



## A REWARDING FOCUS

THE BENDIGO SHAREHOLDER MAY 2004

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# SHAREHOLDERS NEWS BENDIGO MANAGED FUNDS GAIN STRENGTH

## SHARE PURCHASE PLAN

The Share Purchase Plan offer sent to shareholders with their interim dividend notice resulted in the following results:

Applications received	20,528	44.3% of shareholders
Shares applied for	2,861,567	41.1% of shares available
Value	\$28,243,666.29	
Average parcel	139 shares	
Shares were allotted and available to trade on 10 May.		

## SHAREHOLDER PRIVILEGES

We are currently preparing the 2004 version of our Shareholder Privileges booklet, which will be forwarded soon to eligible shareholders.

Naturally, in the meantime, the Bank will continue to honor offers made in the 2003 booklet. Please bring your coupon with you to the branch when claiming a Privilege.

## DEADLINE FOR CAPITAL NOTES

Holders of Bendigo Bank Capital Notes are reminded of the 31 May 2004 deadline for converting your notes to ordinary shares. We wrote to you in early May with the details.

Notes not converted by 31 May will be paid out at their face value of \$4.10. Bendigo Bank ordinary shares have recently traded around \$10.00 on the Australian Stock Exchange.

## E-SHAREHOLDER REGISTER GROWS

As the number of shareholders registered to receive company communications by e-mail continues to grow we will gradually expand the range of documents able to be provided on-line.

We encourage interested shareholders to register now by visiting [www.bendigobank.com.au/shareholders](http://www.bendigobank.com.au/shareholders)

## CORPORATE CALENDAR

16 August	Profit announcement
(This will be broadcast on our website. Check details on-line closer to the event.)	
9 September	Shares go ex-dividend
15 September	Record date
30 September	Payment of final dividend
25 October	Annual General Meeting

Launched in December 1999, our Sandhurst Industrial Share Fund\* continues to rank among Australia's leading industrial funds.

Voted by Personal Investor magazine as Australian Share Fund of the Year in 2002, the fund was also rated by Morningstar as among its emerging Australian equities fund managers of the year.

Its total return from for the 12 months to March 2004 was 20.33%. (The benchmark S&P/ASX 300 Industrials Accumulation Index return was 21.28%.)

Over the three-year period to March 2004, it returned 14.45% per cent compared with the benchmark return of 5.71% per cent and was ranked number one Australian industrial share fund.

As part of the products offered within the Bendigo Managed Funds, the fund has proven attractive to investors, with funds having grown to \$382 million.

The three diversified Bendigo Managed funds and the Sandhurst Future Leaders Fund have also seen excellent growth and performance since their launch in June 2002. The table below shows returns in the 12 months to March

2004. As these three Funds commenced in June 2002 only one year of full returns is available and we caution against relying on these returns as an indicator of future performance.

"We have been delighted with the performance of these funds and their acceptance by the investing public," said Sandhurst Trustees executive director Mike Hirst. "The funds are simple to understand and they appeal to customers /investors who want to invest in a well-managed portfolio of assets."

Mr Hirst said interested investors should seek investment advice and obtain a copy of the product disclosure statement (PDS) before investing in Bendigo Managed Funds. To order a PDS, please call 1800 634 969.

Shareholders can speak with a financial adviser from our subsidiary, Bendigo Investment Services, in Bendigo Bank branches and Community Bank branches in Victoria, South Australia, Queensland and NSW.

Information on the funds and their performance can be obtained online at [www.bendigobank.com.au](http://www.bendigobank.com.au). Click on Bendigo Wealth Management.

Fund name	Returns %		
	1yr	Fund Size	Benchmark
**Sandhurst Future Leaders	25.02	\$53.3m	39.3
***Bendigo Conservative	11.17	\$5.7m	13.38
***Bendigo Balanced	16.10	\$6.5m	8.48
***Bendigo Future Growth	19.90	\$4.1m	19.46

*Fund performance is based on redemption prices net of fund expenses and assumes distributions are reinvested. Investments can go up and down. Past performance is not necessarily indicative of future performance. You should speak to your financial adviser before making a decision to invest.*

\*The fund's responsible entity is Bendigo Bank subsidiary Sandhurst Trustees and the investment manager is Investors Mutual.

\*\*S & P/ASX 300 Acc. Index (ex top 50, ex property)

\*\*\*Van Eyk Research median returns

# COMPANY NEWS

## SALE OF CASHCARD SHARES

Bendigo Bank recorded a one-off, non-operating, pre-tax profit of \$7.6 million last month following the required shareholder and court approvals for the purchase of 100 per cent of Cashcard Australia Limited by First Data Corporation.

The Bank was a founding shareholder of Cashcard, which will continue to provide us with electronic payment services.

## NEW ONLINE SHARE SERVICE

Bendigo Bank last month launched a new online share trading platform in conjunction with E\*TRADE Australia.

The new Bendigo E\*TRADE Online Share Trading service can be accessed via the Bendigo Bank website or directly at the E\*TRADE website. Customers now have access to all E\*TRADE online broking products including dynamic trading platforms, extensive independent research, online options trading and conditional orders.

## BANK ON POSITIVE CREDIT WATCH

Bendigo Bank managing director Rob Hunt welcomed the decision by international rating agency Standard & Poor's to place the Bank on a positive credit watch.

In a statement issued in March, Standard & Poor's revised the rating outlook on Bendigo Bank Limited to positive from stable. At the same time, it affirmed Bendigo's BBB long-term and A-2 short-term ratings.

This followed a long-term upgrade to BBB+ issued by Fitch Ratings in January.

Mr Hunt said: "These positive moves in the Company's credit rating are obviously good news and will broaden our appeal in international markets.

## NSW BRANCH EXPANSION

Bendigo Bank will expand its presence in NSW with the opening of new company owned branches in key regional communities.

Chief general manager of retail banking, Greg Gillett, said the bank planned new branches in cities including Coffs Harbor, Port Macquarie and Griffith.

This will expand Bendigo Bank's NSW/ACT network to 35 – including Community Bank branches – up from three branches just five years ago.



*Driving the message home ... Maldon youngsters who have been through the driver education program include Kara Tatt (left).*

# COMMUNITY BANKS BENEFITS

The board of Maldon Community Bank branch of Bendigo Bank recently distributed \$101,000 in grants to 17 local community groups. The funds were drawn from profits generated by the town's banking.

Projects funded included:

- > A driver education program for the district's youngsters.
- > New instruments for the town brass band.
- > A junior library.
- > Part-payment of a fire truck for neighboring Baringhup.
- > Refurbishment of the town's kindergarten.

Despite a district population of just over 1000 people, the central Victorian town's branch has built a total banking business of \$50 million since opening in 1999.

"What a fabulous position to be in – not only are we banking in our Community Bank branch, we are doing what we promised to do – return profits to our community," said board chairman Mark Boyd-Graham.

The Maldon story is being replicated in more than 120 communities across Australia in which Bendigo Bank has opened Community Bank branches.

We believe this is a great way to build customer loyalty and commitment to support our business.

It is clearly working for communities like Maldon, and it is working for us, too. In 2002/03, Community Bank contributed \$8.4 million to our profit. We expect that to top \$10 million this year. New customers – including those of Community Bank branches – continue to join us at the rate of around 10,000 per month.



*Not taken for granted ... happy grant recipients are grateful for the funds flowing from their Community Bank.*

# DID YOU KNOW YOU CAN SECURE A MARGIN LOAN WITH YOUR BENDIGO BANK SHARES?

Bendigo Bank offers a Margin Lending facility to investors looking to increase their share market investment. A Bendigo Margin Loan allows you to borrow money to invest in shares or managed funds. The security for the loan can be cash or an existing portfolio of Bendigo Bank Approved Securities (which include your Bendigo Bank shares).

More and more investors are discovering the many advantages that margin lending can offer them. A Bendigo Margin Loan is extremely flexible and has the following features:

- > You can borrow up to 75 per cent of the value of Bendigo Bank Approved Securities, which includes a range of shares and managed funds.
- > The loan can be used to fund the purchase of further share or managed fund investments. This enables you to increase and diversify your portfolio.
- > You can use an existing portfolio of shares or managed funds approved by Bendigo Bank as security to borrow money for other business or investment purposes.
- > You can select from either Prepaid Fixed Interest Rate or Variable Rate loans.
- > You can use the loan to re-finance an existing margin loan you may have with another provider.

With no establishment fees for individuals, a simple application and approval process and loans starting from as little as \$20,000, access to a Margin Loan has never been easier.

A Margin Loan does carry some risks and you should seek independent legal, taxation or financial advice as to its suitability to meet your investment objectives, financial situation and particular needs.

For more information, or to discuss re-financing your existing margin loan, contact us on 1300 363 812.

*The information in this article does not take the place of advice. It has been prepared for information purposes only and should not be viewed as a recommendation. All loans are subject to the bank's Margin Lending assessment criteria. Fees and charges apply. Subject to terms and conditions.*

# BEWARE OF E-BANKING SCAMS

Shareholders who use our e-banking service are urged to guard against the various scams now being employed by international thieves.

One common trick is to send customers an email purporting to be from their bank – even featuring a facsimile of the bank's logo. The messages are various, but all are designed to trick you into following a link to the "bank" site.

(A common message of late says something like: "Your payment of \$836.15 has been processed from your account", and offers you a link to the bank's site. It is easy to be panicked into following the link to check what appears to be an unauthorised withdrawal. If you do, though, the thieves can capture your Access ID and PIN and later attack your accounts.)

More clever email attachments, once opened, can release into your computer a program which can record keystrokes even if you are logging on to a legitimate bank site.

Protect yourself by adopting some 'golden rules'.

- > Ensure your computer is protected by up-to-date anti-virus and personal firewall software.
- > Always log on to e-banking by typing in the address yourself.
- > Never follow an email link which takes you directly to a log-on screen. (If Bendigo Bank sends you an email advising you of a Secure Email waiting, the link we send will take you to our official home page, where you can check our address is correctly shown as [www.bendigobank.com.au](http://www.bendigobank.com.au))
- > Always check there is a padlock symbol on the bottom right corner of the log-on page. Clicking on the padlock will verify you are dealing with Bendigo Bank.
- > Always exit your e-banking session by clicking the Log-off button in the top right-hand corner of the window.
- > Never divulge your PIN. Bendigo Bank will never ask you for your PIN (either in person or by email).
- > Only conduct financial transactions online using computers you know are secure.
- > Never leave your computer unattended while logged on to e-banking.
- > Do not open unsolicited emails. Delete them and then permanently delete them from your Deleted Items folder.
- > If you feel your security might have been compromised, contact the bank immediately.



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