

BENDIGO BANK

GROUP PROFIT AND DIVIDEND ANNOUNCEMENT

for the HALF YEAR ended 31 DECEMBER , 2002

SUMMARY

Profit

- * Operating profit after income tax was \$25.4 million, up 30% from \$19.5 million profit after tax for the corresponding period in 2001.
- * Earnings per share for the half-year was 20.3 cents, increasing by 3.5 cents over EPS for the corresponding period in 2001 (16.8 cents).
- * Return on equity increased from 8.8 per cent at December 2001 to 9.9 per cent.

Lending

- * Total Bank lending approvals were \$2.2 billion, a 16% increase over the same period last year.
- * Lending approvals secured by mortgage over residential property were \$1.5 billion, 70% of total approvals.

Deposits

- * Total Group deposits increased by \$512 million, or 7%, to \$7.5 billion during the half year (the calendar year increase was \$749 million, or 11%).
- * Retail deposits increased by \$626 million, or 10% during the half year, taking the ratio of retail deposits to total deposits to 93% (the calendar year increase was \$924 million, or 15%).

BENDIGO BANK

GROUP PROFIT AND DIVIDEND ANNOUNCEMENT

for the HALF YEAR ended 31 DECEMBER , 2002

SUMMARY

Assets and Capital

- * Group Assets grew by \$348 million in the half year to \$8.3 billion, an increase of 4% (the calendar year increase was \$795 million, or 11%).
- * The Bank securitised or sold \$156 million of loans in the 6 month period ended 31 December 2002 (the calendar year value was \$672 million). This factor decreased the balance sheet growth figures for these periods.
- * Total risk weighted capital adequacy ratio at December 2002 is 10.65%.
- * Equity increased by \$34 million, or 7% in the half year to \$529 million (the calendar year increase was \$64 million, or 14%).
- * 1,558,586 new shares were issued during the half year taking the number of shares on issue to 126,390,581.
- * Assets and funds managed by Sandhurst Trustees Ltd. grew \$276 million to \$1.49 billion during the half year (the calendar year increase was \$411 million, or 38%).
- * Total Group managed assets increased by \$456 million, or 4% for the half year to total \$10.82 billion (the calendar year increase was \$1.29 billion, or 14%).

Dividends

- * 2002/03 declared interim dividend of 13.5 cents per fully paid share (an increase of 1.5 cents over the 2001/2002 interim dividend), fully franked at 30%.
- * Dividend is payable on 30 April 2003 to registered shareholders at the close of trading on the Record Date, 11 April 2003.
- * The total interim dividend proposed is \$16.1 million.

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for the HALF YEAR ended 31 DECEMBER , 2002

SUMMARY

Bad and Doubtful Debts

- * Bad and doubtful debts expense for the half year was \$7.3 million, which was \$0.9 million greater than the 2001 half year.
- * Provisions for doubtful debts at December 2002 totalled \$49.7 million, which represents 0.72% of Gross loan balances (June 2002: 0.72%; December 2001: 0.58% refer note 1).
- * General provisions have been increased by \$3.9 million in the half year and now total \$39.6 million, or 0.79% of risk-weighted assets (June 2002: 0.79%; December 2001: 0.55% refer note 1).
- * Net impaired assets declined 52% to \$5.8 million in the half year, which represents 0.08% of gross loans (June 2002: 0.19%; December 2001: 0.44%).
- * Provision coverage of impaired loans is now 320% (June 2002: 221%; December 2001: 94%).

BENDIGO BANK

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE (Unaudited) - \$'000 for the HALF YEAR ended 31 DECEMBER, 2002

		Dec-02	Dec-01	Increase/ (Decrease) %
Interest income		243,970	225,444	8.2
Interest expense		135,953	131,955	3.0
Net interest income		108,017	93,489	15.5
ADD Other income				
Fees - Asset products		9,835	7,682	28.0
- Liability products & electronic delivery		17,121	9,804	74.6
- Other		3,053	4,000	(23.7)
Commissions - Insurance		2,108	1,247	69.0
-Other		10,020	5,737	74.7
Property revenue		591	545	8.4
Trustee, management & other services		4,333	4,404	(1.6)
Securitisation		5,200	4,767	9.1
Dividend income		81	75	8.0
Share of associates' net profit/(loss)		6,391	5,955	7.3
Other		1,566	1,932	(18.9)
Total Other income		60,299	46,148	30.7
Total Net operating income		168,316	139,637	20.5
LESS Operating expenses				
Bad and doubtful debts				
Bad debts written off	2	401	907	(55.8)
Transfer to provision for doubtful debts	2	6,905	5,476	26.1
Bad debts recovered		(112)	(119)	(5.9)
Total Bad and doubtful debts		7,194	6,264	14.8
Other operating expenses				
Salaries & staff related costs		59,353	47,295	25.5
Occupancy		10,082	8,272	21.9
Information technology costs		10,856	9,505	14.2
Management fees & expenses		5,565	5,113	8.8
Depreciation/amortisation		5,315	4,466	19.0
Goodwill amortisation		2,127	2,224	(4.4)
Other operating expenses		29,992	25,771	16.4
Total Other Operating Expenses		123,290	102,646	20.1
Total Operating expenses		130,484	108,910	19.8
Profit before tax		37,832	30,727	23.1
Less: Income tax expense		(12,475)	(11,244)	10.9
Profit after tax		25,357	19,483	30.1
Net loss attributable to outside equity interest		26	-	-
Net profit attributable to Bendigo Bank		25,383	19,483	30.3
Retained profits at beginning of year		28,295	13,276	113.1
Total available for appropriation		53,678	32,759	63.9
Transfer from general reserve		278	61	355.7
Final dividend (adj prev year)		(20)	34	(158.8)
Interim dividend	3	-	(13,806)	-
Retained profits at 31 December		53,936	19,048	183.2

BENDIGO BANK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited) - \$'000

as at 31 DECEMBER, 2002

			Increase/ (Decrease)		Increase/ (Decrease)	
	Note	Dec-02	Jun-02 %	Dec-01	%	
			(Audited)			
ASSETS						
Cash and liquid assets		107,923	147,236	(26.7)	97,345	10.9
Due from other financial institutions		55,545	207,369	(73.2)	52,927	4.9
Investment securities		998,714	1,085,261	(8.0)	1,047,195	(4.6)
Current tax asset		-	-	-	2,740	-
Loans and other receivables		6,813,661	6,209,513	9.7	6,039,373	12.8
Share investments		23,087	7,568	205.1	7,162	222.4
Investments accounted for using the equity method		78,373	71,945	8.9	65,681	19.3
Property, plant and equipment		51,189	49,007	4.5	46,436	10.2
Deferred tax assets		24,490	22,626	8.2	11,702	109.3
Intangibles		70,054	72,182	(2.9)	73,825	(5.1)
Other assets		92,629	95,018	(2.5)	76,432	21.2
TOTAL ASSETS		8,315,665	7,967,725	4.4	7,520,818	10.6
LIABILITIES						
Due to other financial institutions		52,595	211,954	(75.2)	54,639	(3.7)
Deposits		7,500,910	6,988,485	7.3	6,751,928	11.1
Payables		45,878	64,198	(28.5)	54,797	(16.3)
Current tax liabilities		3,372	4,560	(26.1)	-	-
Provision for dividend	3	69	20,043	(99.7)	13,862	(99.5)
Other provisions		20,817	18,532	12.3	14,310	45.5
Subordinated debt		159,343	161,379	(1.3)	162,133	(1.7)
Deferred tax liabilities		4,085	4,147	(1.5)	4,292	(4.8)
TOTAL LIABILITIES		7,787,069	7,473,298	4.2	7,055,961	10.4
NET ASSETS		528,596	494,427	6.9	464,857	13.7
EQUITY						
Contributed capital		457,008	448,170	2.0	428,857	6.6
Reserves		17,755	18,039	(1.6)	16,952	4.7
Retained profits	3	53,936	28,295	90.6	19,048	183.2
Outside equity interest		(103)	(77)	33.8	-	-
TOTAL EQUITY		528,596	494,427	6.9	464,857	13.7

BENDIGO BANK

KEY FINANCIAL INFORMATION - \$'000

for the HALF YEAR ended 31 DECEMBER, 2002

	Note	Dec-02	Jun-02	Increase/(Decrease)		Dec-01	Increase/(Decrease)	
				Value	%		Value	%
Profit								
Profit before tax		37,832	33,672	4,160	12.4	30,727	7,105	23.1
Profit b/f tax and significant items		37,832	44,116	(6,284)	(14.2)	30,727	7,105	23.1
Profit after tax attrib to BBL		25,383	29,301	(3,918)	(13.4)	19,483	5,900	30.3
Profitability								
Earnings per ordinary share								
(weighted average)-cents		20.3	24.0	(3.7)	(15.4)	16.8	3.5	20.8
Diluted earnings per share								
(weighted average)-cents		20.3	24.0	(3.7)	(15.4)	16.8	3.5	20.8
After tax return on average equity								
	4	9.9%	12.2%	(2.3%)	(18.9)	8.8%	1.1%	12.5
After tax return on equity at period end								
	4	9.6%	11.9%	(2.3%)	(19.3)	8.4%	1.2%	14.3
After tax return on average assets								
	4	0.62%	0.76%	(0.14%)	(18.4)	0.54%	0.08%	14.8
Income								
Net interest income		108,017	99,104	8,913	9.0	93,489	14,528	15.5
Other income		60,299	53,905	6,394	11.9	46,148	14,151	30.7
Net operating income		168,316	153,009	15,307	10.0	139,637	28,679	20.5
Lending								
Total Approvals - by security								
Residential		2,173,502	1,756,623	416,879	23.7	1,880,547	292,955	15.6
Non-residential		1,510,730	1,362,569	148,161	10.9	1,508,336	2,394	0.2
		662,772	394,054	268,718	68.2	372,211	290,561	78.1
Gross Loan balance - by security								
Residential		6,886,319	6,278,836	607,483	9.7	6,098,129	788,190	12.9
Non-residential		5,057,732	4,583,210	474,522	10.4	4,541,278	516,454	11.4
		1,828,587	1,695,626	132,961	7.8	1,556,851	271,736	17.5
Gross Loan balance - by purpose								
Residential		6,886,319	6,278,836	607,483	9.7	6,098,129	788,190	12.9
Non-residential		4,324,083	4,007,778	316,305	7.9	4,047,806	276,277	6.8
		2,562,236	2,271,058	291,178	12.8	2,050,323	511,913	25.0

BENDIGO BANK

KEY FINANCIAL INFORMATION - \$'000

for the HALF YEAR ended 31 DECEMBER, 2002

Note	Dec-02	Jun-02	Increase/(Decrease)		Dec-01	Increase/(Decrease)		
			Value	%		Value	%	
Business Lending portfolio - by industry								
Property & business services	577,366	452,009	125,357	27.7	N			
Retail trade	158,532	129,900	28,632	22.0	o			
Construction	95,887	74,056	21,831	29.5	t			
Agriculture, forestry & fishing	84,493	78,436	6,057	7.7				
Accom, cafes & restaurants	75,840	54,737	21,103	38.6	A			
Manufacturing	60,102	58,901	1,201	2.0	v			
Health & community service	53,738	65,364	(11,626)	(17.8)	a			
Finance & insurance	46,938	36,808	10,130	27.5	i			
Wholesale trade	36,990	37,178	(188)	(0.5)	l			
Communication services	34,942	31,193	3,749	12.0	a			
Transport & storage	33,421	41,992	(8,571)	(20.4)	b			
Other	357,616	306,497	51,119	16.7	l			
	<u>1,615,865</u>	<u>1,367,071</u>	<u>248,794</u>	<u>18.2</u>	e			

Deposits

Deposits	5	7,500,910	6,988,485	512,425	7.3	6,751,928	748,982	11.1
Managed funds-Trustee Coy		1,486,520	1,210,884	275,636	22.8	1,075,209	411,311	38.3

Productivity

Net operating expenses	6	123,290	103,554	19,736	19.1	102,646	20,644	20.1
Net operating expenses to net operating income		73.2%	67.7%	5.5%	8.1	73.5%	(0.3%)	(0.4)
Underlying op expenses to net operating income	6	72.0%	66.2%	5.8%	8.8	71.9%	0.1%	0.1
Net operating expenses to average assets	4	3.0%	2.7%	0.3%	11.1	2.8%	0.2%	7.1
avge assets-incl mged funds	4	2.3%	2.0%	0.3%	15.0	2.2%	0.1%	4.5
Number of staff (full-time equiv)		1,846	1,753	93.0	5.3	1,562	284	18.2
Staff & related costs to net operating income	6	35.2%	31.3%	3.9%	12.5	33.6%	1.6%	4.8

Bad and Doubtful Debts

Bad debts expense	2	401	790	(389)	(49.2)	907	(506)	(55.8)
Prov'n doubtful debts expense		6,905	4,612	2,293	49.7	5,476	1,429	26.1
Provision d debts - specific		10,097	9,824	273	2.8	11,346	(1,249)	(11.0)
Provision d debts - general		39,623	35,689	3,934	11.0	23,845	15,778	66.2
Provision d debts - total		49,720	45,513	4,207	9.2	35,191	14,529	41.3
Prov. d debts to gross lns	1	0.72%	0.72%	0.00%	0.0	0.58%	0.14%	24.1
General provision for doubtful debts to risk-weighted assets	1	0.79%	0.79%	0.00%	0.0	0.55%	0.24%	43.6

BENDIGO BANK

KEY FINANCIAL INFORMATION - \$'000

for the HALF YEAR ended 31 DECEMBER, 2002

Note	Dec-02	Jun-02	Increase/(Decrease)		Dec-01	Increase/(Decrease)		
			Value	%		Value	%	
Asset Quality								
Non-accrual accounts-								
Full-performing	580	371	209	56.3	3,632	(3,052)	(84.0)	
Part-performing	2,762	8,201	(5,439)	(66.3)	9,736	(6,974)	(71.6)	
Non-performing	12,203	12,040	163	1.4	23,913	(11,710)	(49.0)	
Total non-accrual assets	15,545	20,612	(5,067)	(24.6)	37,281	(21,736)	(58.3)	
Restructured loans	-	-	-	-	-	-	-	
Total impaired assets	15,545	20,612	(5,067)	(24.6)	37,281	(21,736)	(58.3)	
Less: Specific provisions	(9,755)	(8,674)	(1,081)	12.5	(10,178)	423	(4.2)	
Net impaired assets	5,790	11,938	(6,148)	(51.5)	27,103	(21,313)	(78.6)	
Gross non-accrual to gross loans	0.23%	0.33%	(0.10%)	(30.3)	0.61%	(0.38%)	(62.3)	
Gross impaired to gross loans	0.23%	0.33%	(0.10%)	(30.3)	0.61%	(0.38%)	(62.3)	
Net impaired to gross loans	0.08%	0.19%	(0.11%)	(57.9)	0.44%	(0.36%)	(81.8)	
Provision coverage	320%	221%	99%	44.8	94%	226%	240.4	
Past due 90 days								
Well secured - balance	15,378	13,822	1,556	11.3	20,173	(4,795)	(23.8)	
Portfolio facilities - balance	1,367	1,686	(319)	(18.9)	1,751	(384)	(21.9)	
Assets and Capital								
Group assets	8,315,665	7,967,725	347,940	4.4	7,520,818	794,847	10.6	
Capital adequacy								
Risk-weighted assets	4,987,464	4,519,045	468,419	10.4	4,346,115	641,349	14.8	
Risk-weighted capital adequacy	10.65%	11.69%	(1.04%)	(8.9)	11.39%	(0.74%)	(6.5)	
- Tier 1	8.58%	9.28%	(0.70%)	(7.5)	8.83%	(0.25%)	(2.8)	
- Tier 2	2.07%	2.41%	(0.34%)	(14.1)	2.56%	(0.49%)	(19.1)	
Net tangible assets per F/P share	\$3.63	\$3.38	\$0.25	7.4	\$3.21	\$0.42	13.1	
Equity	528,596	494,427	34,169	6.9	464,857	63,739	13.7	
Assets under management								
Off-balance sheet loans	1,404,307	1,447,896	(43,589)	(3.0)	1,101,195	303,112	27.5	
Common funds-Trustee Coy	1,104,120	951,984	152,136	16.0	913,209	190,911	20.9	
Total Group assets under mgt.	2,508,427	2,399,880	108,547	4.5	2,014,404	494,023	24.5	
Total Group managed assets	10,824,092	10,367,605	456,487	4.4	9,535,222	1,288,870	13.5	
Dividend per share - cents	13.5	17.0	(3.5)	(20.6)	12.0	1.5	12.5	
Dividend paid/payable	16,078	19,982	(3,904)	(19.5)	13,751	2,327	16.9	

BENDIGO BANK

KEY FINANCIAL INFORMATION - \$'000

for the HALF YEAR ended 31 DECEMBER, 2002

Notes: 1 Comparative percentages as at December 2001 are calculated under an accounting policy which was changed on 30 June 2002.

The equivalent values under the current accounting policy are:

- provision for doubtful debts to gross loan balances	0.74%
- general provision to risk-weighted assets	0.78%

2 The balances of the components of **provision for doubtful debts** are:

	Dec-02	Jun-02	Movement
Specific provisions	10,097	9,824	273
General provision	39,623	35,689	3,934
Total balance in provisions for doubtful debts	<u>49,720</u>	<u>45,513</u>	<u>4,207</u>

The movement in provisions comprise:

	Specific	General	Total
Balance at June	9,824	35,689	45,513
Bad and doubtful debts expense to profit and loss	3,372	3,934	7,306
Bad debts written off	(3,099)	-	(3,099)
Balance at December	<u>10,097</u>	<u>39,623</u>	<u>49,720</u>

Total bad debts written off for the period, as shown above, comprises:

Bad debts previously provided for	2,698
Other Bad debts	401
	<u>3,099</u>

Provision coverage is Total provisions divided by Total impaired assets.

3 In accordance with accounting standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" the **interim dividend** has not been provided for, as it was not declared, determined or publicly announced on or before the reporting date (31 December 2002).

The balance of **provision for dividend** in the Statement of Financial Position represents the balance of residues held for those shareholders participating in the dividend reinvestment plan.

The **dividend paid/payable** value excludes those shareholders that have elected to take bonus shares in lieu of dividends.

4 Half-year results are annualised by multiplying numerator by 2.
June profit and loss figures and ratios are for the June half-year, balance sheet items are as at end of June.

Equity for use in these ratios is Net assets (Total equity).

5 **Deposits** are as follows:

	Dec-02	%	Jun-02	%	Movement
Retail	6,998,407	93.3	6,372,822	91.2	625,585
Wholesale - domestic	142,527	1.9	335,050	4.8	(192,523)
Wholesale - offshore	359,976	4.8	280,613	4.0	79,363
Total deposits	<u>7,500,910</u>	<u>100.0</u>	<u>6,988,485</u>	<u>100.0</u>	<u>512,425</u>

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for the HALF YEAR ended 31 DECEMBER, 2002

Notes: 6 **Net Operating expenses** are Operating expenses less bad debts written off, net of bad debts recovered and transfer to provision for doubtful debts.

Underlying Operating expenses are Net Operating expenses less goodwill amortisation.

Personnel costs are Salaries & staff related costs less redundancy costs.

7 Impaired assets dissection:	Dec-02	Jun-02	Movement
Loans acquired through mergers/acquisitions	7,468	11,750	(4,282)
Bendigo Bank sourced/purchased loans	8,077	8,862	(785)
Total Impaired Assets (gross balance)	<u>15,545</u>	<u>20,612</u>	<u>(5,067)</u>

BENDIGO BANK
AVERAGE BALANCE SHEET AND RELATED INTEREST
for the half-year ended 31 December 2002

	Average Balance \$'000	Interest 6 mths \$'000	Average rate %
Average balances and rates ⁽¹⁾			
Interest earning assets			
Cash and liquid assets	121,872	619	1.02
Investment securities	1,060,485	27,695	5.22
Loans and other receivables	6,566,982	215,656	6.57
	<u>7,749,339</u>	<u>243,970</u>	<u>6.30</u>
Non interest earning assets			
Property, plant & equipment	50,793		
Provisions for doubtful debts	(47,858)		
Other assets	265,373		
	<u>268,308</u>		
Total assets (average balance)	<u>8,017,647</u>		
Interest bearing liabilities and equity			
Deposits			
Retail	6,698,471	115,997	3.46
Wholesale - domestic	196,099	4,480	4.57
Wholesale - offshore	347,945	10,223	5.88
Other borrowings			
Subordinated debt	156,294	5,253	6.72
	<u>7,398,809</u>	<u>135,953</u>	<u>3.68</u>
Non interest bearing liabilities and equity			
Other liabilities	108,635		
Equity	510,203		
	<u>618,838</u>		
Total liabilities and equity	<u>8,017,647</u>		
Interest margin and interest spread			
Interest earning assets	7,749,339	243,970	6.30
Interest bearing liabilities	(7,398,809)	(135,953)	(3.68)
Net interest income and interest spread ⁽²⁾		<u>108,017</u>	<u>2.62</u>
Net interest margin ⁽³⁾			2.79

1 Average balance is based on monthly closing balances from 30 June 2002 through 31 December 2002 inclusive.

2 Interest spread is the difference between the average interest rate earned on assets and the average interest rate paid on liabilities.

3 Interest margin is the net interest income as a percentage of average interest earning assets.

BENDIGO BANK
AVERAGE BALANCE SHEET AND RELATED INTEREST
for the 6 month period ended 30 June 2002

	Average Balance \$'000	Interest 6 mths \$'000	Average rate %
Average balances and rates ⁽¹⁾			
Interest earning assets			
Cash and liquid assets	139,623	508	0.73
Investment securities	1,021,330	23,793	4.66
Loans and other receivables	6,264,545	197,209	6.30
	<u>7,425,498</u>	<u>221,510</u>	<u>5.97</u>
Non interest earning assets			
Property, plant & equipment	46,696		
Provisions for doubtful debts	(37,241)		
Other assets	212,182		
	<u>221,637</u>		
Total assets (average balance)	<u>7,647,135</u>		
Interest bearing liabilities and equity			
Deposits			
Retail	6,219,850	100,845	3.24
Wholesale - domestic	422,252	9,508	4.50
Wholesale - offshore	275,684	6,813	4.94
Other borrowings			
Subordinated debt	162,024	5,240	6.47
	<u>7,079,810</u>	<u>122,406</u>	<u>3.46</u>
Non interest bearing liabilities and equity			
Other liabilities	106,645		
Equity	460,680		
	<u>567,325</u>		
Total liabilities and equity	<u>7,647,135</u>		
Interest margin and interest spread			
Interest earning assets	7,425,498	221,510	5.97
Interest bearing liabilities	(7,079,810)	(122,406)	(3.46)
Net interest income and interest spread ⁽²⁾		<u>99,104</u>	<u>2.51</u>
Net interest margin ⁽³⁾			<u>2.67</u>

1 Average balance is based on monthly closing balances from 31 December 2001 through 30 June 2002 inclusive.

2 Interest spread is the difference between the average interest rate earned on assets and the average interest rate paid on funds.

3 Interest margin is the net interest income as a percentage of average interest earning assets.

BENDIGO BANK
AVERAGE BALANCE SHEET AND RELATED INTEREST
for the half-year ended 31 December 2001

	Average Balance \$'000	Interest 6 mths \$'000	Average rate %
Average balances and rates ⁽¹⁾			
Interest earning assets			
Cash and liquid assets	150,856	852	1.13
Investment securities	950,368	24,028	5.06
Loans and other receivables	5,904,845	200,564	6.79
	<u>7,006,069</u>	<u>225,444</u>	<u>6.44</u>
Non interest earning assets			
Property, plant & equipment	44,685		
Provisions for doubtful debts	(33,176)		
Other assets	209,967		
	<u>221,476</u>		
Total assets (average balance)	<u>7,227,545</u>		
Interest bearing liabilities and equity			
Deposits			
Retail	5,833,584	108,799	3.73
Wholesale - domestic	475,714	11,685	4.91
Wholesale - offshore	274,833	7,282	5.30
Other borrowings			
Subordinated debt	135,163	4,189	6.20
	<u>6,719,294</u>	<u>131,955</u>	<u>3.93</u>
Non interest bearing liabilities and equity			
Other liabilities	69,061		
Equity	439,190		
	<u>508,251</u>		
Total liabilities and equity	<u>7,227,545</u>		
Interest margin and interest spread			
Interest earning assets	7,006,069	225,444	6.44
Interest bearing liabilities	(6,719,294)	(131,955)	(3.93)
Net interest income and interest spread ⁽²⁾		<u>93,489</u>	<u>2.51</u>
Net interest margin ⁽³⁾			2.67

1 Average balance is based on monthly closing balances from 30 June 2001 through 31 December 2001 inclusive.

2 Interest spread is the difference between the average interest rate earned on assets and the average interest rate paid on liabilities.

3 Interest margin is the net interest income as a percentage of average interest earning assets.