

Bendigo and Adelaide Bank lifts half-year cash earnings by 10.9 per cent

Monday 16 February 2015: Bendigo and Adelaide Bank (BEN), Australia's fifth-largest bank, today announced an after-tax statutory profit of \$227.3 million for the six months ending 31 December 2014.

Underlying cash earnings were \$217.9 million, a 10.9 per cent increase on the prior half year result¹.

Cash earnings per share were 48.1 cents, an increase of 3.4 per cent.

The interim fully franked dividend of 33 cents² per share is up 2 cents on the 2014 interim dividend.

Managing Director Mike Hirst said the results continued to reflect disciplined margin management and balance sheet growth.

"We were able to maintain our net interest margin for the half year, reflecting the value we add for customers. This is a solid result given the highly competitive, low-growth environment in which the Bank is operating," Mr Hirst said.

"Whilst demand for housing loans is solid we are seeing an increase in customers paying down their debt across all portfolios. While this impacts the Bank's growth, it's fantastic for our customers as they're building equity and greater financial wealth, particularly as interest rates have fallen.

"Despite this environment, we've strengthened our balance sheet with a strong Basel III complaint liquidity position and our capital raising activities have been well-supported by institutional and retail investors."

Mr Hirst said BEN closely manages expenses while seeking to make investments to better connect the Bank with its customers.

"We've announced a number of market-leading technologies during the year, partnering with specialist companies to provide solutions that customers are asking for, and where we saw we could add value for them.

"Our strategy continues to be focused on the success of our customers and communities for the long term. It is consistent and we are intent on growing the business profitably, not just driving growth for its own sake."

Mr Hirst said the Bank would continue to pursue opportunities that emerged from the ever-changing financial services environment.

"Our acquisition of Rural Finance and growth of Rural Bank has given us a strong position in the agri-business banking market right across the nation.

"We've also established a banking model that will enable participating mutuals to position themselves for growth in this challenging environment while remaining true to their traditional ideals and values.

"We have a proven track record of working with organisations and communities on solutions to challenges they face. This is just one more example of that."

Mr Hirst said the recommendations of the Financial Services Inquiry remains clear.

"The inquiry recognises the environment has changed for many reasons and they've taken a balanced approach in identifying the key issues, including the uneven playing field tilted in favour of larger players. We look forward to working with the Government and regulator towards an appropriate resolution of these issues in the short term."

Interim profit result webcast:

The interim profit results presentation will be held today at 10:00am AEST.

Watch the live webcast at www.bendigoadelaide.com.au or view the archived webcast, available on the website later in the day.

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¹ All results relate to the half year period ended 31 December 2014. All comparisons are against the prior half year period ended 30 June 2014 unless otherwise stated.

² Ex-dividend date for interim dividend of 33¢ is 24 February 2015, record date is 26 February 2015, and dividend payment date is 31 March 2015.