

Performance update

UBS 10th Australian Financial Services Conference

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incorporating



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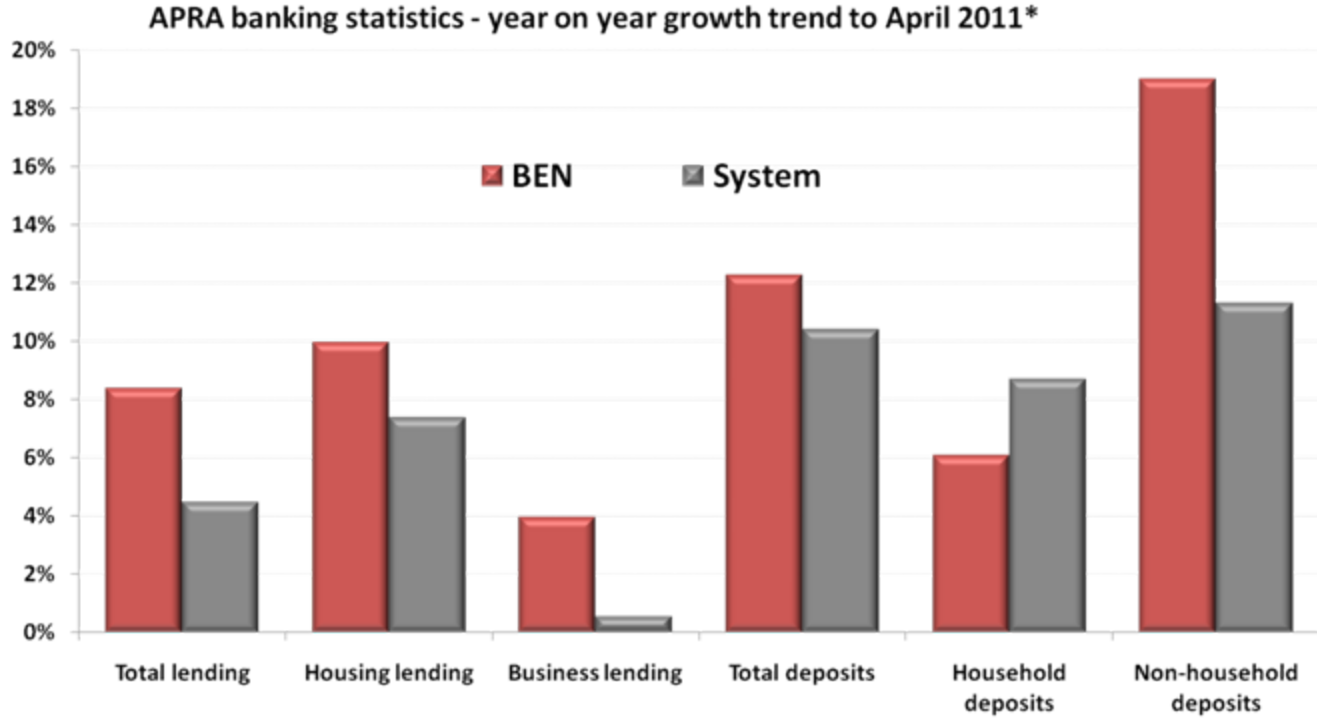
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1. Growth
2. Credit
3. Business update

- Continued momentum across our business
- Customer demand for our brand and service offering remains strong
- Continuing to grow our comparatively young distribution network

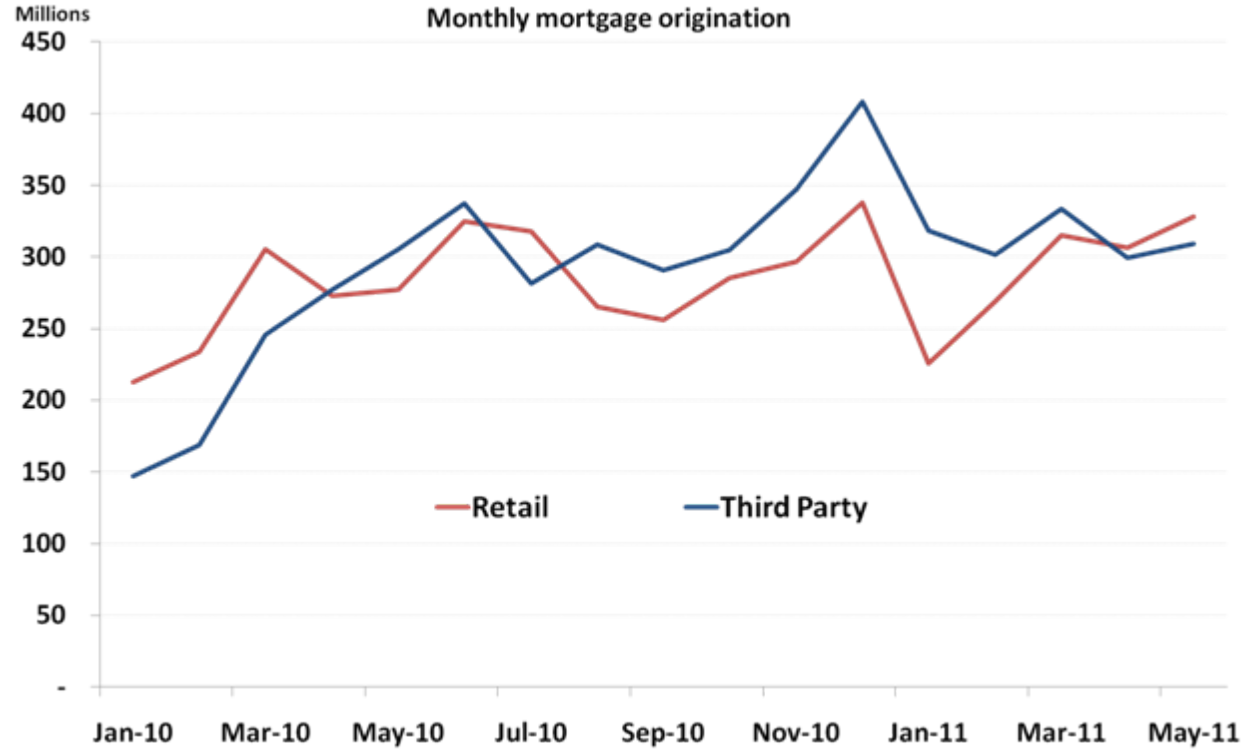


Growth



Note: excludes Rural Bank

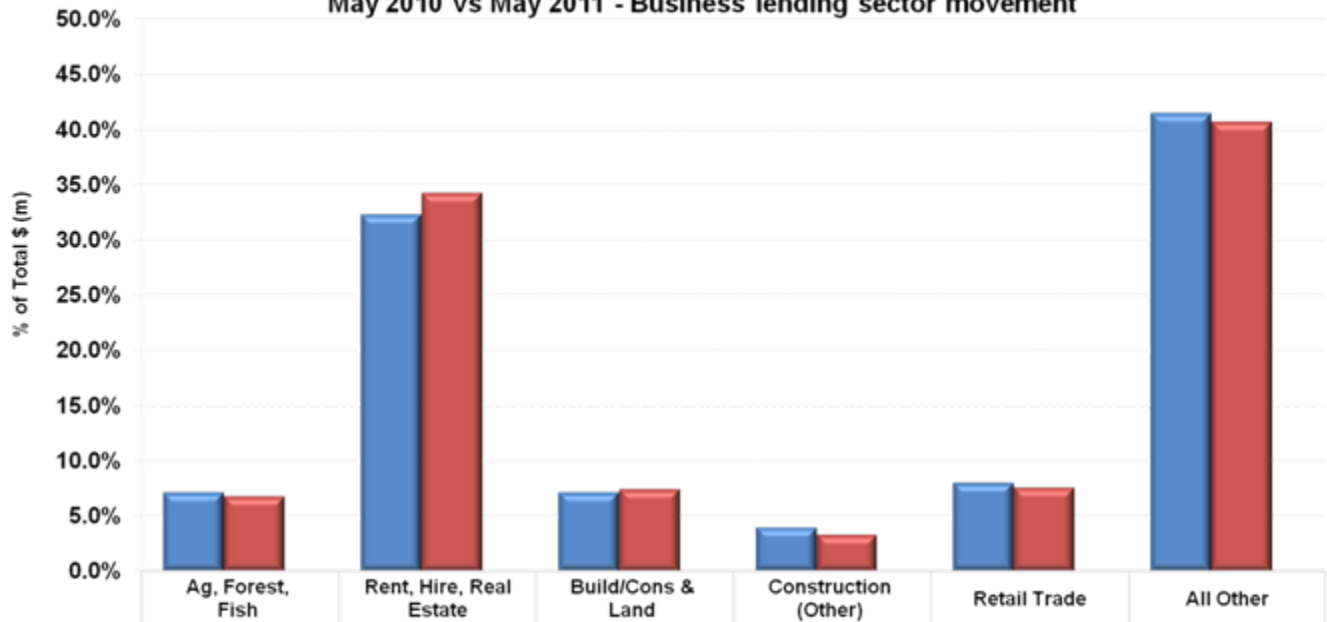
- Both origination channels have performed well this year
- Third party has risen significantly since the GFC, when originations via this channel were purposely restricted



Growth - mortgages

- More than 50% of last 12 month's business lending growth is residential and commercial property investment
- Less than 9% increase is construction

May 2010 vs May 2011 - Business lending sector movement



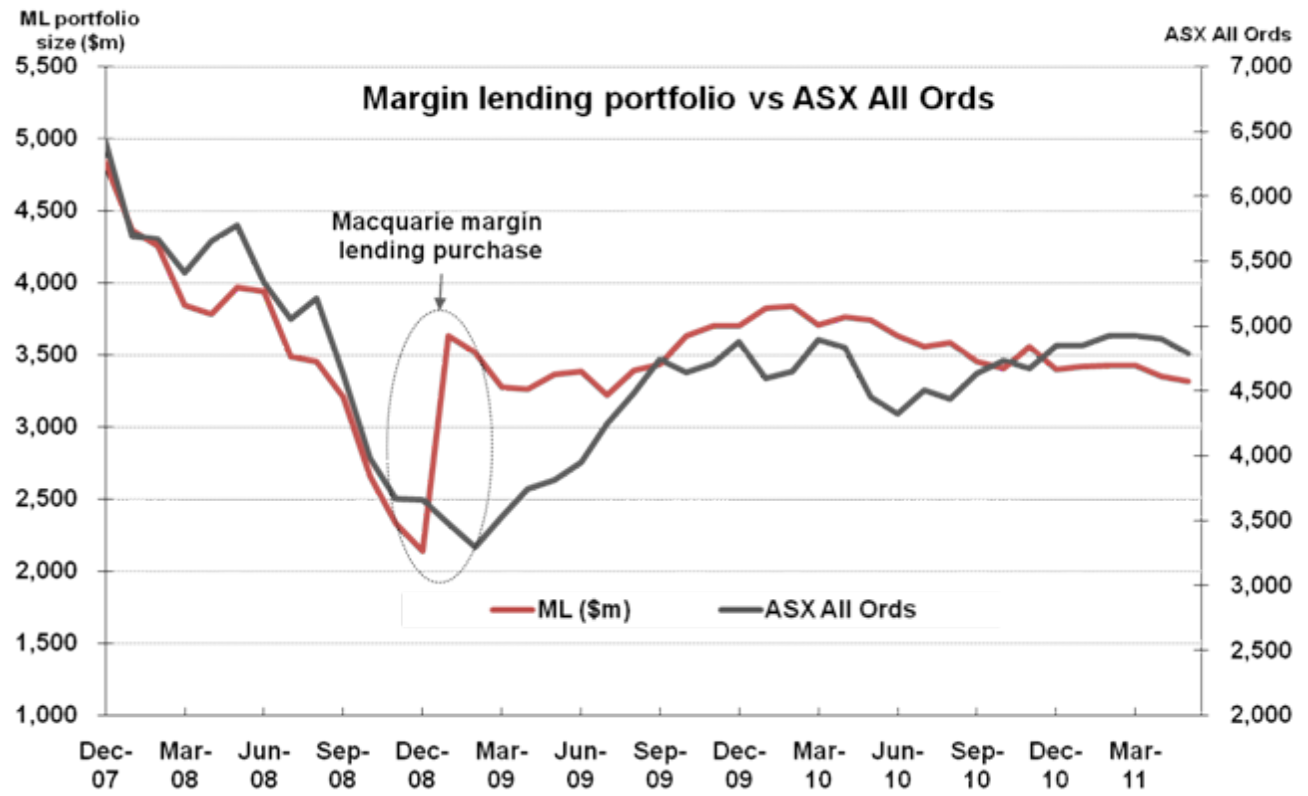
■ May 10 % of Total Balance	7.1%	32.3%	7.1%	4.0%	8.0%	41.5%
■ May 10 Balance (\$m)	459.9	2088.5	461.7	257.7	518.7	2684.9
■ May 11 % of Total Balance	6.8%	34.2%	7.5%	3.3%	7.5%	40.7%
■ May 11 Balance (\$m)	486.9	2453.7	534.0	237.3	540.6	2915.4

Growth - commercial



Note: excludes Rural Bank

- Post Macquarie acquisition, margin lending portfolio grew on the back of capital raisings
- FY2011 trend has a reducing portfolio reflecting lower risk appetite
- BEN margin lending market share being maintained

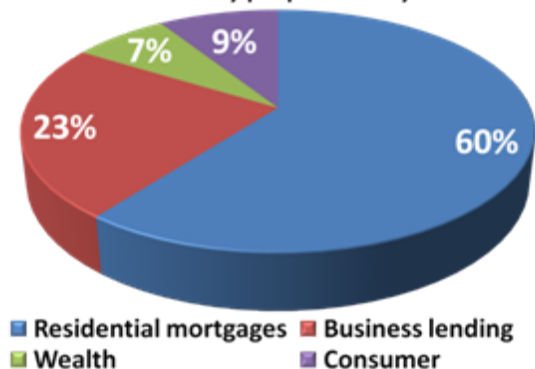


Growth – margin lending

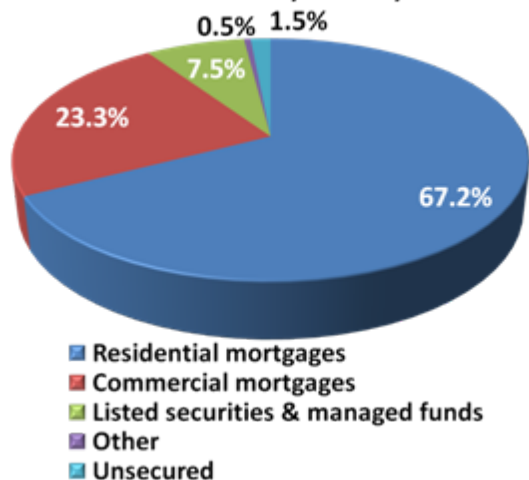


- Well diversified portfolio by loan type, security and geography
- Conservative underwriting, 98% secured by mortgage or listed securities

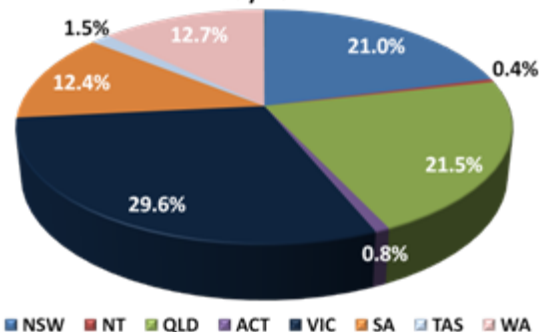
Gross loans by purpose - May 2011*



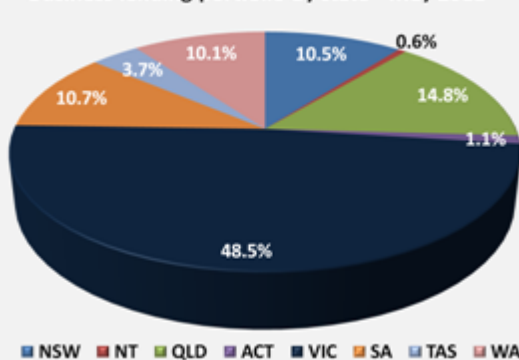
Gross loans by security**



Residential mortgage portfolio by state - May 2011



Business lending portfolio by state - May 2011



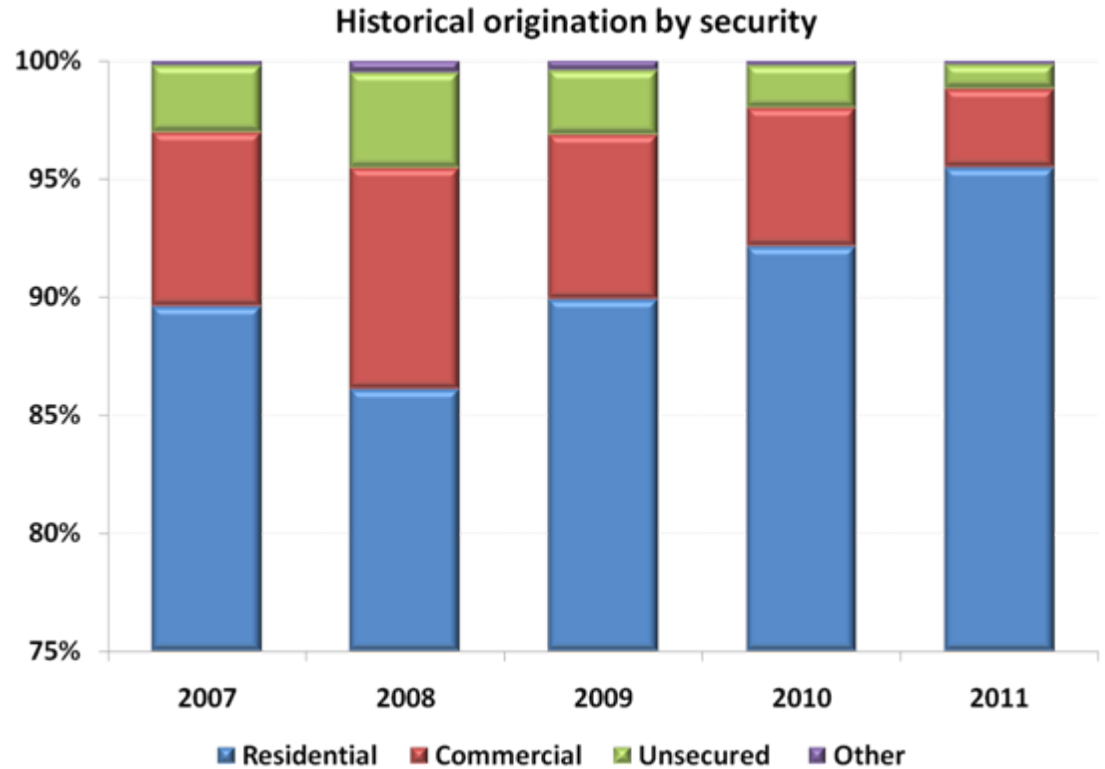
Credit



*on balance sheet only

**as at March 2011

- Since the GFC our originations have reflected lower risk security
- This underpins our relatively low charge for B&DD

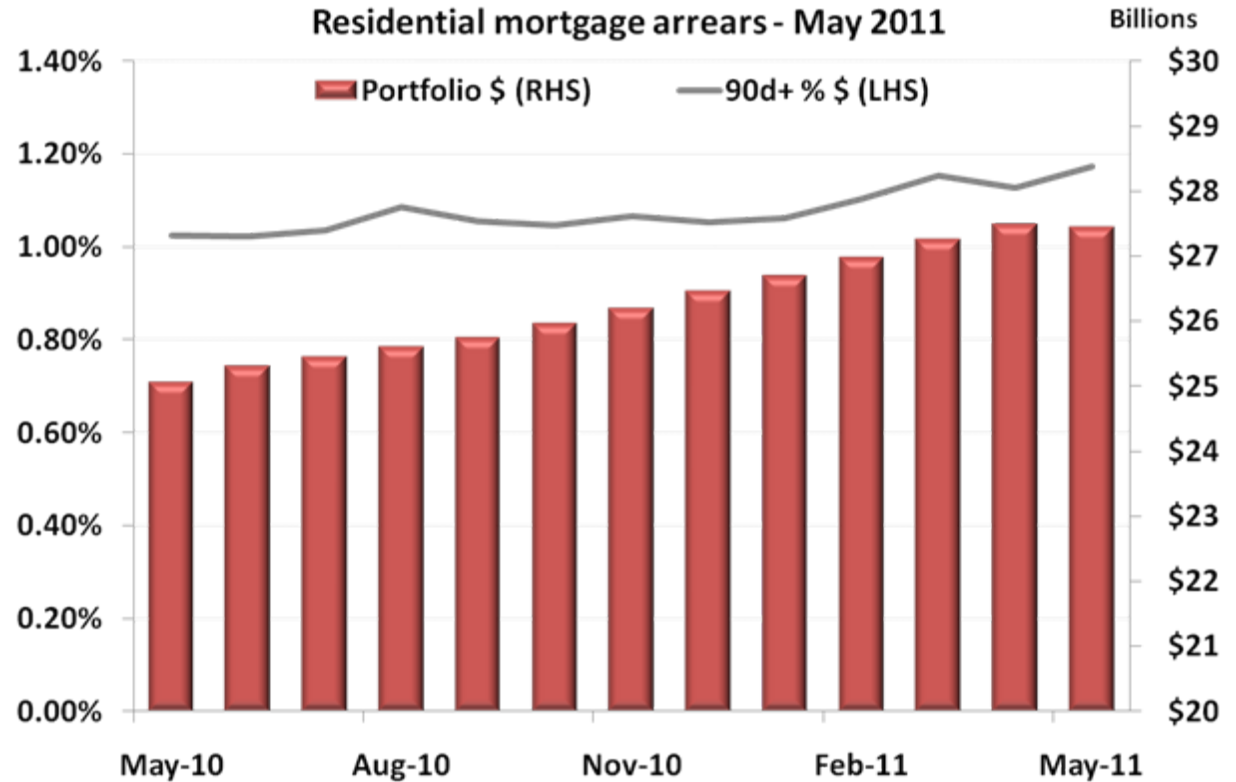


Credit



Note: excludes Rural Bank

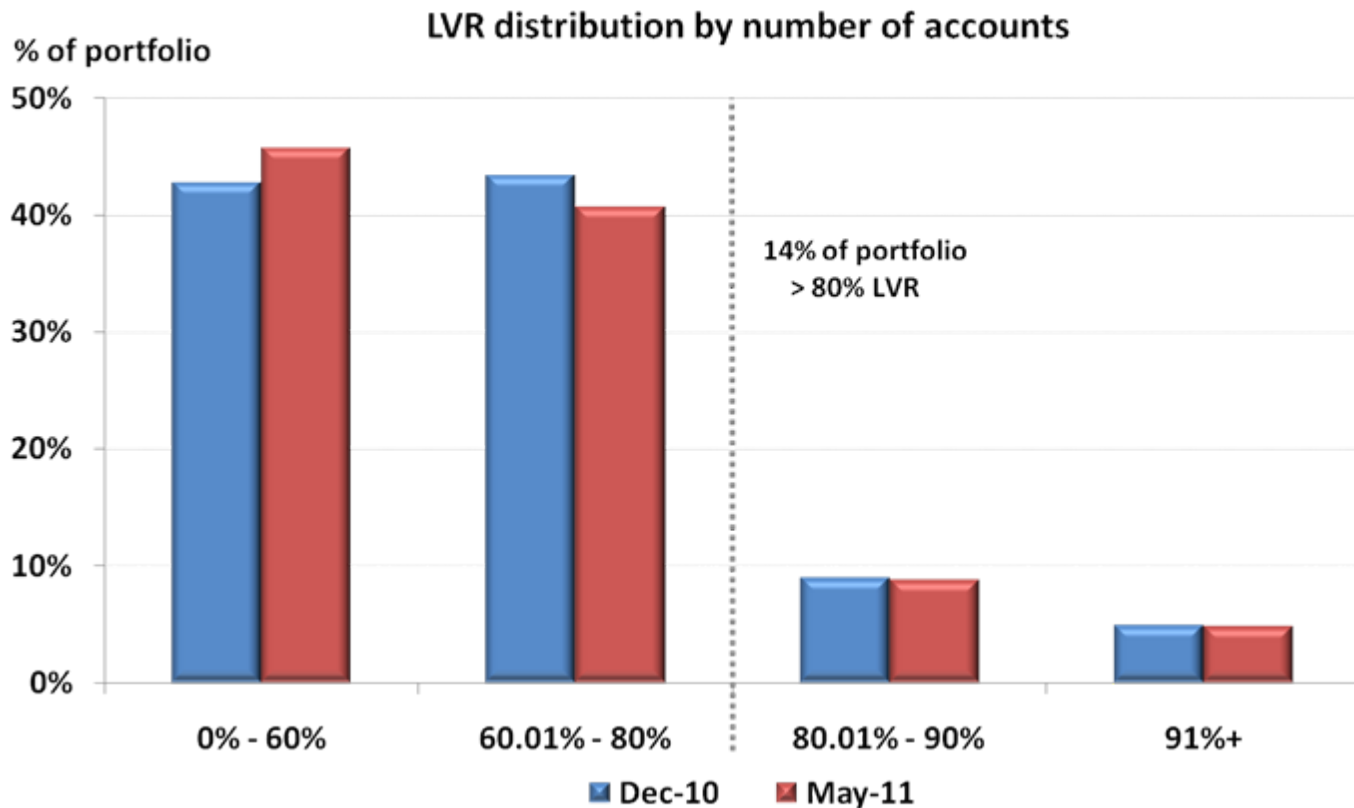
- Arrears rate remaining relatively steady
- We use a conservative measure of arrears. Included are residential loans that are meeting restructured normal commercially available terms that are different from the original credit foncier terms



Credit - mortgages



- No change in LVR trends of new business written
- LMI required for high LVR loans



Credit - mortgages



- Stress test reflects our well secured, low risk mortgage portfolio

Stress Test – Residential mortgage portfolio – April 2011 loss projections (\$m)						
Security value decline	Increase in portfolio delinquency rate					
	1x	2x	4x	6x	8x	% impact on capital
0%	6.0*	25.1	55.7	87.9	116.9	0.45%
10%	6.7	28.3	62.7	99.1	132.0	0.51%
20%	7.7	32.6	72.5	114.5	152.4	0.59%
30%	9.0	37.8	83.8**	132.3	176.1	0.68%
40%	10.6	44.5	98.6	155.5	207.0	0.80%
50%	12.9	53.3	117.7	185.3	246.7	0.95%

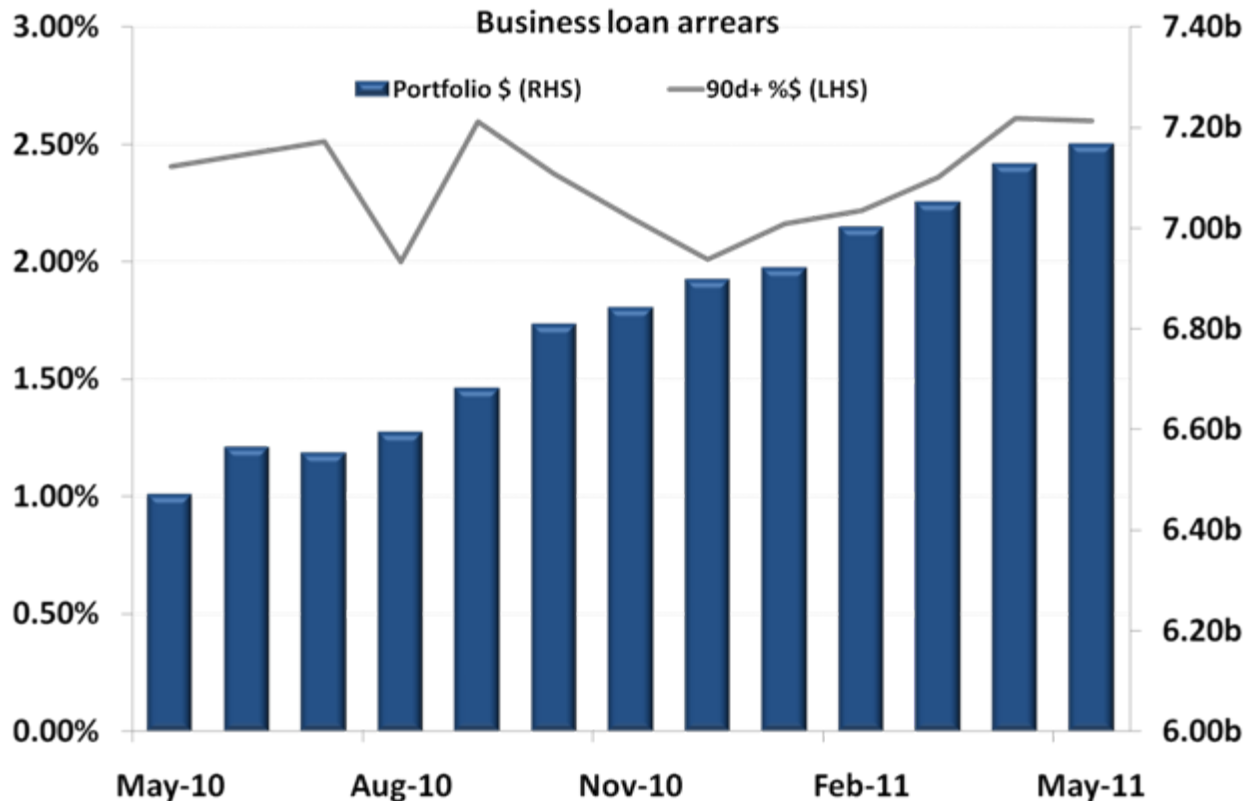
Credit - mortgages



*Base forecast

**Harsh recession

- Business loan arrears steady year on year
- New business is well secured, leveraging core strengths of our retail network

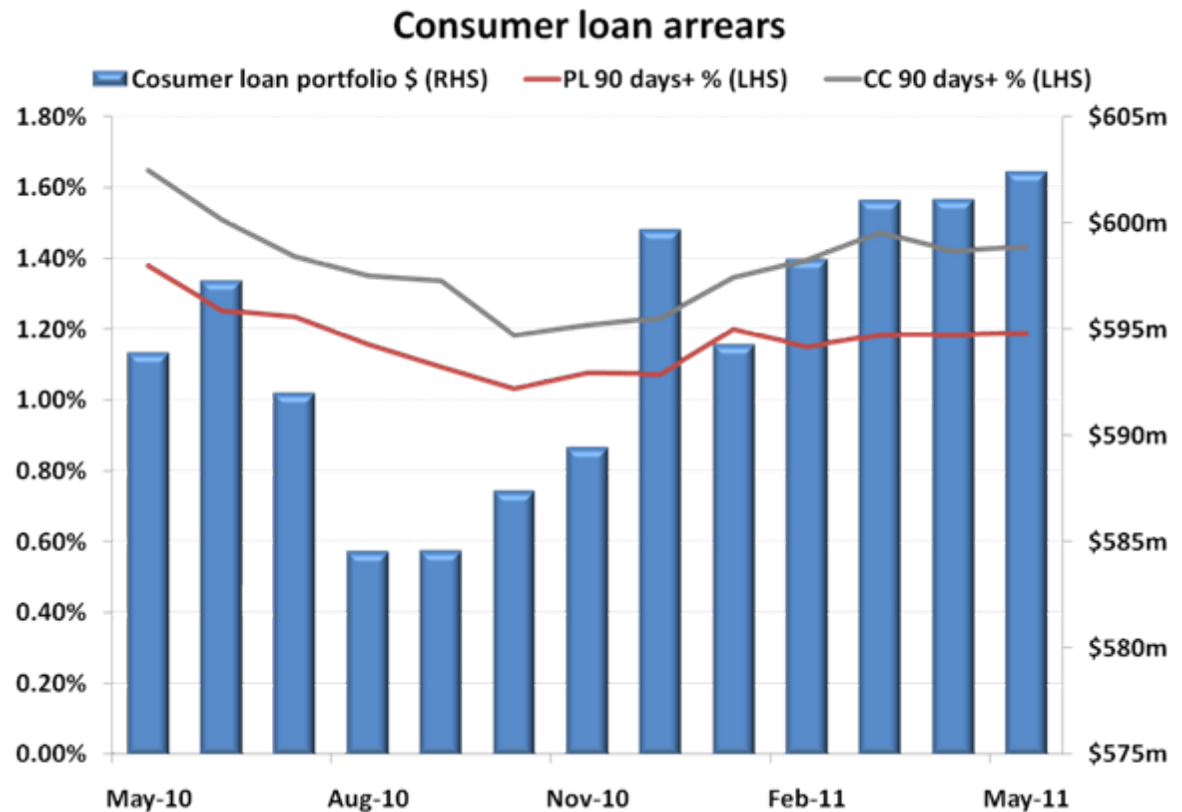


Credit - commercial



Note: excludes Rural Bank

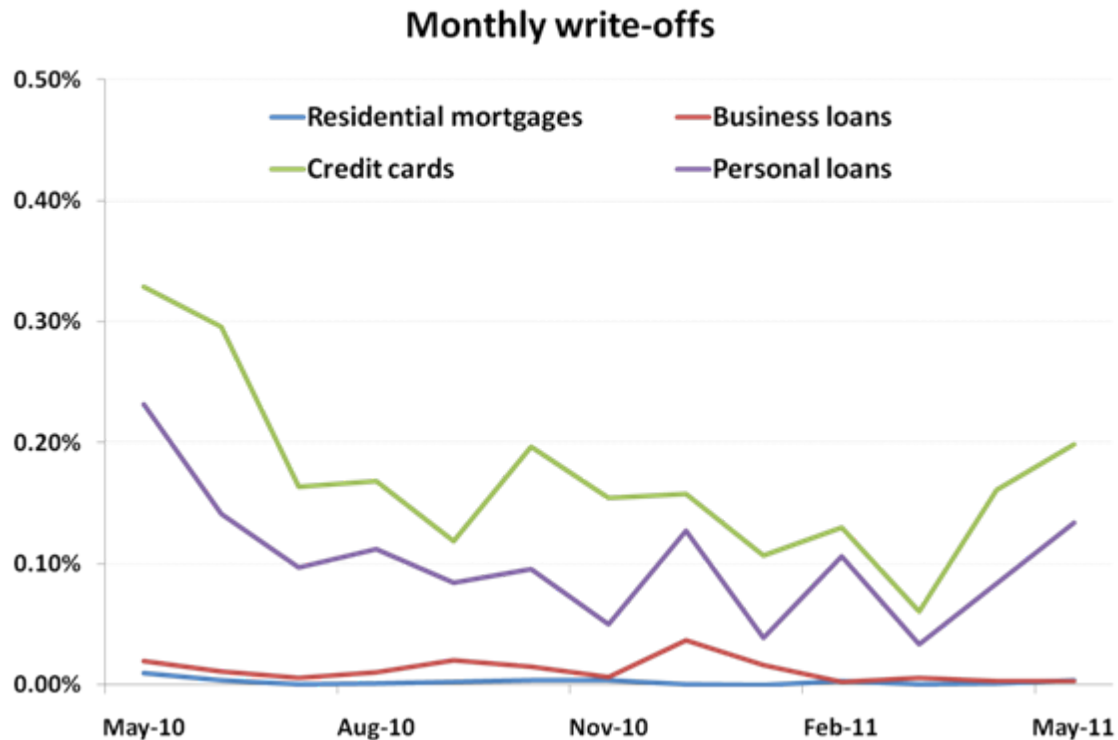
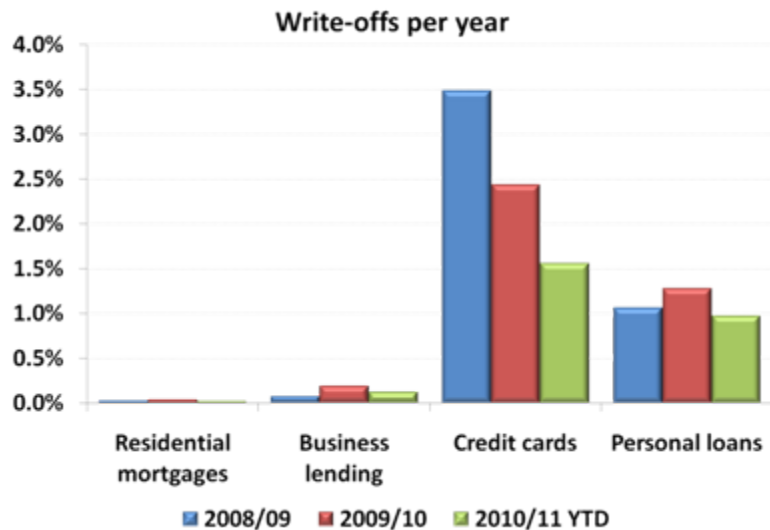
- Personal loans and credit cards remain a relatively minor component of our portfolio
- Credit quality remains sound



Credit - consumer



- Our write-offs continue to trend lower than in '09 and '10
- Mortgage and business lending losses remain benign



Credit



- **APS 120**
 - Actively seeking to improve capital efficiency of existing RMBS programs
 - We don't expect to retain subordinated notes in future transactions
- **Bendigo Wealth**
 - Continue to invest in improved distribution strategies
 - Businesses aligned under single brand
- **Fitch ratings upgrade**
- **Great Southern**
 - Court date now set for M+K class action – August 2012
 - Other M+K class actions are expected
 - Other individual recovery actions being pursued

Questions



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