

Regional Manager's speaker notes

Coolalinga & Districts Community Bank[®] AGM

27th November 2008

- Maureen Newman, Chairman of Coolalinga **Community Bank[®]** Branch
- Her fellow Directors
- Shareholders and supporters
- Customers, and hopefully, future customers

Thank you for inviting me to attend the 3rd Annual General Meeting of Coolalinga & Districts Community Finance Limited.

10th Anniversary of Community Bank – 26 June 2008

Ten years ago on June 26, Bendigo Bank and the people of Rupanyup and Minyip unveiled the first **Community Bank[®]** branches in Australia, marking a turning point not only for the two small Victorian wheat belt towns, but for the Bendigo as well.

Today, these two towns have been joined by more than 220 communities to form Australia's fastest growing banking network – community banking.

This is a significant milestone for Bendigo Bank.

The number of **Community Bank[®]** branches has doubled in the last four years and in the same time frame, customers have tripled

their commitment of banking business to the network, increasing it to more than \$11 billion.

More importantly, in excess of \$21 million in **Community Bank[®]** branch profits have been returned to community projects and \$12 million has been paid in dividends to more than 50,000 local shareholders.

And behind those numbers are hundreds of stories of **Community Bank[®]** branches making a real difference to the lives of local people.

Whether it's building a community hall, sponsoring an art prize or even buying new footy jumpers for the local side – these **Community Bank[®]** branches are helping improve the economic and social prospects of their local communities.

Add to those contributions the employment and daily expenses in the local economy and you have a truly meaningful contribution to local prosperity.

150th Anniversary of Bendigo Bank – 9 July 2008

Another significant milestone for Bendigo Bank this year was the celebration of our 150th anniversary with a week long calendar of events during July involving our shareholders, customers, partners, and staff.

The Bendigo Land and Building Society was formed out of a July 1858 resolution to provide the financial means to build homes, businesses and public facilities.

The society stayed true to its community ideals and grew a reputation for ethical dealing and prudent financial management. It posted a profit during the Great Depression, which allowed it to support for longer borrowers who were struggling to put food on the table.

It has grown to Australia's largest listed companies, a national financial organisation with a head office in Bendigo and over 400 retail branches and 100 Agency outlets in every state and territory.

We strive to live up to the standards set down by the founding committee men. To this day we believe that if we help create successful sustainable communities, our own success will follow.

I suspect they would have been proud of the Bendigo Bank that exists today.

Merger update

Merger integration across the bank is continuing and significant progress is being made across many areas of the business. We continue to work towards meeting our synergy targets and we are now beginning to achieve revenue synergies in a number of areas.

Under the merged group, our unique **Community Bank**[®] model has continue to grow and prosper, and new company-owned and **Community Bank**[®] branches continue to open.

As a **Community Bank**[®] shareholder and customer, you will notice no changes – you remain a shareholder of your local community company.

Nationally, the merger has increase Bendigo Bank's network, delivering our customers access to 24 branches in South Australia and 90 ATMs (over 600 combined total ATMs). Over time, new products and services will follow.

Community Bank Strategic Advisory Board

Earlier this year, Bendigo Bank announced it would form a **Community Bank**[®] Strategic Advisory Board principally drawn from volunteer directors across Australia.

These representatives will be joined by key strategic Bank staff to form a peak body focusing on key opportunities to enhance community and business prospects.

The advisory board will respond to and provide reports for consideration by the Bank's executive and at times the principal Board.

This initiative is a logical extension of what has developed over the past decade into a powerful business and community partnership.

Elections were held mid-year and the advisory board met for the first time in July.

The advisory board is co-chaired by a community director and a Bendigo Bank representative. The inaugural community chairman is David Matthews of Rupanyup-Minyip **Community Bank**[®], the branches that pioneered community banking almost a decade ago. The Bank-appointed co-chair is former Bendigo Bank director Neal Axelby.

Depositor security

I would like to tell you why you can be certain about your future with Bendigo and Adelaide Bank.

The Australian Government decided on 12 October to guarantee for three years all deposits with Australian Deposit-Taking Institutions. The decision was taken to give Australians absolute certainty about the soundness of this nation's financial system. We enjoy one of the most secure systems for saving in the world. Without a guarantee, there was a risk money would flow from Australia to banks in countries that had provided one.

Your deposits would have been safe with Bendigo and Adelaide Bank even without the guarantee because:

- For every one of the 150 years we have operated, we have declared a profit. We are prudent and responsible managers and our approach is reflected in our strong balance sheet

and our continued growth. Our business record has allowed us to gain your trust which is our greatest acclaim.

- Our credit standards are impeccable, the loans in our book are performing well and we have no direct exposure to the US subprime market or any related asset.

For the same reasons, funds placed with Sandhurst Trustees, which are not Government guaranteed, are secure. This is because:

- The assets that back investors' funds are managed by Bendigo and Adelaide Bank;
- That there is no Government guarantee for funds placed with Sandhurst Trustees is no reflection on their security; in fact the funds are invested conservatively and in a way that provides an excellent buffer against any downturn in asset values;
- All the assets backing Sandhurst funds are within the Australian domestic economy which is still performing well.

You can be certain about banking with Bendigo and Adelaide Bank. But if your doubts persist, please talk to us.

In closing

Bendigo Bank participates in the development of community banking with an enormous sense of pride. We are indeed fortunate to be your partner and look forward to celebrating 10 years of community banking during 2008.

Again, I thank you for the opportunity to be part of your meeting and wish you continued success for the 2008/09 financial year.