

2003

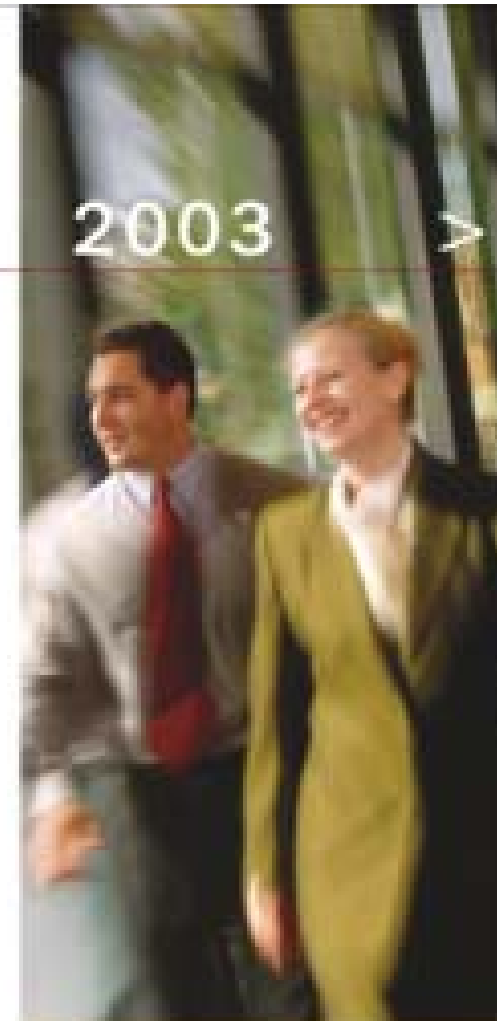


2003 profit announcement

Craig Langford
Chief Financial Officer

Mike Hirst
Chief General Manager
Strategy & Solutions

Rob Hunt
Group Managing Director



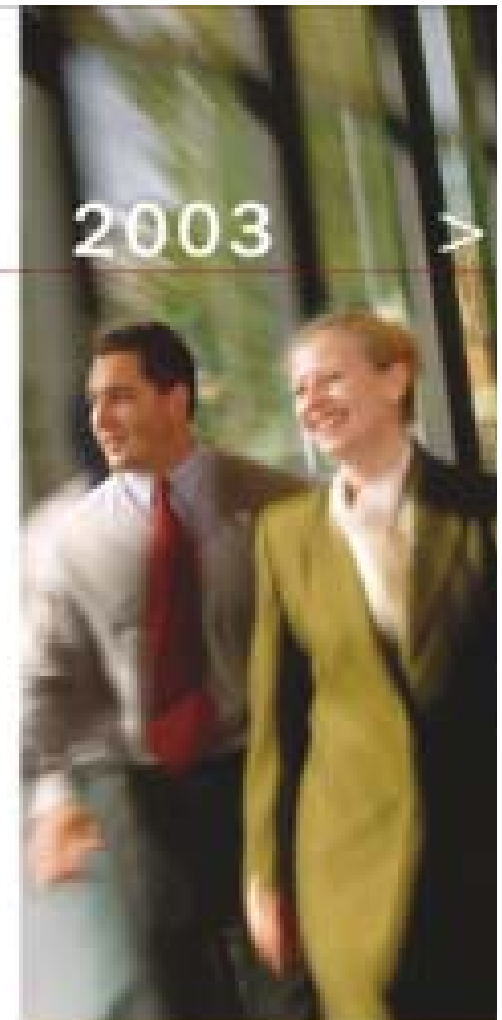
2003



Financial results

Craig Langford

Chief Financial Officer





Continuing momentum

- Profit increased by 21% to \$59 million
- Earnings per share up by 14% to 46.8 cents
- Continuing business growth
- Solid asset quality
- Final dividend up 3.0 cents to 20.0 cents
- Full year dividend increased 4.5 cents to 33.5 cents



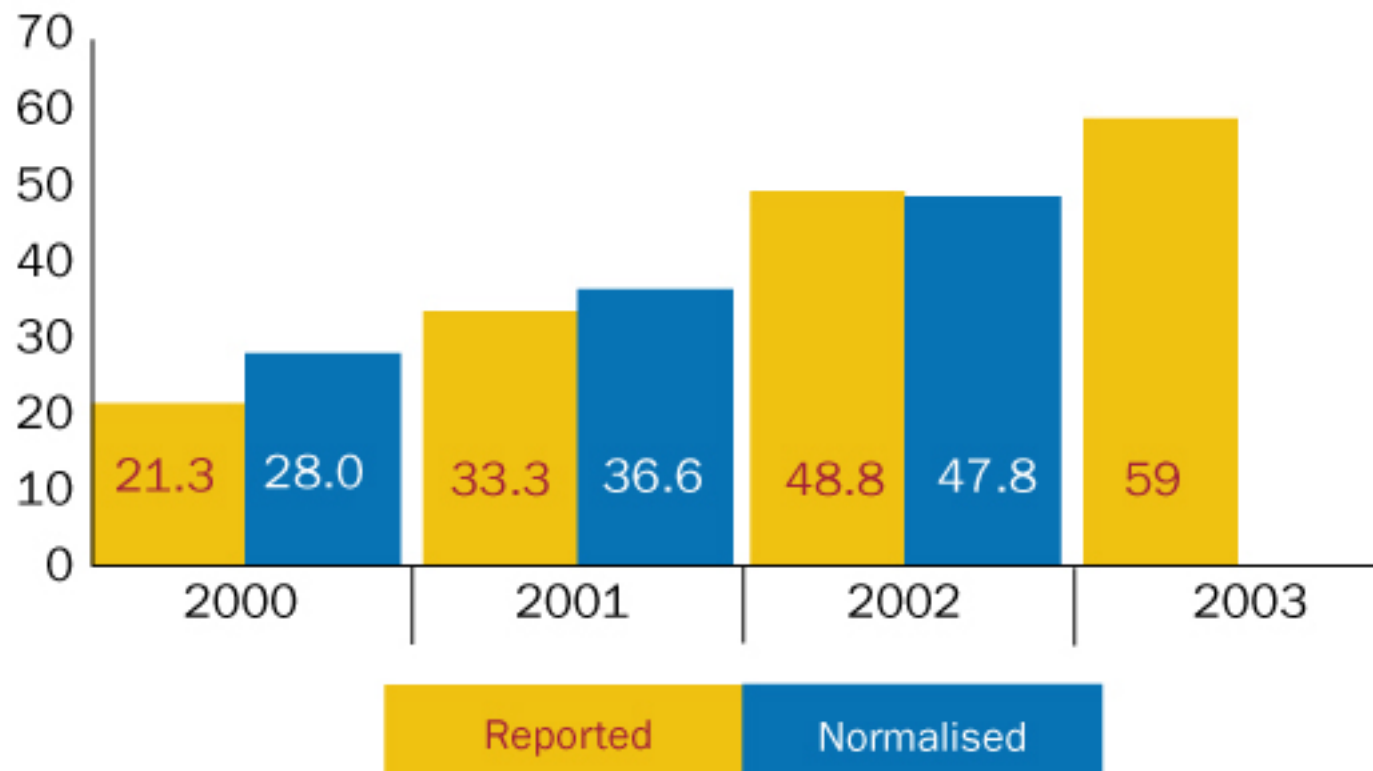
Performance summary

	2002	2003
Net profit after Income Tax	\$48.8m	\$59.0m
Return on Average Assets	0.65%	0.69%
Return on Average Equity	10.2%	11.1%
Earnings per Share	41.1c	46.8c
Expense to Income Ratio	70.4%	69.8%
Year end Assets	\$7,968m	\$9,257m
Year end Capital	\$494m	\$553m
General Provision d/debts	0.79%	0.79%



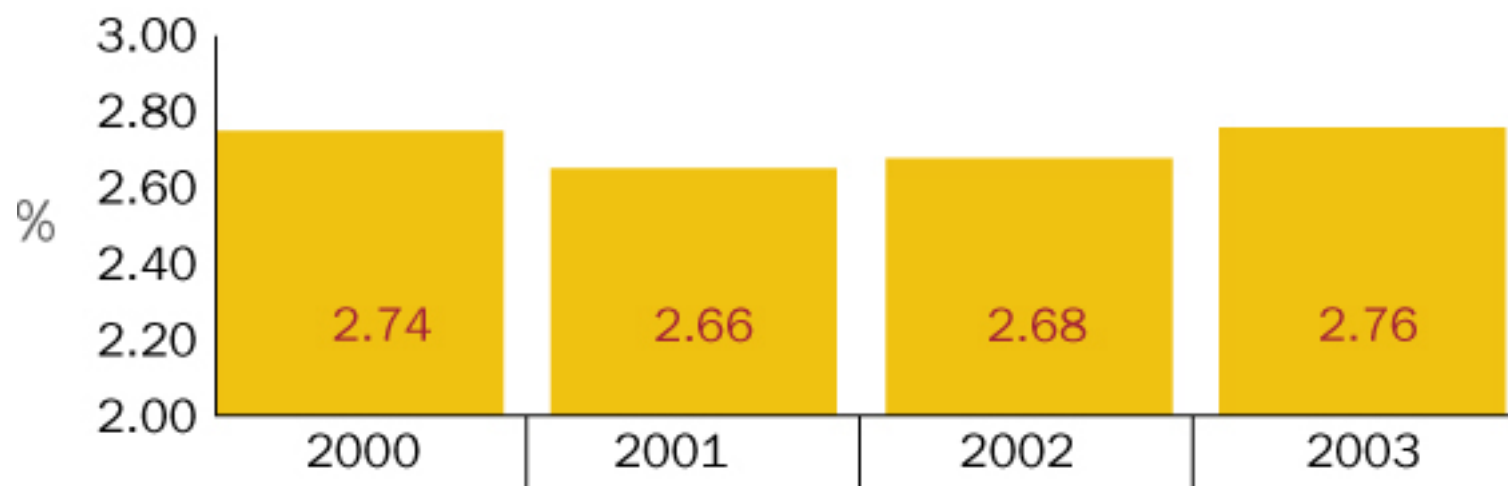
Operating profit - after tax

A\$ Millions





Net interest margin



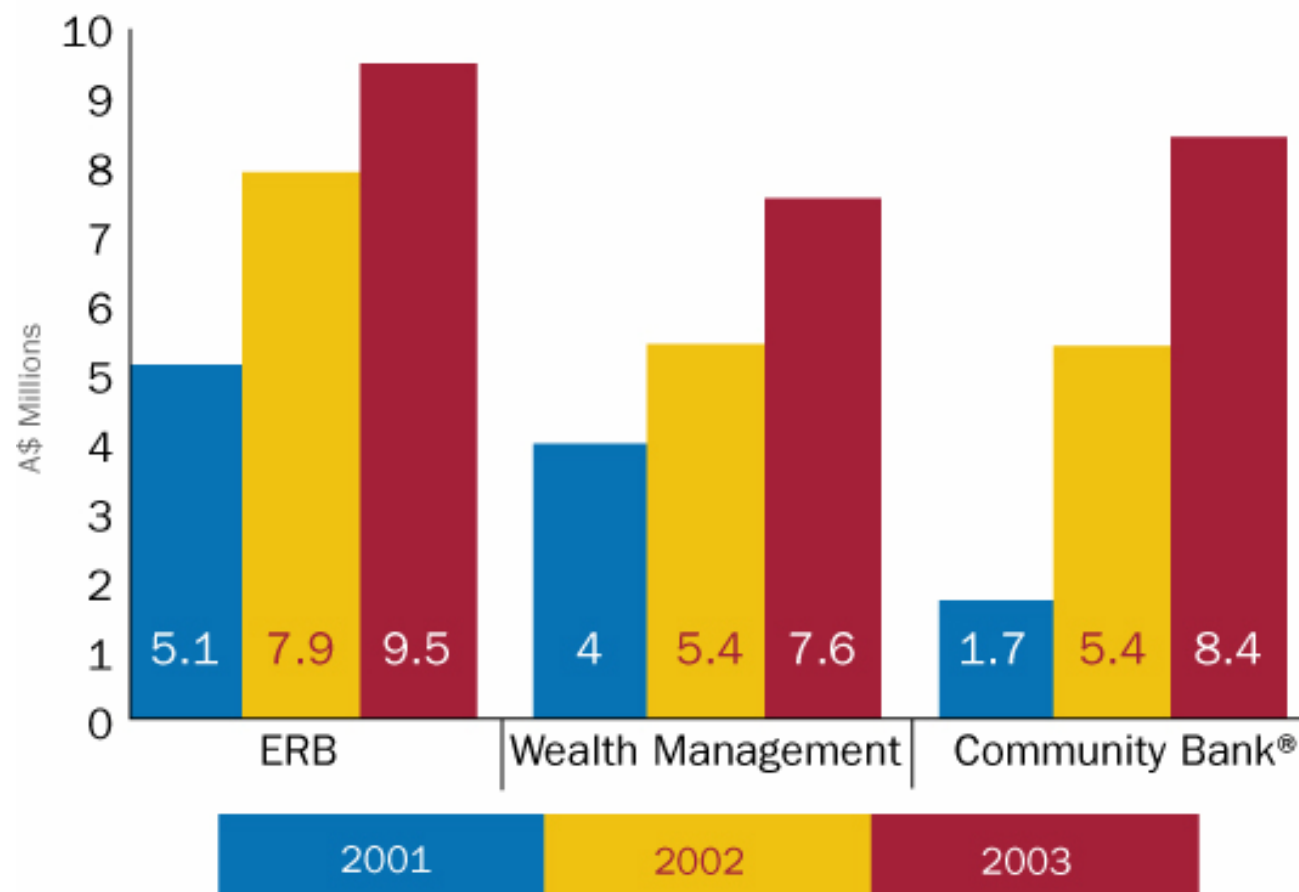


Non interest income at 30 June 2003 \$124.3m



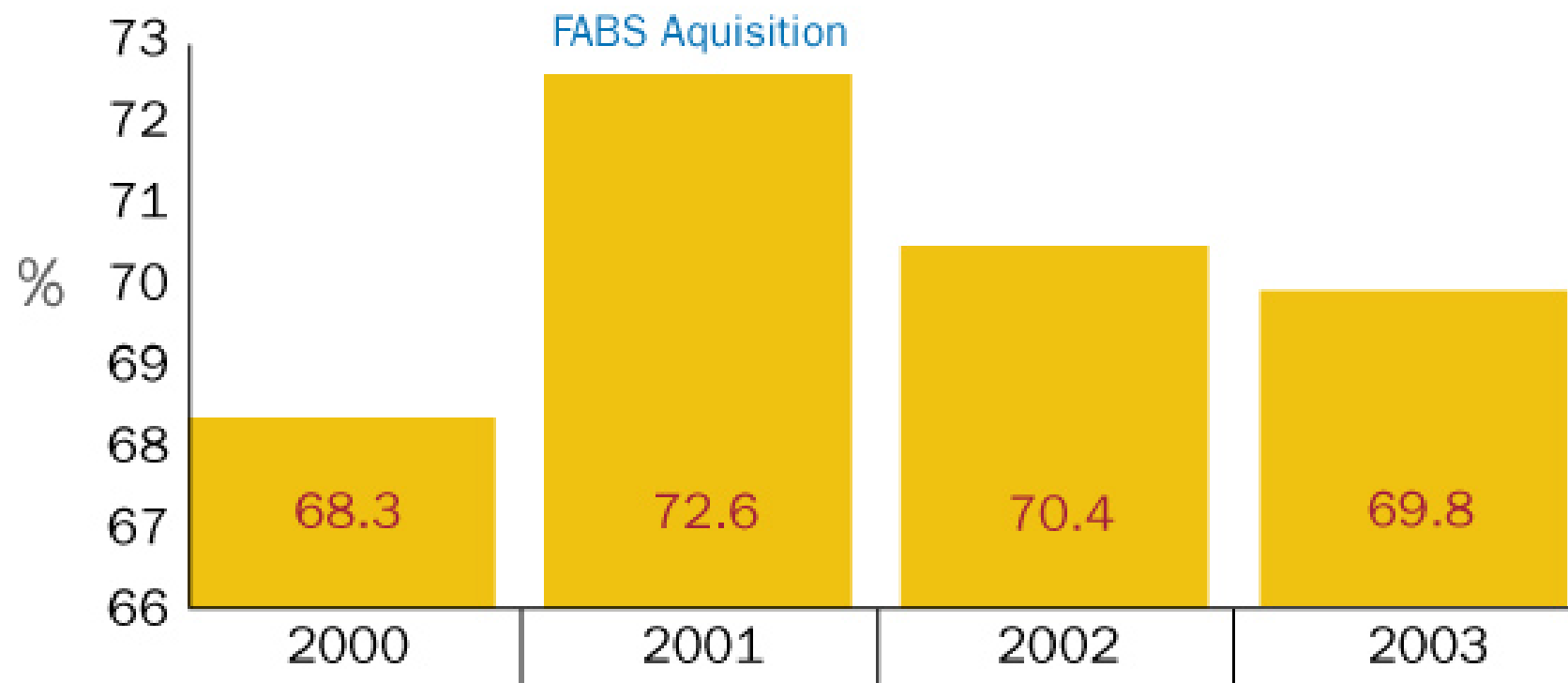


Contributions





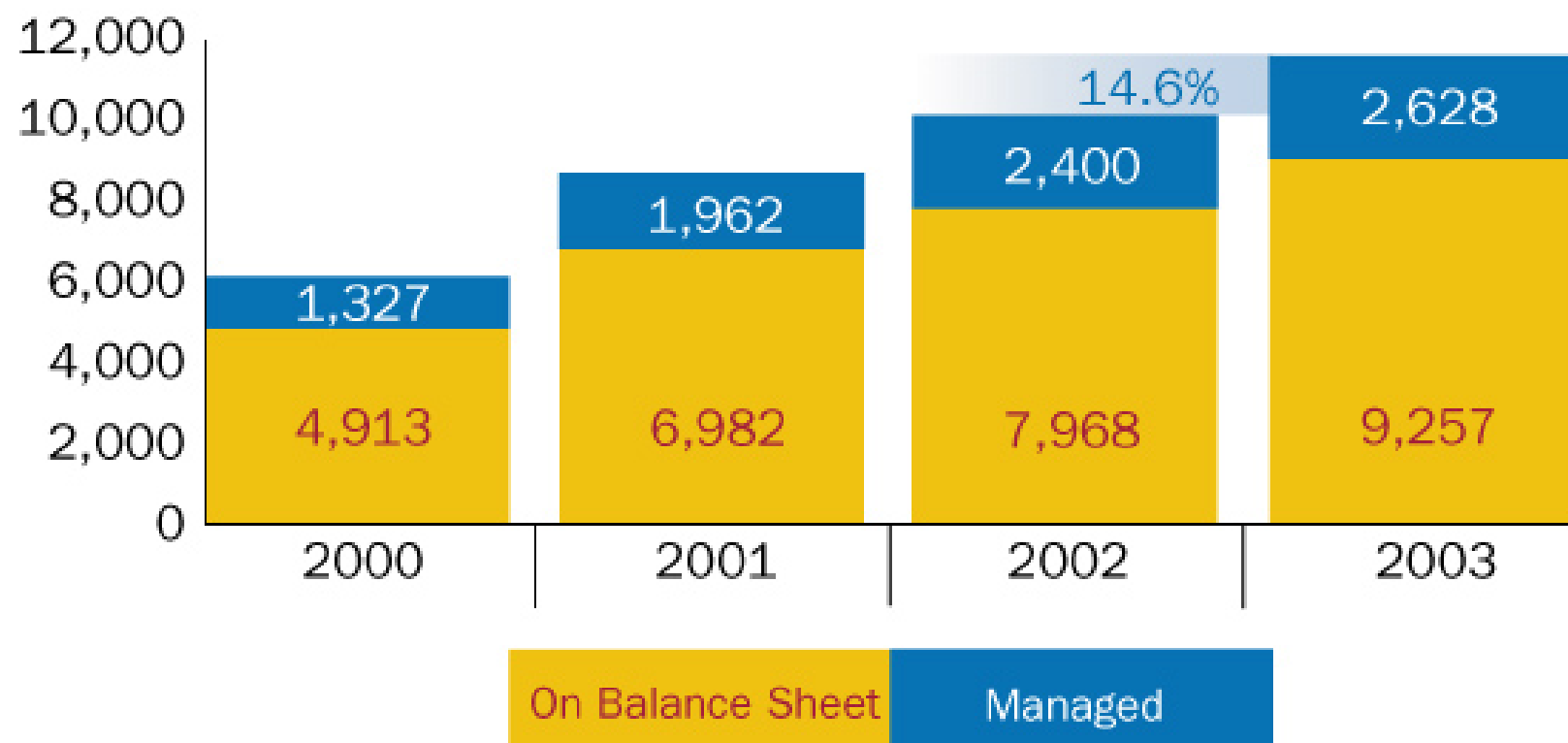
Efficiency ratio $\text{Operating expenses} / \text{income}$





Total assets

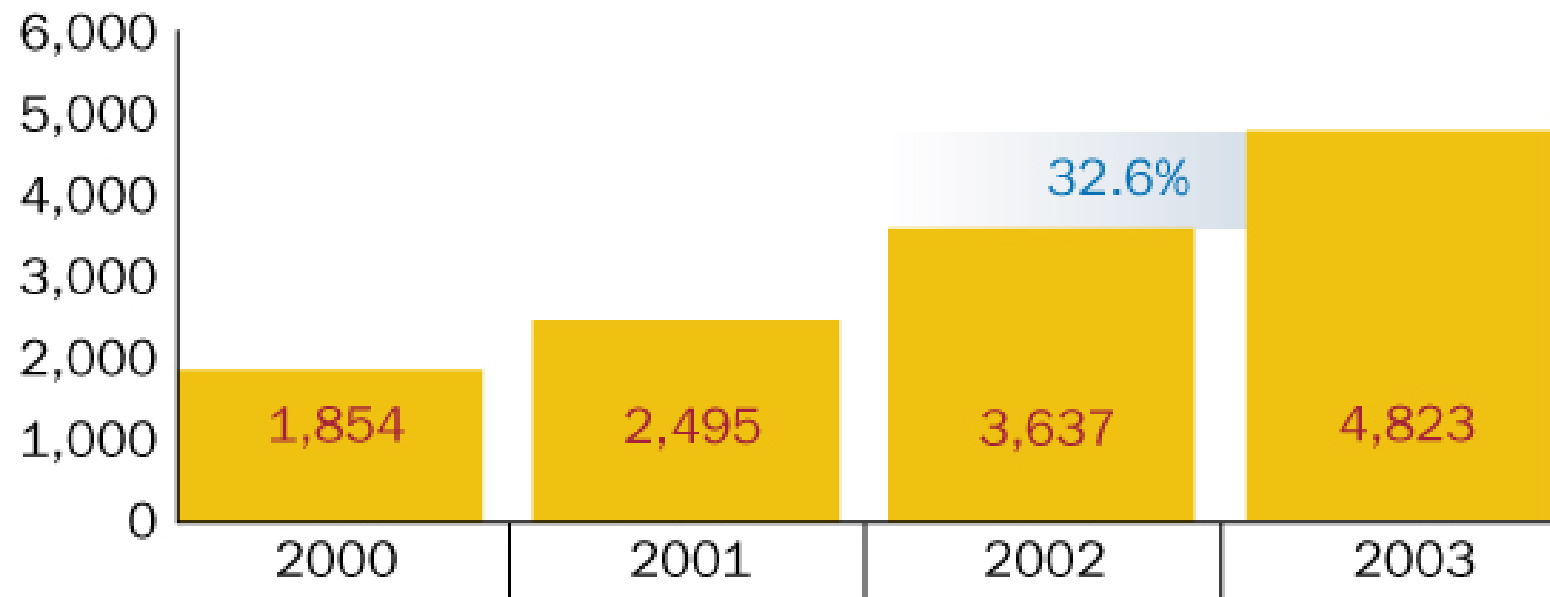
A\$ Millions





Lending approvals

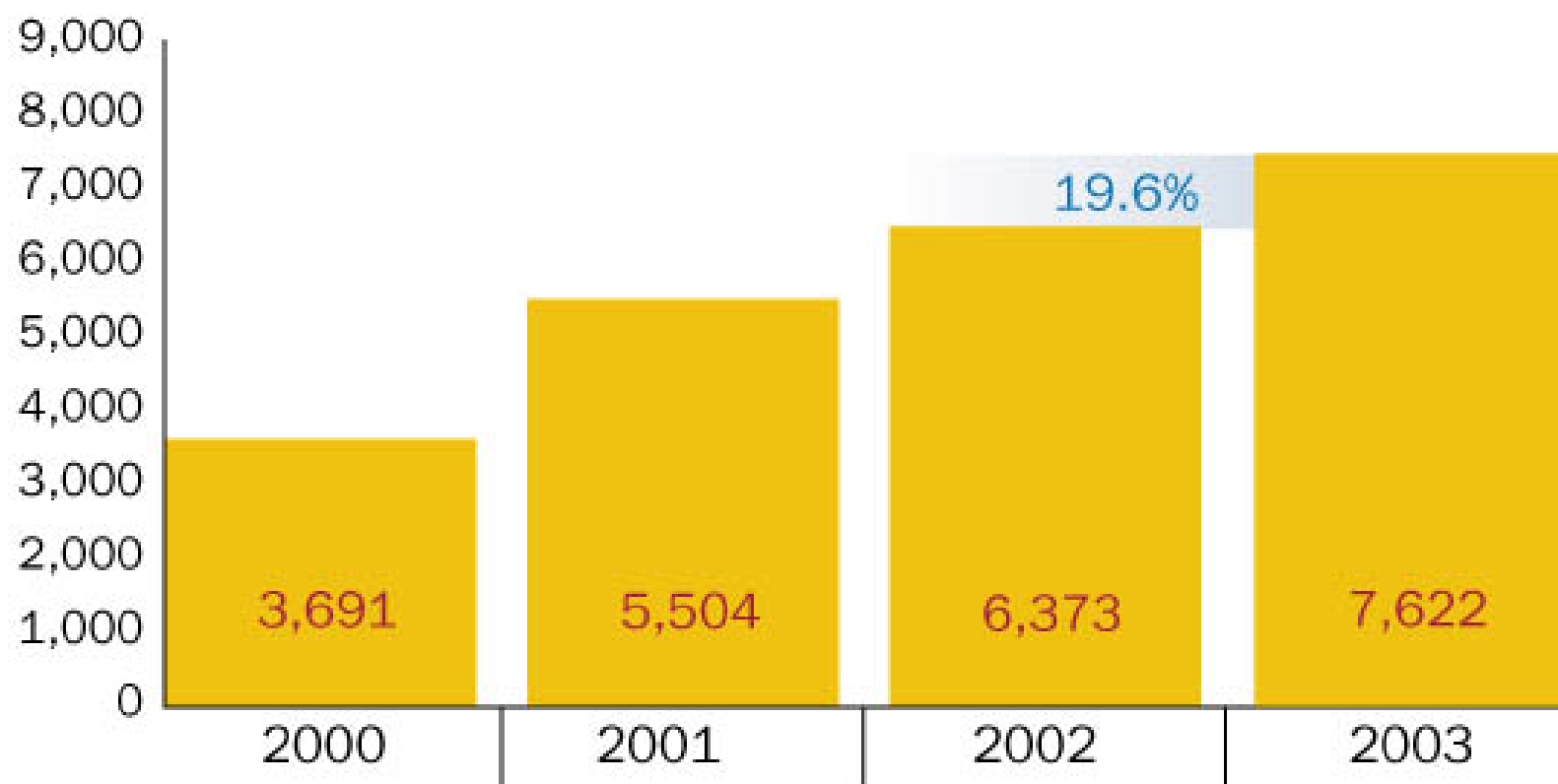
A\$ Millions





Retail deposits

A\$ Millions





Commercial loans at 30 June 2003 (\$1446m)

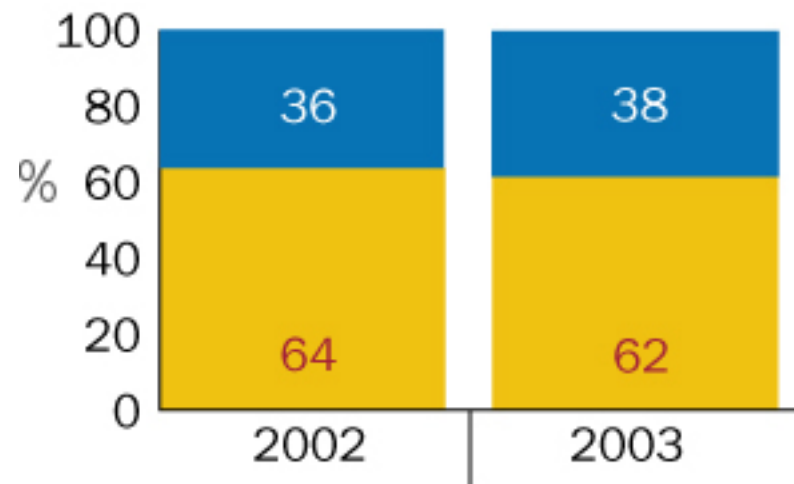
	35% Property & Business Services
	14% Other
	11% Retail Trade
	15% Agriculture, Forestry & Fishing
	6% Construction
	5% Accommodation, Cafes & Restaurants
	4% Manufacturing
	3% Health & Community Service
	2% Wholesale trade
	3% Transport & Storage
	2% Cultural & Recreation



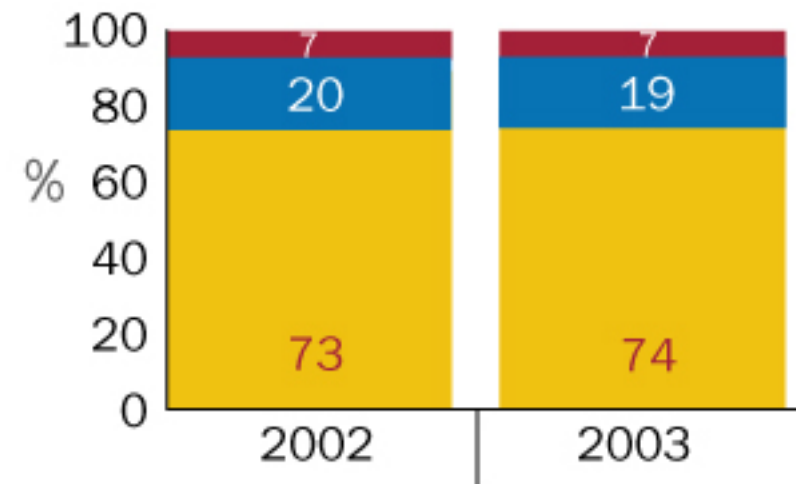


Loan portfolio

By purpose



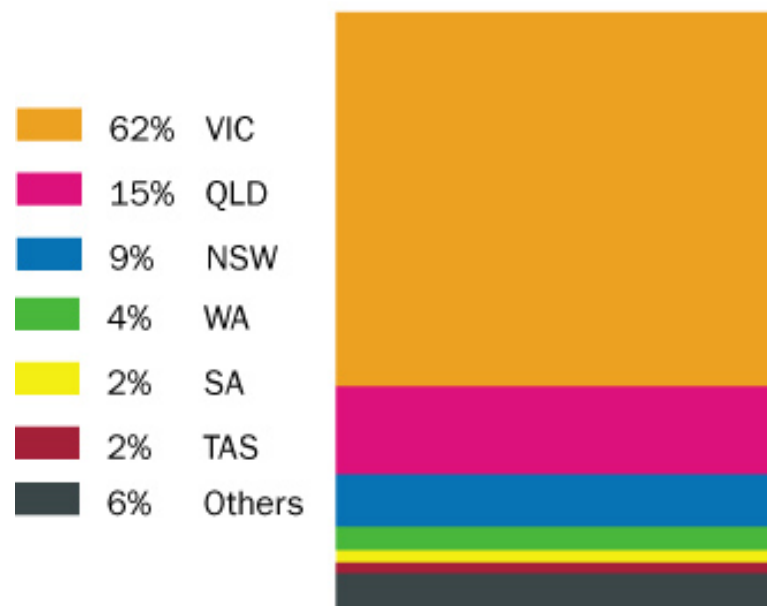
By security





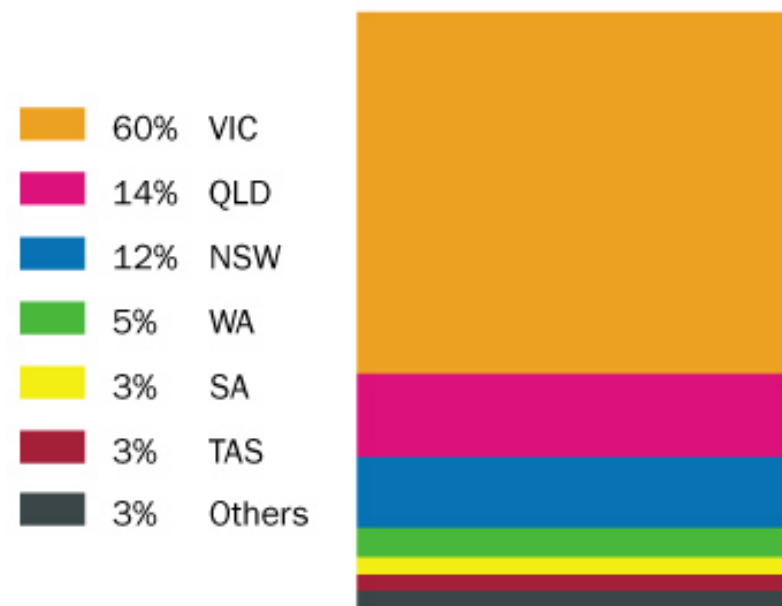
Geographic spread

Deposits



2003

Loans

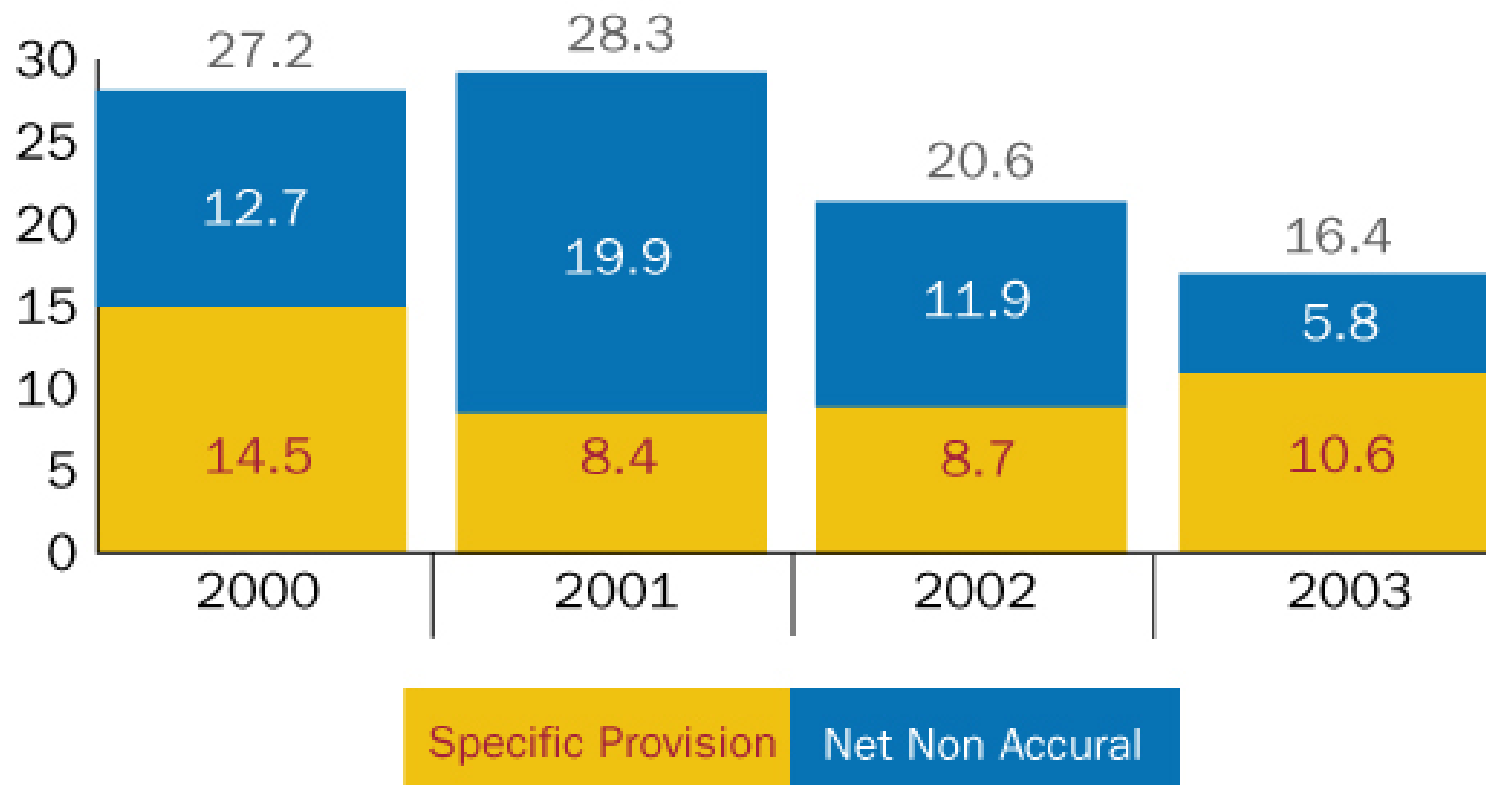


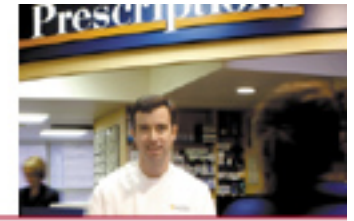
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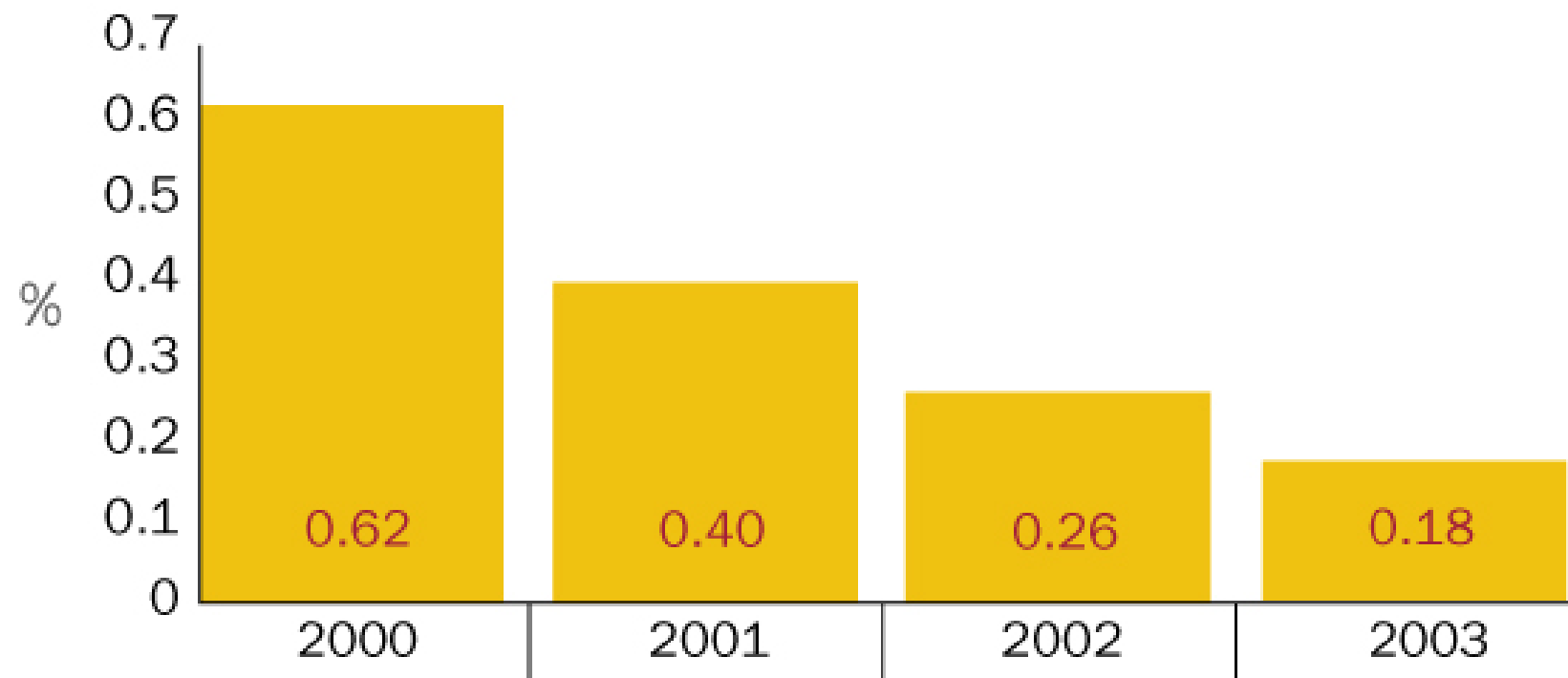
Non-accrual loans

A\$ Millions





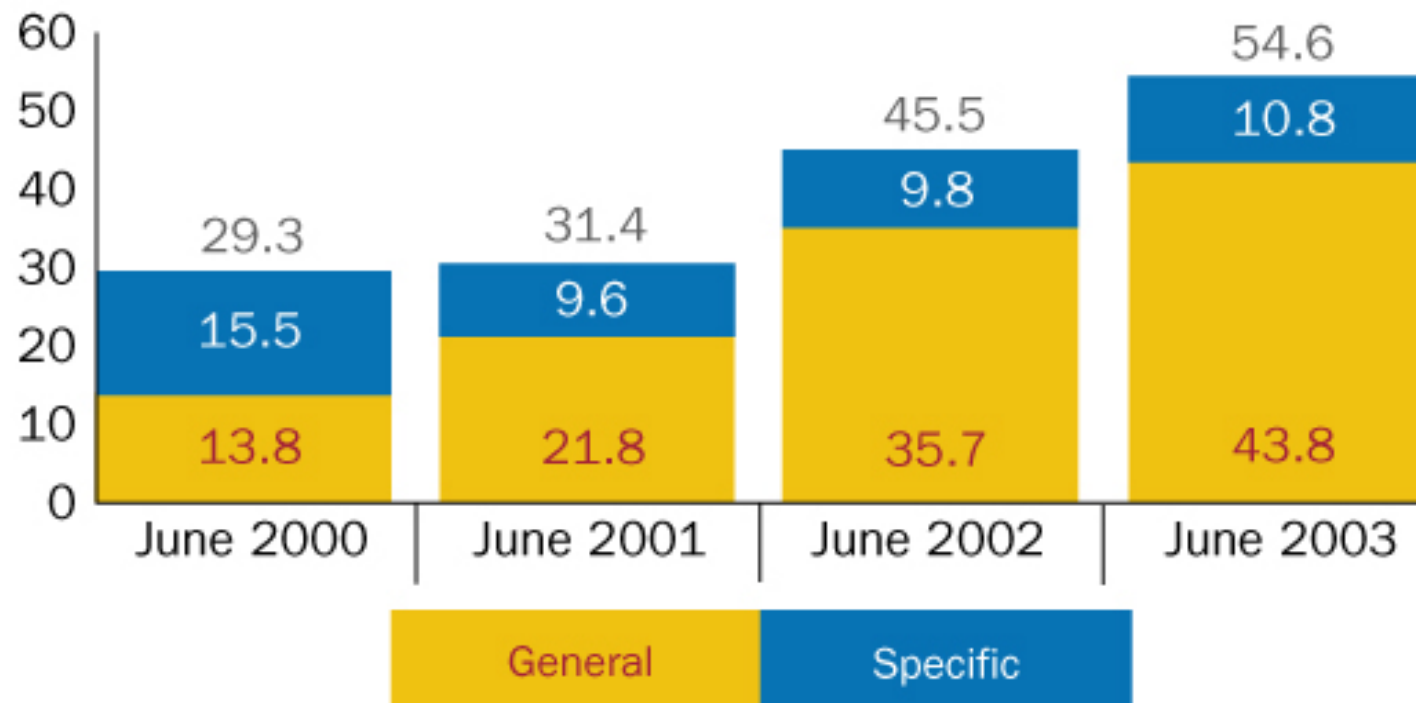
Asset quality Impaired loans / total assets





Provision for doubtful debts

A\$ Millions



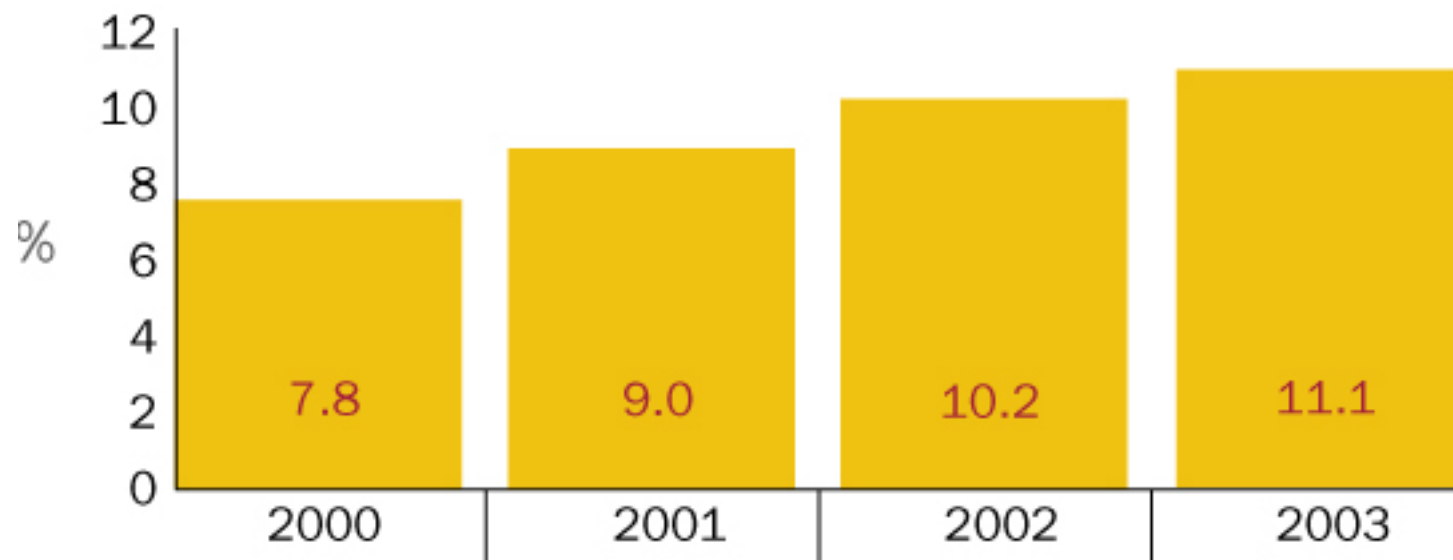


Capital adequacy





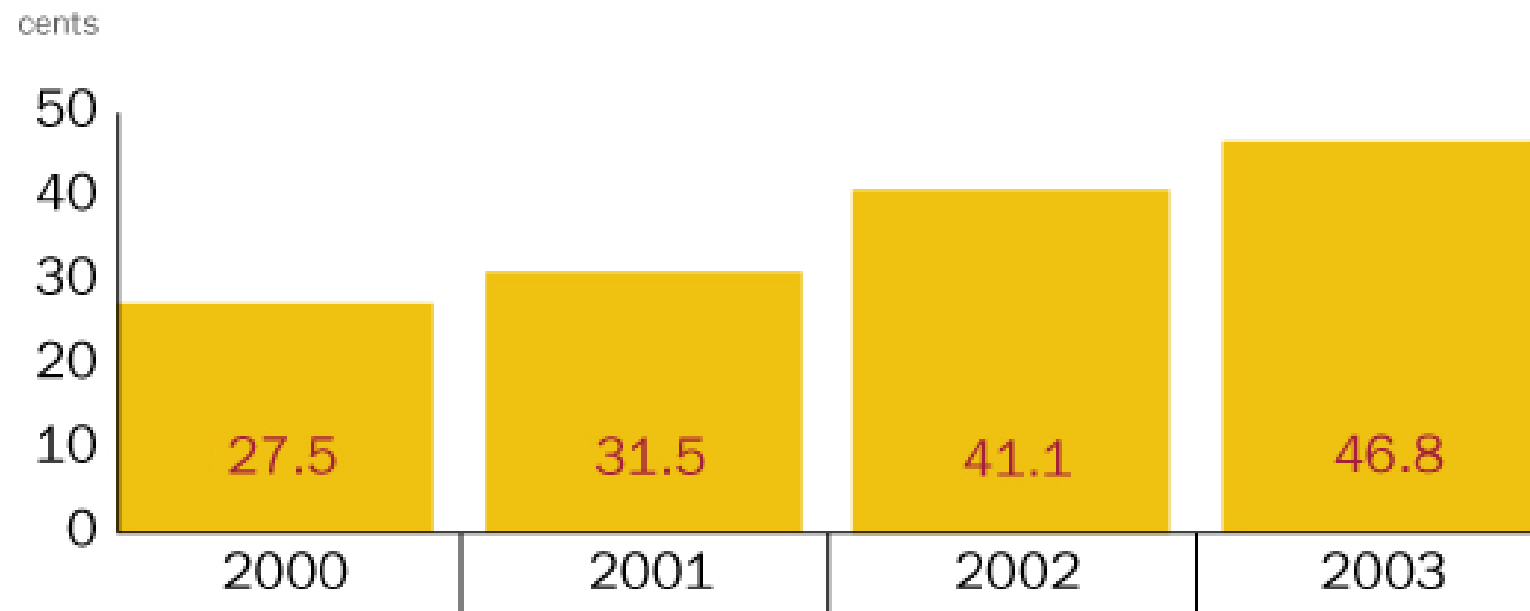
Return on equity



Return on equity has been restated in prior periods to reflect the impact of accounting standard AASB1044



Earnings per share



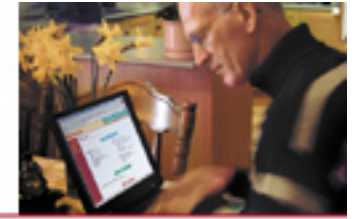
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Wealth Management, Co. structure & alliances

Mike Hirst

Chief General Manager Strategy & Solutions



New structure driving organisation

- Two distinct focuses:
 - Retail (customer and community contact)
 - Solutions (build and deliver products to Retail)
- Strategic initiatives team under M.D.
- New focus on cards business
- Group delivery of shared services
- Strategic redesign of I.T.
- Unified Wealth Management division



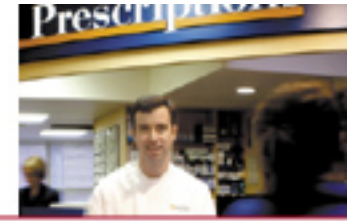
Wealth Management

- A complementary financial services product range
- All entities under the one banner
- Distribution and partnerships
- STL responsible entity for funds management
- Specialist investment managers (eg. IML, IOOF)
- Easily understood fund offerings
- Expanded financial planning business



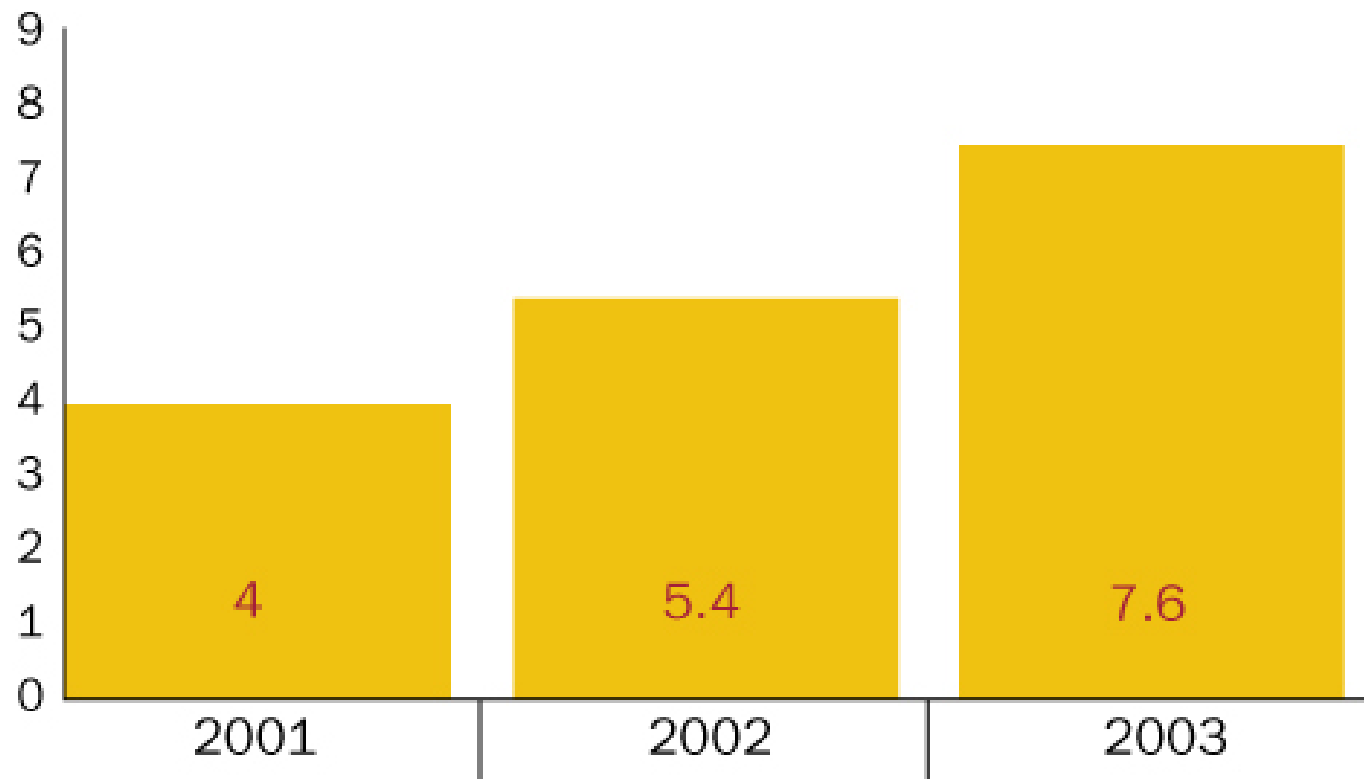
Funds under management

A\$Millions	2001	2002	2003
Sandhurst Mortgage & Cash Funds	863.0	952.0	1195.2
Sandhurst Industrial Share Fund	30.2	153.3	272.5
Bendigo Superannuation Plan	73.7	103.6	146.8
General Retirement Plan	-	53.1	52.9
Other Superannuation Funds	-	8.2	2.9
Premier Global Select Fund	-	7.7	14.7
Bendigo Managed Funds	-	6.0	48.4
Total	966.9	1283.9	1733.4



Wealth Management contribution

A\$ Millions





Proven ability with alliances

Community Bank®

- 43% increase in business
- \$8.4m contribution
- 100th branch opened (30 launched in 2002/03)
- BBL granted Community Bank® trademark

Tasmanian Banking Services

- \$117m growth (\$245m portfolio)
- 5 branches and 14,000 account-holders
- Profitability now achieved



Proven ability with alliances

Pharmacy Banking

- \$113m portfolio
- New origination partners signed

Elders Rural Bank

- \$19m net profit after tax
- \$136m of business referred to ERB from Bendigo

Agencies

- 20% growth in business

Community Sector Banking

- \$33.3m portfolio

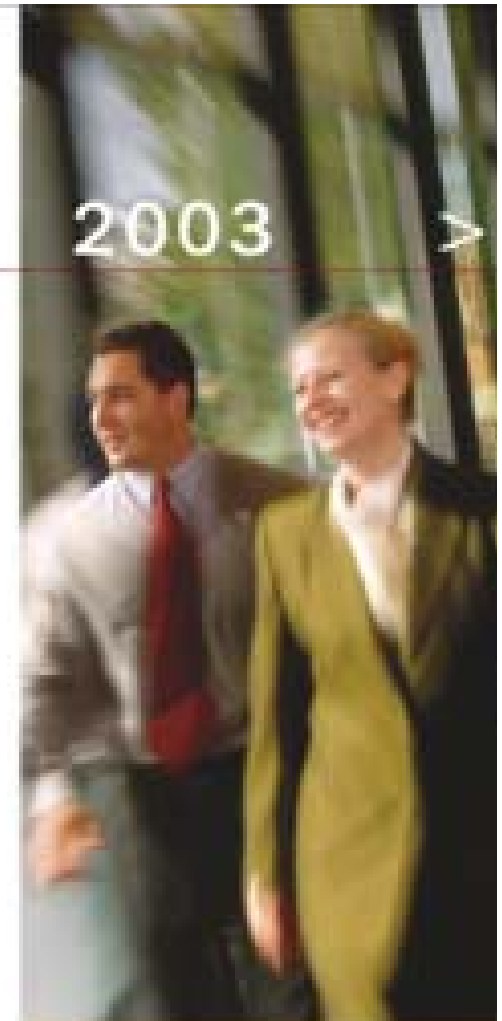
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Strategy, performance & the future

Rob Hunt

Group Managing Director





Consistent strategy since 1995

Mission Statement

We focus on building and improving the prospects of our customers, communities and partnerships in order to develop sustainable earnings and growth for the business and thus provide increasing wealth for our shareholders

“Successful customers and successful communities help create a successful and relevant bank – in that order.”



Bendigo style of banking

- Differentiate and build strong brand & position
- Create strong commitment to buy
- Blend face-to-face and technology to deliver banking solutions with a strong customer focus
- Open new markets
- New products to strengthen relationships

“Building the capacity of the buying base builds the brand and inclination to buy from Bendigo.”



Value created

Over the past 3 years, Bendigo Bank has been 29th best value creator in the Australian market (16th over 5 years).

Maintaining this momentum improves the prospect of further increasing value as the performance improves (as planned).



Creating shareholder value by:

- Rapidly expanding distribution and product range
- Growing revenue sustainably (buyer commitment)
- Progressively building profitability
- Establishing a strong brand, positioning, identity
- Align objectives with our buying base
- Improving efficiency
- Continuing investment (revenue generation strategy)

“Doing the right thing and great business at the same time.”



In 5 years, Bendigo has:

- Increased profit by 315%
- Grown market value by 447% (now \$1 billion)
- Improved EPS by 61%
- Tripled branch numbers to 251
- Tripled assets under management
- Successfully launched 'C-commerce' initiatives
- Generated strong growth in interstate business
- Invested heavily in strategy, products & services



Successes in 2003

- Improved profit performance by 20%
- Increased EPS and DPS
- Strong retail deposit growth continues
- Strong lending and asset growth continues
- Improved contribution from new businesses
- Improved asset quality
- Strong contribution by all subsidiary companies



Investments continued in 2003

- Grew Wealth Management in difficult market
- Continue to enhance risk management
- Opened 37 new branches
- Continued to grow skill base
- Building community capacity to enhance markets
- Implementing continuous improvement strategy
- Grew business banking capability & volumes
- Enhanced e-banking platform



Why our progress will continue

- 'The emotional key' - unique position, strong customer focus (strong approval and advocacy ratings)
- Strong demand for Bendigo solutions
- Increasing contribution of new businesses
- Wealth Management revenue growth
- Great team aligned to strategy and 'C-commerce' abilities
- Consistent 'above system' growth
- Create innovative solutions (partnerships/alliances)
- Engage communities to build buyer demand



The future

- Further network growth (30-plus branches)
- New communities and customer groups
- Expand Wealth Management and advice
- Growing business banking volumes
- Strong e-bank growth and new facilities
- Solid increase in revenue base expected
- Further improved profitability and performance



Questions

Bendigo Bank
2002/03 profit announcement