investments Ltd	295,747	0.24%
13 Mansbridge I G	279,671	0.23%
14 ANZ Nominees Ltd	266,761	0.22%
15 BNP Paribas	247,452	0.20%
16 Permanent Trustees Australia Ltd	244,143	0.20%
17 Citicorp Nominees Pty Ltd	233,629	0.19%
18 Cogent Nominees Pty Ltd	233,476	0.19%
19 PSS Board	233,144	0.19%
20 CSS Board	227,943	0.19%
	19,189,930	15.59%

BBS Nominees Pty Ltd, trustee for the Bendigo employee share ownership plan, held 4,380,996 unlisted shares as at the date of this report. These shares have not been included in the above table.

9 Voting Rights

The holders of ordinary shares are entitled to vote at meetings of shareholders in the first instance by a show of hands of the shareholders present and entitled to vote. If a poll is called, each shareholder has one vote for each fully paid share held.

Holders of partly paid shares have a vote which carries the same proportionate value as the proportion that the amount paid up on the total issue price bears to the total issue price of the share.

In the case of an equality of votes the Chairman has, on both a show of hands and at a poll, a casting vote in addition to the vote to which the Chairman may be entitled as a shareholder, proxy, attorney or duly appointed representative of a shareholder.

The holding of 8% Capital Notes does not give voting rights.

10 Company Secretary

The company secretary of Bendigo Bank Ltd is David A. Oataway.

11 Registered Office

The address and telephone number of Bendigo Bank's registered office in Australia and its principal administrative office is:

**Bendigo Bank Limited
Second Floor
Fountain Court
Bendigo Victoria 3550**

**Telephone (03) 5433 9339
Fax (03) 5433 9690**

12 Securities Register

The address and telephone number of Bendigo Bank's securities register is:

**Securities Registry
Bendigo Bank Ltd
Second Floor
Fountain Court
Bendigo Victoria 3550**

**Telephone (03) 5433 9549
Fax (03) 5433 9029**

*Design by Dzig Visual Communication
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& Daryl Pinder Photography
Board members photography by Richard Gibbs*

BEND 8238 September 2003

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