

together
we're bigger




Annual Review
2014



The Alexander and Bridget Jones Memorial Scholarship has financially enabled me to study in Melbourne, helping me to reach my goal of learning as much as I can about law and philosophy to make a difference. I hope to return to society someday the knowledge study will give me.

**Ellen (Swan Hill)
Bachelor of Arts**



Welcome to the 2014 Annual Review.

Bigger can refer to size, and as a Top 60 ASX listed Australian business we are bigger than many people realise. But bigger can also refer to actions. To be generous is to be big-hearted, to act selflessly is to take a bigger view. In many ways, Bendigo and Adelaide Bank acts in ways that are ‘bigger’ than people have come to expect from banks.

We share revenue with our **Community Bank**[®] partners, sponsor talented university students who might otherwise miss out on higher study, work with the not-for-profit sector on affordable housing initiatives, and we invest in and raise awareness of renewable energy. Our charitable foundation, Community Enterprise Foundation[™], is one of Australia's biggest in terms of annual grants. We're bigger in other – sometimes surprising – ways, too.

In a world where banking, payments and telecommunications are converging, we are providers in all three sectors, giving us the flexibility to adapt and the capability to innovate.

And innovate we do. Our wholly owned Community Telco Australia (CTA) is small by telco standards but big on initiative. With the support of global tech giant Samsung, CTA developed a unique mobile payment system that not only rewards consumers and benefits businesses, but also raises money to support community fundraising initiatives.

These and more stories are in this Annual Review. It's a report heavy on outcomes, light on rhetoric, because we have always believed that actions speak louder than words. Our actions are important because they speak to our motives. And our motives remain constant: We believe we can only be

successful if our actions create success for all of the stakeholders in our business.

To publicly claim we are ‘Bigger than a bank’ is to hold ourselves up to the judgment of others. But it also forces us to put our decisions through that filter: Is this a decision you would expect of a company that has a bigger purpose than simply being a conventional bank?

We hope you enjoy this report. For further information, or to view our Annual Financial Report, including the remuneration summary, please visit www.bendigoadelaide.com.au

Thank you for your support of our business.

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Board and Executive

Front cover (L-R) James Corbett, Ellen Roberts, Najib Hashimi and Grace Newton received a scholarship through the Bendigo and Adelaide Bank Scholarship Program in 2014.



Brand Family

Bigger than a single bank; an entire group of specialists.

The Bendigo and Adelaide Bank Group helps customers and communities across Australia achieve their goals.

From rural communities, to suburban families, corporate investors to not-for-profit organisations and businesses, the Bendigo and Adelaide Bank Group takes a long-term view. We want to deliver sustainable outcomes and enable prosperity.

Bendigo Bank

Renowned for its **Community Bank[®]** model and award-winning service, Bendigo Bank is committed to investing in the community it serves.

Bendigo Bank offers banking and wealth management services to individuals, families and small to medium businesses Australia-wide.

Adelaide Bank

Adelaide Bank, through its partners, is a popular mortgage provider, working with a national network of brokers and mortgage managers who service the home loans of more than 45 per cent of Australians.

Bendigo Wealth

Bendigo Wealth is the wealth management division of Bendigo and Adelaide Bank. Sandhurst Trustees is a highly regarded financial services provider. Services include funds management and trustee services, superannuation, estate planning and management.

Leveraged Equities offers innovative and responsive margin loan and investment loan products, combined with standout private banking-style service.

Rural Finance

For more than 65 years, Rural Finance has fostered long-term agricultural prosperity by supporting young farmers and administering industry restructures, land restructures and productivity programs across Victoria. As a specialist rural lender, Rural Finance helps to build vibrant businesses and drive the growth of Victorian agriculture for a sustainable and productive regional and rural Victoria.

Delphi Bank

Delphi Bank offers a wide range of banking services from 14 branches across Victoria, New South Wales and South Australia.

Built on three important pillars – family, business and community, Delphi Bank has been operating in Australia for 13 years as the bank of choice for the Hellenic-Australian community, providing personal, friendly and expert service.

Rural Bank

Rural Bank provides specialist banking solutions and services to Australian farmers, and plays a vital role in supporting regional and rural communities.

Rural Bank specialises in helping agribusiness succeed, but also offers services for everyday Australians who want good value banking.

Joint ventures, subsidiaries and other brands

Our core brands are supplemented by joint ventures, subsidiaries and other brands that serve discrete markets and add to our business diversity.

Community Telco® Australia is the largest regional telecommunications provider, involved in voice, data and mobile technologies and the convergence of banking and telecommunications.

Community Sector Banking is Australia's leading specialist banking service for not-for-profit organisations. Community Enterprise Foundation™ is the Bank's philanthropic arm with Sandhurst Trustees acting as trustee. Our joint venture, Homesafe Solutions, offers an equity release product to older Australians in selected areas.



Group performance highlights.

Bendigo and Adelaide Bank achieved an after tax statutory profit of \$372.3 million for the year ended 30 June 2014, a 5.7 per cent increase on the prior corresponding period.

The statutory earnings per ordinary share were 87.7 cents (FY2013: 84.9 cents), an increase of 3.3 per cent, and the statutory return on average ordinary equity was 8.59 per cent (FY2013: 8.52 per cent).

The result shows continued improvement in a range of profitability and efficiency measures including net profit, cash earnings, net interest margin, dividend, earnings per share and cost to income ratio.

Net interest margin, in particular, was strong through the year improving by five basis points over the period, demonstrating the Bank's pricing discipline, providing rates that are fair both to our customers and our shareholders.

We continue to enjoy the strong support of our customers and the communities we operate in. This has again been reflected in asset growth across a range of portfolios, particularly in the second half.

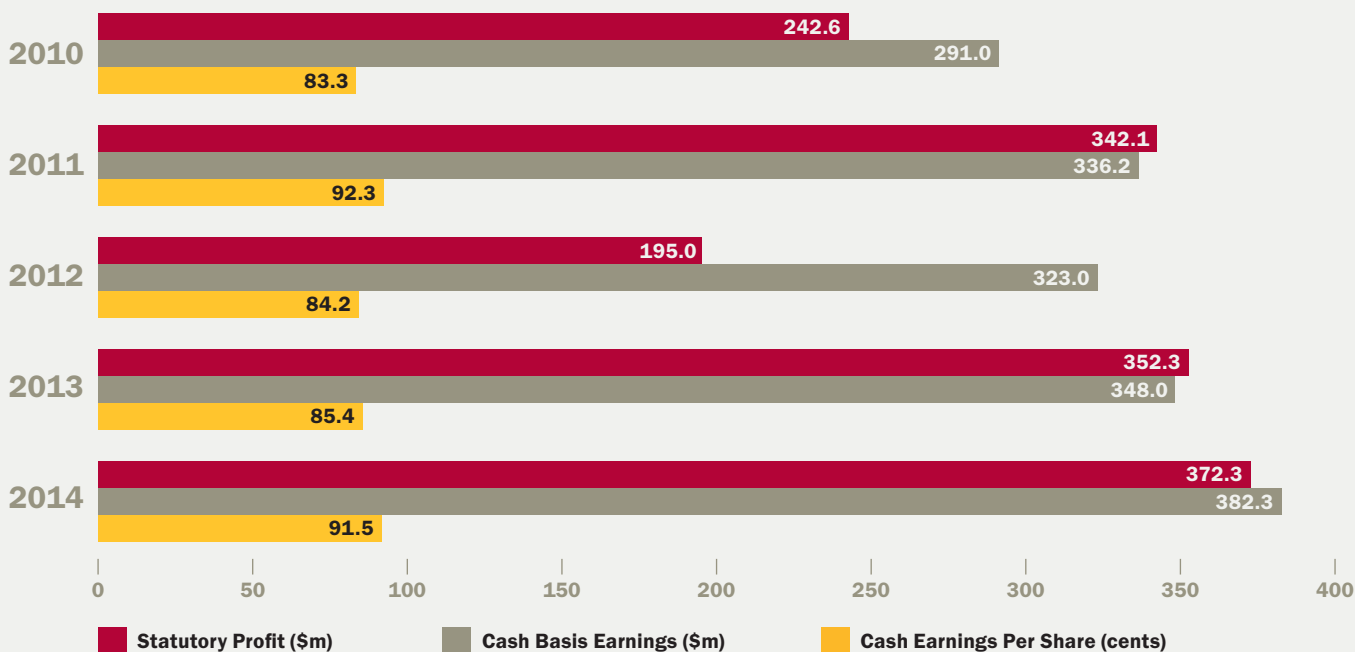
The business operates with a conservative funding and balance sheet structure and we have a highly engaged staff. Together these factors place us in an ideal position to benefit from any improvement in market sentiment and demand for credit.



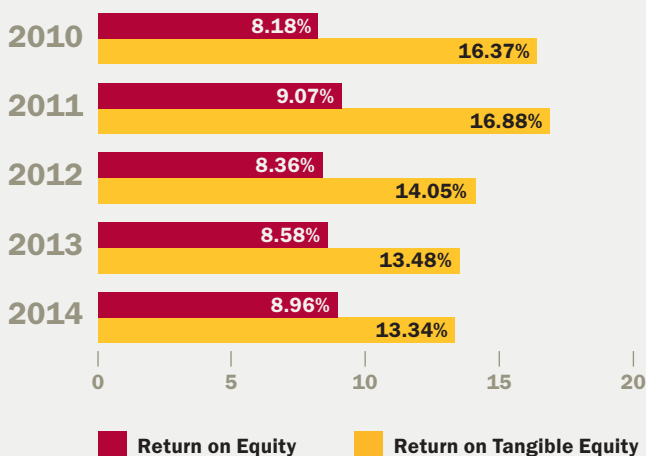
\$372.3_m

After tax statutory profit

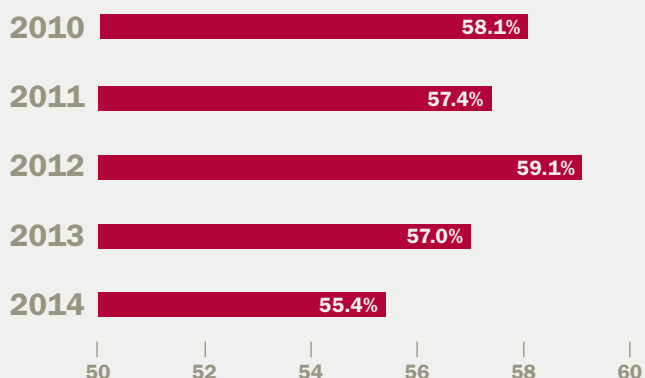
Profit and Earnings



ROE and ROTe (cash basis)



Cost to Income



Business performance

Cash earnings were \$382.3 million, a 9.9 per cent increase on the prior corresponding period. Cash earnings per share were 91.5 cents, an increase of 7.1 per cent.

Net interest income increased by 8.8 per cent to \$1,118.2 million (FY2013: \$1,027.5 million).

We increased our net interest margin to 2.24 per cent for the year, an increase of five basis points on the prior year and our non-interest income

before specific items was \$315.7 million (FY2013: \$297.2 million), an increase of 6.2 per cent.

The operating expenses before specific items increased by 4.8 per cent to \$816.3 million (FY2013: \$779.0 million) and the cost to income ratio was 55.4 per cent compared to 57.0 per cent at June 2013.

Our expenses reflect increased costs from additional investment to improve our footprint and capability, such as the Basel II Advanced Accreditation project and the new premises based in Adelaide.

This continuing investment, combined with industry leading customer satisfaction and brand advocacy, has allowed the business to grow total new loan approvals at an annualised rate of 16.0 per cent over the past twelve months. However, this was offset by higher rates of loan repayments.

The bad and doubtful debts expense was \$81.9 million (FY2013: \$69.9 million), an increase of 17.2 per cent.



Financial Performance

Capital

We look to maintain a conservative and prudent capital base that adequately supports the risks being taken through the normal operation of the business. This includes providing for effective and efficient capital buffers to protect depositors and investors, and allowing the business to grow.

Our capital management strategy also plans and manages for changes in business conditions, through normal business cycles, regulatory and legislative change and through mergers and/or acquisitions. It is designed to ensure that prudential capital standards are met, and that management is afforded the greatest flexibility in pursuing its business objectives.

Our capital position is strong following the recent share placement and share purchase plan completed in preparation for the Rural Finance acquisition. Common Equity Tier 1 increased to 8.02 per cent, Tier 1 capital remained steady at 9.22 per cent and total capital increased by 68 basis points to 11.39 per cent¹.

Liquidity and funding

Domestic retail deposits remain central to the Group's funding strategy and this complements the overall strategy. Wholesale markets are also utilised to achieve our funding objectives, which include lengthening the maturity of liabilities, diversification of funding sources and active participation in markets that provide economic financing opportunities for the Group.

Securitisation continues to be an important part of the Group's funding and capital management strategies. We are committed to achieving the right balance in our funding mix and we will continue to monitor the securitisation market and participate where and when it is appropriate. Through the year, wholesale markets have continued to improve from both an availability and cost perspective, which has provided additional flexibility to us in managing our liquidity requirements as well as taking growth opportunities as they have arisen.

Dividends

The Board announced an increase in the final dividend to 33 cents per share. This represents an increase of 6.5 per cent on the prior half and takes the full-year dividend to 64 cents per share.

Credit quality

Credit costs continue to be impacted by weather and trade disruptions to the north Queensland cattle sector.

Despite this, 90-day arrears rates in our residential, business, consumer and Rural Bank portfolios are all better than at the same period last year, and this augers well for the coming financial year.

¹Shows pro-forma capital ratios for the Rural Finance acquisition, which was completed 1 July 2014



+7.9% **+9.9%**

Total asset increase

Cash earnings increase

Outlook

The extended period of absolute low interest rates looks likely to continue for the foreseeable future. The transition in investment from the mining sector to the non-mining sector is still working its way through the domestic economy and to date the pace of transition is probably a little slower than earlier expectations. While some parts of the domestic economy are experiencing above average trend growth, other sectors are a little more subdued.

Generally speaking, our customers continue to improve their personal balance sheet position in this low interest rate environment and with rising house and equity prices there has been an improvement in household wealth overall. The Bank remains confident that its unique, customer-focused banking model will continue to be relevant and underpin our continuing success.

¹ Shows pro-forma capital ratios for the Rural Finance acquisition, which was completed 1 July 2014

Measure

	Financial Year 14	Financial Year 13	Change %
Cash earnings per share (cents)	91.5	85.4	7.1
Cash earnings (\$m)	382.3	348.0	9.9
Net profit after tax (\$m)	372.3	352.3	5.7
Dividend per share (cents)	64.0	61.0	4.9
Cost to income (%)	55.4	57.0	(2.8)
Net interest margin	2.24	2.19	2.3
Cash basis return on equity (%)	8.96	8.58	4.4
Cash basis return on tangible equity (%)	13.34	13.48	(1.0)
Balance sheet			
Total assets (\$b)	65.1	60.3	7.9
Total liabilities (\$b)	60.1	55.8	7.6
Risk weighted assets (\$b)	32.6	30.5	6.8
Capital and funding			
Tier 1 Capital (%) ¹	9.22	9.25	(0.3)
Total Capital (%) ¹	11.39	10.71	6.3
Deposit funding (%)	77.8	78.5	(0.9)

In 2013/14 your Bank has continued to make strong progress in increasing our capacity and skills so that we can better serve our customers and their communities and steadily grow returns to shareholders.

Profit after tax on a cash basis grew 9.9 per cent to \$372.3 million and dividends per share grew to 64 cents fully franked, 33 cents in the second half. As a bank we need to provide fair and balanced returns to all our stakeholders - borrowers, depositors, employees, partners and capital providers.

This result also builds on our Bank's firm commitment to investing into the future. We have laid the foundations to build our capability in a competitive market. This management approach will set us in good stead for the long term.

Our large investments in expanding the capacity of the organisation and increasing the skills of our people have continued throughout the year.

We have almost completed the major program of relocating our staff in modern, efficient and challenging workplaces. Almost 1,100 of our Adelaide based staff moved into the new premises at 80 Grenfell Street at the end of 2013. The new workspace has invigorated staff, encouraging a high performance culture. This will have benefits for our whole organisation, just as the move to the new premises in Bendigo did a few years ago. The next major group of employees to be relocated to new premises is in Ipswich, with their move planned for September.

We have continued to invest large amounts in IT and digital systems. You will see the benefit of these investments in our new mobile banking apps, improved internet banking platform and mobile point of sale devices. Our customer information systems continue to expand and are delivering much better and more

helpful experiences for our customers. Despite our relative size, your Bank has always been innovative and resourceful in technology development. This is crucial for our future.

Our staff are better trained, more skilled and more than ever, engaged. Our investment in our people is very substantial and we're committed to supporting each of them with opportunities to improve their skills and knowledge. Their commitment is the reason why customer advocacy and satisfaction of our Bank is relatively so high and they are our greatest asset.

We are continuing to invest in building this strength. This year our graduate recruitment program is expanding further as we look to grow new generations of leaders. Through our Scholarship Program, we have supported more than 260 secondary students to attend university. We're thrilled to offer one of the country's largest privately funded scholarship programs, providing students more than \$2.5 million to start their university careers since 2007.

The most significant investment in new systems and capacity that we are making is in relation to our application to become an advanced accredited bank under Basel II. This requires a substantial reengineering of the way we manage risk in the business. It requires more sophisticated systems and processes and a much more rigorous and comprehensive approach to risk assessment and management. This is already delivering benefits to the business.

The Bank has been an active participant in submissions to and debates around the Australian

Financial System Inquiry (FSI), chaired by David Murray. We have argued that banks should be incentivised to act as enablers of broad national prosperity rather than just distributors of capital to maximise shareholder returns and maintain regulatory standards. We have also argued that the competitive disadvantage suffered by the non-major banks requiring sometimes that they hold much more capital against identical loans must be corrected. The security and stability of the financial system is a paramount requirement but there also needs to be a level playing field available to big and small participants to ensure an open, competitive market.

Near the end of the year we announced the purchase of Rural Finance which will strengthen and expand our agribusiness banking business. In conjunction with Rural Bank, we are now one of the leading agribusiness banks in Australia. We welcome all the new staff who have joined us.

I'd also like to thank our partners, including the many **Community Bank**[®] partners across the national network, whose support for our Bank continues to provide positive outcomes for customers and the communities in which we operate.

On behalf of the Board, thank you for your continued support, and we look forward to a successful 2015.

Yours sincerely,



Robert Johanson
Chairman

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Despite our relative size, your Bank has always been innovative and resourceful in technology development. This is crucial for our future.

Robert Johanson
Chairman





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Our aim to make it easier for customers to do business with us, our commitment to supporting long-term outcomes for customers and communities, and our ability to innovate underlines the unique nature of our Bank.

**Mike Hirst
Managing Director**



The 2013/14 financial year saw the persistent challenge of a low growth environment and strong competition, initially for retail deposits then latterly for loans.

Given this economic landscape, we're very pleased to deliver a full year result that reflects the disciplined approach to growth taken by management and demonstrates our continuing ability to delivery on our strategy.

Our ambition to be Australia's most customer connected bank requires investment and innovation, and we have been able to achieve this thanks to the support of our shareholders, partners, customers and communities in which our Bank operates.

Our business is now able to offer a complete financial services customer experience due to this investment activity and it's very pleasing to note that our customers recognise this.

Bendigo Bank has been awarded Business Bank of the Year three years in a row. We're the leading financial institution for customer loyalty in 2013 and we've been named Australia's most recommended bank by its customers, according to Roy Morgan research.

Since the onset of the GFC, our Bank has taken opportunities to make acquisitions that add significant value to our organisation. The purchase of Bank of Cyprus Australia – now Delphi Bank – has outstripped all expectations. The 100 per cent acquisition of Rural Bank in 2011 and the purchase of Rural Finance in this financial year has seen us develop an even more substantial agribusiness offering for customers across regional Australia, complemented by our extensive retail network.

The Bank has entered into an agreement to conclude the class actions brought by investors in managed investment schemes operated by Great Southern. We have always maintained that the Bank's conduct was at all times appropriate and the Bank is entitled to be repaid its loans, with the terms of this agreement vindicating our position.

Our aim to make it easier for customers to do business with us, our commitment to supporting long-term outcomes for customers and communities, and our ability to innovate underlines the unique nature of our Bank.

From the many milestones and achievements of the past year, there are some key highlights I would like to share with you:

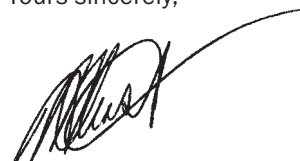
- ▶ Our **Community Bank**[®] network, which welcomed its 305th branch in June, has returned more than \$125 million to support community initiatives, with more than \$23 million invested this financial year.
- ▶ Prime Minister Tony Abbott helped us officially open our new Adelaide office, a significant sign of our commitment to South Australia and the more than 1,300 people who are employed in that state.
- ▶ bendigobank.com.au was launched, improving the customer experience while providing for the rollout of new functionality.
- ▶ Bendigo microPay enables payments on-the-go via mobile phone, giving business owners more freedom and connectivity than ever before.
- ▶ The **redy** app enables customers to pay **redy**-enabled businesses with their mobile phone and derive reward dollars they can allocate to charity or local community projects.
- ▶ In an Australian technology first, we've invested in technology that enables transactions via the Samsung Gear 2 smart watch, using the **redy** app.
- ▶ Investments in Basel II Advanced Accreditation will deliver significant benefits to our customers through increases in productivity, efficiency and collaboration.
- ▶ Our Bank continues to be rated at least "A-" from all three ratings agencies.

There's no doubt the current economic environment continues to challenge all. To address these challenges, our Bank needs to ensure we are best positioned to meet our customer's evolving needs and thereby support our nation's economic growth.

Our Bank has called for the Federal Government's Financial System Inquiry (FSI) to take a principled approach to defining the best fit financial system for Australia. Any recommendations by the inquiry should be aimed at encouraging banks to consider all members of a community when it does business; promoting ethical decision making, innovation and better outcomes for customers and communities. We, along with other industry participants, have made a strong case for the FSI to introduce changes that will ensure there is a level playing field across the industry. As a result of the major banks being considered too big to fail and the advantages they receive from the approach taken to implementing prudential regulation, there is not an even playing field currently.

The Executive, management and staff look forward to continuing to leverage our unique strengths to take advantage of the significant opportunities that exist for our Bank, making a continued positive contribution to our customers and communities in which we operate. I thank them all for their continuing hard work in this regard.

Yours sincerely,



Mike Hirst
Managing Director

**A year of
achievements
that reward our
shareholders.**





“Bigger than a bank”

“Bigger than a bank” is our company philosophy that both describes and defines us.

Our success starts with being a good bank, but in aiming to be “Bigger than a bank” we are constantly challenged to consider the big picture; to take decisions that reaffirm our banking credentials; to think bigger about how we feed into the prosperity of our customers and communities; and to challenge orthodoxy.

“Bigger than a bank” was launched publically through our Bendigo Bank national advertising campaign. But it is so much more than a slogan; it’s a true reflection of who we are and what we do.

Just look at some of our achievements.

- ▶ Our **Community Bank**[®] model has generated \$125 million in community contributions that have significantly improved communities and people’s lives.
- ▶ The Bank’s Scholarship Program has helped more than 260 disadvantaged students attend university.
- ▶ Since launching in 2005, the Bank’s philanthropic arm, Community Enterprise Foundation[™], has contributed more than \$50 million to community projects.
- ▶ Our **redy** mobile payment system provides communities with a new and financially viable vehicle to raise funds for local projects.

A year of achievements that make life better for customers.

Celebrating 305 Community Bank® branches and \$125 million for communities

Bendigo Bank has welcomed more community-owned and operated branches to our Australia-wide network, with 305 **Community Bank®** branches now in operation.

Our newest **Community Bank®** branches are in the Victorian coastal town of Port Fairy and across the border in the South Australian town of Penola.

Port Sorell in Tasmania took the honour of becoming our 300th **Community Bank®** branch in March 2014.

Since the first **Community Bank®** opened 16 years ago, this network has returned more than \$125 million to support community groups and projects.

In the past year alone, more than \$23 million was invested, an amount that will continue to grow as current branches mature and new ones open.

And there's more to come. Another 25 **Community Bank®** sites are in development across Australia.

Bendigo Bank – Business Bank of the Year for the third consecutive year!

Bendigo Bank has again been named the Business Bank of the Year at Roy Morgan Research's Customer Satisfaction Awards.

It's the third year running the Bank has received this prestigious accolade, after being judged best in business in both 2011 and 2012.

And this isn't our only award. A nationwide survey of more than 3,000 people has found Bendigo Bank is the leading financial institution for customer loyalty for 2013.

And to top that off our new website, www.bendigobank.com.au, went live in October 2013, packed with useful information and online services to ensure our customers are always connected.

Better, bigger and smarter mobile payments

Bendigo Bank and subsidiary Community Telco Australia (CTA), along with Samsung Electronics Australia, have launched **redy**, a new retail point of sale mobile payment solution.

redy is an app that can be used by all Australians with a compatible smart phone, and links to any Visa or MasterCard or Bendigo Bank account. It's secure and fast and it also raises money to support community fundraising initiatives.

To find out more, search for **redy** on YouTube.

In July 2014, we set an Australian first when a **redy** transaction was enacted through a wearable device, a Samsung smart watch.

Bendigo microPay

Bendigo Bank launched Bendigo microPay in June 2014, a small mobile EFTPOS device for businesses that want to take payments on the go.

Bendigo microPay is a pocket-sized, lightweight payment card reader that connects to any network, giving business owners more freedom and connectivity.

To find out more visit the Bendigo Bank YouTube Channel.

Commitment to rural and regional customers

Bendigo and Adelaide Bank has acquired Rural Finance's business and

assets for approximately \$1.78 billion.

The Bank is committed to maintaining Rural Finance's distinct brand and its presence in 11 locations across Victoria.

Rural Finance will work together with Rural Bank to serve more than 9,900 farmers across Victoria, with a loan book of more than \$5.5 billion.

Kicking goals with the Adelaide Football Club

In February 2014, Bendigo Bank signed on as a premier partner of the Adelaide Crows for three AFL seasons.

But this sponsorship is bigger than footy. It's about supporting a passion. It reflects our commitment to South Australia, and provides some fantastic and unique experiences for staff, customers and community partners.

Leadership at a national level

Our Managing Director Mike Hirst has been elected Deputy Chairman of the Council of the Australian Bankers' Association.

The appointment enables Mike to bring his perspectives to the future of Australia's financial system.

Credit rating affirmed

Fitch affirmed Bendigo and Adelaide Bank's credit rating at A- in December.

This announcement means our Bank continues to be rated at least A- by all three agencies, Fitch, Standard & Poor's and Moody's.

This result is a reflection of the Bank's continued efforts to improve business performance, seek out efficiencies and implement new initiatives.

Bendigo and Adelaide Bank Share Purchase Plan

Bendigo and Adelaide Bank received approximately \$150 million in applications under the Share Purchase Plan. The additional capital will provide the Bank with a solid platform to take advantage of opportunities and build capital to support growth.

Brisbane staff's new home

In May 2014, 45 staff in Brisbane moved into a new home. The office at 215 Adelaide Street accommodates staff from several departments including Retail, Properties, Third Party Mortgages, Wealth and Rural Bank.

This new office features design similar to the new Perth and Adelaide offices, with a focus on environmental sustainability.

Other highlights

Bendigo Bank became major sponsor of Earth Hour, the international movement focussed on climate change.

Bendigo SmartStart Super[®] was awarded a Five-star rating by CANSTAR in the pre-retiree superannuation category for superannuation funds that anyone can join.

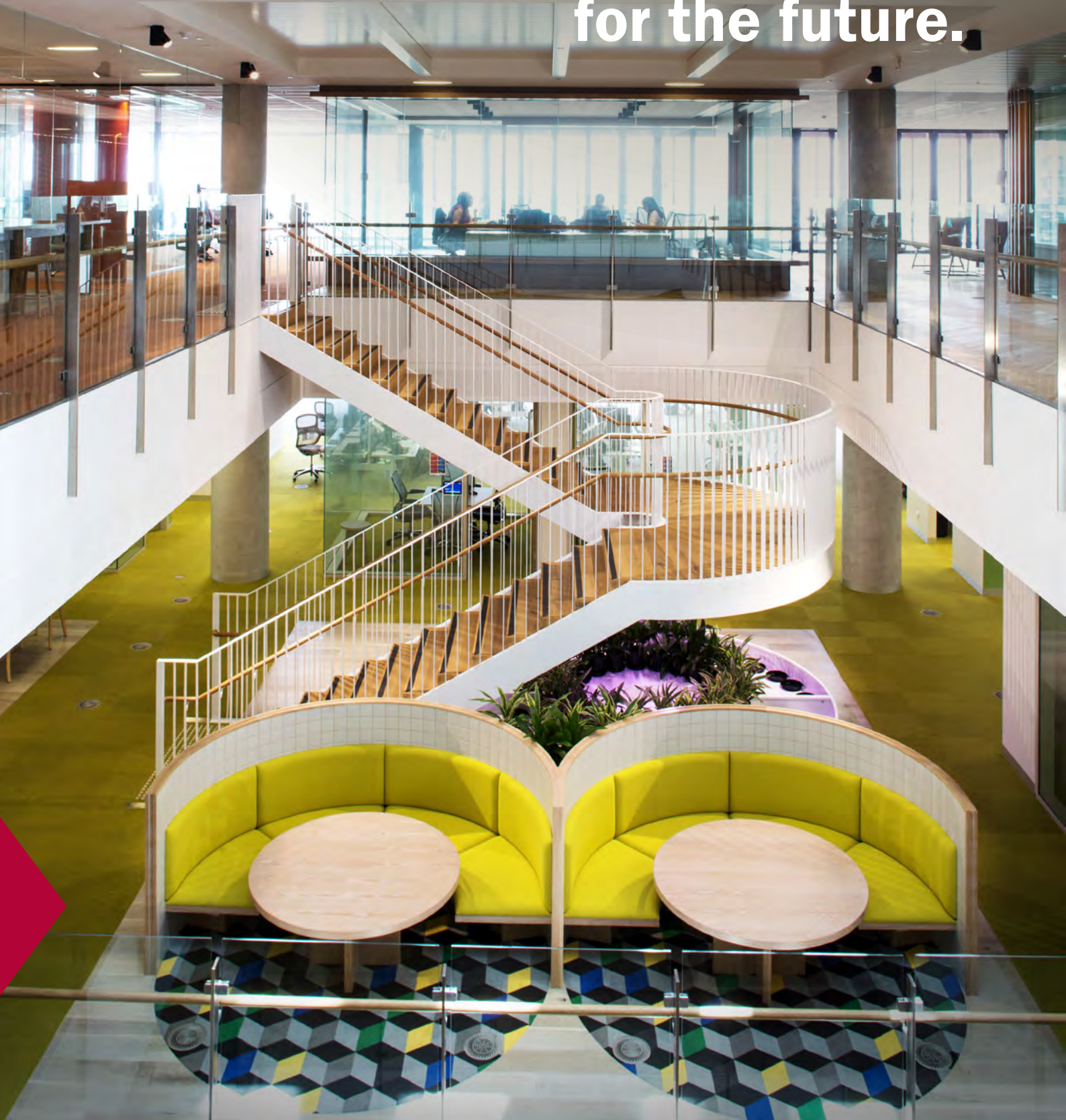
Bendigo Wealth's Sandhurst Trustees was granted authorisation by the Australian Prudential Regulation Authority (APRA) to issue a MySuper product under the new regime implemented by the Federal Government. It's also one of the first to be issued to the market.

Delphi Bank's Midas Account was honoured with two prestigious validations. The Midas Account won a silver award for Best Savings Account in Money Magazine's Best of the Best Awards and a five-star CANSTAR rating as an Online Saver Account offering outstanding value.



Our new home in Adelaide

Creating a workplace for the future.



Bendigo and Adelaide Bank's new office in Adelaide is up and running in the heart of the CBD. The building was officially opened in February 2014 by Prime Minister Tony Abbott, the Bank's Chairman, Robert Johanson and Managing Director, Mike Hirst.

The state-of-the-art South Australian headquarters at 80 Grenfell Street brings together more than 1,100 staff from across four locations in Adelaide to work together in more than 15,000m² of flexible work space.

The Bank's new Adelaide home represents a significant investment, but it's bigger than that. This exciting step forward shows our commitment to a long-term relationship with South Australia, a community our Bank has been a part of since 1877.

80 Grenfell Street is an 11-storey office tower designed to enhance a one-team environment for our Adelaide employees. Our staff have successfully adopted a flexible way of working – the Activity Based Working concept, enabling our people to find the most suitable space to do their work and collaborate with one other. This approach to flexible working inspires, invigorates and encourages a high performance culture, while building stronger team relationships.

Our people have embraced the new building and way of working, which is unique in South Australia for an organisation of our size. We believe this working environment supports employees to build stronger connections with one another and ultimately, deeper customer connections.



80 Grenfell Street boasts an innovative, five-star Green Star design, maximising natural light and incorporating a range of initiatives to reduce energy consumption. Wherever possible, natural materials and local products have been used in the fit-out.

The building was designed by Adelaide-based architect group Hassell and developed by the Pacific Group and EPC Partners, and provided a significant boost to the South Australian economy, with more than 3,000 people employed during its design and construction.

The new office features an innovative flagship branch which will set the benchmark for the Bank's in-branch customer experience across a network of about 500 branches nationally. The Grenfell Street branch has been awarded the People's Choice Award by the Building Designers Association of Victoria.



This project is bigger than just changing our physical or technological environment; this work style will transform how we do business with one another, and we're confident that this will have significant benefits for our customers too.

Stella Thredgold
Executive, Corporate Resources



Clockwise from left: Bendigo and Adelaide Bank's new corporate office, Prime Minister Tony Abbott joined Board and staff to open 80 Grenfell Street, Stella Thredgold, Executive, Corporate Resources

Our Business in Focus





A portfolio of diverse businesses and strong performers.

Bendigo Bank

Maintaining our focus on customers, community and people

Customer connection, community engagement and the development of our people underpin the strategy for Bendigo Bank.

We continue to focus on delivering an experience for our customers that supports long-term benefits, both in financial outcomes and service delivery.

According to the Roy Morgan Satisfaction Ratings, our industry leading satisfaction and advocacy remain at exceptional levels. Our dedicated approach to Business Banking continues to be recognised, awarded “Business Bank of the Year” for 2013 for a third consecutive year. We’ve also been named one of Australia’s Most Trusted Brands in the annual Reader’s Digest Awards, receiving a Highly Commended award in the finance category.

Our investments in technology and lending platforms continues, with the ongoing development of our customer management platform LINX, upgrading of our website, bendigobank.com.au and Bendigo Bank branch Facebook pages.

A focus for the Retail Bank has been the introduction of a Continuous Improvement team who seek new efficiencies and delivering better outcomes for both our customers and our people.

The ongoing investment in our people continues. About 4,000 staff will complete the next phase of our sales program, “Being Bigger and Better”, to make it even easier for our customers to do business with us. In addition, we are firmly committed to leadership training at all levels.

During the year we opened our 300th **Community Bank**[®] branch at Port Sorell in Tasmania. We also saw solid growth in assets and liabilities and a strong profit result.

Our focus for 2014/15 remains working with our customers and communities across Australia to deliver the benefits of community banking.



Creating and protecting a sustainable future

Bendigo Wealth is dedicated to helping customers grow and protect their wealth. We offer a range of investment products and services including financial planning, superannuation, insurance, managed funds, and estate planning and management.

Bendigo Wealth continued to achieve ratings, awards and milestones this financial year;

- ▶ Five star quality rating from CANSTAR for our flagship Bendigo SmartStart Super[®] solution.
- ▶ Seven of the 10 Bendigo Managed Wholesale Funds ranked top 10 in the Morningstar analyst ratings.
- ▶ Sandhurst Strategic Income Fund again rated "A" by Australia Ratings, with growth in this product more than 125 per cent in 2013/14.
- ▶ Bendigo Conservative Wholesale Fund and Bendigo SmartStart Super[®] voted by leading business writers as "Top 100 Picks for 2014" in The Weekend Australia's Wealth Liftout.
- ▶ Funds under management in our wholesale funds exceeded \$1 billion, increasing by more than 375 per cent since 2011.
- ▶ Bendigo SmartStart Pension, Bendigo MySuper and Bendigo SmartStart Super[®] Employer Sponsored products were launched. We also launched a unique direct life insurance product, SmartCover, and a fixed interest product, the Bendigo diversified Fixed Interest Fund.

In 2014/15 we will make it easier to interact and invest with Bendigo Wealth. We're excited about the launch of our full advice superannuation product, SmartOptions, revamped retail managed funds and improvements to the customer experience.



Our dedicated intermediary lending business

Adelaide Bank's strategy of building wealth through partnerships continues to prove successful.

We work with a network of mortgage brokers, mortgage managers and other specialised providers to supply lending products to individuals and businesses across the country. We create mortgage products and funding solutions that are innovative and affordable. And we pride ourselves on exceptional service, reliable platforms and strong personal connections.

In the 2013/14 financial year, the Bank's strategy of building value through partnership resulted in strong growth in our Mortgage Management business. In addition, we saw a significant rise in activity in our Mortgage Broker channel, and the successful launch of specialised solutions for smaller ADIs by our Portfolio Funding team.

Our focus for the coming year is to continue investment in products and technology. We will introduce a broader product offering, including specialised deposit products, and also begin replacement of our core mortgage origination and processing systems.



A bigger year ahead for Delphi Bank

Delphi Bank is looking to a bright future, dedicated to strong growth as part of the community and the Bendigo and Adelaide Bank Group.

In November 2012, Delphi Bank launched an Australia-wide rebrand and since then has moved from strength to strength. The new look and feel has been welcomed and embraced by families, businesses and the community.

The past 12 months have been challenging but equally rewarding.

Experiencing record growth this financial year, Delphi Bank continues to flourish. Our strong relationship-oriented and community-minded approach to customer needs is a big part of our success. But it's our long-term support and involvement with the Hellenic-Australian community that remains central to our growth strategy.

We strive to make our customers' banking experience rewarding. We do this with our proven ability to deliver tailored banking solutions with fast, flexible and responsive service.



As a dedicated 'adviser only bank', our contribution to helping people realise the dream of home ownership sooner is to keep the cost of lending as low as we can while providing great service via Australia's growing network of mortgage brokers and managers.

Damian Percy
Head of Third Party Lending



Our latest addition – believing in a bright future for agriculture

In July 2014, Rural Finance became part of the Bendigo and Adelaide Bank family.

With a 65-year history, Rural Finance's purpose is to support and enable farmers to build vibrant businesses to drive growth in Victorian agriculture.

Rural Finance also administers a range of Federal and Victorian Government initiatives to promote, develop and support rural communities and industries in Victoria.

In the 2013/14 financial year;

- ▶ The Rural Finance business increased market share to more than 13.7 per cent of the Victorian agricultural lending sector.
- ▶ We launched Victorian Farmland Index, the first conclusive study of farmland sales data in Victoria's history.
- ▶ Our customer value proposition as Victorian agribusiness specialists was strongly endorsed in consumer research conducted in 2014. We were awarded the following accolades; 'supportive of farmers' (93%), 'knowledgeable about farming' (90%), 'experienced' (89%) and 'helped farmers to improve their business' (83%).

In 2014/15 we look forward to enhancing our customers' position under the ownership of Bendigo and Adelaide Bank, in conjunction with Rural Bank. We will build on our strong track record of supporting young farmers and initiatives, deepening our customer relationships through investment in innovation and our people.





Partnering with Australia's farmers

Our vision is to be the leading banking partner to the farming community. Our sole focus is to deliver unique and innovative rural financial products, services and expertise to Australian farmers. We want to be their banking partner so they can achieve growth in one of our nation's toughest, but most rewarding sectors.

Our 2013/14 financial year highlights include;

- ▶ Solid Farm Management Deposit campaign with June 2014 growth of \$65 million, taking the total portfolio to more than \$400 million.
- ▶ Total asset growth more than two-times system growth.
- ▶ New partnership with Rural Finance, reflecting the Bank's ongoing commitment to growth and supporting customers with a specialised product offering in rural and regional Australia.
- ▶ Investment in skills and capability to now have a sales distribution network of more than 100 specialist relationship managers across every state of Australia.

The prospects are bright for a bigger 2014/15. We are looking for opportunities to broaden our influence across Australia to create better outcomes for the agricultural sector and farming families.

To achieve this, we will leverage the skills and knowledge of the Rural Finance business as well as leverage the Bendigo Bank and **Community Bank**[®] distribution networks. We want to make it easier for our partners and customers to do business with us and to grow and expand the Rural Bank business.





Investing in innovation to be Australia's most customer connected bank.

Connecting with our customers

Bendigo and Adelaide Bank's vision is to be Australia's most customer connected bank.

It's interesting that most customer connections with our Bank are not in person. They are via our website, social media and mobile phones, or through ATMs or payment terminals. Our ambition to be Australia's most customer connected bank requires investment in innovation, particularly in fast-evolving communications.

The past year has seen significant milestones and the next year holds even more.

In October 2013 we relaunched www.bendigobank.com.au with improved functionality that makes better our customer experience. We also released a mobile-specific version. The website development continues, and in late 2014 customers will be able to open accounts online. Other Group websites are also under development.

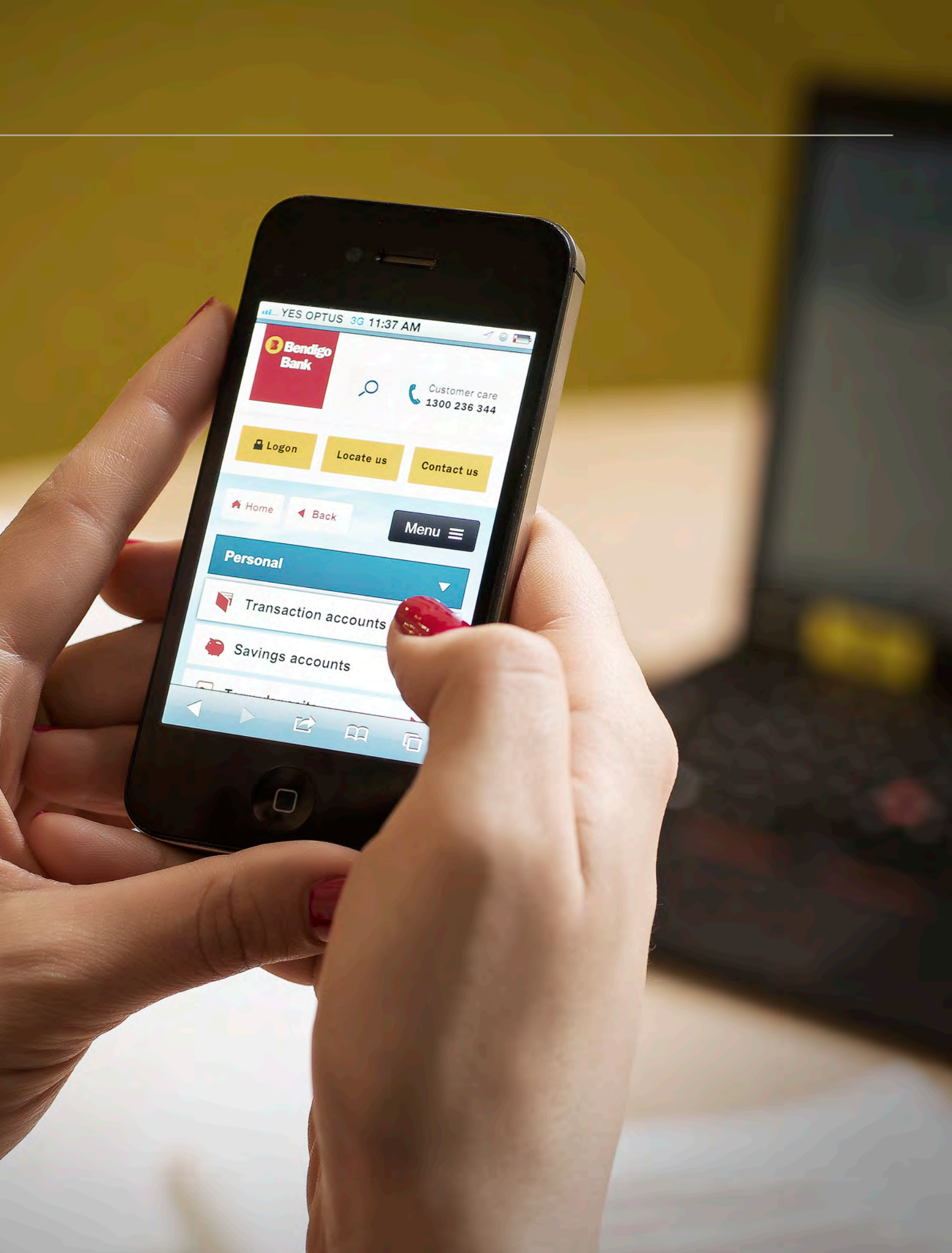
Banking by mobile phone is our quickest growing service. We asked our customers what they want in mobile banking, and later this year we'll launch a bespoke solution that provides simple and secure PIN access, easy-to-read graphs and intuitive functionality.

We've also introduced significant mobile payment systems:

- ▶ Bendigo microPay enables businesses to receive payments on the go through their mobile phone. A pocket-sized lightweight payment card reader connects to any network, giving business owners more freedom and connectivity than ever before.
- ▶ **redy** is a payments app that enables customers to pay **redy**-enabled businesses with their mobile phone, as well as accumulating reward dollars called 'creds' to allocate to charities or local community projects. **redy** allows shoppers and businesses to support causes important to them, simply by making purchases. It's also an incentive to buy local.
- ▶ In late 2014, we plan to release miBanker, a website that will provide our business banking customers with direct access to their banker as well as daily feeds on markets, finance tips and business planning.

Bendigo and Adelaide Bank is also laying claim to an Australian technology first – a financial transaction enacted by a wearable device. Using the **redy** app mobile payment system, and a Samsung Gear 2 smart watch, Bendigo Bank has moved into cutting edge technology to respond to customer needs and build the community.







Our Customer Voice division builds opportunities for our customers to connect with us anywhere, anytime.

Since 2012, the Bendigo Bank Facebook page has attracted about 11,300 fans, while about 26,500 local people stay connected to more than 267 branches across our network via Bendigo Bank branch Facebook pages.

On Twitter, our presence is rapidly building too. About 3,500 followers get the latest news our Bank is making, while our YouTube channel attracted 27,220 views this financial year, triple that of the previous financial year. The concept of a community, how people share information and how they build partnerships, is ever changing and our Bank seeks new and innovative ways to make relevant connections with our customers and the communities in which we operate.

PlanBig™ connects people together in a virtual community to share their big ideas, no matter where they live.

It's a place where anyone with an idea to improve their community can get advice, ask for help, and look for feedback and get a reality check, and

anyone with a shared passion can help make a difference by offering what they can. Hundreds of plans are already underway, with local people working together to build a stronger society.



We aim to be Australia's most customer connected bank by listening and responding to the needs of our customer and making it easy for them to do business with us. The innovations we make are all part of our strategy to be a good bank, and to be bigger than that in ways that surprise and delight our customers and the communities they live in.

Marnie Baker
Executive, Customer Voice

Audience size (as at 30 June 2014)



11,294

Facebook fans



125

YouTube subscribers



3,456

Twitter followers

26,523

Total number of fans for branch
Facebook pages

27,220

Video views



267

Branches with published
Facebook pages

(Five of these are **Community Bank**[®]
Project sites)

33,201

Estimated minutes watched

6,292

Bendigo and Adelaide Bank
branded LinkedIn Page

(Please note we are not active on LinkedIn)



7,400

Plan Big members



25m+

Total visits of BendigoBank
website via desktop

Relaunched : 2 October 2013



4m+

Total visits of BendigoBank
website via mobile

Relaunched : 14 May 2014

17

Successful plans

(in 2013/14)

5m+

Unique visitors

774,151

Unique visitors

Leveraged Equities



The strategy of creating wealth through borrowing has been tested by the Global Financial Crisis, with investors more cautious about leverage. This has challenged all margin lending businesses, ours included. The Australian market retracted by almost three-quarters since the onset of the Global Financial Crisis; our business by somewhat less, at 64 per cent.

Through this period, we maintained high credit standards and service levels, resulting in low credit losses, retained market share and customer satisfaction, with our net promoter score in 2014 increasing to 43 up from a still healthy 39 two years earlier.

This has our business well positioned for an upturn already experienced in the United States, where margin lending has increased by 125 per cent since the start of 2010, compared with a 44 per cent decline in Australia over the same period.

There are now signs that the global rally in equities is dragging Australian investors along, with lower market volatility and increased volumes as investor appetite recovers.

This is now beginning to feed through to demand for geared solutions, with Leveraged Equities recording strong support from investors pre-paying interest on their loan for the 2015 financial year. Our target, based on the previous year's result was exceeded by 25 per cent, with almost eight-in-ten customers pre-paying their interest. New account openings in June were strongly positive, compared with net closures in the previous corresponding period. Importantly, this increased business came from both existing and new customers.

We have undertaken a number of initiatives to drive growth in this improving environment.

First and foremost, we elevated the business to the Executive table, appointing Alexandra (Alex) Tullio as Executive, Margin Lending. Alex joined the Bank in 2011 and has

more than 15 years experience in financial services. She immediately set in place a strategy to capitalise on her business' strong customer and relationship culture:

- ▶ A broader focus across all distribution channels – direct, advised and partnered.
- ▶ Our customer service and business development areas have been restructured to improve customer knowledge, service and retention.
- ▶ We have increased our focus on internal distribution through Bendigo Bank's retail network of about 500 branches.
- ▶ Business-to-business system connectivity with online brokers, planned for implementation in quarter one of the 2015 financial year, will lay a foundation for the formation of "direct" (self-directed investor) channel partnerships, facilitating the distribution of our Margin Loan product to their client base.

Through focusing on customer satisfaction, we aim to increase our share of both the advised and direct market for geared solutions.



Margin lending has gone through some turmoil since the Global Financial Crisis. Our challenge is to get closer to our partners and customers and to deliver solutions to meet their needs. Margin lending is not a one size fits all strategy. There are customers who require liquidity for short term, and others who require the facility to implement a long term, growth strategy. We are going through some exciting change to execute a strategy in line with the Bank's vision of being Australia's most customer connected bank.

Alexandra Tullio
Executive Margin Lending



At the end of the financial year 2013/14 the **Community Bank®** network had achieved the following:

\$125.2m

Returns to community

305

Community Bank® branches

1500+

Community Bank® branch staff

1900

Community Bank® branch Directors

\$26.27b

Banking business

550,000

Customers

73,000

Shareholders

\$37m

Dividends paid to shareholders since inception

Communities taking charge of their future.

Katherine Cancer Centre (Northern Territory)

Katherine **Community Bank®** Branch is making a difference in the lives of cancer sufferers in the Northern Territory town.

NT State Community Strengthening Manager Mike Clutterman has led efforts to provide cancer treatment facilities at the Katherine Base Hospital. Mike has helped bring together community groups and the Cancer Council of NT to build a business case for \$2.5 million in funding from the Territory and Federal Governments.

The fund will enable the hospital to provide a dedicated chemotherapy unit. The service will significantly reduce the financial and emotional burden for patients and their families.

Paynesville gets a make-over (Victoria)

The small tourist town of Paynesville is getting a makeover that will enhance

its retail precinct and provide a real boost to the area. Paynesville **Community Bank®** Branch is helping to fund the project with a \$125,000 donation.

The money will go towards improving safety and amenities and make it easier for tourists and locals to explore Paynesville on foot. It's hoped the project will see an increase in economic activity by encouraging more visitors and boosting local businesses.

Tech savvy students in Kalamunda (Western Australia)

Schools across Western Australia's Kalamunda district have shared in \$500,000 for new technology, thanks to their local **Community Bank®** branches.

Forrestfield and High Wycombe **Community Bank®** branches funded the "School Tech Initiative" to provide local students with cutting edge technology and resources. Twenty-five schools each received grants of \$20,000.

“

The Community Bank® concept is the ultimate example of a win/win partnership. It's about local people working together to achieve their shared vision for improving the places where they live, powered by the good money can bring. We believe that when local people take charge of their collective destiny, it's the community that will benefit for generations to come.

Robert Musgrove
Executive, Community Engagement



Sleepless in September (Victoria)

More than 60 staff and supporters from Bendigo Bank, STREAT and Melbourne Central slept out for “Sleepless in September”, raising more than \$44,000 to fight youth homelessness.

The “Sleepless in September” initiative is the work of a passionate group of Bendigo Bank staff, determined to make a difference. The team helped raise much needed funds to STREAT, a Melbourne-based not-for-profit organisation striving to end youth homelessness.

The money raised during “Sleepless in September” will help with training and support for more than 40 young people.

Driving support for Rosebud RDNS (Victoria)

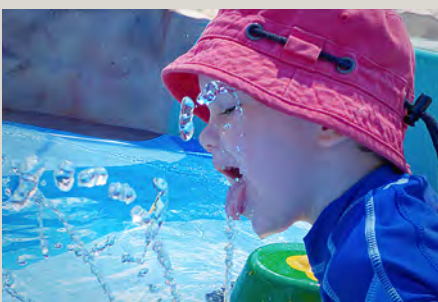
The Rosebud Royal District Nursing Service has new vehicles thanks to the initiative of one **Community Bank**[®] board member, and the support of Rye, Dromana and Rosebud **Community Bank**[®] branches.

Eileen Naylor wanted to do something to recognise the care of the “angels on wheels”, who provided palliative care to her husband. As a Director of her local **Community Bank**[®] Company and member of its sponsorship committee, she sought Board approval to help the RDNS.

With the assistance of Senior Branch Manager Gary Sanford, the RDNS Rosebud nurses now have four new Toyota Corollas, via a special lease sponsorship.

The arrangement may be the start of a much bigger program helping the RDNS nation-wide, with approval from Bendigo and Adelaide Bank to establish a \$2 million leasing facility.





Community Enterprise Foundation™

Working with communities to get things done.

First aid in Unley, South Australia

The Bendigo Bank branch in the Adelaide suburb of Unley, has helped hundreds of local children learn important first aid skills.

Primary school children from five local schools have taken part in the First Aid in Schools Program, run by St John Ambulance Australia and funded by Bendigo's Unley Branch.

These students now understand the importance of calling 000 in an emergency and are equipped with basic first aid skills.



Making a splash in Gin Gin, Queensland

It's been a four-year quest, but finally the small community of Gin Gin, 50 kilometres west of Bundaberg, has a toddler pool to be proud of.

Gin Gin **Community Bank**[®] Branch has helped fund this popular project to the tune of \$20,000.

In a small community like Gin Gin, where services are limited, locals have welcomed the new facilities. Families are now having fun in a safe environment that fosters water confidence in young children.

Cooking up a treat in Dunalley, South East Tasmania

A \$30,000 contribution from the South East Tasmania Bushfire Appeal has provided support to establish a community kitchen at Dunalley Primary School.

This community has turned a tragic event to its advantage – thanks to the donations from local people to the appeal – by creating a school which is more than 'books and pencils' and a 9am to 3.30pm centre for kids.

It is a community centre, a meeting place where there are no barriers and everyone is welcome.

Recreation project a top priority in Lang Lang, Victoria

The Lang Lang Community Recreation Project will integrate local community and sporting groups in one location, providing an inviting space for local people to connect.

Lang Lang **Community Bank**[®] Branch committed an initial \$930,000 in funding, with a total commitment of \$2.3 million – the single largest **Community Bank**[®] funding commitment for an individual project.

Community Enterprise Foundation™ brought together all relevant community groups to ensure grant funds were administered to ultimately benefit community engagement.



Environment & Sustainability

Caring for the environment isn't just our responsibility; it's a priority.

Sustainability is at the heart of our business strategy. Bendigo and Adelaide Bank takes its role as a global corporate citizen very seriously. We realise we're bigger than our local community; we're part of the world and we want to make the world a better place. We're always working to reduce our impact on the environment and we want to create strong and sustainable communities for the future.

Enviroweek

Bendigo Bank has partnered with not-for-profit Cool Australia to deliver a week of environmental action for young people across Australia.

More than 150,000 students embraced Enviroweek, taking on environmental challenges to make a difference to their area and make their world a cleaner and greener place to live.

Through Bendigo Bank's sponsorship of the program, Enviroweek's message of sustainable change is spread across the country.





Becoming an eShareholder

Want to reduce paper and receive this document electronically? You can become an eShareholder simply by registering your mobile number and email address at www.bendigoadelaide.com.au. As an eShareholder, you will have ready access to important dates, current shareholder publications and the Company's latest announcements.

In an effort to reduce our paper consumption and impact on the environment, the cover of the Annual Review is printed on paper sourced from managed plantation forests, is made elemental chlorine free and has Environmental Management System accreditation.

Earth Hour

In 2014, Bendigo Bank became a major sponsor of Earth Hour, the single largest mass participation event of its kind in the world.

Earth Hour aims to focus the World's attention on climate change, with particular focus this year on the Great Barrier Reef. Bendigo Bank encouraged staff and customers to take part on Saturday, 29 March by switching off their lights at 8.30pm EST.



Follow Me Printing

The Bank is working on Follow Me Printing, a print reduction solution that send printouts to a virtual server, only to be printed when a request is made.

This initiative will be rolled out across our national network of printers, and it's already making a difference. In our Adelaide office, paper use has been reduced by about 30 per cent.

Our commitment to a sustainable environment

- ▶ Successful reduction of printing and paper use
- ▶ Reduced paper storage at regional offices and retail branches through online real time access to reports
- ▶ 14,000 eShareholders who receive our publications and announcements electronically
- ▶ Part of the international Carbon Disclosure Project to measure,

disclose, manage and share vital environmental information

- ▶ Generation Green Sustainability guide on our website with environmental tips
- ▶ Support for Adelaide carpooling
- ▶ Support for World Environment Day through sponsorship
- ▶ A national team of Bank staff meet regularly to discuss and implement ways to reduce our impact on the environment

Supporting Australia's Youth



Bigger dreams, brighter futures.

Bendigo and Adelaide Bank is committed to young Australians, offering programs and initiatives to encourage their career development and experience.

Million Dollar Scholarship Program

Bendigo and Adelaide Bank operates one of the country's leading privately funded scholarship programs.

This year, the Bank has supported more than 170 first and second year university students in partnership with our **Community Bank®** partners, University of Melbourne and La Trobe University, with scholarships worth more than \$1 million.

The students come from across the nation, from a remote cattle station in Central Queensland to the southern tip of Tasmania. Some of this year's recipients have overcome challenging obstacles including drought, disability, poverty, war and violence.

This year, the Bank partnered with The University of Melbourne to establish a new scholarship in memory of Alexander and Bridget Jones, who tragically lost their lives after a wall collapse in Melbourne's CBD in 2013.

The ongoing Alexander and Bridget Jones Memorial Scholarship will ensure the legacy Bridget and Alexander left at The University of Melbourne continues.

With this financial support, these students are given the opportunity to fulfill their potential and achieve their academic dreams. Since the scholarship program began in 2007, more than \$2.5 million has been awarded to 260 deserving students.

IT Cadet Program

Bendigo and Adelaide Bank's IT Cadet program reflects its on-going commitment to assist and attract young people to work in the information technology sector.

The 2014 intake of IT Cadets has reached its first milestone, completing semester one at university and the first of 10 work placements within the Bank's IT teams.

Over the next four years, the students will balance full-time work at the Bank, with studying a Bachelor of Information Technology at La Trobe University.

The IT Cadet initiative aims to provide aspiring IT enthusiasts with formal education and training opportunities that will give their careers a kick-start. The program is part of the Bank's strategy to address an IT skills shortage, felt hardest in regional areas like Bendigo. It aims to encourage and retain IT professionals in the local area.

Royal Children's Hospital

Bendigo Bank has joined with Victoria's major specialist paediatric hospital, The Royal Children's Hospital (RCH) in a corporate and community partnership.

Launched with a \$250,000 donation from the Bank, we want to play a role in helping to change the health outcomes of thousands of Victorian children. The donation will be used to support the hospital's quest for on-going excellence, life-saving equipment, research, training of leading medical professionals and the delivery of family and patient centred clinical care.

This relationship represents the partnership between two ethical and community-focussed organisations, committed to making a lasting impact on the future of children's health.

Work Experience

Bendigo and Adelaide Bank's youth arm, Lead On Australia, has developed an exciting new work experience program using the local youth initiative Career Horizons, in a bid to address the growing need for work experience placements in Central Victoria.

The Bank has offered 80 new placements to regional schools, streamed towards the students' individual interests.

The unique program aims to develop professional skills and increase the student's employability prospects, helping to address the issue of youth unemployment in the region.

Graduate Program

Bendigo and Adelaide Bank's Graduate Program is designed to attract, recruit, develop and retain outstanding new graduates. The program offers unique career and development opportunities while also supporting our business with a longer-term solution to internally filling business critical roles.

This year four successful candidates were selected from a field of 234 applicants. The chosen graduates passed rigorous and extensive assessments and interviews to secure their places on the program.

Alex Hartley and Elise Nisbet are the successful Adelaide-based candidates, and have begun rotations in Products & Solutions and Finance & Treasury respectively.

Raymond Chiu and Darren Horne are based in Bendigo and have started rotations in Group Assurance and Group Strategy respectively. Since the Graduate Program began in 2012, a total of 15 graduates have been offered this career kick-start.





Sponsorships and Partnerships

Getting behind local communities to help them prosper.

Bendigo Bank Fun Run

More than 3,000 people grabbed their running shoes to take part in the Bendigo Bank Fun Run in November 2013.

But this event is about more than fitness. This year the event also raised more than \$121,316 towards operating theatres at Bendigo Health.

Adelaide Festival

In 2014, the Bank continued as major sponsor of the Adelaide Festival marking 10 years of support.

The Festival is Australia's largest multi-arts festival, and the Bank's support demonstrates our commitment to Adelaide and South Australia.

More than 340,000 people attended Festival events, offering the Bank great opportunities for brand presence and engagement with the community.

Bendigo Easter Festival

Bendigo's streets come alive every Easter as huge crowds gather for the annual Bendigo Easter Festival. It's the country's oldest community festival, and Bendigo Bank is proud to be a corporate partner.

The event showcases community spirit as both locals and visitors flock to the region to join in events and activities around the city.

Adelaide Football Club

Bendigo Bank has signed on as a premier partner with the Adelaide Football Club, the Adelaide Crows, for the next three AFL seasons.

But this partnership is much bigger than football, it's about our investment in the South Australian community.

Oxfam Trailwalker

It was a long walk for four Bendigo Bank teams in May 2014, taking part in the 100km Trailwalker Melbourne event to raise money for Oxfam Australia.

Teamwork and community spirit are a big part of our values and the Bendigo Bank teams showed both qualities, while raising almost \$14,000 for Oxfam Australia.

RSPCA

Over the past nine years, Bendigo Bank customers have helped raise \$2 million to help fund the national RSPCA's Adoptapet website.

Adoptapet.com.au helps find homes for animals in need, and the generous support of Bendigo Bank customers who hold an RSPCA Rescue VISA credit card, has been invaluable.

Power to End Hunger

For the third year running, Bendigo Bank lent its support to the Power to End Hunger Campaign, a joint initiative between Foodbank SA and Port Adelaide Football Club.

With our help, the campaign has raised more than \$200,000 to feed some of the 5,000 children who go to school each day without breakfast.



Robert Johanson

Chair, Independent
BA, LL.M (Melb), MBA (Harvard), 63 years

Term of office: Board member for 26 years. Appointed Chair in 2006.

Skills, experience and expertise: Robert has experience in banking and financial services and expertise in corporate strategy, capital management, risk management and mergers and acquisitions. More than 30 years' experience in providing corporate advice on capital market transactions to a wide range of public and private companies.

Board committees: Governance and HR, Technology and Change

Group and joint venture directorships: Rural Bank Ltd and Homesafe Solutions Pty Ltd (Chair).

Other director and memberships (current and within last three years):

Member, Takeovers Panel;

Deputy Chancellor, University of Melbourne and Chairman, Australia India Institute and Chairman of The Conversation;

Director, Robert Salzer Foundation Ltd; and Director of Grant Samuel Group Pty Ltd.

Mike Hirst

Managing Director, not independent
BCom (Melb), SFin, 56 years

Term of Office: Appointed as Managing Director and Chief Executive Officer of the Company in 2009.

Skills, experience and expertise: Mike joined the Group when appointed as a director of Sandhurst Trustees Limited (a wealth management subsidiary of the Company) in 2001 and became an employee of the Company later in 2001. Extensive experience in banking, treasury, funds management and financial markets, including from previous senior executive and management positions with Colonial Ltd, Chase AMP Bank Ltd and Westpac Banking Corporation.

Board committees: Mike has a standing invitation to attend meetings of all Board committees. He is not a member of these committees.

Group and joint venture directorships: Rural Bank Ltd

Other director and memberships (current and within last three years):

Deputy Chairman, Treasury Corporation of Victoria;

Member, Financial Sector Advisory Council and Business Council of Australia;

Deputy Chairman, Australian Bankers' Association Council;

Member, Centre for Workplace Leadership Advisory Board.

Jenny Dawson

Independent
B Bus (Acc), FCA, MAICD, 49 years

Term of office: Joined the Board in 1999.

Skills, experience and expertise: Jenny has experience in financial reporting and audit, IT internal control reviews, internal audit and risk management. Worked with Arthur Andersen for ten years in the audit and IT controls division, and also for the Company (her employment ended in 1999).

Board committees: Audit (Chair), Credit

Group and joint venture directorships: Sandhurst Trustees Ltd (Chair), Community Sector Banking Pty Ltd, Community Sector Enterprises Pty Ltd

Other director and memberships (current and within last three years):

Member, Victorian Regional Policy Advisory Committee;

Chair, Regional Development Australia Committee for the Loddon Mallee Region;

Independent Chair, Audit Committee – Goulburn-Murray Water;

Former Director, Goulburn-Murray Water (ended 2012).

Jim Hazel

Independent
B.Ec, SFFin, FAICD, 63 years

Term of office: Joined the Board in 2010.

Skills, experience and expertise: Jim is a professional public company director with an extensive career in banking and finance, including in the regional banking industry. Jim was Chief General Manager of Adelaide Bank (his employment ended in 1999).

Board committees:

Risk (Chair), Credit, Governance and HR

Group and joint venture directorships:

Rural Bank Ltd

Other director and memberships

(current and within last three years):

Chairman, Ingenia Communities Group Ltd (ASX listed, period June 2012 to present).

Director, Centrex Metals Ltd (ASX listed, period of directorship: 2010 to present), Impedimed Ltd (ASX listed, period of directorship: 2007 to present), Motor Accident Commission and Coopers Brewery Ltd.

Jacqueline Hey

Independent
B.Com (Melb), Graduate Certificate in Management (Southern Cross University), GAICD, 48 years

Note: Standing for re-election at the 2014 AGM

Term of office: Joined the Board in July 2011.

Skills, experience and expertise:

Jacquie has experience in the areas of telecommunications, marketing and sales, including as CEO and Managing Director of Ericsson in the UK and in Australia. Worked with Ericsson for more than 20 years in finance, marketing and sales and in leadership roles in Australia, Sweden, the UK and the Middle East.

Board committees: Audit, Risk, Technology and Change (Chair)

Group and joint venture directorships: n/a

Other director and memberships

(current and within last three years):

Director, Qantas Airways Limited (ASX listed, period August 2013 to present), Special Broadcasting Service (SBS), Australian Foundation Investment Company Limited (ASX listed, period July 2013 to present), Cricket Australia, Melbourne Business School and Honorary Consul of Sweden for Victoria.

Robert Hubbard

Independent
BA(Hons) Accy, FCA, MAICD, 55 years

Term of Office: Joined the Board in April 2013.

Skills, experience and expertise: Rob is an accountant and auditor based in Brisbane. He retired as a partner of PricewaterhouseCoopers Brisbane in March 2013 after 22 years practising in the areas of corporate advice and audit, where he was the auditor of some of Australia's largest listed companies. Also provided accounting and due diligence services for acquisitions, divestments, capital raisings and public takeovers. Now a professional non-executive director in various community and commercially focussed organisations.

Board committees: Audit, Risk

Group and joint venture directorships: n/a

Other director and memberships

(current and within last three years):

Orocobre Ltd (ASX and TSX listed, period of directorship November 2012 to present).

Central Petroleum Ltd (ASX listed, period December 2013 to present).

Chairman of Opera Queensland, a Director of JK Tech Pty Ltd, Multiple Sclerosis Australia, MS Research Australia and Council member of the University of the Sunshine Coast.

David Matthews

Independent
Dip BIT, GAICD, 56 years

Term of office: Joined the Board in 2010.

Skills, experience and expertise: David has experience in small business and agri-business, and has involvement in a number of agricultural industry bodies, including as a director and Vice Chairman of Pulse Australia and as a former director of Australian Field Crops Association. A strong connection with regional communities and an advocate and supporter of the **Community Bank**[®] model. Chaired the first **Community Bank**[®] company in Rupanyup and Minyip when it was first established in 1998.

Board committees: Credit, Audit

Group and joint venture directorships:

Rural Bank Limited

Former Co-Chair and current member of the **Community Bank**[®] Strategic Advisory Board.

Other director and memberships

(current and within last three years):

Director, Pulse Australia, Rupanyup/Minyip Finance Group Ltd.

Deb Radford

Independent
B.Ec, Graduate Diploma Finance & Investment, 58 years

Term of office: Joined the Board in 2006.

Skills, experience and expertise: Deb has more than 20 years' experience in the banking industry with both international and local banks. Also worked in the Victorian State Treasury, and ran her own consulting business between 2001 and 2007 advising the government on commercial transactions.

Board committees: Credit (Chair), Technology and Change, Governance and HR

Group and joint venture directorships: n/a

Other director and memberships

(current and within last three years):

SMS Management & Technology Ltd (ASX listed, period September 2013 to present).

Former Director, Forestry Tasmania (ceased 30 June 2012) and City West Water (ceased 30 September 2011).

Tony Robinson

Independent
B.Com (Melb), ASA, MBA (Melb), 56 years

Term of office: Joined the Board in 2006.

Skills, experience and expertise: Tony has many years experience in financial services, particularly wealth management and insurance. Previous roles include Managing Director of Centrepoint Alliance Limited, Chief Executive Officer and Executive Director of IOOF Holdings Ltd, Managing Director and Chief Executive Officer of OAMPS Limited, joint Managing Director of Falkiners Stockbroking, Managing Director of WealthPoint, and senior executive positions at Link Telecommunications and Mayne Nickless.

Board committees:

Risk, Governance and HR (Chair)

Group and joint venture directorships: n/a

Other director and memberships

(current and within last three years):

Executive Director, Oncard International Limited (ASX listed, period June 2014 to present).

Former director, Centrepoint Alliance Limited (ASX listed, period of directorship: 2009 to 2013).

Left to right: Deb Radford, Jacqueline Hey, Tony Robinson, Jim Hazel, Robert Johanson (Chairman), Robert Hubbard, Jenny Dawson, Mike Hirst, David Matthews.

Executive

Marnie Baker

**Executive Customer Voice,
BBus (Acc), CPA, MAICD, SF Fin**

Marnie joined the Bank in 1989 and has held senior roles in many areas of the Group including Retail & Third Party Banking, Wealth Management, Treasury, Risk & Compliance, Payment Systems, Information Technology, Social Media, Digital Technologies, Marketing, Legal, Human Resources and as Chief Executive of Sandhurst Trustees.

During the year, Marnie was a Director of Sandhurst Trustees Limited, Bendigo Financial Planning Limited, the Australian Friendly Society Limited, Linear Financial Holdings Pty Ltd and Bendigo TAFE.

Marnie is well known in her local community, and has also held executive positions with the Loddon Valley Netball Association and Anglican Diocese Development Fund, and is a life member of the Marong Football Netball Club.

Dennis Bice

Executive Retail

Dennis brings almost 40 years' experience in retail banking to his role of Executive Retail.

Since joining the Bank in 1975, Dennis has played a significant role in key mergers and acquisitions including IOOF, First Australian Building Society and Adelaide Bank.

A harness racing enthusiast, Dennis has his own breeding business, is President of the Bendigo Harness Racing Club and an Executive Committee Member of the Victorian Country Clubs Harness Racing Association. He is also a life member of the Eaglehawk Cricket Club and a Hall of Fame member of the Bendigo District Cricket Association.

John Billington

Executive Bendigo Wealth

With more than 30 years' experience in the financial services industry, John joined the Bank in 2010.

A qualified Organisations and Methods Analyst, his previous positions include General Manager Portfolio Solutions at IOOF and Managing Partner Financial Services with Deloitte Consulting (ANZ).

John is a director of Sandhurst Trustees Limited and Bendigo Financial Planning Limited. He's also a board member of Cool Australia, a not-for-profit that provides teachers with online resources to educate children about the environment and sustainability.



Richard Fennell

**Chief Financial Officer,
Executive Finance & Treasury and Change**

Richard joined the Bank in 2007 after an 18 year career in finance and consulting, primarily with PricewaterhouseCoopers in Australia and Asia.

Before being appointed as Chief Financial Officer in 2009, Richard led the Bank's Strategy Team with responsibility for mergers and acquisitions. He played a leading role in integrating Bendigo Bank and Adelaide Bank.

A keen supporter of sport and the arts in South Australia, Richard is a director of the Helpmann Academy, a not-for-profit organisation dedicated to helping young artists transition from study to artistic careers. He's also a finance committee member with the Adelaide Football Club.

Richard is also treasurer and a member of the board of the Australia Cambodia Foundation, a not-for-profit supporting a range of children's charities in Cambodia.

Mike Hirst

**Managing Director,
BCom (Melb), SFin**

Mike was appointed as Managing Director and Chief Executive Officer of the Company in 2009. A director of Sandhurst Trustees Limited (a wealth management subsidiary of the Company) since 2001, Mike became an employee of the Company that same year.

Mike has extensive experience in banking, treasury, funds management and financial markets, including from previous senior executive and management positions with Colonial Ltd, Chase AMP Bank Ltd and Westpac Banking Corporation. He is a director of Rural Bank, Deputy Chairman, Treasury Corporation of Victoria, Member of Financial Sector Advisory Council and Business Council of Australia, Deputy Chairman, Australian Bankers' Association Council and Member, Centre for Workplace Leadership Advisory Board.

Robert Musgrove

**Executive Community Engagement,
GradCertAppFin**

Since joining Bendigo and Adelaide Bank in 1987, Robert has held a varied range of positions across the Group, from Customer Service Officer to playing a pivotal role in the development and expansion of the **Community Bank®** model.

From 2006, Robert managed key innovative partnerships for the Bank before moving into the role of Head of Group Strategy in 2009. Robert joined the Bank's executive team in 2013.

Robert is always on the lookout for challenging and unique ways to give back to his community. He has taken part in Oxfam's 100km "Trailwalker" Melbourne fundraiser, and has volunteered for Earthwatch, counting fauna and flora in South African wildlife reserves.



Tim Piper

Executive Risk
BBus (Banking & Finance), FFin

Tim joined the Bank in 2005 after 18 years at National Australia Bank.

With a finance career spanning almost 35 years, Tim has direct experience in most facets of banking. From personal finance through to middle and large commercial lending and credit risk, Tim has held global responsibilities with a strong Asian focus. Tim's credit risk experience has seen him closely involved with asset restructuring and international capital and debt markets.

Tim is a Regional Councillor in South Australia for the Financial Services Institute of Australasia. He is also a Director of Young Adelaide Voices, a South Australian not-for-profit choral group that supports the musical growth and development for more than 150 young singers.

Stella Thredgold

Executive Corporate Resources
BBus (Accountancy), CPA

Stella joined the Bank in 1987 as an accountant and has since held a number of senior roles across many areas of the Bank. Her current role focusses on technology, properties, sourcing, legal and people and performance, including influencing organisational culture and leadership.

Stella has a keen interest in mentoring to support people to succeed, reach their

potential and find balance in life. An advocate of diversity and inclusiveness in the workplace, Stella enjoys fostering workplace environments and practices that value everyone's differences, encourage learning from others and drawing on diverse perspectives.

Stella is also a director of NoQ, a market leading provider of e-commerce and online ordering Solutions servicing multiple industry sectors for national and global organisations.

Alexandra Tullio

Executive Margin Lending,
BArts, Grad Dip Fin Plan

With more than 15 years' experience in the financial services industry, Alex joined the Bank in 2011.

Before being appointed to the newly created role of Executive Margin Lending, Alex was Head of Wealth Markets at Bendigo and Adelaide Bank, where she was responsible for Bendigo Wealth's advice and distribution businesses.

Before joining the Group, Alex worked at Potter Warburg and Citicorp and spent almost 10 years at IOOF where she held various distribution and management roles across the dealer group, funds management and platform businesses, before taking a role as National Sales Manager across IOOF's platform businesses.

Alex is also on the board of Homesafe, a subsidiary company of the Bank.

Andrew Watts

Executive Customer Service Improvement
Administration, BEng, Grad Dip Business

Andrew joined the Bank in 1994 and since then has held senior roles in areas including retail, marketing, strategy, electronic banking and payments, technology and change.

Andrew has recently setup the Bank's new Customer Service Improvement Division. His previous roles have included Executive, Change and Chief Information Officer.

Andrew is passionate about strengthening the Information Technology sector in Australia through developing future talent, industry partnerships and attracting investment. During his time at the Bank, Andrew has overseen a number of significant transformational change programs.

An ardent musician, in his spare time Andrew is committed to fostering communities in which musicians of all ages can come together, create new networks and develop their craft.

Left to right: Robert Musgrove, Marnie Baker, Tim Piper, Dennis Bice, Mike Hirst, Richard Fennell, Stella Thredgold, John Billington, Alexandra Tullio, Andrew Watts

Financial Calendar

2014

30 September	Distribution of final dividend
10 October	Bendigo Step Up Preference Share Dividend
27 October	Annual General Meeting
15 December	Bendigo Convertible Preference Share Dividend
15 December	Bendigo Preference Share dividend

PROPOSED

2015

16 February	Announcement of Interim Results and Interim Dividend
24 February	Interim ex-dividend date
26 February	Interim dividend record date
16 March	Bendigo Preference Share Dividend
31 March	Distribution of Interim Dividend
15 June	Bendigo Convertible Preference Share Dividend
15 June	Bendigo Preference Share Dividend
10 August	Announcement of Full Year Results and final dividend
18 August	Final ex-dividend date
20 August	Final dividend record date
15 September	Bendigo Preference Share Dividend
30 September	Distribution of final dividend
26 October	Annual General Meeting
14 December	Bendigo Convertible Preference Share Dividend
15 December	Bendigo Preference Share Dividend

Registered Head Office

The Bendigo Centre
22-44 Bath Lane
Bendigo VIC
Australia 3550
Telephone : 1300 361 911
Facsimilie : 03 5485 7000

Customer Help Centre

1300 361 911 (local call)
8:30 am to 7:30 pm weekdays
Australian Eastern Standard Time/
Australian Eastern Daylight Time

Shareholder Enquires

Share Registry
1800 646 042
Email:
share.register@bendigoadelaide.com.au



BEN-4994



Bendigo and Adelaide Bank Limited

ABN 11 068 049 178