

Bendigo and Adelaide Bank lifts full-year cash earnings by 13.1 percent

Monday 10 August, 2015: Bendigo and Adelaide Bank, Australia's fifth largest retail bank, today announced an after tax statutory profit of \$423.9 million for the 12 months ending 30 June 2015.

Underlying cash earnings were \$432.4 million, a 13.1 per cent increase on the prior corresponding period¹.

Cash earnings per share were 95.1 cents, a 3.9 per cent increase on the prior corresponding period.

The final fully franked dividend of 33 cents² per share, lifting the full-year dividend by 2 cents, to 66 cents per share.

Managing Director Mike Hirst said the results reflected the Bank's continued approach to disciplined margin management and balance sheet growth.

"Net interest margin experienced a slight contraction of 4bps reflecting the highly competitive, low interest rate environment in which the Bank continues to operate," Mr Hirst said.

"Having to operate on an uneven playing field impacted mortgage growth and this was compounded by repayment of debt by customers. However, it's great to see our customers building equity and improving their financial wealth by taking advantage of the current low interest rate environment.

"Pleasingly, the recent APRA announcements regarding changes to risk weights on mortgages is a positive step toward leveling the playing field and a good outcome for customers seeking greater choice in banking service providers.

"We've prudently managed our balance sheet in these conditions, with our Basel III common equity tier 1 ratio increasing 15bps to 8.17 percent. Total capital increased 118bps to 12.57 percent and our capital raising activities during the year having been well received by investors.

"Our focus on achieving advanced accreditation continues, a significant investment that has already increased our risk management capability, and is improving how we can best meet our customers' needs," he said.

Mr Hirst said the Group's unique value proposition continues to be well recognised by its customers, leading the major banks in customer satisfaction and advocacy.

¹ All results relate to the full year ended 30 June 2015, with all comparisons against "prior corresponding period". The term "prior corresponding period" refers to the full year ended 30 June 2014.

² Ex-dividend date for final dividend of 33¢ is 18 August 2015, record date is 20 August 2015, and dividend payment date is 30 September 2015.

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“Rural Finance Corporation joining our Group has significantly increased the depth of our agribusiness offering with its performance exceeding our initial expectations, while our new Alliance Bank partnerships allow us the opportunity to grow our business in a manner that is totally aligned to our strategy.

“We have continued to invest in leading edge technologies, directly reflecting customer demand. Improvements to our online banking platform have been well received by customers, and our newly-launched relationship tool for business banking customers, miBanker, has been nationally recognised for its innovation.

“Our success comes from the success of our customers and communities and we align our investments with these strategic aims, not simply to grow for growth’s sake,” he said.

“Our Bank continues to build and position a strong and valued brand, and the results we’ve announced today reflect a business well-placed for the opportunities ahead.”

Full year result webcast:

The full year results presentation will be held today at 10:00am AEST.

Watch the live webcast at <http://edge.media-server.com/m/p/3osfkebm/r/1>

Or view the archived webcast from Tuesday 11 August at www.bendigoadelaide.com.au

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