

13 February 2006

interim profit announcement

1

Agenda

Craig Langford Chief Financial Officer

Greg Gillett Chief General Manager Strategy & Staff

Rob Hunt Group Managing Director

The result

The progress

The prospects

The result

Craig Langford Chief Financial Officer

Performance summary

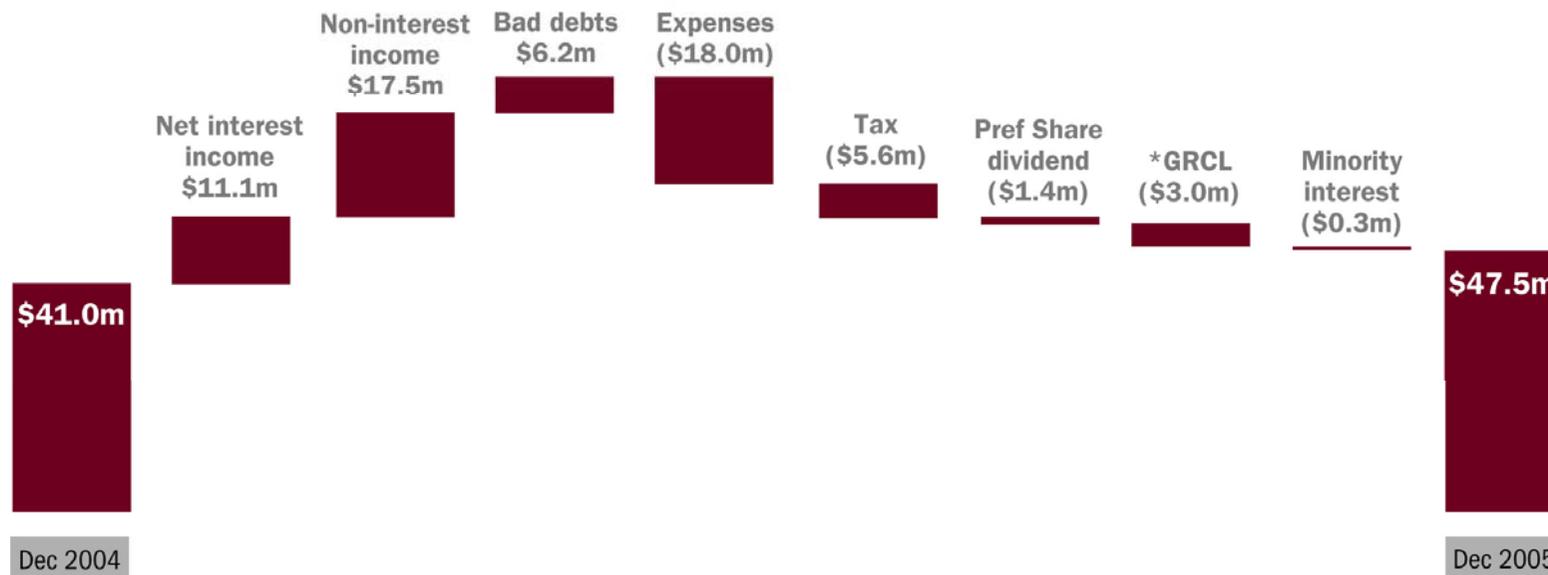
	Dec 2004	Dec 2005	Change
Underlying Earnings	\$65.7m	\$76.8m	16.9%
Profit after tax	\$44.9m	\$53.2m	18.5%
Profit before significant items available for distribution to ordinary shareholders	\$41.0m	\$47.5m	15.9%
Loans under management	\$12,128m	\$13,412m	10.6%
Retail deposits and funds under management	\$12,197m	\$13,947m	14.3%
Cash earnings per share	29.3 cents	34.6 cents	18.1%
Dividends – interim	19.0 cents	22.0 cents	15.8%

Significant items

	A\$ Millions
December 2005	
Gain on reduction in ownership of Community Telco Australia to 50% (previously 90%)	1.8
Relocation to Docklands Administration Centre in Melbourne	(0.5)
Total	1.3
December 2004	
Sale of IOOF Holdings Ltd shares	3.5
Sale of Cashcard shares	0.4
Total	3.9

Profit before significant items available for distribution to ordinary shareholders

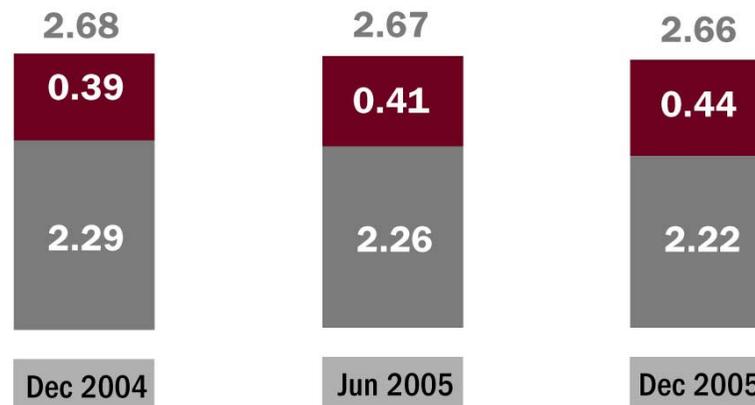
A\$ Millions



*GRCL – General Reserve Credit Loss (BBL \$2m, ERB \$1m)

Interest margin

%

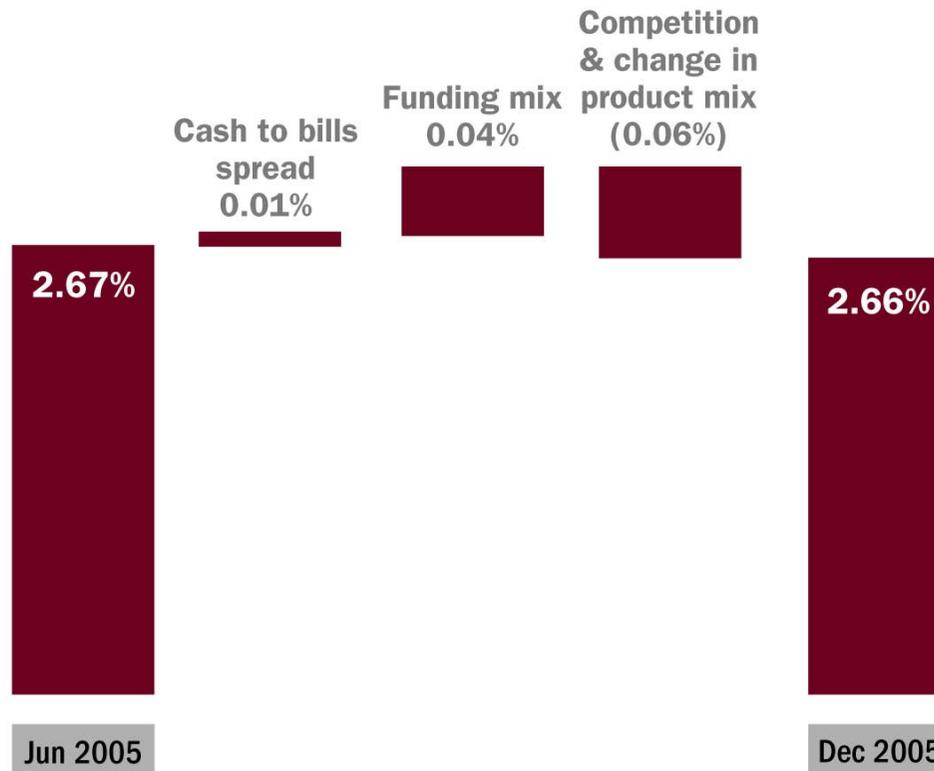


Net interest margin

Community Bank & Alliances

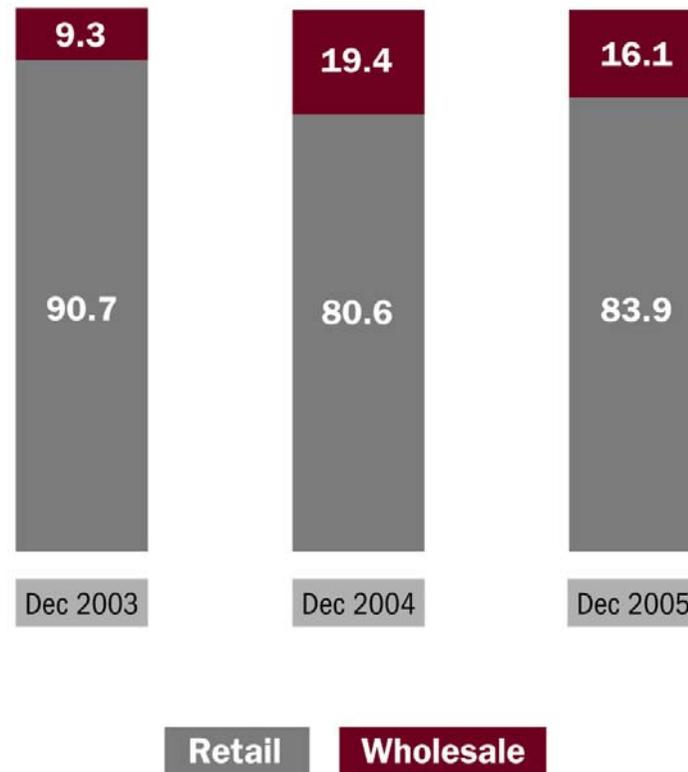
Analysis of net interest margin

%



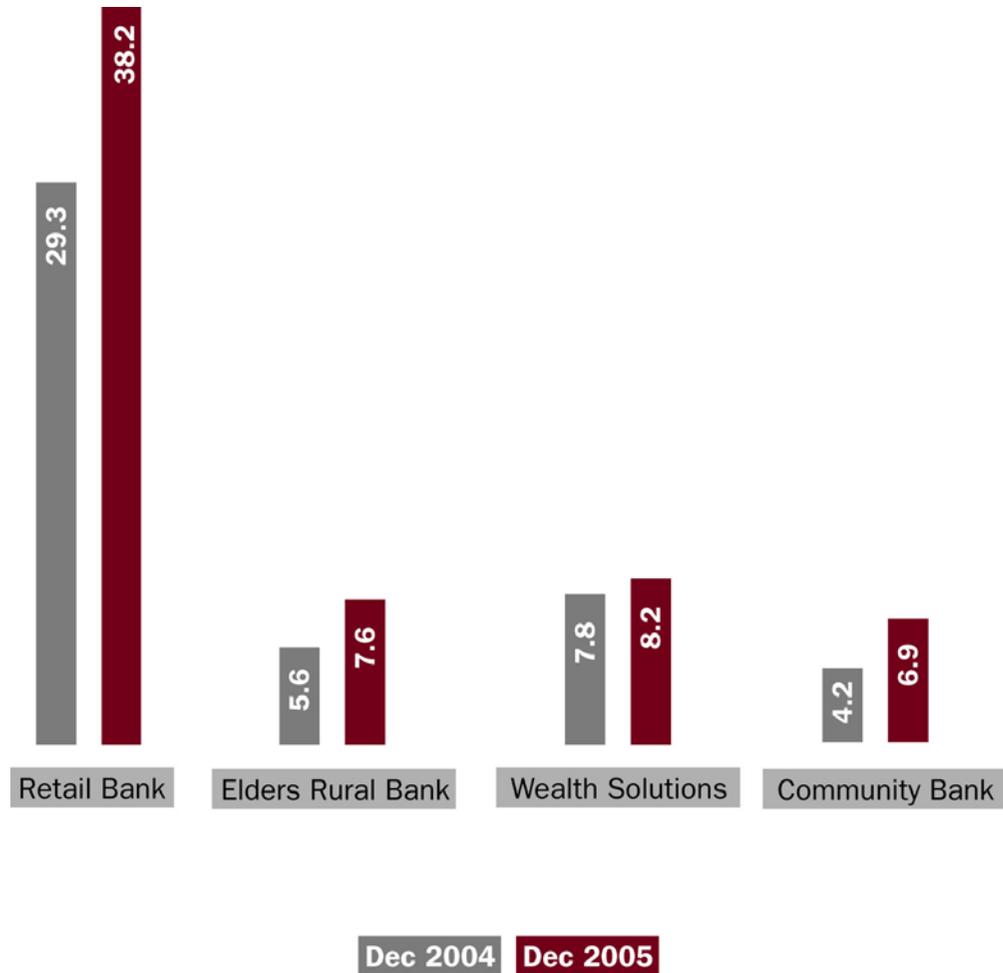
Core retail deposit base: Funding mix

%



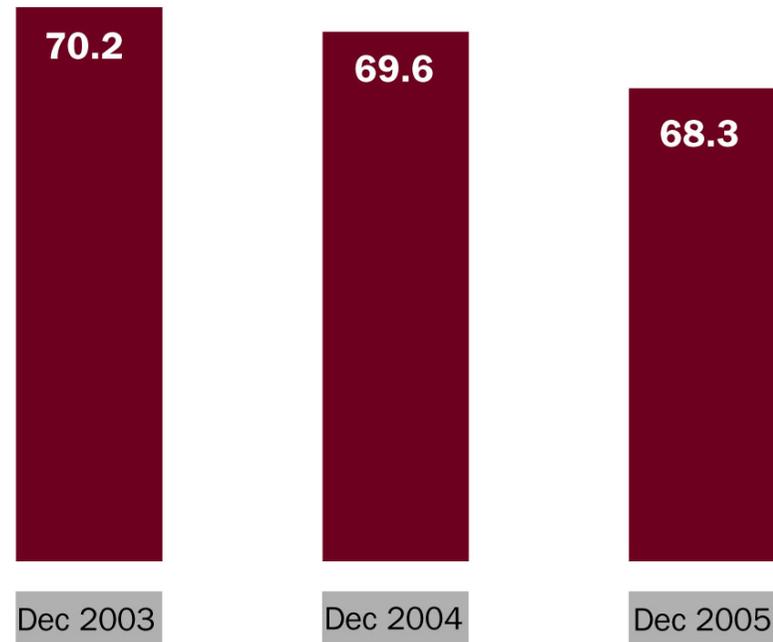
Profit contributions

A\$ Millions



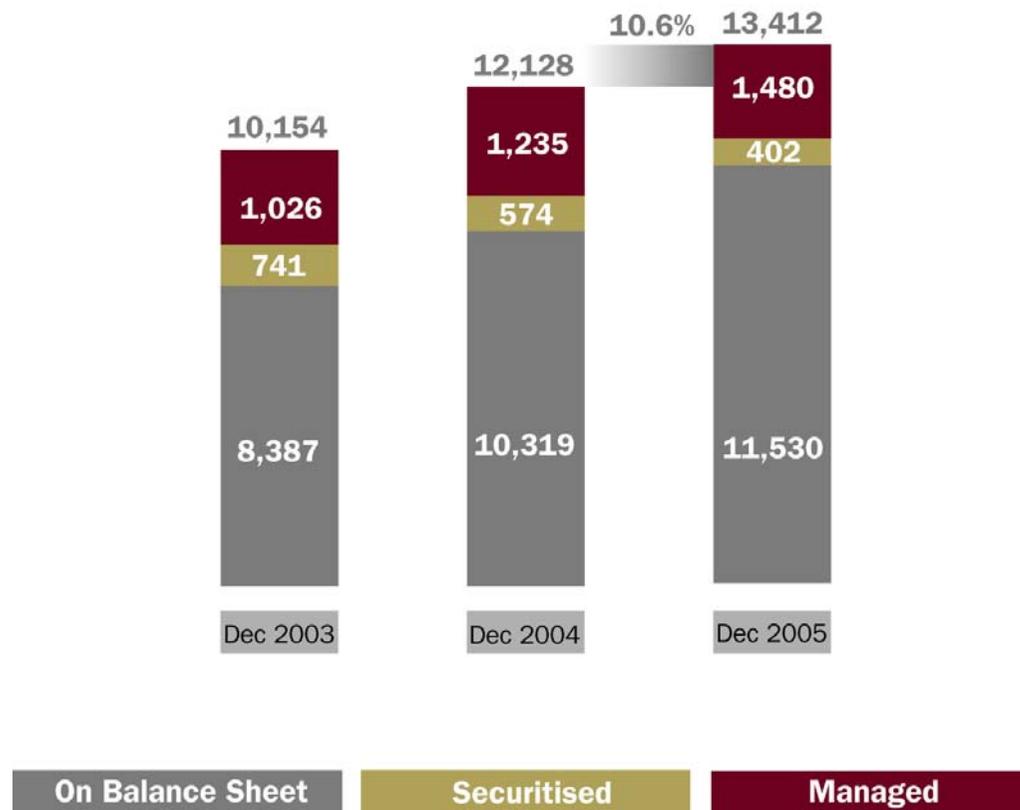
Efficiency ratio: Expense/income

%



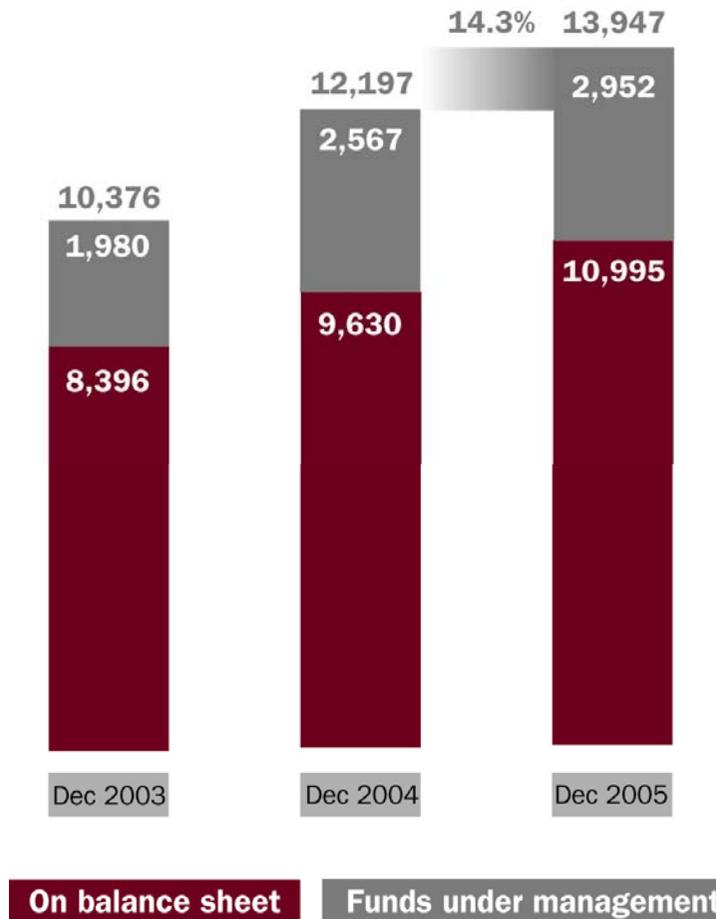
Group managed loans

A\$ Millions



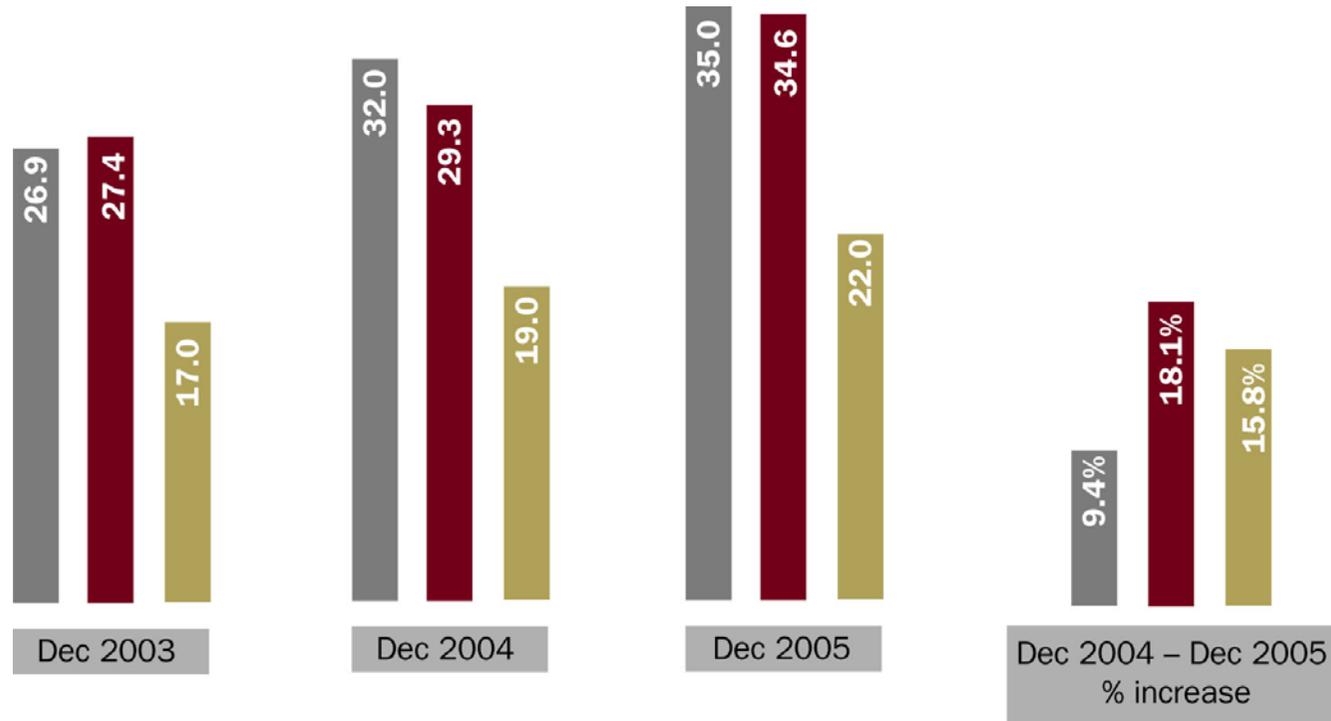
Retail funds

A\$ Millions



Shareholder returns

Cents



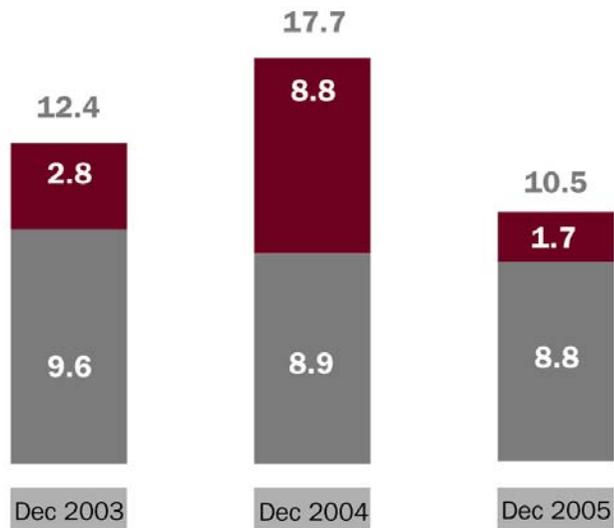
Earnings per share

Cash earnings per share

Dividend

Non-accrual loans

A\$ Millions

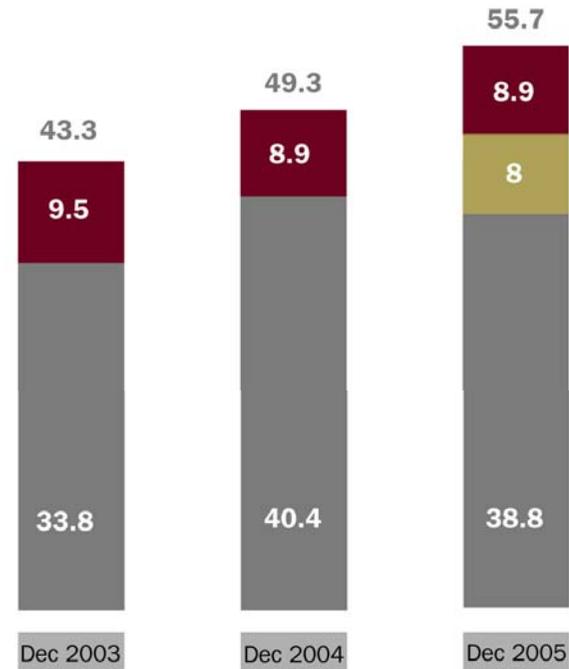


Specific provision

Net Non Accrual

Provision for doubtful debts

A\$ Millions



Gen prov/*GRCL (net of tax)

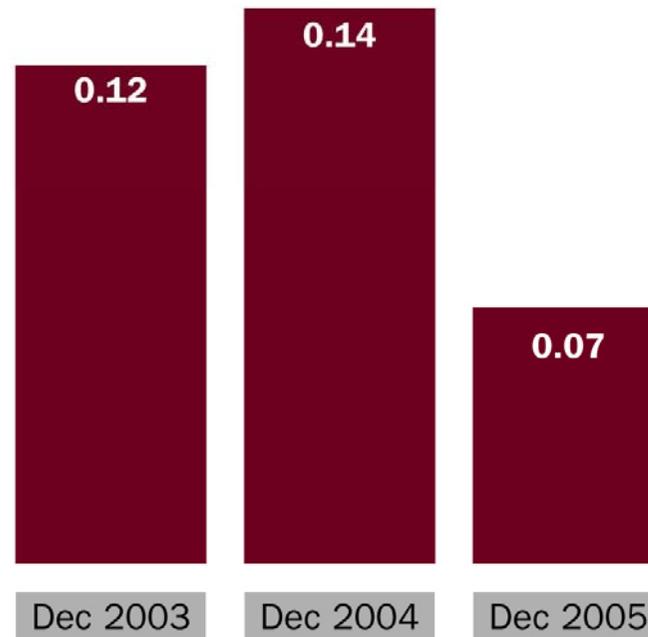
Specific

Collective

*GRCL – General Reserve Credit Loss

Gross impaired loans/ total assets

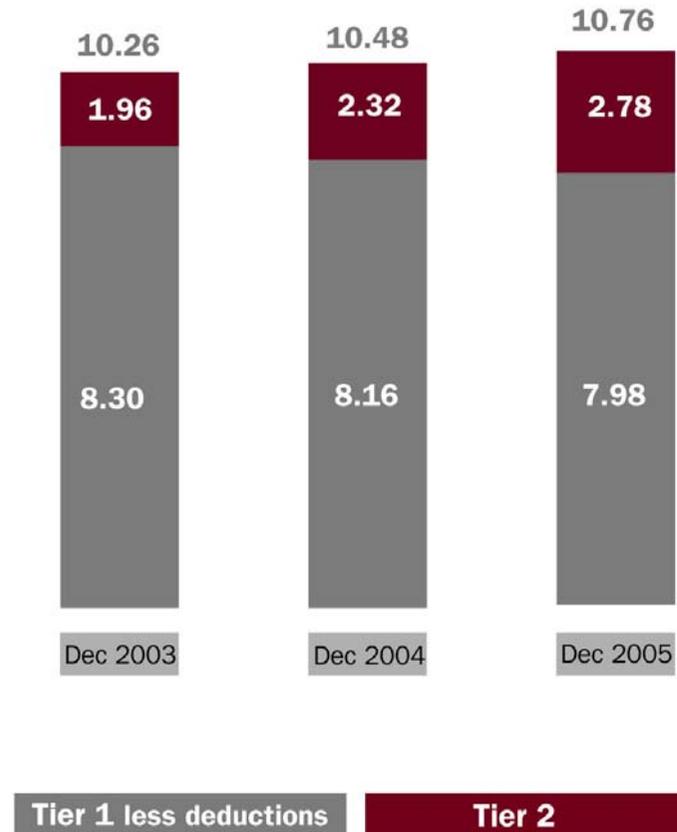
%



16

Capital adequacy

%



ACE Ratio as at 31 December 2005 5.80%

17

The progress

Greg Gillett Chief General Manager Strategy & Staff

18

Bendigo's strategic position

The Bendigo Group is a financial solutions distribution organisation.
We aim to attract and retain business by:

- offering a premium service
- engaging with communities to enhance their prospects

Bendigo's strategic position

Which, in turn, delivers;

- a high value proposition for customers (not price led)
- strong customer acquisition and retention rates
- deeper customer relationships

Bendigo's strategic application

Continued expansion of physical and online networks.

Continued expansion of product range.

Continued investment in brand positioning.

Bendigo's strategic outcomes

- Continued diversification of our earning base.
- Conversion of opportunity with our 1 million customers.
- Maximising balance sheet efficiency and aligning profit, ROE and EPS growth outcomes.
- Improved prospects for our customers and their communities.

We have made continued progress with distribution capacity

16 new **Community Bank**[®] branches opened.

4 new Company Branches opened.

48 new ATMs installed.

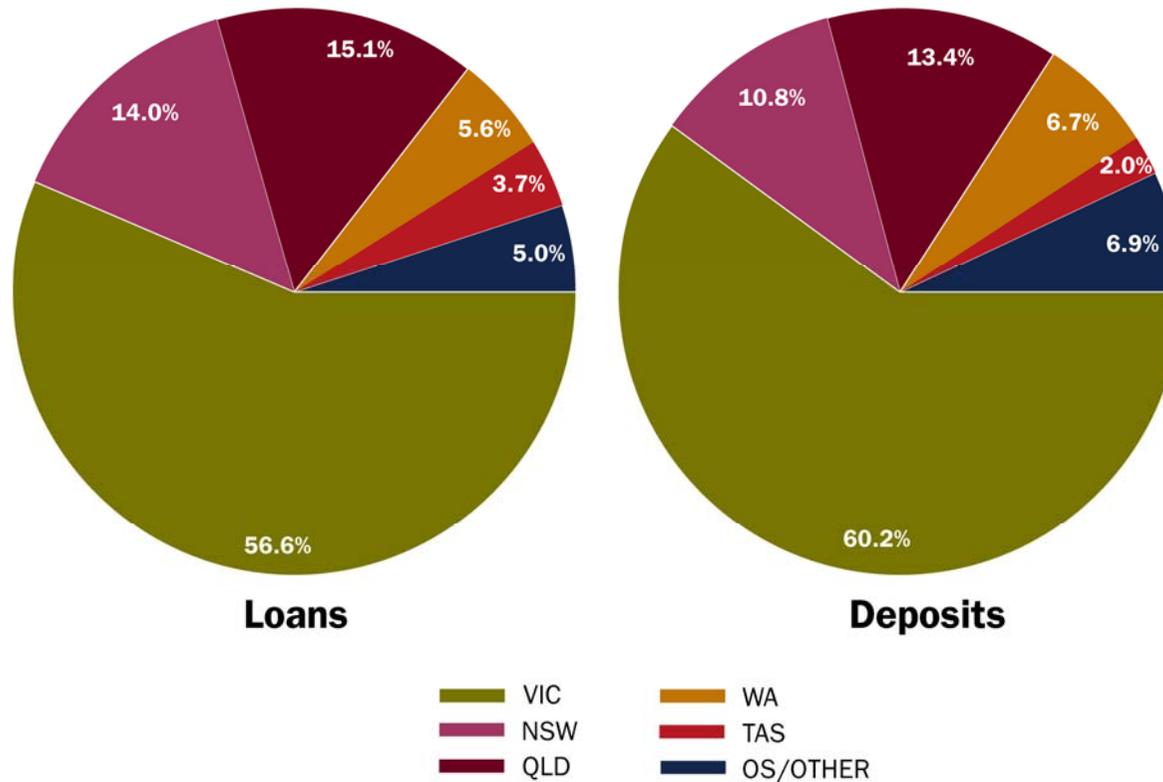
We have improved our distribution spread

More than half our new branches are outside Victoria.

Eftpos Merchant numbers increased by 902 to 8,165.

40% of our new business is sourced outside Victoria.

Balanced growth in new markets



We have invested in people capacity

- 9 additional Business Bankers
- we've reduced Financial Planner numbers in order to reshape that part of the business.

And we continue to acquire healthy levels of profitable new business

- now over 1 million customers, growing by approximately 6,000 per month.

Prospects for sustainability are good

- 173 **Community Bank**[®] branches
- > 1,300 **Community Bank**[®] directors
- > 45,000 **Community Bank**[®] shareholders
- \$3.5M paid to **Community Bank**[®] shareholders
- \$3.8M community dividends paid from local **Community Bank**[®] profits.

Customer satisfaction remains 'best of breed'

Customer Satisfaction remains high;

Customer Satisfaction*	BBL	8.2
	Others	7.2

Advocacy*	BBL	80%
	Others	63%

* Source: Quantum Market Research 2005.

Opportunities continue

- 30 new **Community Bank**[®] branches in F06.
- New company owned branches where “hub” support is warranted to the **Community Bank**[®] structure.
- 28% of all branches less than 3 years old.
- Majority of distribution expansion outside of Victoria.

Strong reputation and new customer base = strong focus on accelerating the depth of the relationship with our 1 million customers

Active calling & relationship programs

- Credit Cards
- Loan Retention
- Margin Lending
- General Insurance

Strategy and prospects

Rob Hunt Group Managing Director

31

Strategy Our 'branded retail' strategy is producing...

Good progression in profit performance
Growth at profitable prices
Strong customer growth
Ongoing demand for Bendigo's solutions
Stronger relationships with

- Communities
- Consumers
- SMEs
- Partners

Ability to focus on premium service offering focus on value, not price and volume
Enhanced prospects in each marketplace to improve customer acquisition and retention

Strategy has been consistent since bank conversion in 1995

Strategy Continued investment is enabling expansion of...

Physical and on-line distribution capabilities

Product range, including

- Wealth Management and Planners

- Business Banking

- Agribusiness Lending

- Invoice Discounting (Oxford)

- etc

Skill base, to support improved range of services

Our prospects, through our brand and positioning strategy

- to maintain strong demand

A committed customer base and partner network

Strategy

Is enabling us to...

Diversify the Group's revenue base

Convert brand strength into business/customer growth

Fully utilise the expanded distribution network

Maximise balance sheet efficiency

Build strong relationships with our customers and communities

The Result

half year to 31 December 2005

Strong improvement in NPAT (excluding significant items) 16% improvement
Improved alignment between NPAT and Cash EPS (up 18.1%) outcomes
(as promised)

Interim dividend increased by 3¢ to 22¢ (16% increase)

Solid contribution from all divisions

Strong growth in Group retail funding (14.3% increase)

Continued growth in customer numbers

Expansion costs continue to be expensed

The Result demonstrates...

Excellent margin performance (2.66%)

Represents the brand value

Significant contribution from alliances

Elders Rural Bank

Community Bank[®]

Tasmanian Banking Services

etc

Good reliable growth in overall financial performance

Progressive improvement in ROE and efficiency ratios

Growth is the outcome of the strategy – not the strategy

Strategic priorities unchanged

Maintain focus on building relationships with the expanded customer base

Continue improvement in performance to increase shareholder value

Further diversify revenue base and reduce dependency on sector performance

Further improve connection with customers/communities across Australia

Continue expanding distribution, product coverage and growth at profitable prices

Maintain focus on producing good credit management outcomes

Future and prospects

Demand for Bendigo remains strong

Distribution network will continue to grow (35 branches will open in 2006)

Contribution from alliances and joint ventures likely to continue to improve as they mature

Wealth Management contribution is expected to improve (with reshaping and integration into the retail network)

Business Banking remains an important part of broadening the revenue base, adding value, and strengthening the connection in each community

Future and prospects

Competitive market expected to remain - requires a continued focus on growth at profitable prices

Deepen relationships with existing customer base

Complete integration of **Community Bank**[®], Wealth Management, Planners in Retail Network

Produce reliable improvement in financial performance and therefore shareholder value

Guidance

Remain committed to delivering Cash EPS improvement of at least 10% in 2006 (first half benefit greater due to the timing of share buy-back)

Questions

13 February 2006

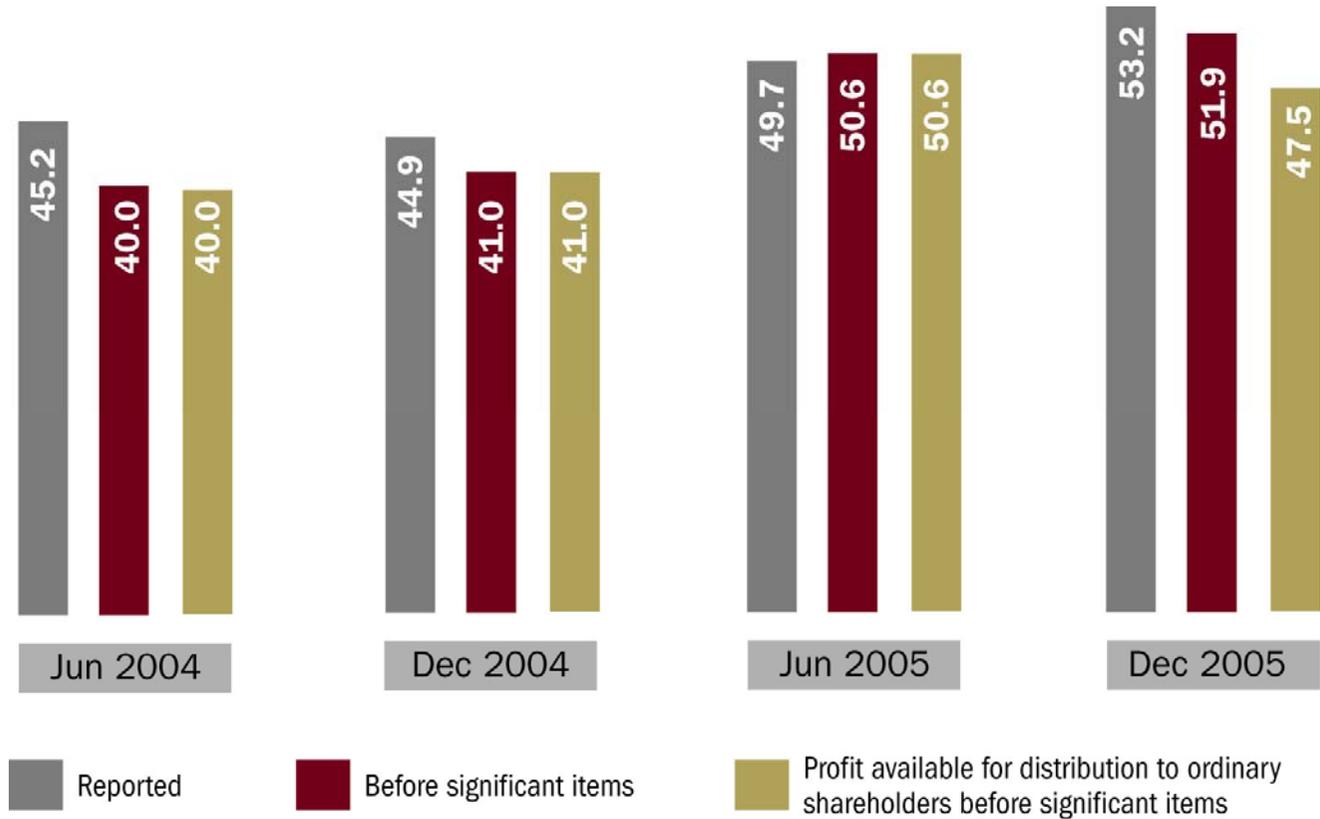
interim profit announcement

41

Additional Information

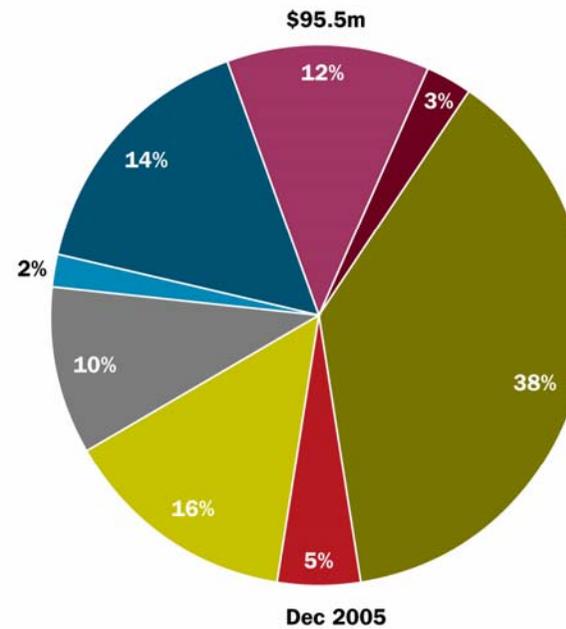
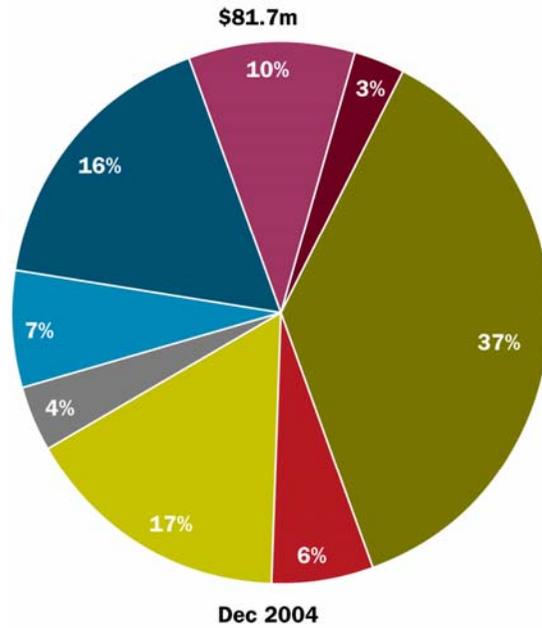
Profit after tax

A\$ Millions



Non interest income

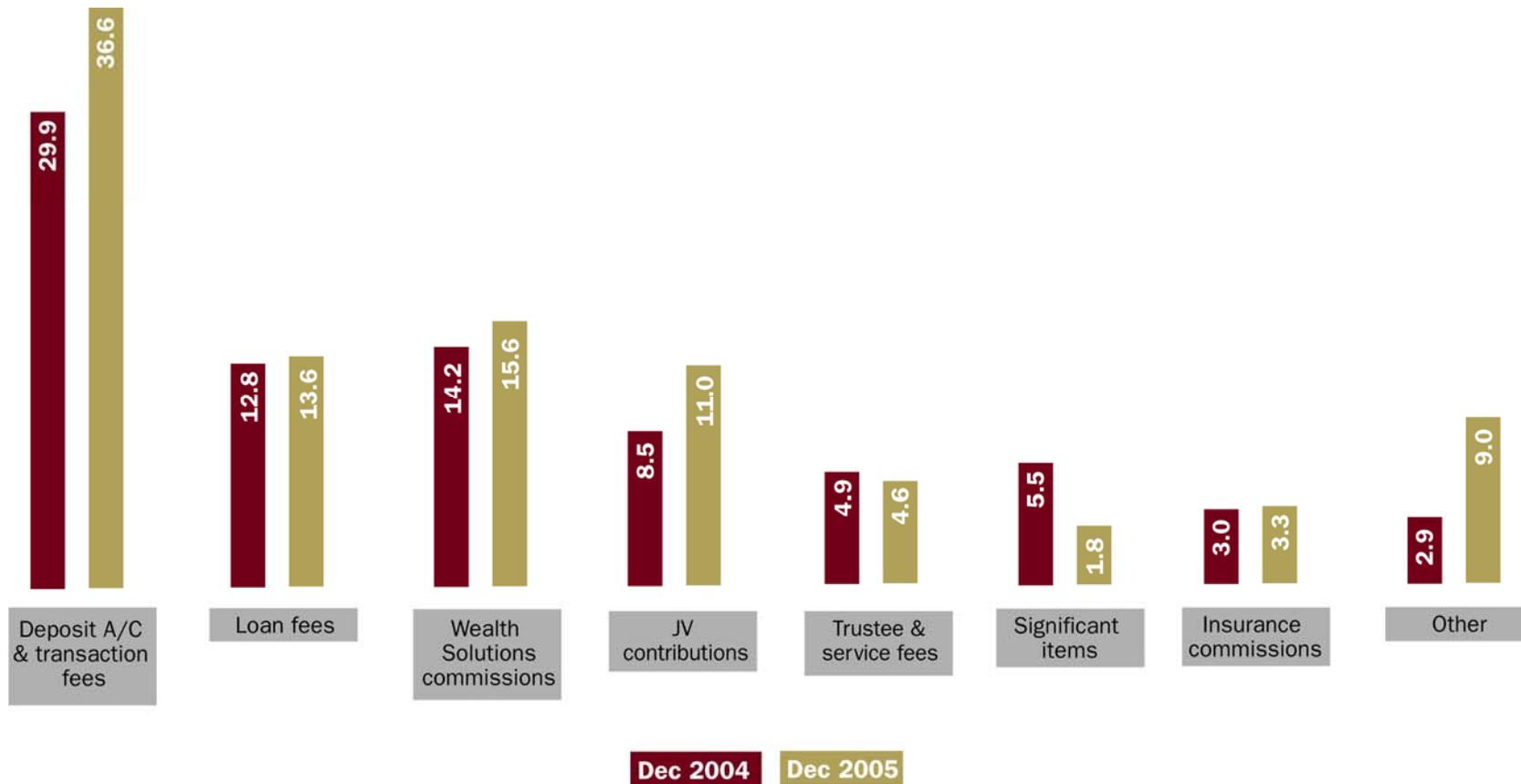
%



- Deposit A/C & transaction fees
- Trustee & service fees
- Wealth Solutions commissions
- Other
- Significant items
- Loan fees
- JV contributions
- Insurance commissions

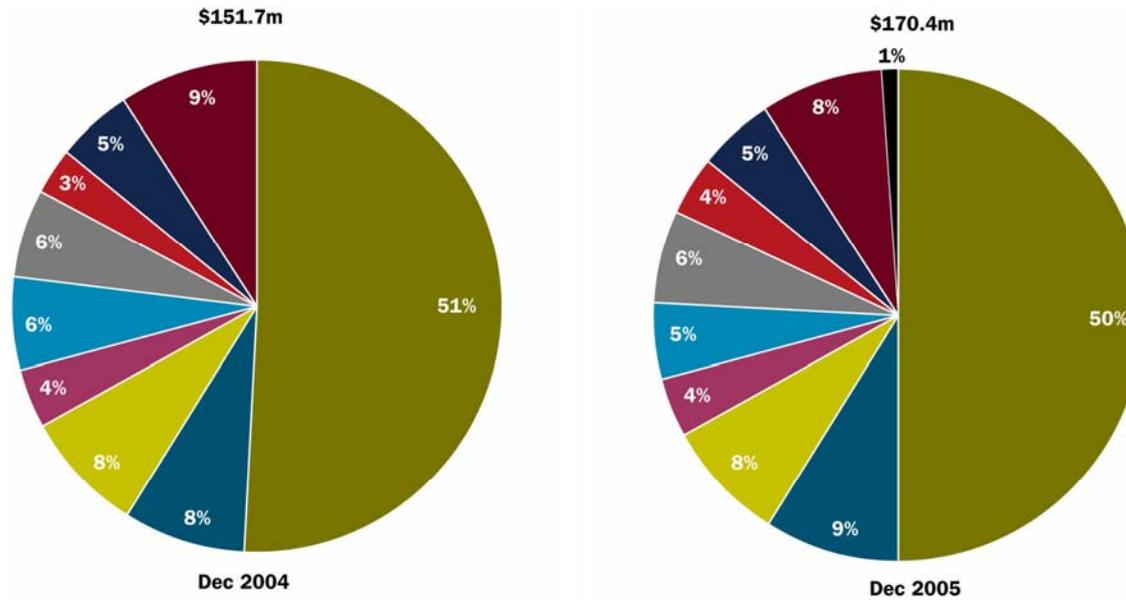
Non interest income

A\$ Millions



Operating expenses

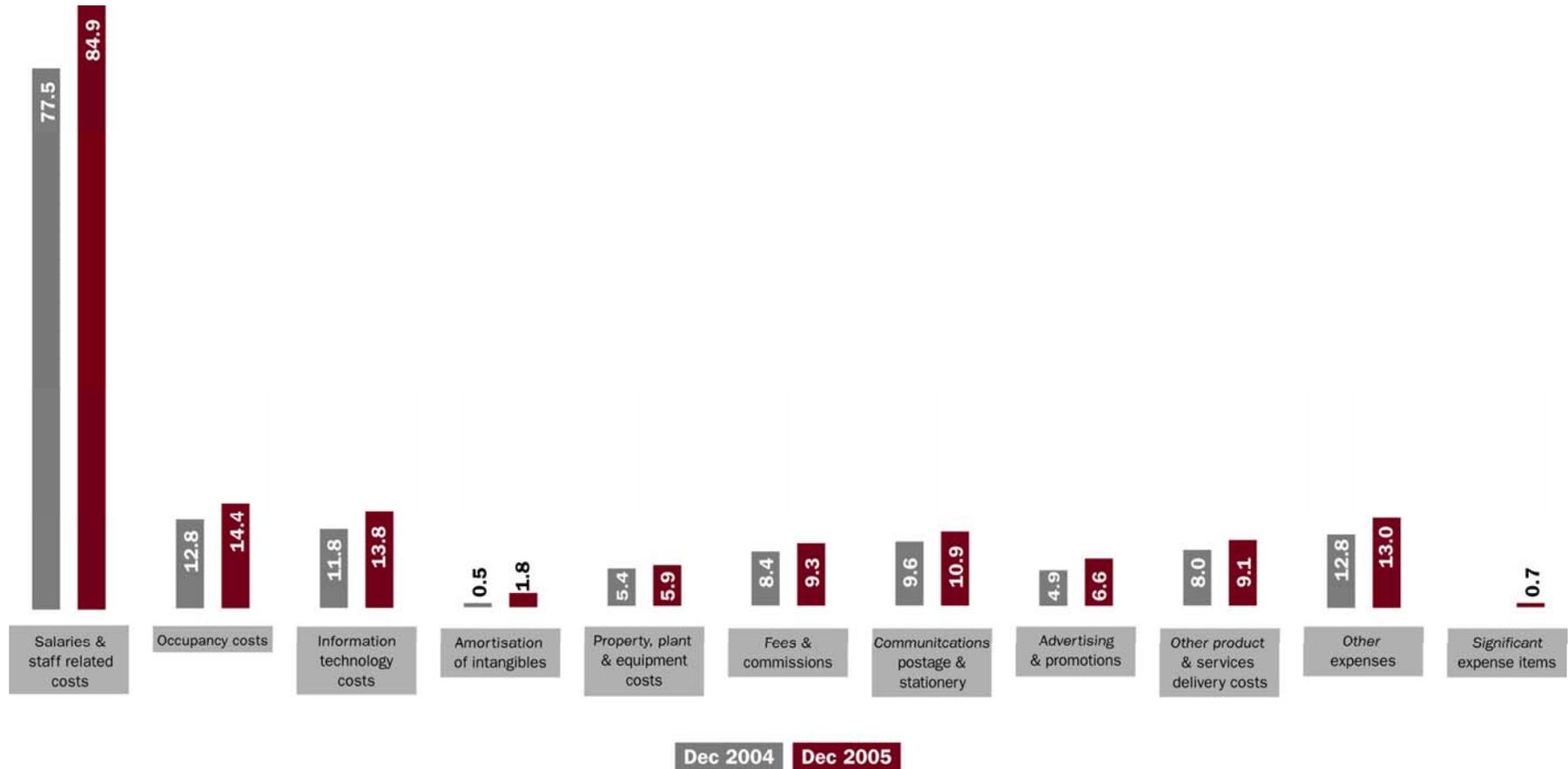
%



- Staff related costs
- Occupancy costs
- Information technology costs
- Property, plant & equipment costs
- Fees & commissions
- Communications, postage & stationery
- Advertising & promotions
- Other product & services delivery costs
- Other expenses
- Amortisation of intangibles

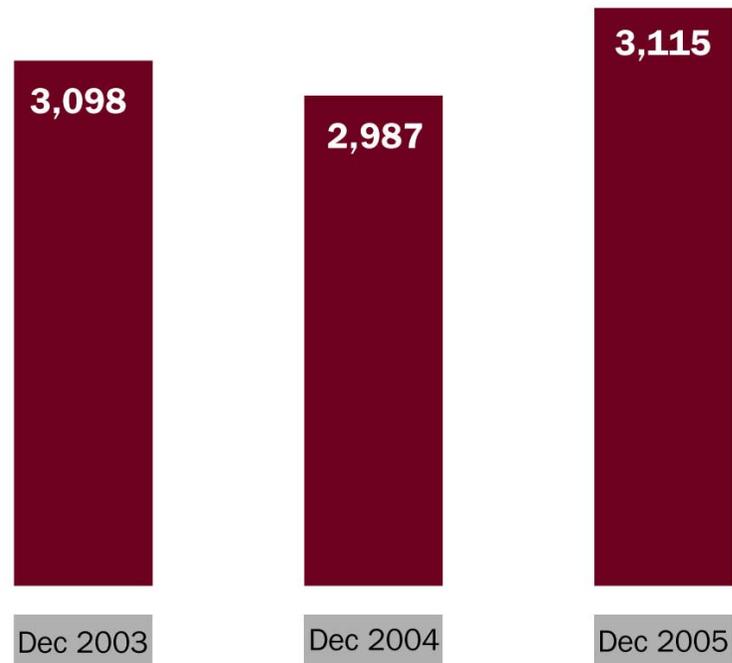
Operating expenses

A\$ Millions



Lending approvals

A\$ Millions



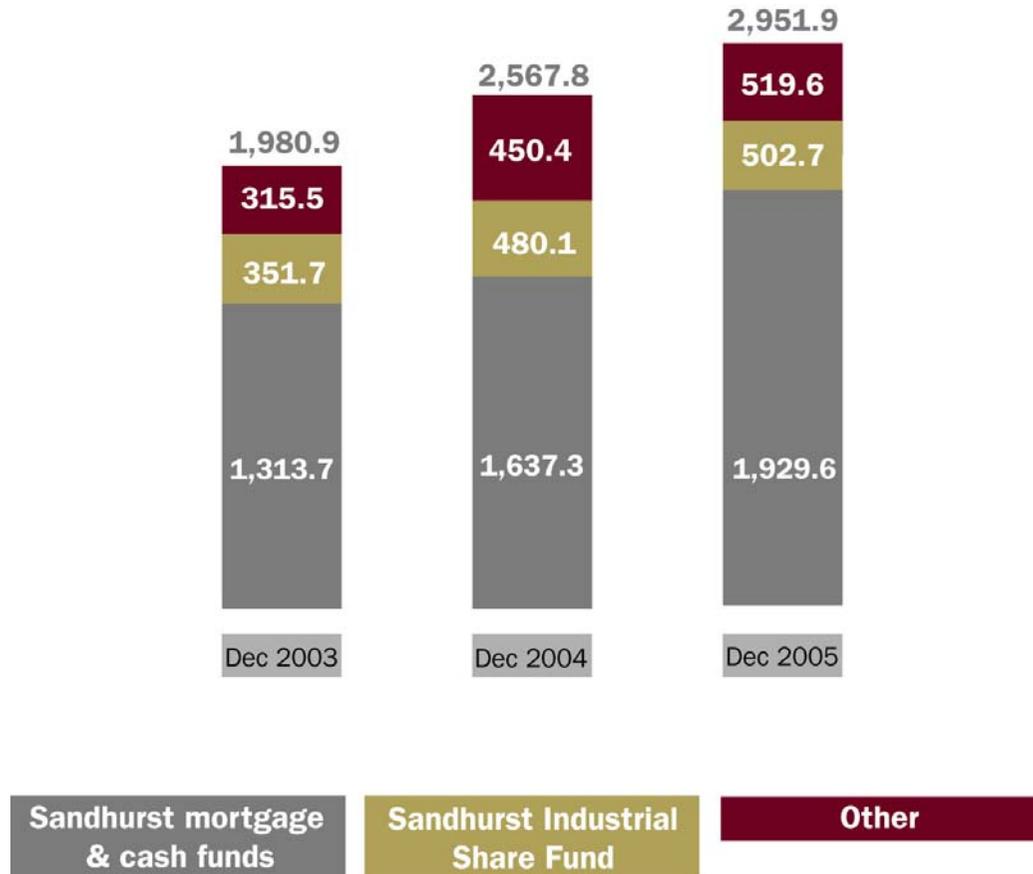
Funds under management

A\$ Millions

	Dec 2003	Dec 2004	Dec 2005
Sandhurst mortgage & cash funds	1,313.7	1,637.3	1,929.6
Sandhurst Industrial Share Fund	351.7	480.1	502.7
Bendigo Superannuation Plan	165.1	203.0	244.0
General Retirement Plan	54.6	63.1	75.0
Bendigo managed funds	73.5	115.3	132.8
Other	22.3	69.0	67.8
Total	1,980.9	2,567.8	2,951.9

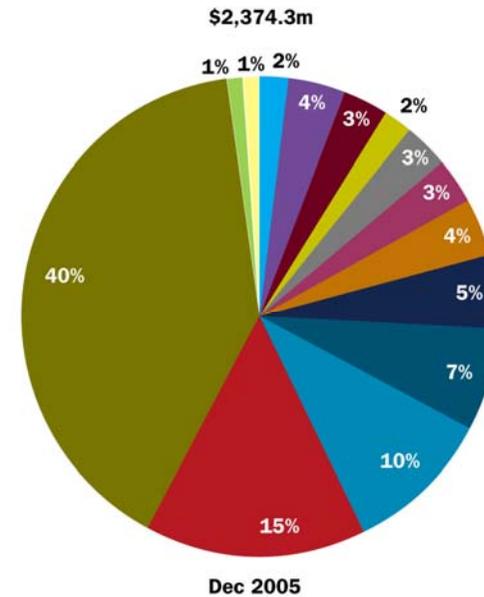
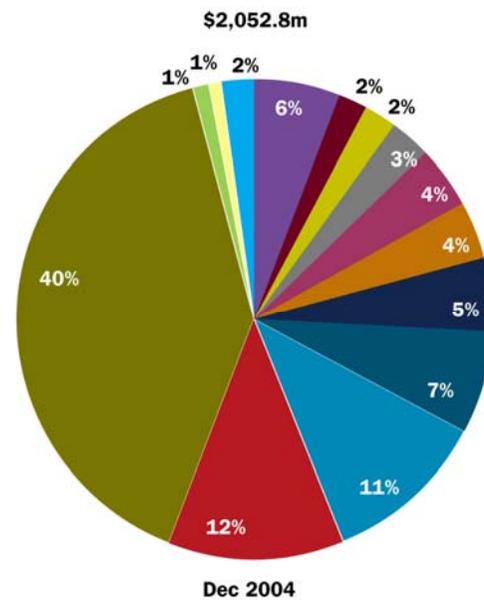
Funds under management

A\$ Millions



Commercial loans

%



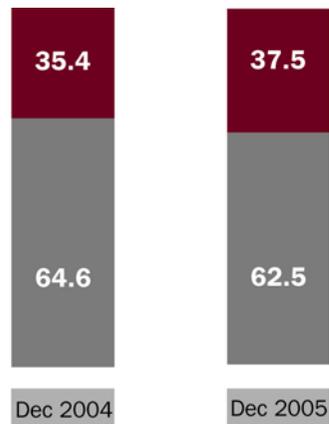
- Property & business services
- Communication services
- Personal & other services
- Finance & Insurance
- Other
- Wholesale trade
- Cultural & recreational services

- Health & community service
- Transport & storage
- Manufacturing
- Accom, cafes & restaurants
- Construction
- Agriculture, forestry & fishing
- Retail trade

Loan portfolio

%

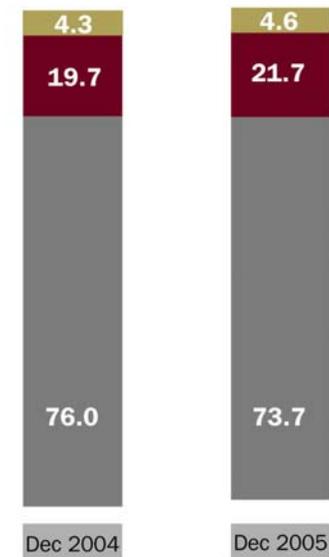
By purpose



Residential

Non-residential

By Security



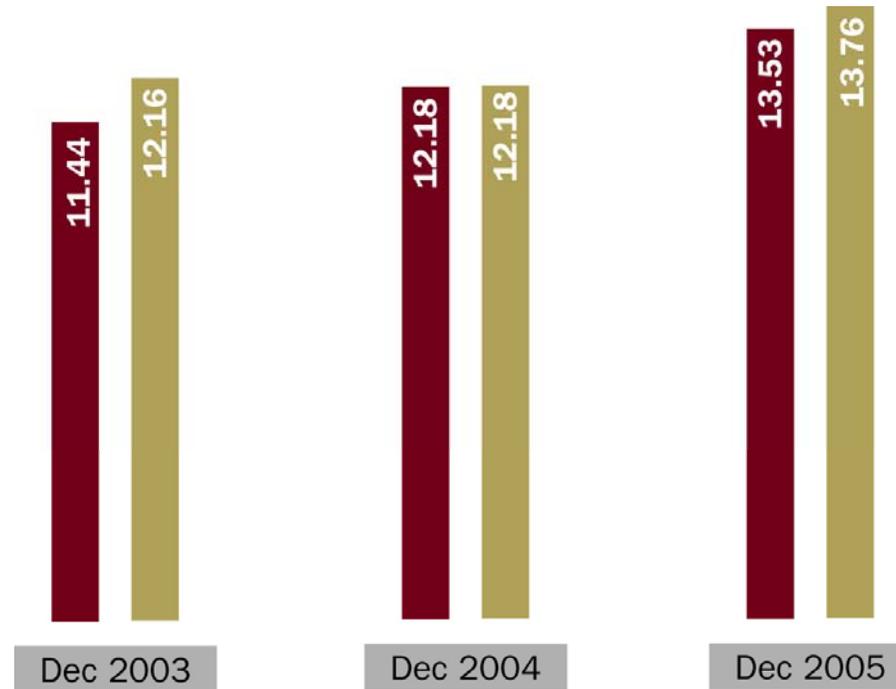
Residential

Commercial

Unsecured

Return on ordinary equity

%



Before significant items

Cash basis

Total dividends paid

Cents per share (fully franked)

