

BENDIGO BANK

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

for the YEAR ENDED 30 June 2003

	Jun-03	Jun-02 (Audited)	Increase/ (Decrease) %
Net interest income			
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
ADD Other income			
Fees - Asset products	20,584	15,921	29.3
- Liability products & electronic delivery	42,569	31,747	34.1
Commissions - Insurance	4,889	3,372	45.0
- Other	20,082	12,971	54.8
Property Revenue	1,276	1,055	20.9
Trustee, management & other services	9,203	8,843	4.1
Securitisation	10,751	10,131	6.1
Dividend income	292	134	117.9
Share of associates' net profit/(losses)	12,926	11,076	16.7
Other	1,705	3,793	(55.0)
Total Other income	124,277	99,043	25.5
Total Net operating income	346,566	291,636	18.8
LESS Operating expenses			
Bad and doubtful debts			
Bad debts written off	650	1,697	(61.7)
Transfer to provision for doubtful debts	14,897	10,088	47.7
Specific item - prov for doubtful debts	-	10,444	-
Bad debts recovered	(204)	(182)	12.1
Total Bad and doubtful debts	15,343	22,047	(30.4)
Other operating expenses			
Salaries & staff related costs	118,146	95,345	23.9
Occupancy	19,422	17,078	13.7
Information technology costs	21,463	19,746	8.7
Management fees & commissions	10,911	10,903	0.1
Directors' fees & expenses	769	871	(11.7)
Depreciation/amortisation	11,074	9,552	15.9
Goodwill amortisation	4,255	4,428	(3.9)
Other Operating Expenses	55,900	47,267	18.3
Total Other operating expenses	241,940	205,190	17.9
Total Operating expenses	257,283	227,237	13.2
Profit before tax	89,283	64,399	38.6
Less: Income tax expense	(30,246)	(26,144)	15.7
Specific item - income tax expense	-	10,444	-
Profit after tax	59,037	48,699	21.2
Net loss attributable to outside equity interest	(33)	85	-
Net profit attributable to members of Bendigo Bank Limited	59,004	48,784	20.9
Net increase/(decrease) in asset revaluation reserve	19	934	-
Decrease in retained profits on adoption of revised accounting standard AASB 1028 "Employee Benefits"	(275)	-	-
Share issue costs	-	(116)	-
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of Bendigo Bank Limited	58,748	49,602	18.4

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AVERAGE BALANCE SHEET AND RELATED INTEREST for the twelve months ended 30 June 2003

	Average Balance \$'000	Interest 2003 \$'000	Average Rate %
Average balances and rates			
Interest earning assets			
Cash and liquid assets	116,511	1,163	1.00
Investment securities	1,060,713	54,261	5.12
Loans and other receivables	6,889,476	445,210	6.46
	<u>8,066,700</u>	<u>500,634</u>	<u>6.21</u>
Non interest earning assets			
Property, plant & equipment	51,058		
Provisions for doubtful debts	(50,144)		
Other assets	260,396		
	<u>261,310</u>		
Total assets (average balance)	<u>8,328,010</u>		
Interest bearing liabilities and equity			
Deposits			
Retail	6,967,642	236,942	3.40
Wholesale - domestic	226,291	10,906	4.82
Wholesale - offshore	353,708	19,699	5.57
Other borrowings			
Subordinated debt	165,121	10,798	6.54
	<u>7,712,762</u>	<u>278,345</u>	<u>3.61</u>
Non interest bearing liabilities and equity			
Other liabilities			
	92,553		
Equity			
	<u>522,695</u>		
	<u>615,248</u>		
Total liabilities and equity	<u>8,328,010</u>		
Interest margin and interest spread			
Interest earning assets	8,066,700	500,634	6.21
Interest bearing liabilities	(7,712,762)	(278,345)	(3.61)
Net interest income and interest spread		<u>222,289</u>	<u>2.60</u>
Net interest margin			2.76

Average balance is based on monthly closing balances from 30 June 2002 through 30 June 2003 inclusive

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

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

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AVERAGE BALANCE SHEET AND RELATED INTEREST for the 6 month period ended 30 June 2003

	Average Balance \$'000	Interest 6 mths \$'000	Average rate %
Average balances and rates			
Interest earning assets			
Cash and liquid assets	109,922	544	0.99
Investment securities	1,052,083	26,566	5.05
Loans and other receivables	7,211,572	229,554	6.37
	<u>8,373,577</u>	<u>256,664</u>	<u>6.13</u>
Non interest earning assets			
Property, plant & equipment	51,341		
Provisions for doubtful debts	(52,369)		
Other assets	256,126		
	<u>255,098</u>		
Total assets (average balance)	<u>8,628,675</u>		
Interest bearing liabilities and equity			
Deposits			
Retail	7,241,209	120,945	3.34
Wholesale - domestic	244,938	6,426	5.25
Wholesale - offshore	360,367	9,476	5.26
Other borrowings			
Subordinated debt	173,121	5,545	6.41
	<u>8,019,635</u>	<u>142,392</u>	<u>3.55</u>
Non interest bearing liabilities and equity			
Other liabilities			
Equity	83,989		
	<u>525,051</u>		
	<u>609,040</u>		
Total liabilities and equity	<u>8,628,675</u>		
Interest margin and interest spread			
Interest earning assets	8,373,577	256,664	6.13
Interest bearing liabilities	(8,019,635)	(142,392)	(3.55)
Net interest income and interest spread		<u>114,272</u>	<u>2.58</u>
Net interest margin			2.73

Average balance is based on monthly closing balances from 31 December 2002 through 30 June 2003 inclusive

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

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

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AVERAGE BALANCE SHEET AND RELATED INTEREST for the twelve months ended 30 June 2002

	Average Balance \$'000	Interest 2002 \$'000	Average rate %
Average balances and rates			
Interest earning assets			
Cash and liquid assets	151,760	1,360	0.90
Investment securities	969,277	47,821	4.93
Loans and other receivables	6,063,897	397,773	6.56
	<u>7,184,934</u>	<u>446,954</u>	<u>6.22</u>
Non interest earning assets			
Property, plant & equipment	45,457		
Provisions for doubtful debts	(35,068)		
Other assets	209,843		
	<u>220,232</u>		
Total assets (average balance)	<u>7,405,166</u>		
Interest bearing liabilities and equity			
Deposits			
Retail	5,997,764	209,644	3.50
Wholesale - domestic	453,387	21,193	4.67
Wholesale - offshore	275,288	14,095	5.12
Other borrowings			
Subordinated debt	147,570	9,429	6.39
	<u>6,874,009</u>	<u>254,361</u>	<u>3.70</u>
Non interest bearing liabilities and equity			
Other liabilities			
Equity	73,391		
	<u>457,766</u>		
	<u>531,157</u>		
Total liabilities and equity	<u>7,405,166</u>		
Interest margin and interest spread			
Interest earning assets	7,184,934	446,954	6.22
Interest bearing liabilities	(6,874,009)	(254,361)	(3.70)
Net interest income and interest spread		<u>192,593</u>	<u>2.52</u>
Net interest margin			2.68

Average balance is based on monthly closing balances from June 30, 2001 through June 30, 2002 inclusive

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

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