



13 August 2007
profit announcement

connections

Strengthening connections with our customers and communities

Agenda

Craig Langford Chief Financial Officer

Rob Hunt Managing Director

The result

**Brand strategy
producing results**

The result

Craig Langford Chief Financial Officer

Delivering results

Shareholder returns

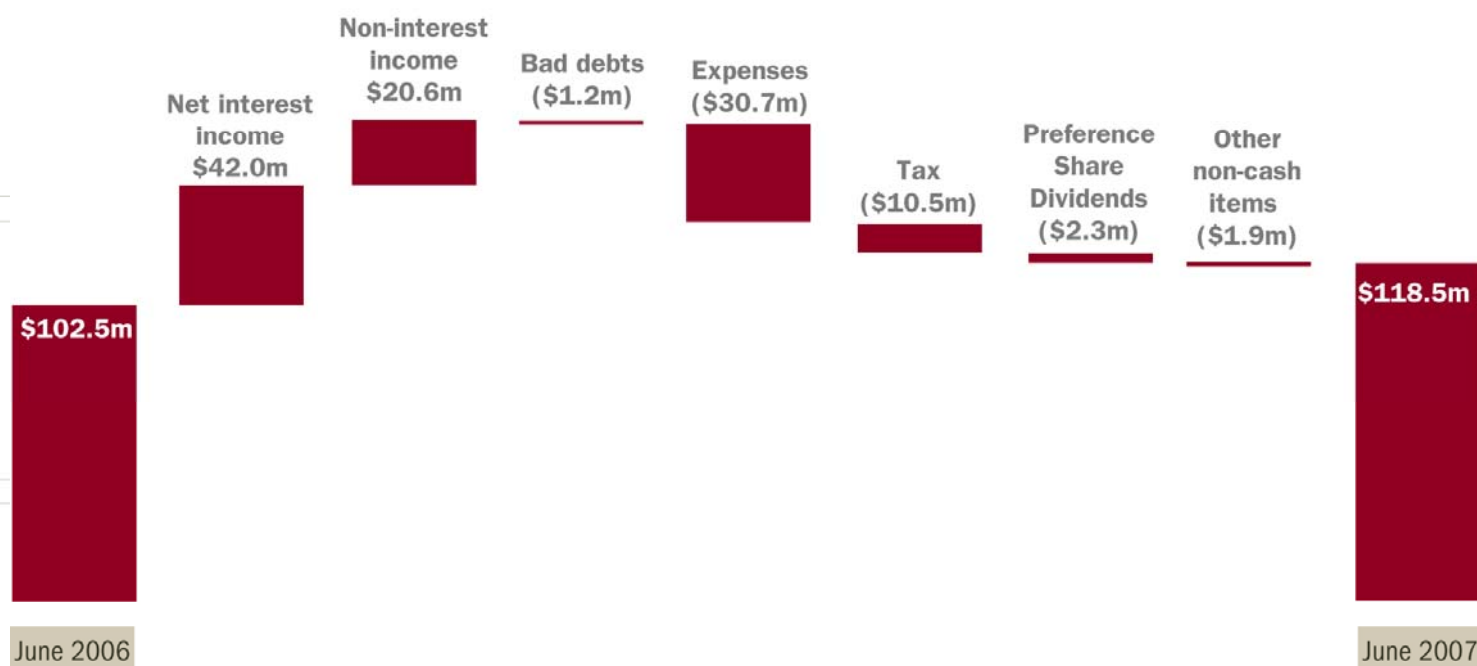
A\$ Millions

	June 2006	June 2007	Change
Cash basis profit after tax	102.5	118.5	15.6%
Cash earnings per share – cents	73.2	82.9	13.3%
Dividends (total) – cents	52.0	58.0	11.5%
Dividends (final) – cents	30.0	34.0	13.3%

Profit analysis

Cash basis earnings

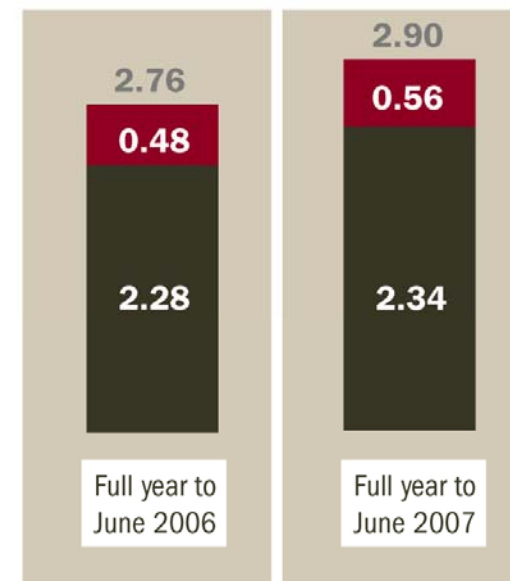
A\$ Millions



Quality earnings – growth at profitable prices

Interest margin

%



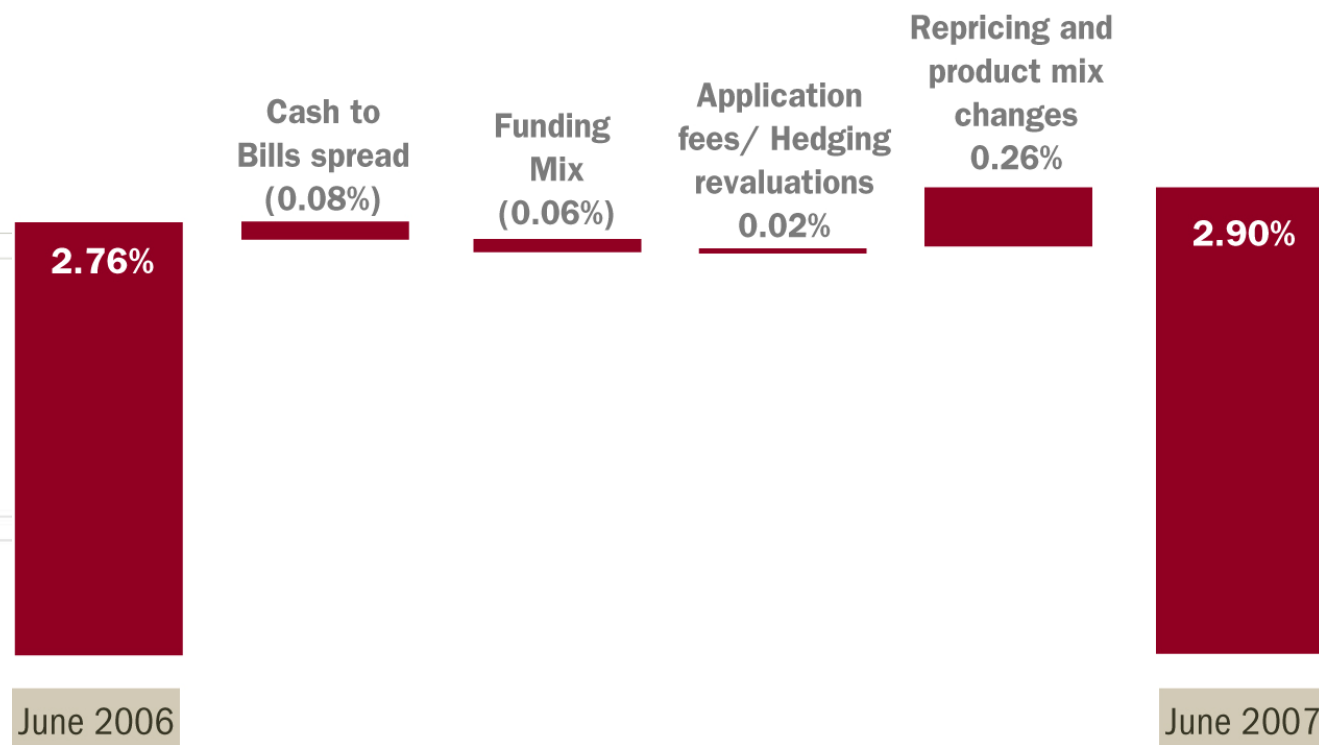
Net interest margin

Community Bank & Alliances

Quality earnings – growth at profitable prices

Analysis of net interest margin

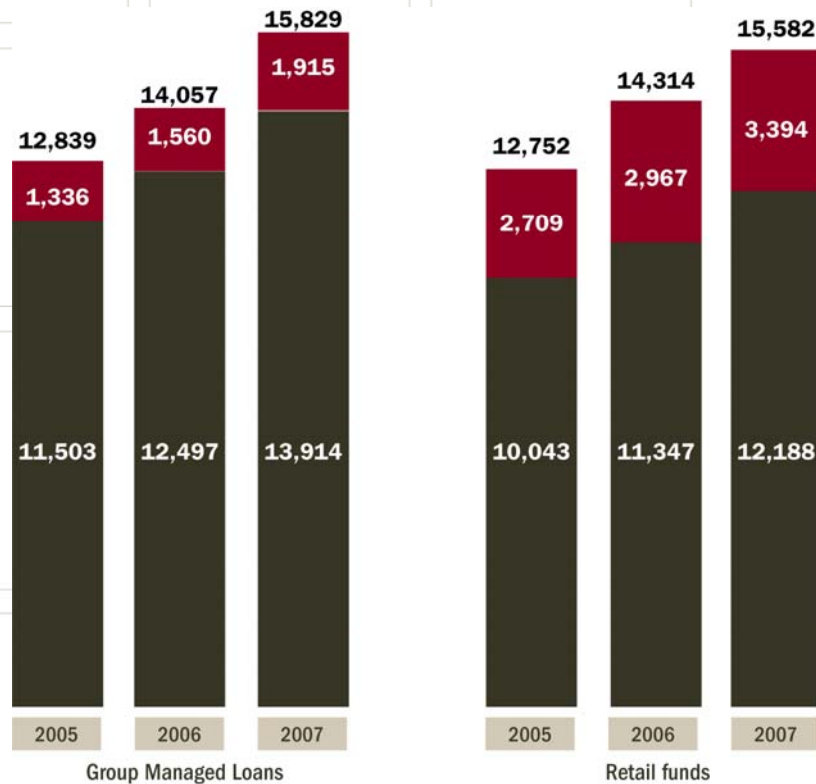
%



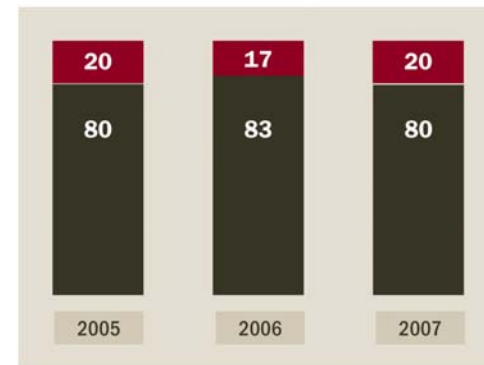
Consistent, measured growth

Group managed loans / retail funds

A\$ Millions



Retail funding mix
%



On balance sheet

Managed

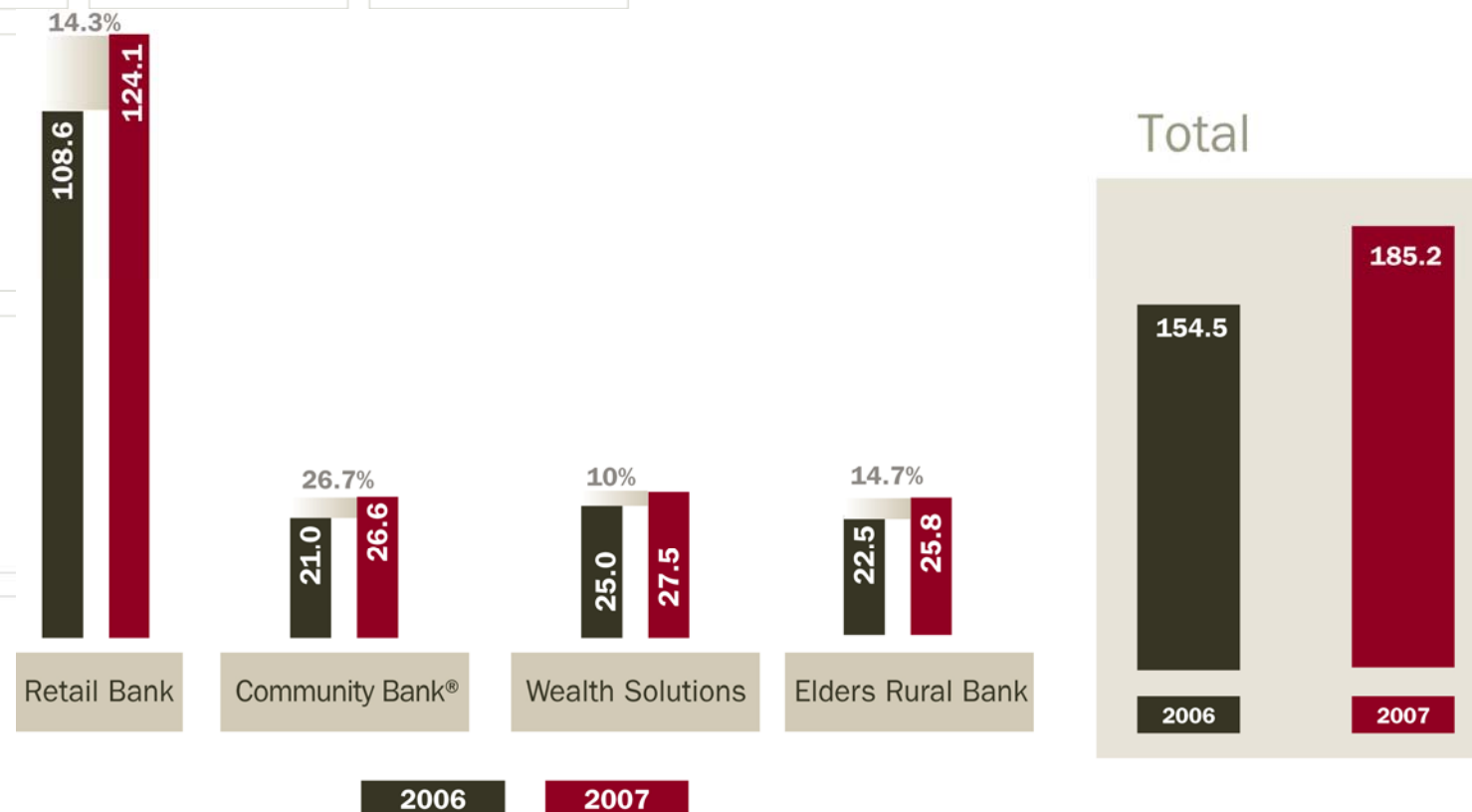
Retail

Wholesale

Diversification of revenue

Profit contributions before tax & significant items

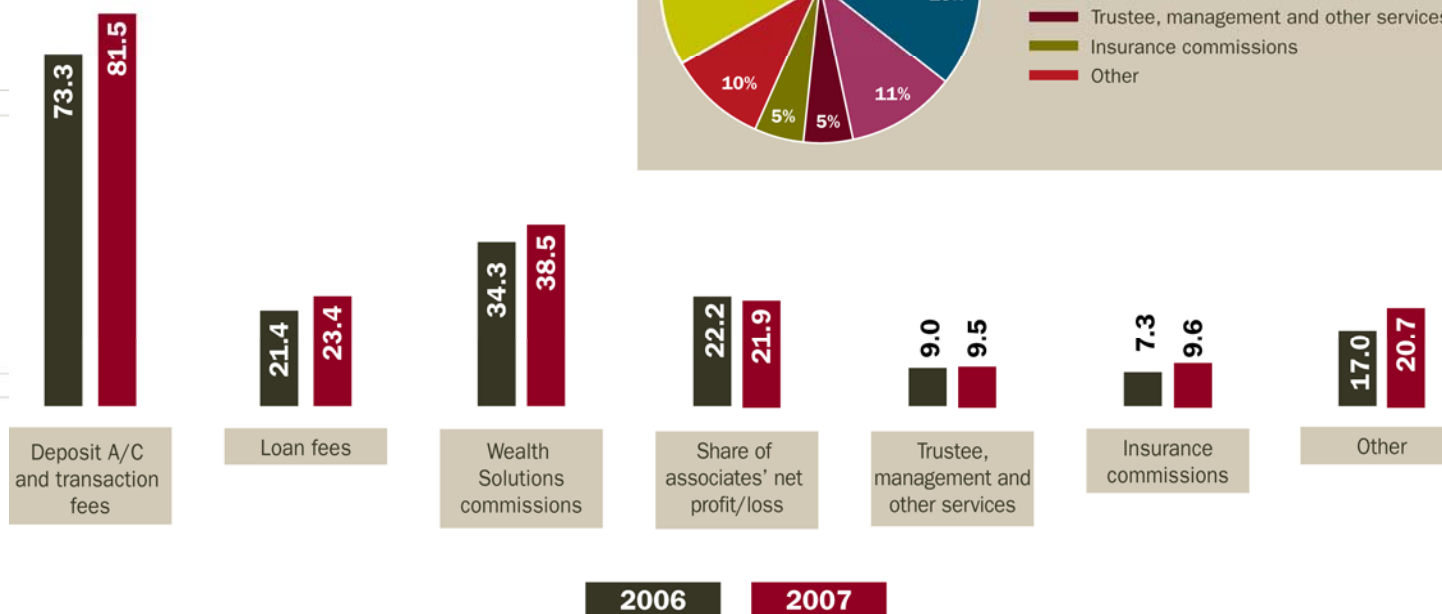
A\$ Millions



Diversification of revenue

Non-interest income

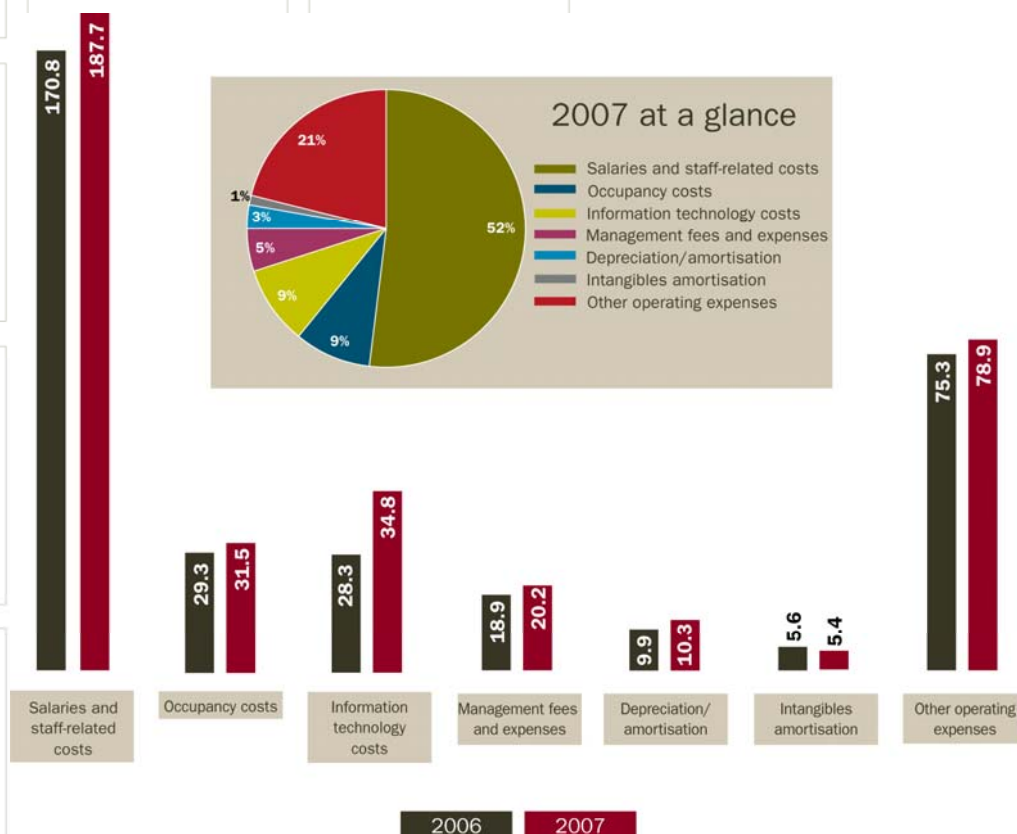
A\$ Millions



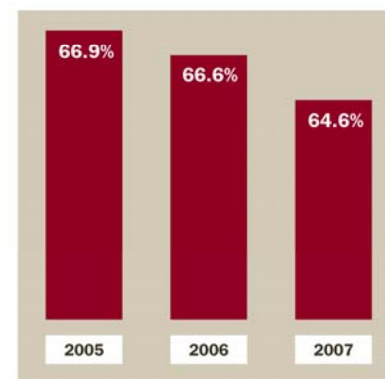
Investing in future growth

Operating expenses

A\$ Millions



Efficiency ratio:
Expenses/income
%



Growing shareholder returns

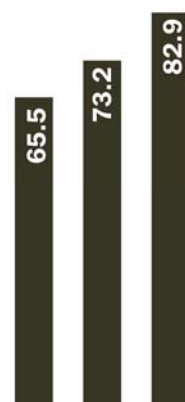
Earnings and dividends
cents per share

Return on equity
%



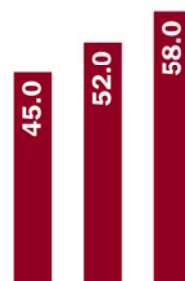
2005 2006 2007

Earnings
per share



2005 2006 2007

Cash earnings
per share



2005 2006 2007

Dividends



2005 2006 2007

Reported



2005 2006 2007

Pre significant
items



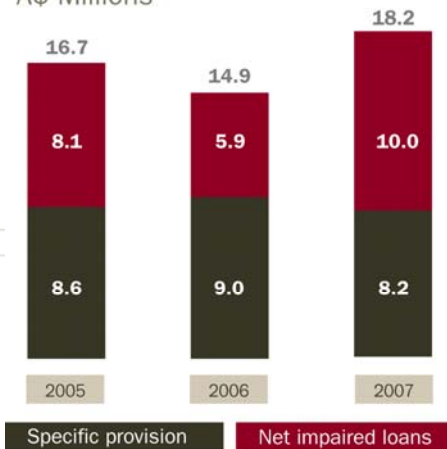
2005 2006 2007

Cash basis

Excellent credit quality

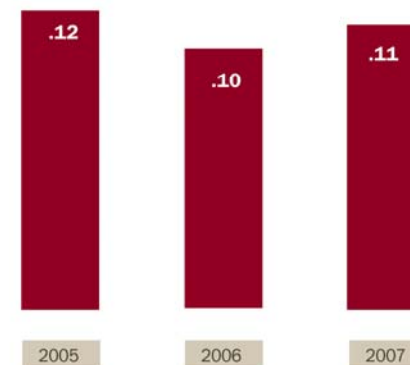
Impaired loans

A\$ Millions



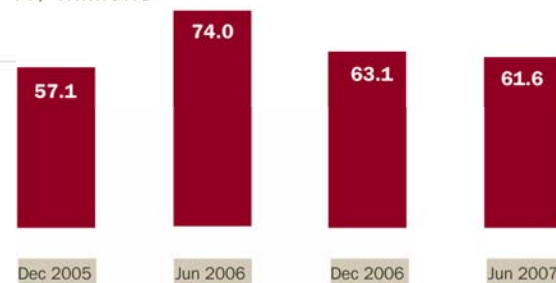
Gross impaired/total assets

%



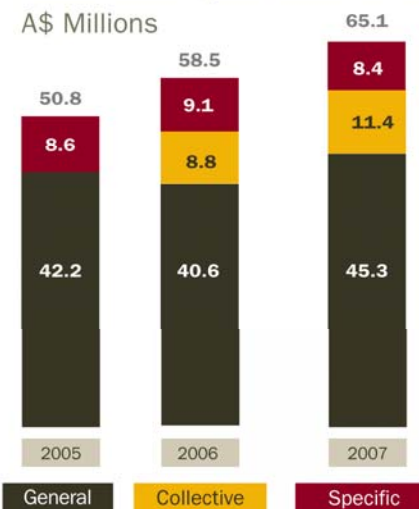
Loans > 90 days in arrears

A\$ Millions



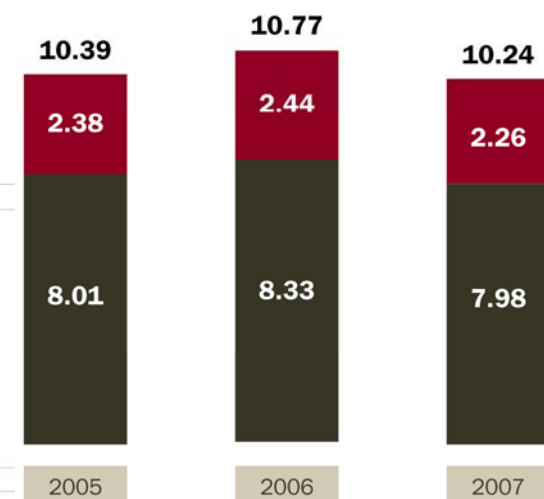
Loan loss provisions and reserves

A\$ Millions



Strong capital position

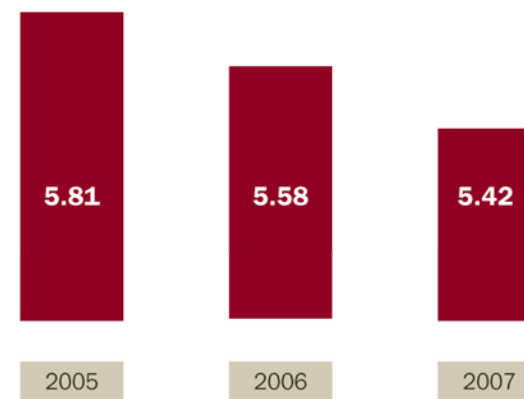
Capital adequacy
%



Tier 1

Tier 2

Adjusted common
equity ratio
%



ACE ratio

Additional information

Funds under management

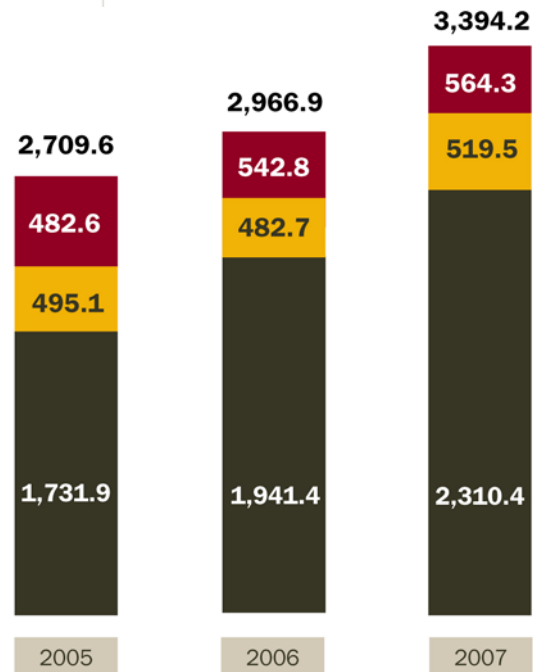
A\$ Millions

	2005	2006	2007
Sandhurst mortgage and cash funds	1,731.9	1,941.4	2,310.4
Sandhurst Industrial Share Fund	495.1	482.7	519.5
Bendigo Superannuation Plan	220.4	256.9	330.0
General Retirement Plan*	68.2	80.2	-
Bendigo managed funds	123.7	135.5	156.6
Other	70.3	70.2	77.7
Total	2,709.6	2,966.9	3,394.2

* Sandhurst Trustees Limited retired as trustee of the General Retirement Plan on 1st April 2007.

Funds under management

A\$ Millions



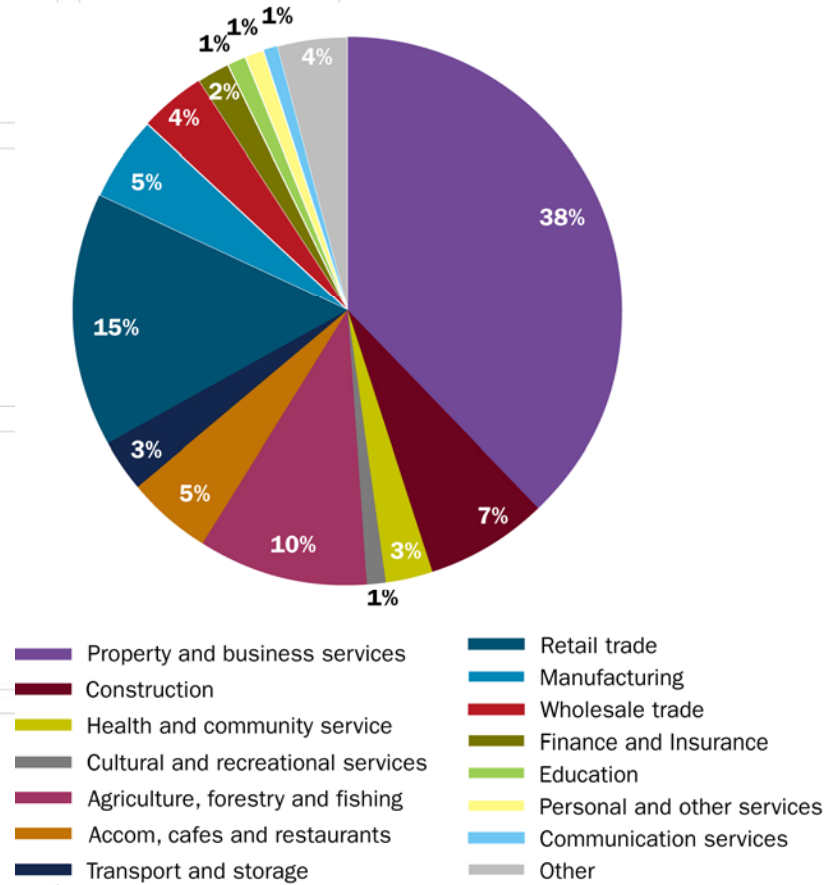
Sandhurst mortgage
and cash funds

Sandhurst Industrial
Share Fund

Other

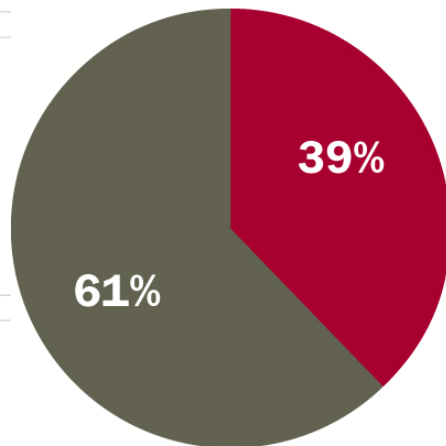
Commercial loans

%



Loan portfolio

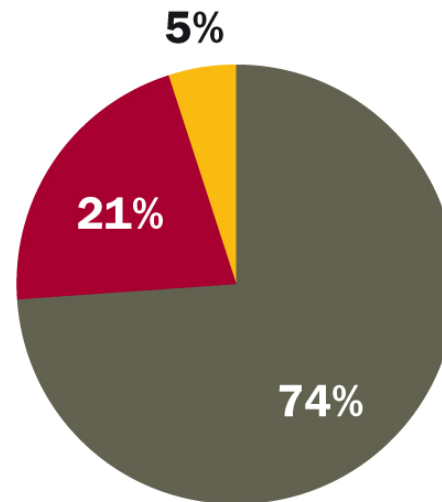
By purpose
%



Residential

Non-residential

By security



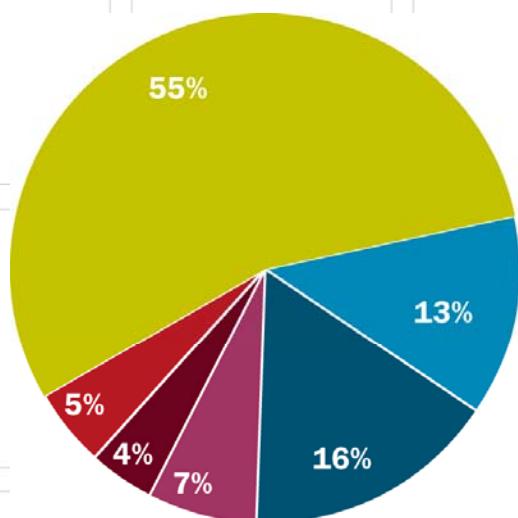
Residential

Commercial

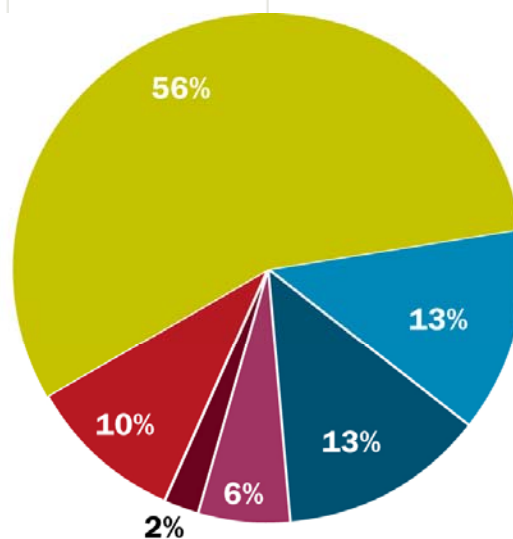
Unsecured

Balanced growth in new markets

Loans
A\$ Millions



Deposits



Brand strategy producing results

Rob Hunt Managing Director

The Result

- Continued progress reflects consistent focus and investment
- Substantial improvement in cash ROE – up 0.9% to 15.4%
- Cash NPAT up 15.6% to \$118.5m
- Exceeded cash EPS guidance (13.3% increase)
- Dividend increased by 6 cents to 58 cents (11.5% increase)
- Strong margin reflects brand strength

Delivering on our goals

Last year we said we aimed to:

Grow at profitable prices

Interest margin maintained

Sustainably increase
shareholder value

6th year of 10%–plus NPAT
and EPS increases

Further diversity our revenue
base

Solid increases in all
businesses

Continue to expand (invest)
while demand for Bendigo
remains strong

22 new branches,
Generation Green launched
New data centre

Delivering on our goals (continued)

Last year we said we aimed to: (continued)

Strengthen the connection
with our customers and
communities



No.1 for customer
satisfaction & advocacy
Grew community engagement
activities

Maintain high credit standards



Strong credit performance

Continue our investment in
risk management



Ongoing investment in
Operational Risk and systems

Future > Bendigo retail bank

- Further enhance branding and positioning
- Solid demand – continued growth expected
- Grow branch network and skill base to cover expanded product range
- Invest to improve customer and community outcomes, producing buyer commitment
- Maintain high standard of customer service
- Expand Wealth Solutions & Business Banking
- Ongoing benefit from the maturing branch network
- Strengthen customer relationships through cross-selling
- Guidance/performance – expect 12% cash EPS improvement in FO8

Future > merger and business as usual

- Adding two proven strategies to produce a stronger one
- Expect no impact on the momentum of BEN and ADB
- Appoint a stand-alone merger implementation team
- Have business managers focus on business-as-usual
- No impact on retail or wholesale operations
- Scoping for all major merger implementation projects to ensure sustainable improvement and attainment of synergies
- Creating sustainable growth in shareholder value