Results Presentation

For the full year ended
30 June 2021

Bendigo and Adelaide Bank

Agenda

Overview	Marnie Baker
FY21 financials	Travis Crouch
Questions	Marnie Baker, Travis Crouch, Taso Corolis

Overview

Marnie Baker

Managing Director

Delivering with resolute focus

FY21 overview

Strategy driving value

- Total lending growth of 10.6%, 3.8x system[1]
- Total deposit growth of 12.5%, 1.7x system[1]
- Total income on a cash basis up 4.5%
- Operating expenses up 0.6%, down 2.5% excluding growth and transformation costs of $87.2m
- Ferocia acquisition to accelerate digital strategy

Strong earnings & financial position

- Cash earnings up 51.5% to $457.2m
- Cash ROTE at 10.17%
- Underlying arrears trends remain benign
- Fully franked final dividend of 26.5 cents per share
- Strong capital position with CET1 increasing 32 bps to 9.57%

[1] APRA Monthly Banking Statistics June 2021. Data is a growth rate based on a 12-month period (30/06/20 – 30/06/21)

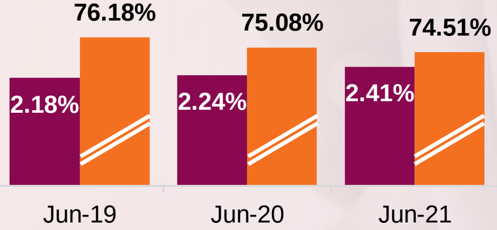
Delivering on all measures

Key measures

Customer numbers

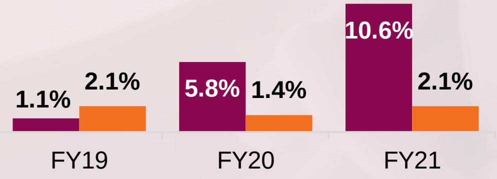
Market share[1]

BEN Major banks

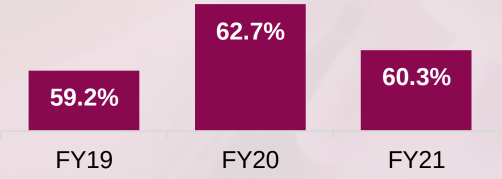


Total lending growth[2]

BEN Major banks

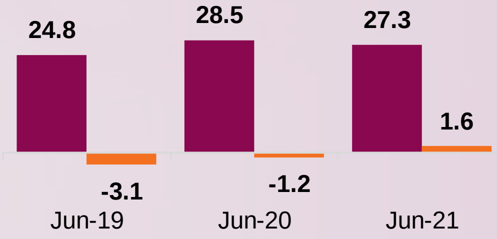


Cost to income



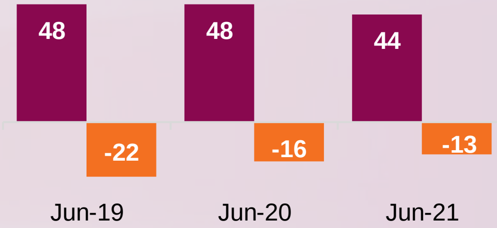
Net promoter score (NPS)[3]

BEN Industry

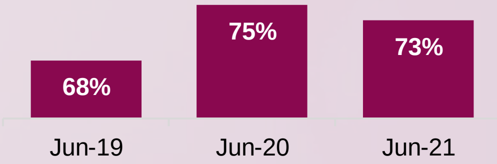


MFI business NPS[4]

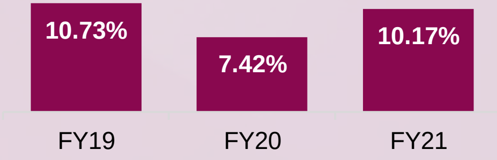
BEN Major banks



Employee Engagement Index[5]



Return on tangible equity (cash)



[1] APRA Monthly Banking Statistics June 2021. Market share calculated as total lending against system
[2] APRA Monthly Banking Statistics June 2021. BEN total lending growth rate and major bank average against system
[3] Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling averages, comparing BEN to the industry average. Industry includes: ANZ, BOM, BOQ, Bank SA, Bankwest, CBA, ING, NAB, St. George, Suncorp & WBC. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
[4] DBM Atlas (Business) MFI NPS – Total Business with <$40m turnover. Figures based on 12 month rolling data
[5] Internal measure of employee motivation, commitment, discretionary effort and pride. June 2020 (73%) included contractors now removed

Strategy driving results

FY21 financial result

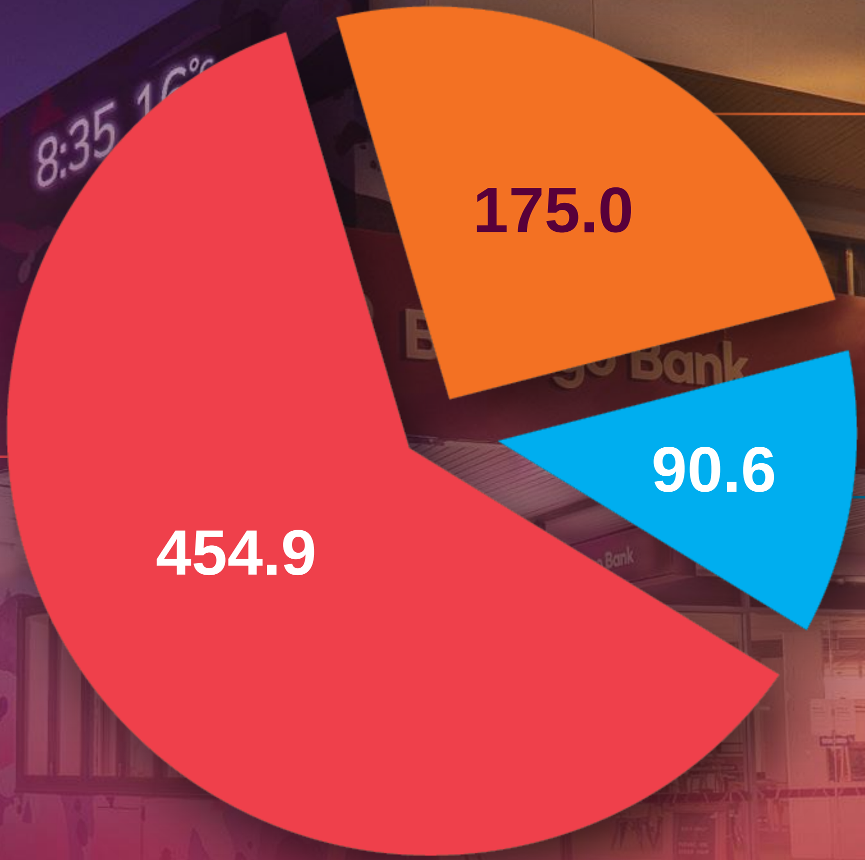
	FY21 ($m)	FY20 ($m)	FY21 vs FY20
Statutory net profit	**$524.0**	$192.8	171.8% ↑
Cash earnings	**$457.2**	$301.7	51.5% ↑
Total income[1]	**$1,702.5**	$1,629.9	4.5% ↑
Cost to income	**60.3%**	62.7%	(240bps) ↓
Return on tangible equity	**10.17%**	7.42%	+275bps ↑
CET1	**9.57%**	9.25%	+32bps ↑
Cash earnings per share	**85.6c**	59.7c	43.4% ↑
Dividend per share	**50.0c**	35.5c	40.8% ↑

[1] Total income is on a cash basis and includes Homesafe net realised income pre-tax

Strong performance across all customer divisions

Divisional snapshot

Cash earnings ($m)



Consumer division

- Income **up** 3.3%
- Opex **down** 2.5%
- Cash earnings **up** 9.0%

Business division

- Income **up** 7.0%
- Opex **down** 10.7%
- Cash earnings **up** 29.0%

Agribusiness division

- Income **up** 14.3%
- Opex **down** 3.5%
- Cash earnings **up** 28.3%

Shaping the future of banking

Our strategy

VISION — **Australia's bank of choice** for customers, employees, partners and shareholders

PURPOSE — To feed into prosperity, not off it

IMPERATIVES — Reduce complexity | Invest in capability | Tell our story

Customer Centric Operating Model

digital by design, human when it matters

Customer Value Proposition

based on trust, authenticity, knowledge, expertise, connection and personalised relationships

Growth & Transformation Strategy

propelled by human, digital and community connections

Strengths

- Genuine and authentic human connections, grounded in purpose
- Partnering to enhance capability and increase customer connection
- Geographic reach and strength of customer deposit base
- Trusted brand and history of resilience, adaptability and innovation
- Community and regional/rural advocacy and connection

Bigger, better and stronger business underpinned by a purpose driven culture, guiding the right behaviours and risk profile

Tracking to plan

FY21 progress against strategic imperatives

Reduce complexity

- 6% reduction in FTE
- 24% reduction in suppliers
- 9% reduction in IT applications
- Branch servicing productivity up 34%
- Gained up to 40% more time with customers with launch of centralised retail operations centre
- New lending portal reducing paper documents by 70,000 a month
- Removed Community Sector Banking brand
- 7% applications moved to cloud
- Simplified merchant facility systems from 7 to 1 through Tyro partnership

Invest in capability

- Ferocia acquisition to accelerate digital strategy
- 27% increase in Mobile Relationship Managers led to 63% increase in settlements
- Launched enterprise-wide learning tools to futureproof workforce
- Successful entry to Comprehensive Credit Reporting regime
- Open Banking accredited data provider with first phase of Open Banking delivered on time
- Established multi-cloud and automation capabilities increasing cloud adoption and business change momentum
- 8.5% increase in active users of Bendigo eBanking and 17.9% increase in logins

Tell our story

- Top 20 Most Trusted Brand in Australia[1]
- Winner of 4 DBM awards for Business Banking
- Highest rated bank for supporting business customers through COVID-19
- Gold David Ogilvy Award for the Better Big Bank Campaign
- #3 highest performing brand for Corporate Social Responsibility[2]
- Agribusiness insight reports delivered a 9% increase in subscribers
- New product enquiries through social media more than doubled
- First sustainability report to be released in September 2021
- Achieved carbon neutrality

Key medium-term measures (3-5 years)

>3% Market share	Towards 50% CTI	Leading Customer NPS	Employee Engagement Index >85%

3 brands	Single core banking system	40% reduction in # of suppliers
50% reduction in # IT applications	50% of applications in cloud	70% customers active on e-Banking

[1] Roy Morgan Risk Report – July 2021
[2] The Lab's Forces of Good Report – July 2021

BendigoandAdelaideBank

Driving sustainable outcomes

Environmental, Social and Governance measures

FY21 outcomes

- Development of first stand-alone sustainability report to align with global sustainability reporting guidelines (released date September 2021)
- Delivered ~$270 million in community contributions since Community Bank inception in 1998[1]
- 274 students supported through tertiary education with scholarships totalling over $1 million
- Distributed more than $15.8m for disaster affected communities
- Maintained leading customer Net Promoter Score[2] of 27.3 and ranking in top 20 most trusted brands in Australia[3]
- Signatory to Task Force on Climate-Related Financial Disclosures (TCFD) and developed first report (release date September 2021)
- Achieved carbon neutrality in line with target
- Employee engagement index of 73%
- Consistently low voluntary turnover of 12.9%
- Progress in all 10 focus areas of the Australian Network on Disability's Access and Inclusion Index
- 58.9% of people employed and 63% of people promoted into management roles were women
- Became a WORK180 Endorsed Employer – recognised globally as an organisation that is diverse, inclusive and supports women in the workforce

Targets

- Purchase 100% renewable energy by 2025
- Reduce absolute emissions by 50% by 2030
- Reduce travel emissions to 25% below 2018/19 levels
- 90% of statements to be delivered electronically by 2025
- Development of overarching Sustainability Framework and ESG narrative
- Development of Community Impact Portal to enable measurement and reporting
- Development of Reconciliation Action Plan at the Reflect level
- 45% Women in leadership roles

[1] Includes total sponsorships, donations and grants
[2] Roy Morgan Net Promoter Score – Roy Morgan Research, 6 month rolling average. Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
[3] Roy Morgan Risk Report, July 2021

up ping the ante on our digital strategy

Internalising market leading technology capability and consolidating ownership of Australia's highest rated banking app

Ferocia is a financial technology company based in Melbourne: a close-knit team of talented developers, designers and innovators driven by distilling complex problems into simple, elegant solutions that customers love. For over 9 years, the Bank has partnered with Ferocia to develop the Bendigo eBanking App and Internet banking platform. In 2018, the Bank and Ferocia established up – Australia's highest rated banking app.

Ferocia acquisition

- Acquiring 100% of shares in Ferocia Pty Ltd for up to $116m (subject to 5 year earnout hurdles) by issue of new Bendigo and Adelaide Bank shares
- Comprises:
  - Outsourced software services for **Bendigo eBanking App**
  - Ferocia's 50% ownership of **Up**
  - All intellectual property and the Ferocia team
- Expected to settle by Q2 FY22 subject to final conditions

Clear transaction rationale

- Strong strategic alignment, and shared purpose in empowering a new generation, and improving the financial wellbeing of younger Australians
- Simpler corporate structure, with better ability to leverage proven capability to accelerate transformation program and digital banking strategy
- Already fully integrated with our core systems (no costs required to integrate)
- Market leading team in development of digital customer experiences

Australia's leading digital bank up

Built together with Ferocia through a design and technology-led banking approach

Australia's leading digital bank

Australia's first and largest mobile only bank platform

- 1st mobile-only banking platform in Australia
- 1st banking app with instant digital wallet in Australia, including Apple Pay, Google Pay, and Samsung Pay (Up also supports Garmin Pay, and Fitbit Pay)
- 1st bank in the world to offer instant Apple Pay provisioning
- 1st and only partner integration in Australia with Wise (formally TransferWise)
- 1st bank integration globally with Afterpay, giving customers total visibility over their financial commitments
- 1st cloud-hosted retail bank in Australia, and the first in the world with the carbon neutral Google Cloud Platform
- 1st to openly share a banking API with customers
- Technology-led innovation, reimagining the digital customer experience with features like Conversational Payments, Pay Day and 2Up; a new take on joint accounts that's better suited to modern relationships.
- Global leader in customer growth, ahead of key global neobank peers[1]
- Unparalleled customer engagement within the Australian neobank market (highest monthly traffic and retail deposits)

"Best Partnership of the Year (2019 & 2020)"

FinTech Australia

FEROCIA up Bendigo and Adelaide Bank

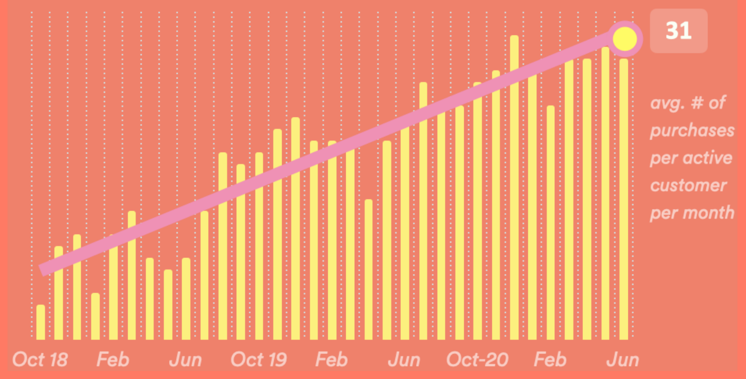
- #1 Neobank (Glow)
- #7 most trusted bank (Glow)
- Finder's Digital Disruptor of the Year
- Mozo's People's Choice awards 2021 – Outstanding Customer Satisfaction, Excellent Customer Service, Highly Trusted, Mobile Banking Experience, Most Recommended
- Mozo's Expert Choice awards 2021 – Regular Saver, Exceptional Everyday Account, Excellent Banking App & Banking Innovation
- AFR Boss #8 Technology Best Place to Work in Australia 2021

Highest rated Banking app in Australia

Available on the App Store — 4.9/5 CUSTOMER REVIEWS

GET IT ON Google Play — 4.7/5 CUSTOMER REVIEWS

Upsiders use Up every single day



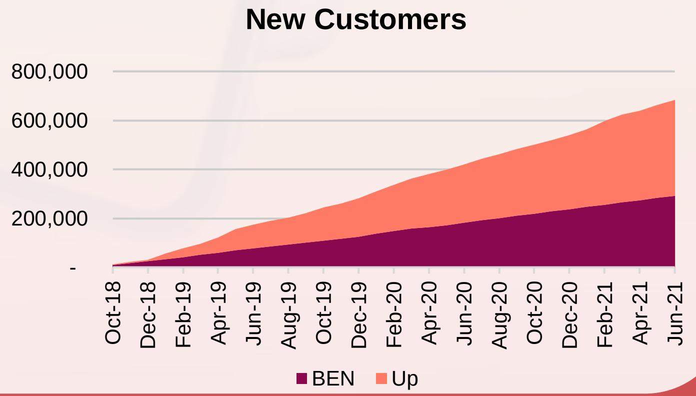
[1] Population adjusted metric

Securing a leading market position with a new generation

Helping young Australians improve their financial wellbeing and reconnect with their finances, taking them from a place where money is a cause of stress and anxiety to a happier place where they feel empowered and in control of their money

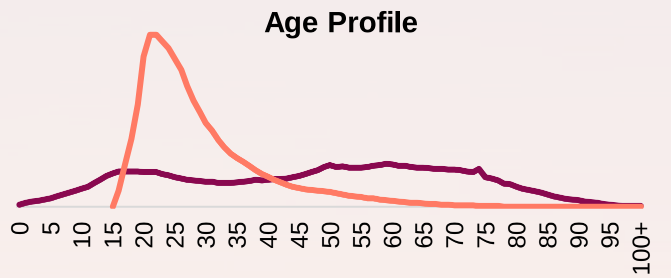
Unparalleled customer growth
within the Australian digital banking marketplace

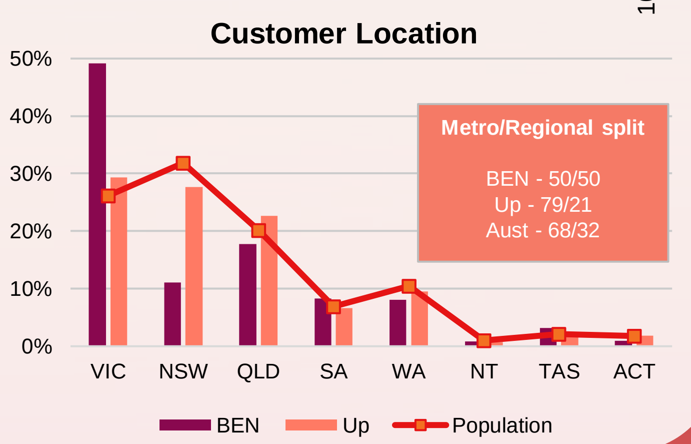
- Over 400,000 customers
- 58% year on year customer growth, ~45% active
- Over 90% of customers are new to Bendigo Bank
- 60% of growth from referrals
- 86% customer satisfaction score (CSAT)
- Over 25% of active customers log in 100+ times per month, and 40% log in >50 times
- More than 30% of active customers are saving for a home loan



Attractive demographics
complementary to our existing customer profile

- Customers between 18-24 years and 25-34 years (~8x and 3x multiples to Bendigo Bank respectively)





Empowering a new generation
of savers to build for their futures

- 70k customers with $140m+ in Home Loan Savers
- 85% of new customers in 2020 built savings during the year
- 1.4 million new accounts opened[1]
- Over $840 million in deposits[2]
- Active customers averaged 30 purchases during June 2021
- Average savings of active customers is greater than $3,000, significantly higher than international comparisons

[1] For the 12 months ending 30 June 2021
[2] As at 30 June 2021

Ferocia acquisition to accelerate future growth

With expertise, expedited by familiarity and proven success

Enhancing our technology capability by internalising Ferocia

- Already fully integrated in our core systems
- Accelerates build out of value prioritised features
- Leverage design, customer experience and test and learn services from Up

Bendigo and Adelaide Bank

9+ year partnership

FEROCIA

up

Best in class digital bank

- Same people, same brand, same awesome customer proposition
  - Up, a separate division of Bendigo and Adelaide Bank
  - Team retained under continued leadership of Up CEO, Xavier Shay
  - Dom Pym, co-founder to join Up Advisory Board
- Passionate and highly skilled team of engineers, product designers, marketers and support staff

Deep experience at global tech companies

up, FEROCIA, afterpay, Bradfield, THE CONVERSATION, Pin Payments, SAP, Square, lonely planet, Genbook, News Corp, OPTUS

Activating our Up Ecosystem

- Digital home loans coming early 2022 (more than 30% of active Up customers already using Up to save for a deposit)
- Up platform opens the opportunity for broader experiences and product offerings (e.g. superannuation, investments etc.)
- Opportunity to further build out partner models (Wise, AfterPay)

up

FY21 Financials

Travis Crouch

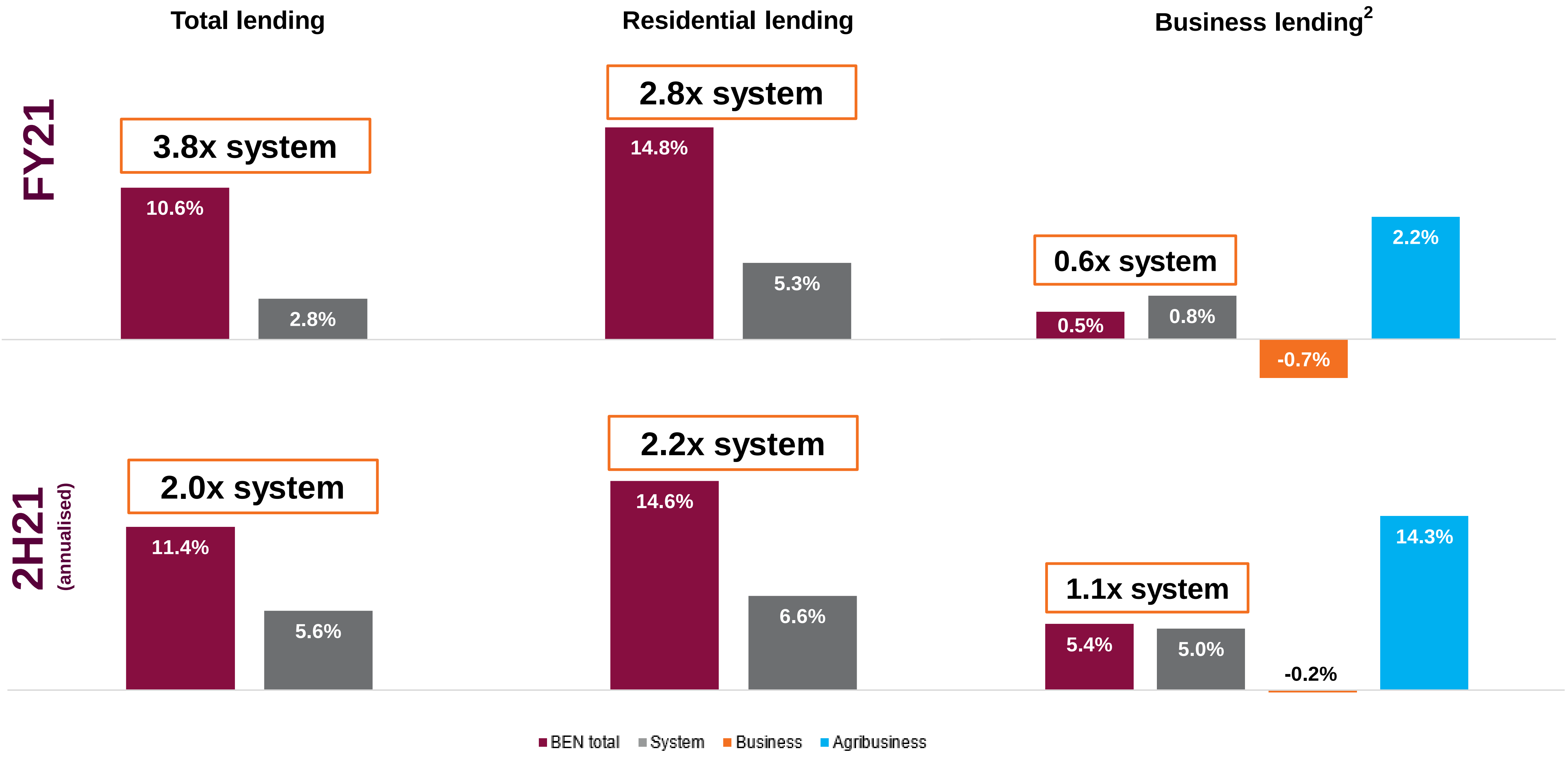
Chief Financial Officer

Financial performance

	FY21 ($m)	FY20 ($m)	FY21 v FY20
Net interest income	$1,431.2	$1,346.4	6.3%
Other income	$253.3	$267.8	(5.4%)
Homesafe[1]	$18.0	$15.7	14.6%
Operating expenses	$1,027.4	$1,021.5	0.6%
Credit	$18.0	$168.5	(89.3%)
Cash earnings (after tax)	**$457.2**	**$301.7**	**51.5%**
Statutory net profit (after tax)	**$524.0**	**$192.8**	**171.8%**
Cash EPS	**85.6c**	**59.7c**	**43.4%**
Cash return on tangible equity	**10.17%**	**7.42%**	**+275bps**
Cost to income	**60.3%**	**62.7%**	**(240bps)**

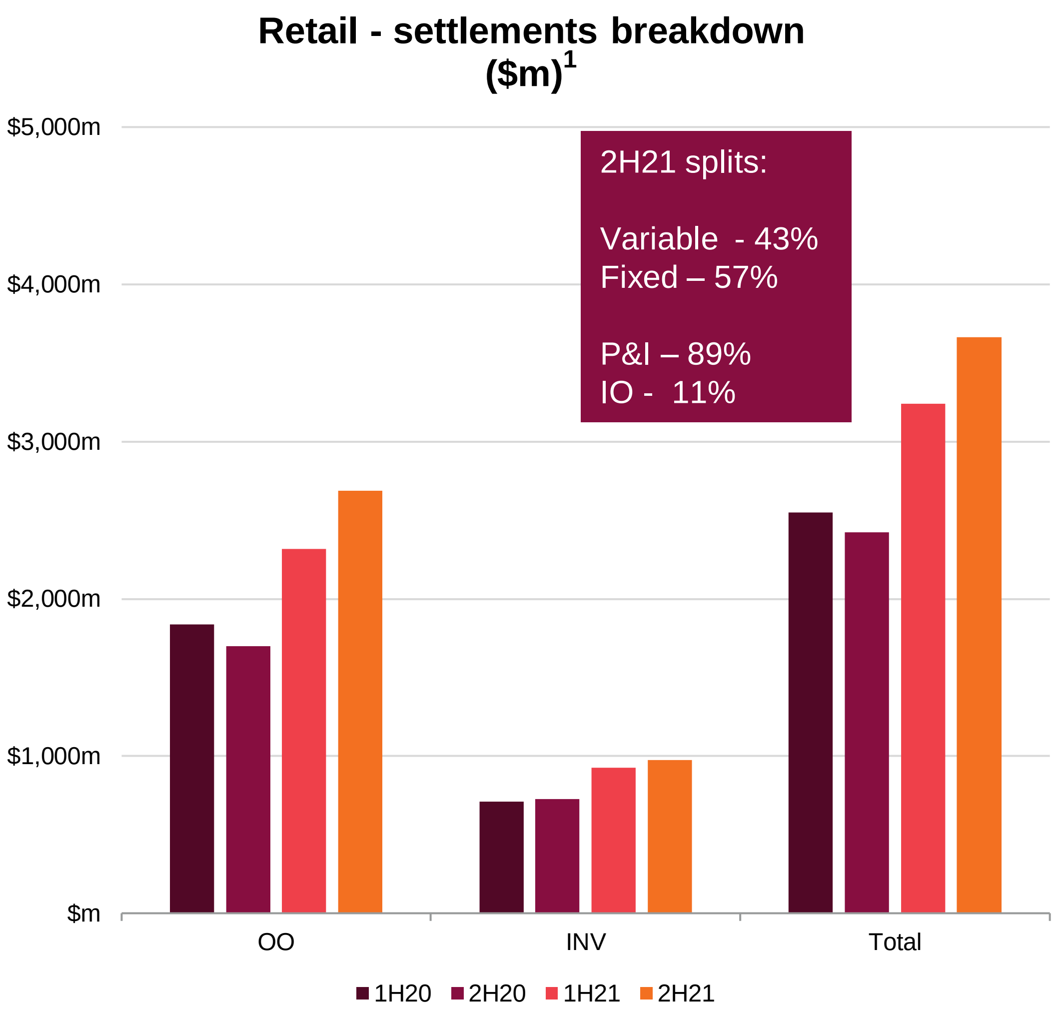
Note: Net interest income (NII), other income and operating expenses all cash basis before tax
[1] Homesafe net realised income before tax

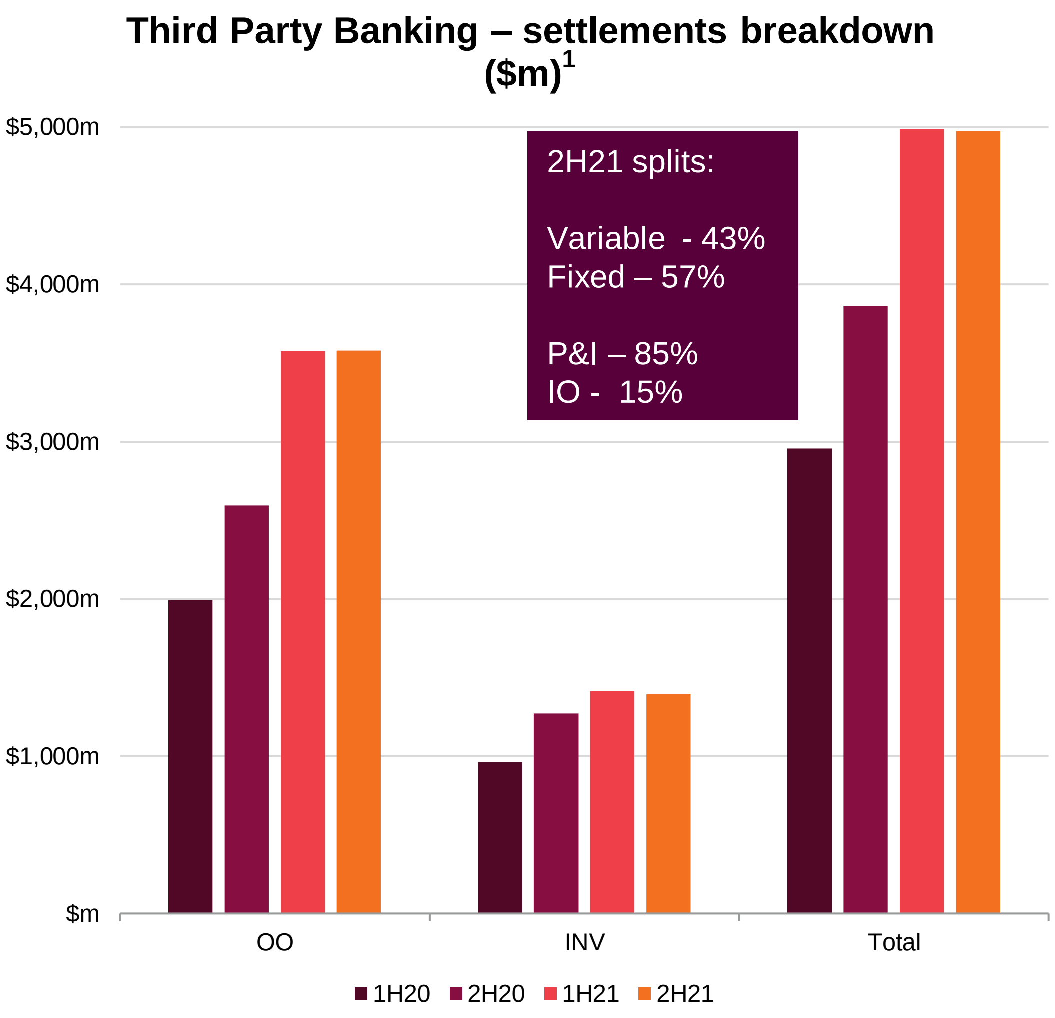
Lending growth profile[1]



[1] APRA Monthly Banking Statistics June 2021. FY21 data is based on a 12-month period (30/06/20 – 30/06/21). 2H21 data is an annualised growth rate based on a 6-month period (31/12/20 – 30/06/21)
[2] Business lending is lending to non-financial corporations as defined by APRA

Residential lending activity

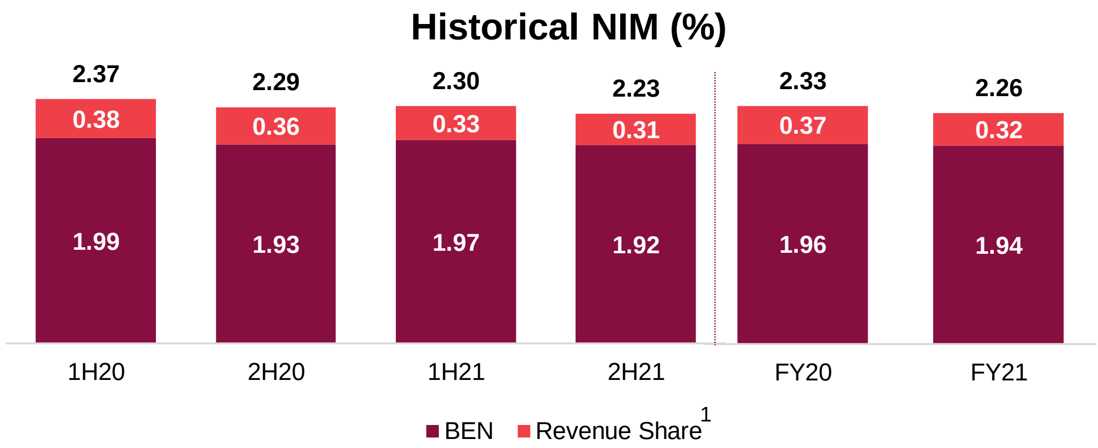




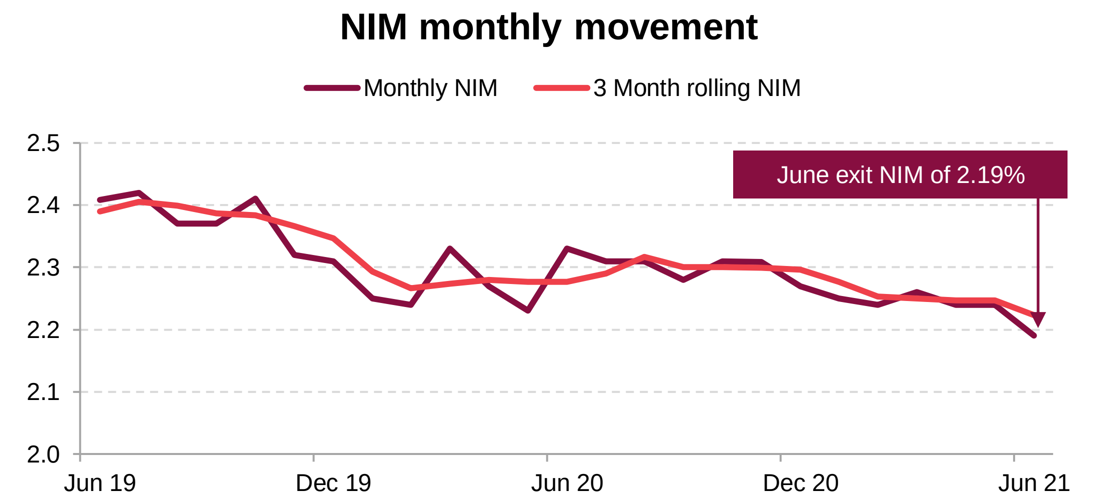
[1] Loan portfolio constructed from internal data. Excludes Delphi, Alliance Bank and Portfolio Funding.

Net interest margin

- Lending portfolio rate lower due to significant growth in fixed lending and competitive new business rates
- Funding mix and deposit repricing benefits provided a tailwind through FY21
- Wholesale funding repricing continued through 2H21 driven by full drawdown of low-cost Term Funding Facility
- Reduction in revenue share impact reflects lower rate environment reducing payments to partners and growth in interest earning assets where revenue share is not paid



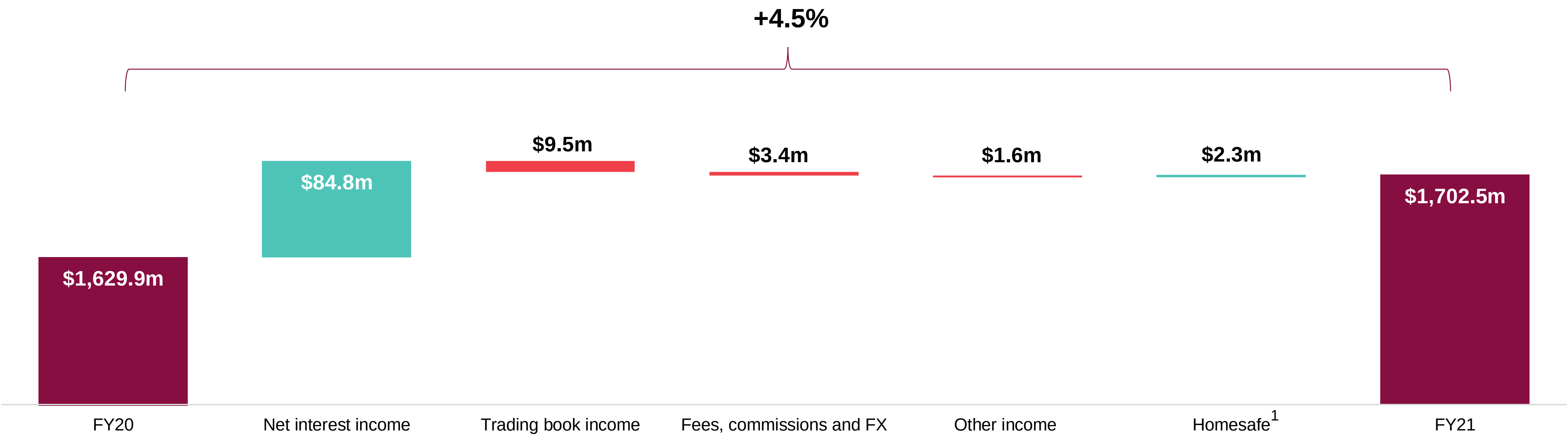
NIM impacts	2H21	1H21	2H20
Front book/back book repricing	(10bps)	(8bps)	(7bps)
Variable loan repricing	6bps	5bps	10bps
Hedging	-	(3bps)	(3bps)
Asset mix and treasury liquids	(8bps)	(1bps)	(1bps)
Customer deposit repricing	3bps	3bps	(8bps)
Wholesale funding repricing	2bps	2bps	-
Funding mix	1bps	6bps	3bps
Equity contribution	(1bps)	(3bps)	(2bps)
Total	**(7bps)**	**1bp**	**(8bps)**



[1] Revenue share arrangements includes Community Bank, Alliance Bank and Community Sector Banking. Following integration of Community Sector Banking, it is no longer included in revenue share arrangements from March 2020

Total income

- Net Interest Income increased $84.8m or 6.3% on FY20 with growth in the loan portfolio the significant driver, up $6.9b across the Group
- FY21 total other income declined $14.5m primarily driven by a $9.5m reduction in trading book income. Excluding trading book income, total other income declined 1.9%
- Fee income was higher on lending products, partially offset by lower transaction and ATM fees
- Foreign exchange income continues to reduce, down $3.5m in FY21 due to the continued restriction on international travel from COVID-19

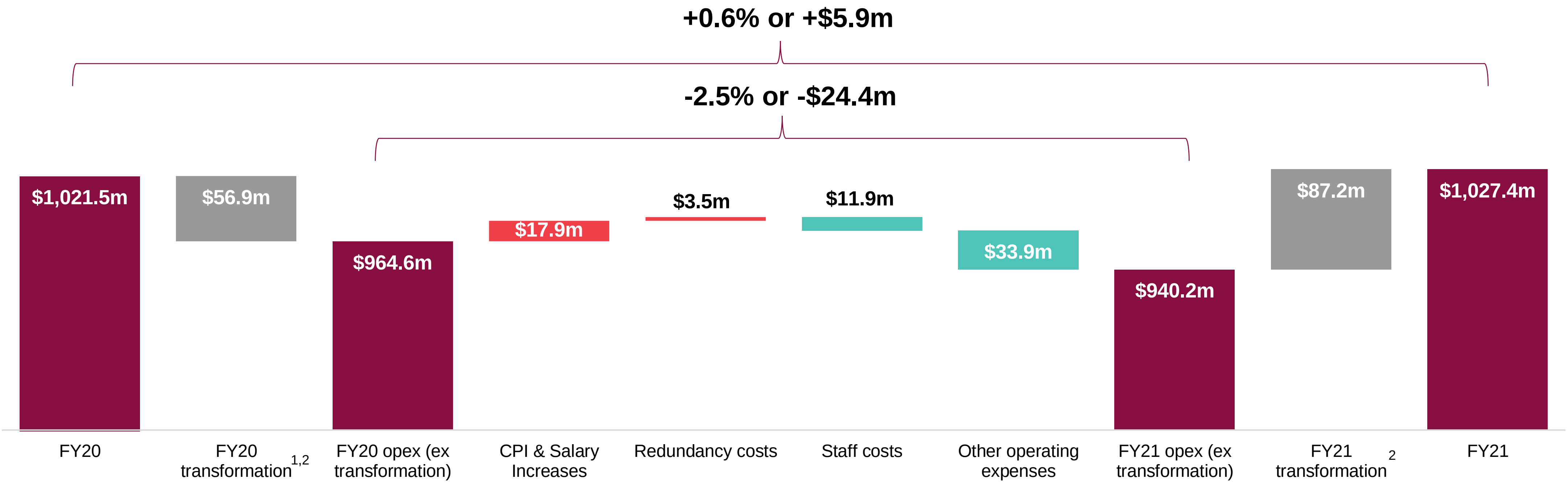


Note: Other income breakdown is prepared on a cash basis and excludes Homesafe revaluation ($137.7m) and revaluation gains on economic hedges (-$8.1m).
[1] Homesafe net realised income before tax

Operating expenses

- Operating expenses of $1,027.4m, up only $5.9m (0.6%), including impact of decision to accelerate technology and transformation spend
- FY21 includes technology and transformation operating expenditure of $87.2m, a $30.3m increase on FY20
- Operating expenses were $24.4m (2.5%) lower year on year, excluding technology and transformation

- Delivered sustainable changes to the cost base of:
  - $11.9m reduction in staff costs, enabled through a 6.1% reduction in FTE
  - $33.9m in other operating expenses including $21.6m from procurement initiatives and other group-wide initiatives

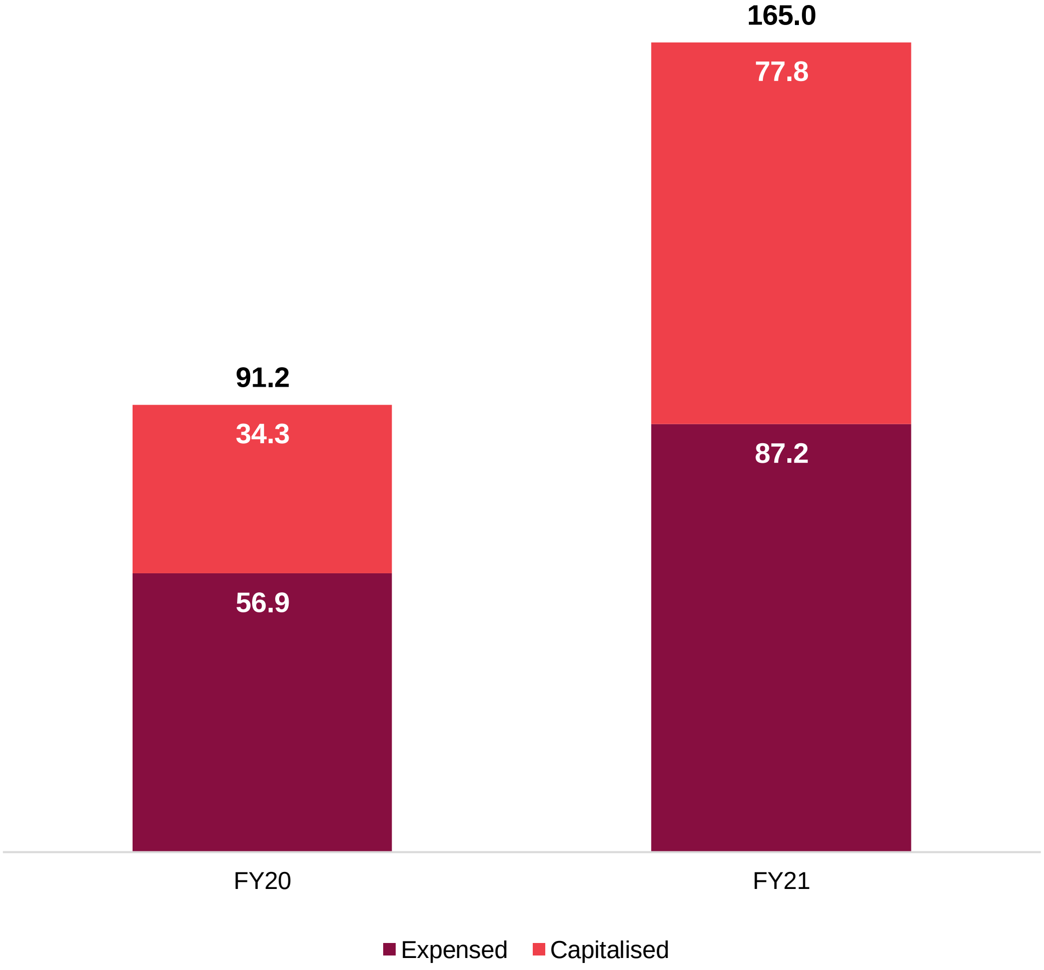


[1] FY20 investment spend has been restated to include internal staff costs associated with transformation

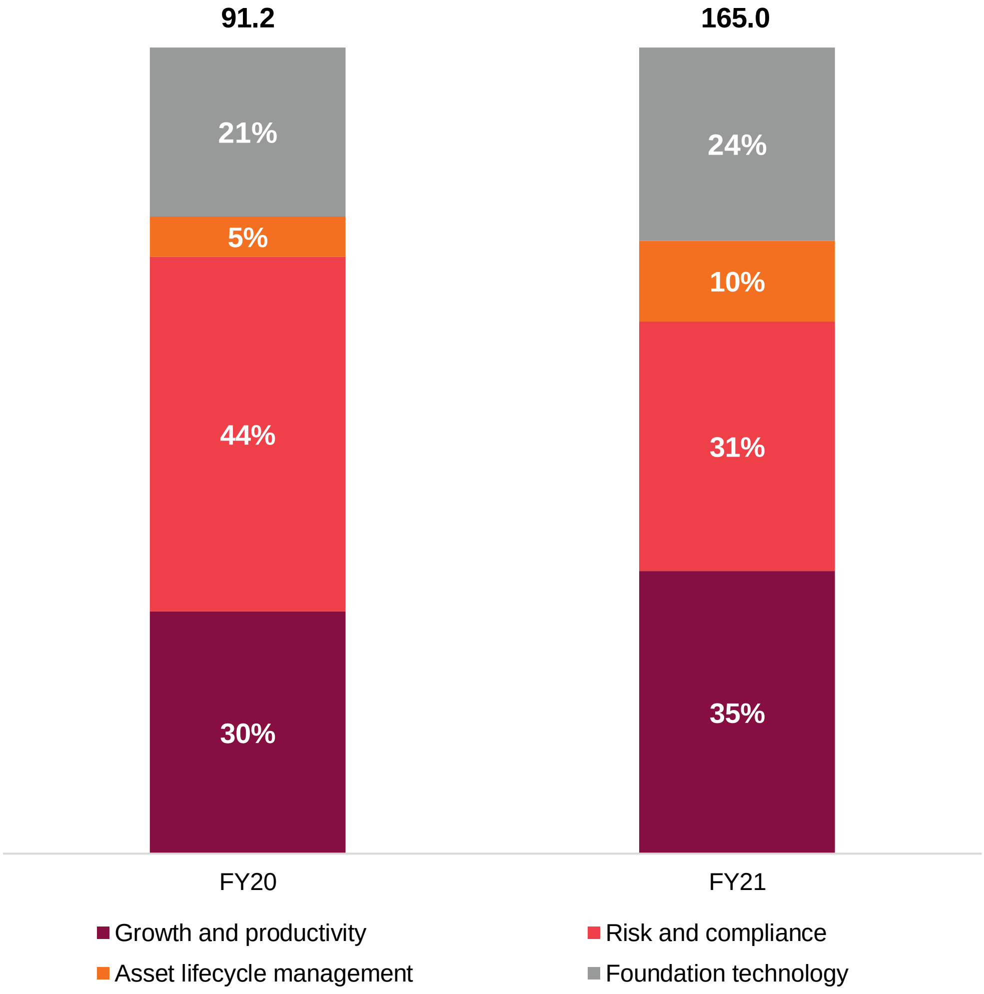
[2] Transformation costs comprise staff and related costs (FY21 $29.8m and FY20 $10.1m) and other operating expenses (FY21 $57.4m and FY20 $46.8m)

Growth and transformation spend

Investment spend ($m)

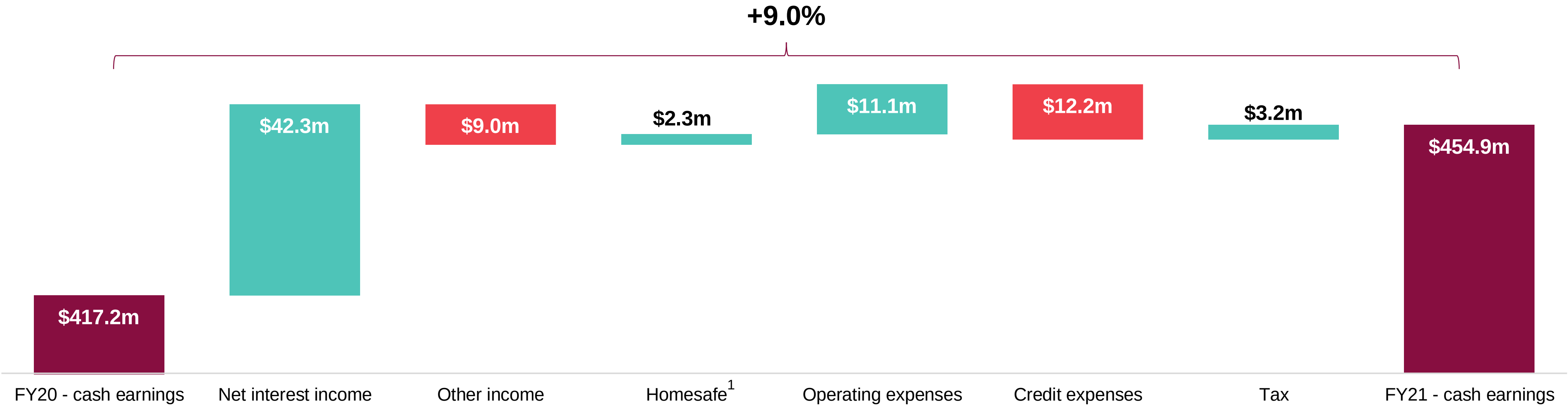


Investment classification ($m)



Consumer division performance

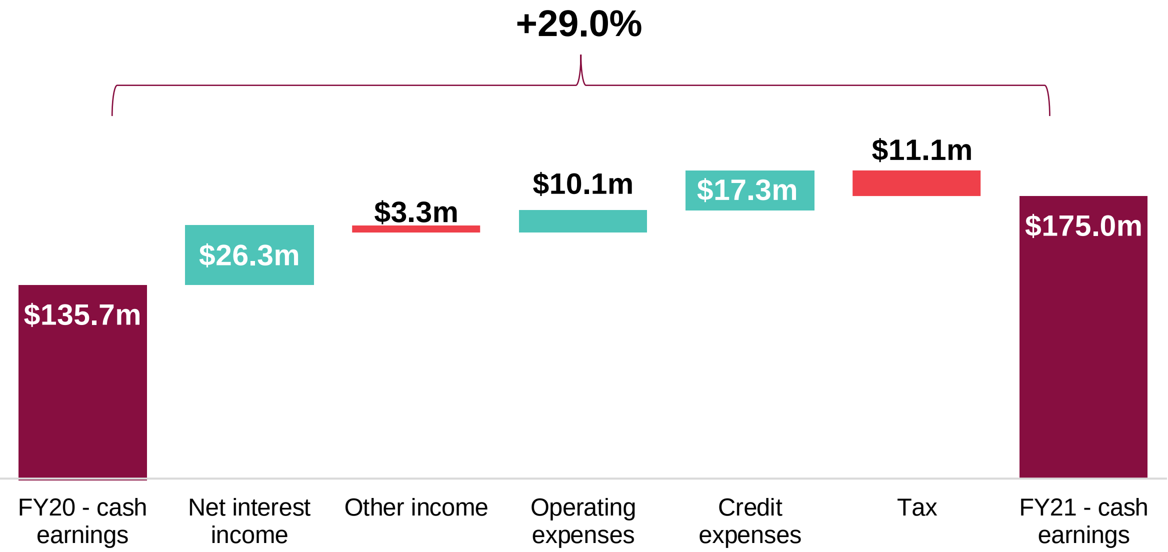
- Net interest income increase driven by continued strong growth in both Retail and Third Party Banking channels and effective margin management
- Other income decreased due to lower management fees and impacts from COVID-19 on customer behaviour, partially offset by increased lending activity fees
- Reduction in operating expenses reflects benefits of transformation program in the corporate branch network and cost management initiatives
- Credit expenses in the prior year benefited from the release of non-COVID-19 collective provision



[1] Homesafe net realised income before tax

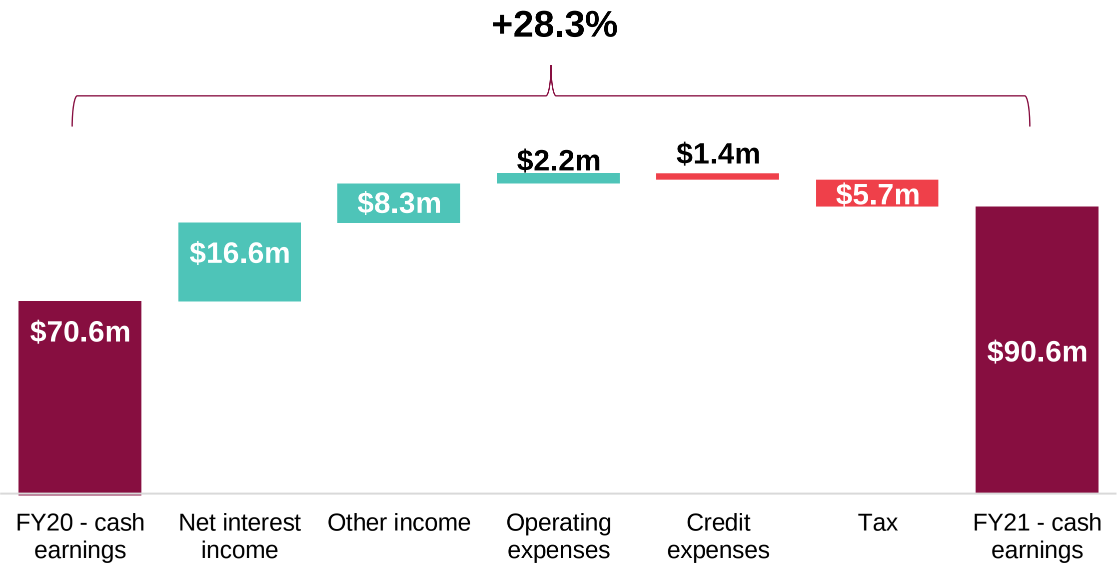
Business division performance

- Higher net interest income reflects an increase in the lending portfolio, strong deposit growth and effective margin management
- Other income reduction reflects lower lending fees and COVID-19 impacts on foreign exchange income
- Improvement in operating expenses reflects active cost management and cost recoveries associated with disposal of assets under management
- Credit expenses benefited from lower levels of arrears and significant reduction in the impaired portfolio



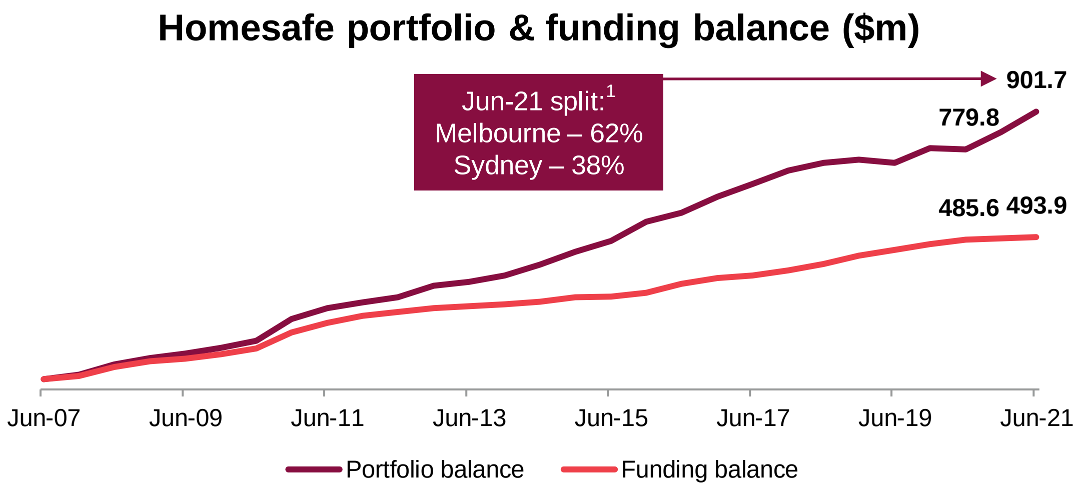
Agribusiness division performance

- Stronger net interest income driven by effective margin management, partially offset by lower loan limit utilisation
- Other income increase due to higher revenue from Government services business
- Lower operating expenses reflect structural simplification and active cost management
- Credit expenses remain historically low, reflecting rising farmland values, drought recovery and strong commodity prices

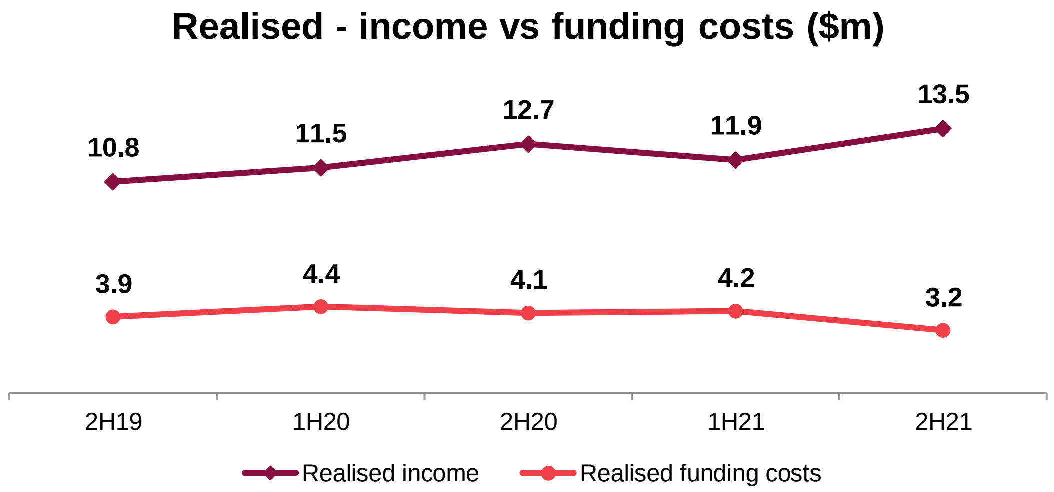


Homesafe investment property portfolio

- Proceeds on contracts completed during FY21 exceeded carrying value by $5.2m
- Average annual return on completed contracts since inception is 9.7% p.a, pre funding costs
- Portfolio valuation reviewed and growth outlook changed to +3% year 1, +3% year 2 and +4% year 3+
- Property values would need to fall by 46% before any impact on regulatory capital



	2H21 ($m)	1H21 ($m)	Total FY21 ($m)	Total FY20 ($m)
Discount unwind	$11.7	$12.3	$24.0	$23.1
Profit on sale	$3.5	$1.7	$5.2	$3.2
Property revaluations	$60.9	$47.6	$108.5	$9.7
Total	**$76.1**	**$61.6**	**$137.7**	**$36.0**



[1] % split of portfolio calculated on total portfolio balance

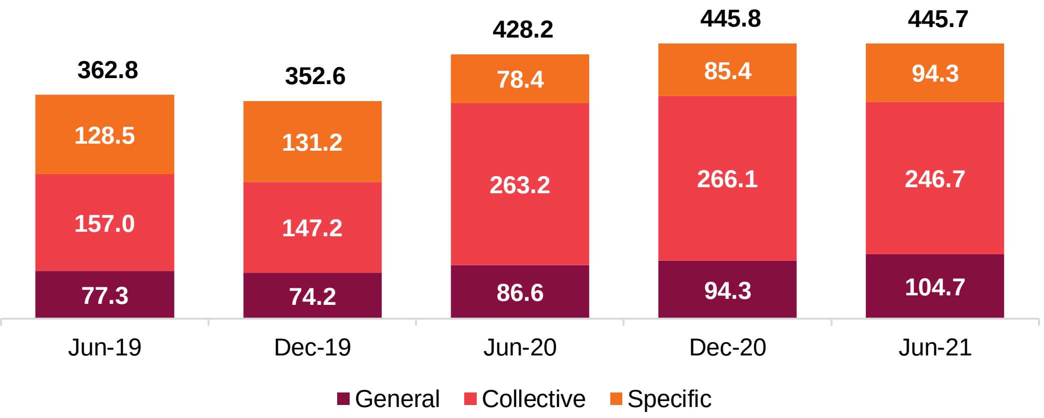
BendigoandAdelaideBank

Bad and doubtful debts

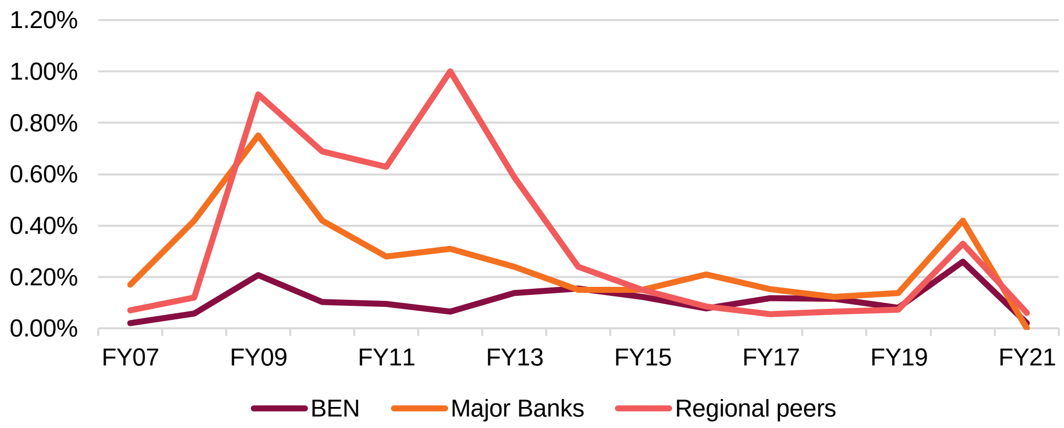
- FY21 credit expense represents 2bps of total gross loans, ex provision release represents 5bps of total gross loans
- Net release of collective provision (as announced on 5 August 2021) resulted in a writeback of credit expenses in 2H21
- Total impaired assets continues to reduce down 6.0% from December 2020 and 13.2% from June 2020
- Increase in General Reserve reflects strong asset growth

	2H21 ($m)	1H21 ($m)	2H20 ($m)	1H20 ($m)
Consumer division	$5.9	$2.4	($3.5)	($0.4)
Business division	$13.8	$3.5	$16.3	$17.8
Agribusiness division	$1.7	$5.9	$2.8	$3.3
Great Southern	($0.3)	$0.6	$1.0	($0.1)
Corporate (includes COVID-19 overlay)	($22.6)	$7.1	$128.7	$2.6
Total	**($1.5)**	**$19.5**	**$145.3**	**$23.2**

Provisions for doubtful debts ($m)



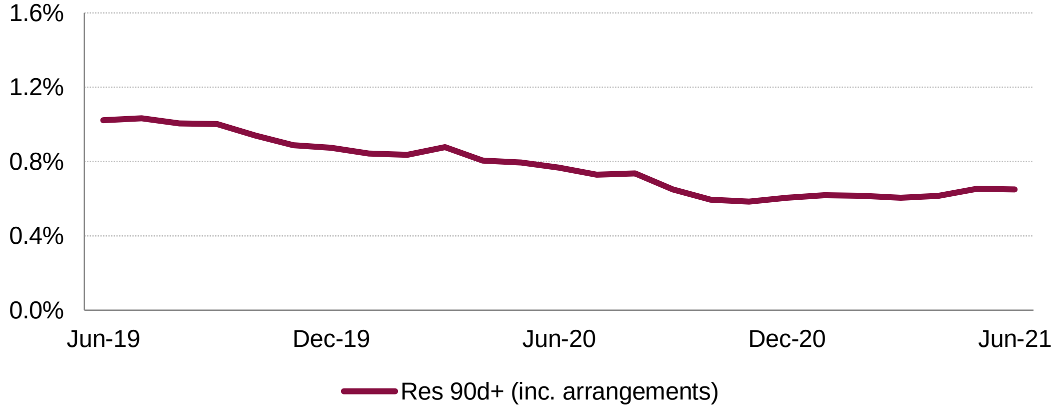
BDD / Loans[1]



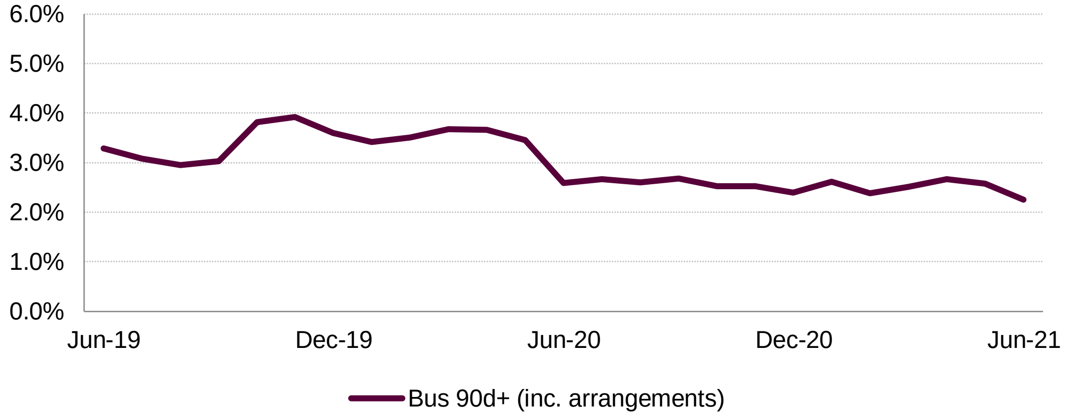
[1] External data supplied by Morgan Stanley. Given timing of reporting, Major banks and regional peers show an annualised 1H21 figure as representation for FY21

Arrears

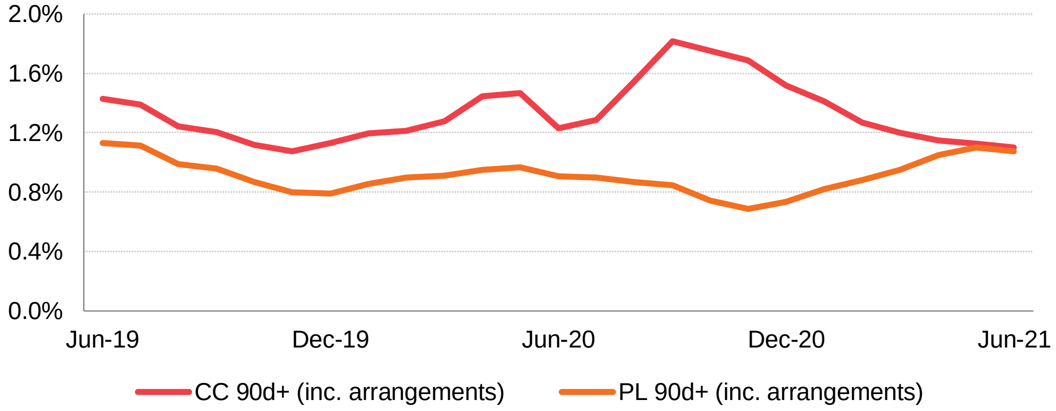
Residential loan arrears



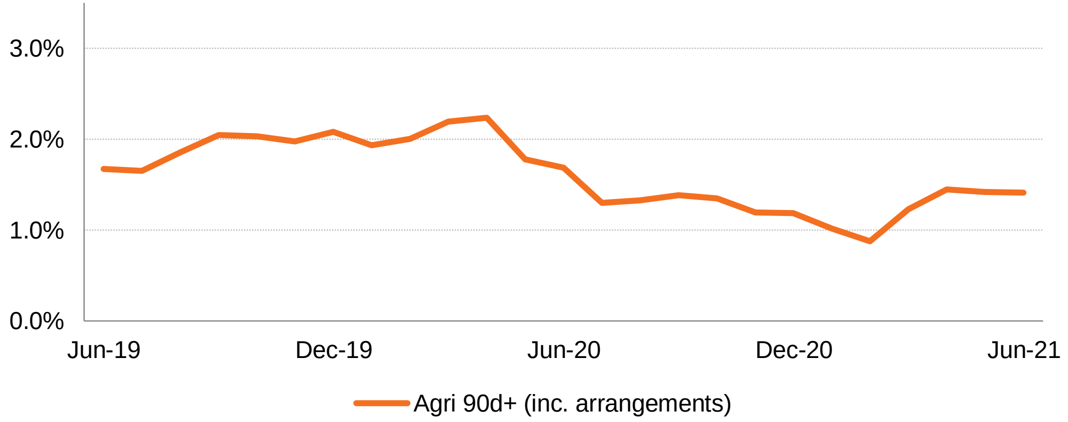
Business loan arrears[1]



Consumer loan arrears[2]



Agribusiness loan arrears



Note: Arrears include impaired assets and all arrangements

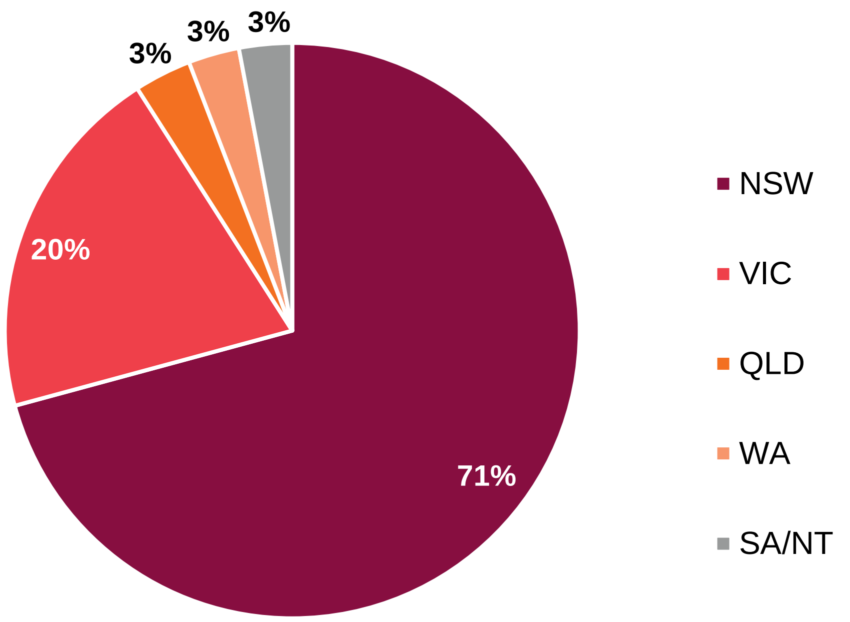
[1] October 19 includes correction in arrears reporting, includes Delphi Commercial

[2] Consumer loan arrears reflects credit card portfolio and personal loan portfolio

Supporting our customers through COVID-19

- Support packages were reinstated from June 2021 for residential, consumer and commercial customers across Australia
- New deferrals to 31 July 2021, 274 accounts totalling $87.0m have received assistance
- Assistance measures include:
  - Ability to apply for relief of up to 1 month on consumer loans
  - Ability to apply for 3 months repayment deferrals on small business loans
  - Waiving of fees
  - No interest rate reduction for early withdrawals on term deposits
- At 30 June 2020, support packages totalled $6.9b and 21,621 customer accounts

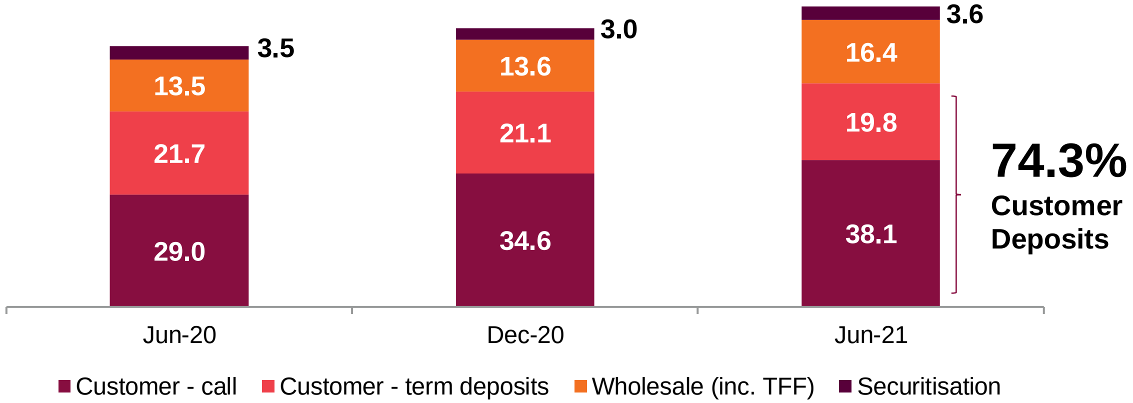
Support packages as at 31 July 2021 – by state ($)



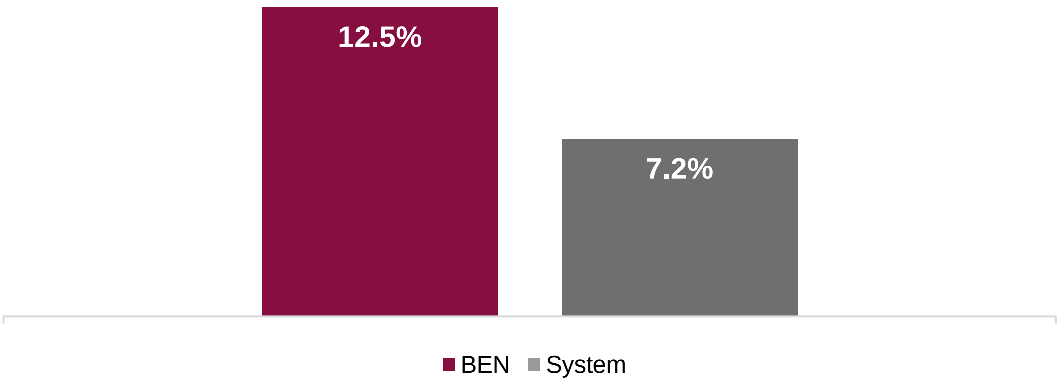
Funding mix

- Funding mix remains a key strength, allowing flexibility to fund above system asset growth
- Reducing term deposit rates are seeing stronger flows to low cost, at-call deposits products, increasing $3.5b for the half and $9.1b for the year
- Continued growth in deposits through the Community Bank network, up 16% through FY21
- Retail term deposit average retention rate held at ~88% through FY21
- $1bn Torrens RMBS and $225m senior unsecured funding in 2H21 provides stable term funding
- Term Funding Facility (TFF) fully drawn to $4.7b by 30 June 2021, with $2.9b drawn over May and June 2021
- Average daily LCR through FY21 of ~142%
- Average end of month NSFR through FY21 of ~126%

Funding profile ($b)



Total deposit growth[1]



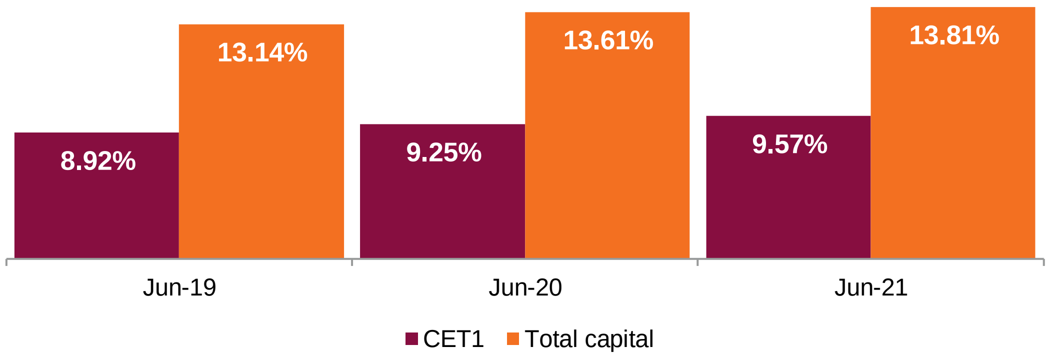
[1] APRA Monthly Banking Statistics June 2021. Data is a growth rate based on a 12-month period (30/06/20 – 30/06/21)

BendigoandAdelaideBank

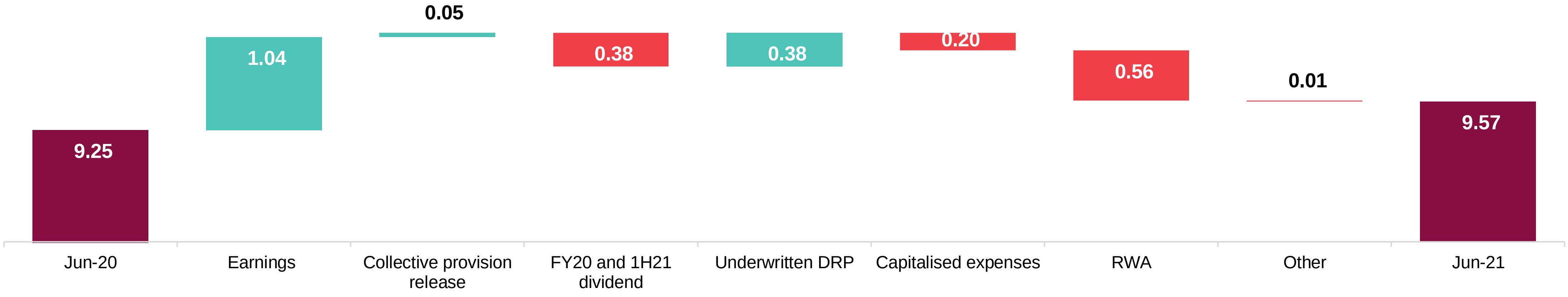
Capital

- Balance sheet strength continues, with CET1 increasing 32bps on June 2020, and an increase of 21bps on December 2020
- Fully franked final dividend of 26.5c with a DRP discount of 1.5%
- Full year FY21 dividend payout ratio of 58.4% on a cash basis
- Successfully completed a $1b capital effective securitisation transaction (Torrens 2021-1) in April 2021
- On 15 June 2021 BEN redeemed all $282m of its Convertible Preference Shares 3 (ASX: BENPF), having issued $502m of Capital Notes (ASX: BENPH) in November 2020.
- On 27 July 2021 BEN advised that all $21m of its Floating Rate Capital Notes (ASX: BENHB) will be redeemed on 15 November 2021[1]

Total capital & CET1 - historical (%)



CET1 movement - 12 months (%)[2]



[1] Currently, the Notes are eligible for treatment by BEN as transitional Tier 2 capital in accordance with APRA requirements. However, the Notes will cease to be eligible for treatment by BEN as Tier 2 capital from 1 January 2022. Redemption payments will be made 30 November 2021.
[2] Unrealised Homesafe revaluation revenue has been excluded from increases in retained earnings

FY22 financial outlook

Loan growth	• Continued strong above system lending growth expected with residential lending the key driver
Net Interest Margin	• Headwinds from front book lending rate competition, higher liquids and increased portfolio of fixed rate loans with some benefit expected through deposit mix and full impact of TFF
Cost to Income ratio	• Continued reduction in CTI ratio • Cash operating expenses, including underlying costs reductions, are expected to be around 3% higher with half of the increase driven by the acquisition of Ferocia and the remainder through increased technology costs and software amortisation
Asset quality	• Economic conditions are more favourable than expected, however uncertainty remains around potential impacts associated with the current lockdowns and the risk of further lockdowns from the pandemic

Summary

Marnie Baker

Managing Director

Economic resilience amid ongoing challenges

Economic outlook

Expected

- Wages growth a key input to monetary policy
- Housing market experiencing strong demand in all states
- Continuing strength in jobs market through 2022
- Growth in regional Australia
- Bullish Agribusiness Sector
- Business investment rebounding

Uncertain

- Medium-term growth cannot depend on fiscal support alone
- Impact and frequency of short-term pandemic lockdowns
- Timeline of borders re-opening (vaccine dependent)
- Future impacts on international trade
- Natural disasters and climate change

Realising our opportunity

Closing comments

- Clear strategy delivering for all stakeholders
- Strong financial performance across all divisions
- Customer proposition driving sustainable and above system growth
- Ferocia acquisition to accelerate digital strategy
- Shaping the future of banking

Questions

Marnie Baker – Managing Director

Travis Crouch – Chief Financial Officer

Taso Corolis – Chief Risk Officer

Appendix

BendigoandAdelaideBank

Successfully telling our story

FinTech Australia 2020 Finnie's Award Winner

Best Partnership of the Year

Up with Ferocia and Bendigo and Adelaide Bank

Top 20

Most trusted brand in Australia

Roy Morgan Risk Report[1]

Australia's most trusted bank

Glow's Australia Banking Brand and Trust Index survey

Australian FinTech Awards 2020

tic:toc - Winner of Best use of AI in Fintech

Up - Winner of Best Fintech Foreign Exchange (FX) Provider

2021 DBM Australian Financial Awards

Winner of five business banking awards:

- Most Recommended Business Bank
- Best Business Relationship Managers
- Best Digital Business Bank
- Best Business Bank Customer Service
- Most Recommended Investor Home Loan

The Lab's Forces of Good report

#3 highest performing brand for Corporate Social Responsibility

Australian Reader's Digest Australia's Most Trusted Brands 2021

Bank of the Year
Bendigo Bank

Mozo People's Choice Award Winner 2021

- Outstanding Customer Satisfaction – **Bendigo Bank and Up**
- Excellent Customer Service – **Bendigo Bank and Up**
- Customer Satisfaction - Bank Accounts – **Bendigo Bank and Up**
- Customer Satisfaction - Credit Cards – **Bendigo Bank**
- Highly Trusted – **Up**
- Most Recommended – **Up**

Consumer Banking Satisfaction for Home Loan customers

#2 for home loan customers[2]

Money Magazine Consumer Finance Awards 2021

- Home Lender of the Year – Bendigo Bank
- Investment Lender of the Year – Adelaide Bank
- Margin Lender of the Year – Leveraged Equities

1 Roy Morgan Risk Report – July 2021
2 Roy Morgan Banking Satisfaction ratings – Roy Morgan Single Source survey, 23 March 2021

Physical locations

	CO	Company-owned branch	139
	CB	Community Bank branch	319
	DB	Delphi Bank	13
	RB	Rural Bank	191
	AB	Alliance Bank	16
	PF	Private Franchises	4
TOTAL			682

The Community Bank model

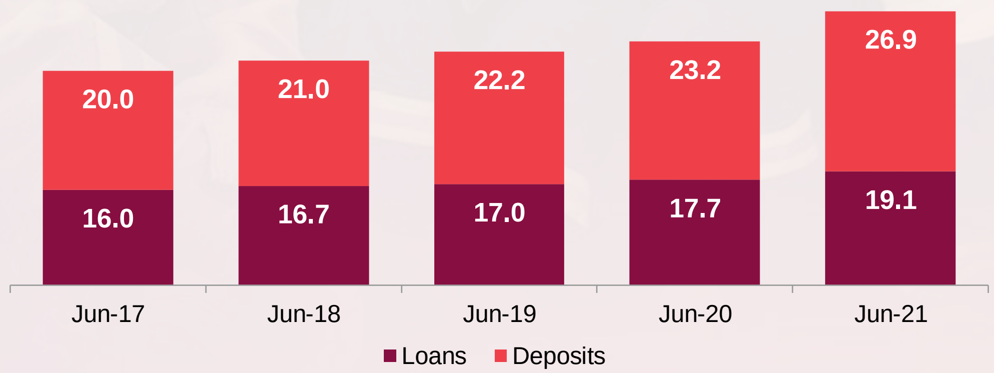
‘Profit with purpose’ model

- ~$270m in community contributions[1] since inception, enabling tangible economic and social benefits for the communities and our business
- 319 Community Bank branches across Australia
- Deep engagement across communities with 75,000+ Community Bank shareholders and 1,700+ directors
- More than 885,000 local customers and organisations choose to bank with a Community Bank and >1,500 people directly employed
- Investments have supported critical local sporting, education, health, arts and cultural initiatives - plus significant matched funding leveraged for local infrastructure initiatives
- Proven, reliable and locally owned distribution strategy
- Community Bank branches are a significant source of stable customer deposits for the broader Group
- One of the largest social enterprise movements globally

Supporting communities through COVID-19

- Sourcing, purchasing and delivering in demand PPE (Personal Protective Equipment) to local hospitals and health care providers
- Funding iPads for schools for children with no access to technology for remote learning
- Opening up branch WiFi in towns for locals without internet access
- Providing funding for a local manufacturer to develop life-saving ventilators which were in short supply not only in Australia, but overseas (PNG) as well
- Care packages purchased from local businesses delivered to people in need
- Small business stimulus grants during lockdowns

Community Bank footings ($bn)[2]



[1] Includes total sponsorships, donations and grants
[2] Community Bank footings include Private Franchises (4 branches in total)

tic:toc Leading Australia's growth in digital home loans

Tic:Toc provides Bendigo and Adelaide Bank access to the fastest growing lending channel, generating industry leading asset quality at low operational costs

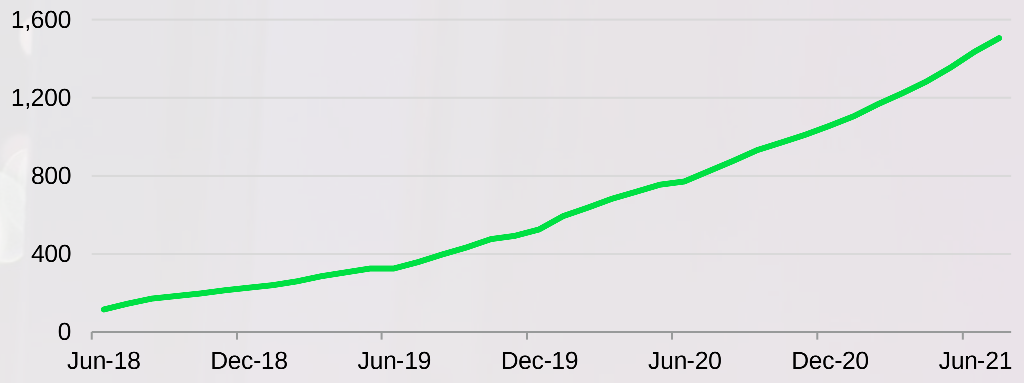
Better customer experiences
- 4.9/5 Google rating
- 4.6/5 TrustPilot star rating

Strong financial and risk performance
- 55% increase in home loan approvals
- 61% increase in home loan settlements
- 90d+ arrears rate remains well below industry average (8bps)
- Lower cost of acquisition to the Bank via Tic:Toc Home Loans and Bendigo Express

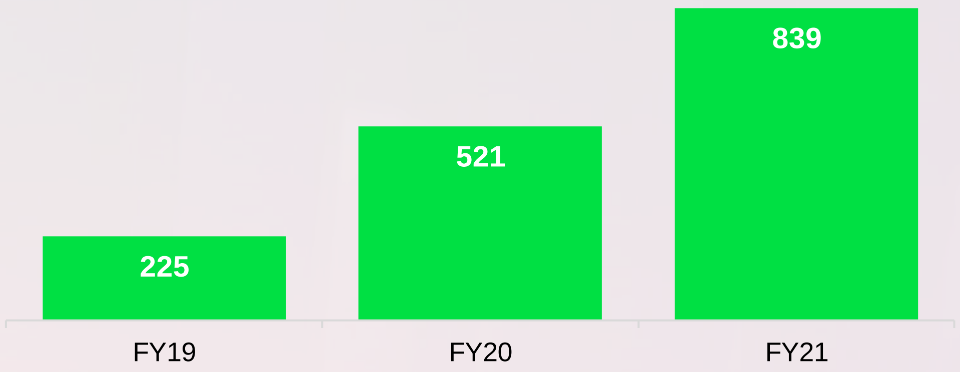
Proprietary technology
- Machine guided decisioning enables Tic:Toc assessors to be 8x more efficient than traditional lending processes
- Platform automation levels enable loan fulfillment with as little as 10 mins of human effort, with the record loan approval <6 minutes of human effort
- Tic:Toc's platform is configured and licensed for Bendigo Bank and Aussie Home Loans (launched Q4 FY21), and 11 SaaS customers

Bendigo and Adelaide Bank has a 28.6% shareholding

Tic:Toc – portfolio balance ($m)



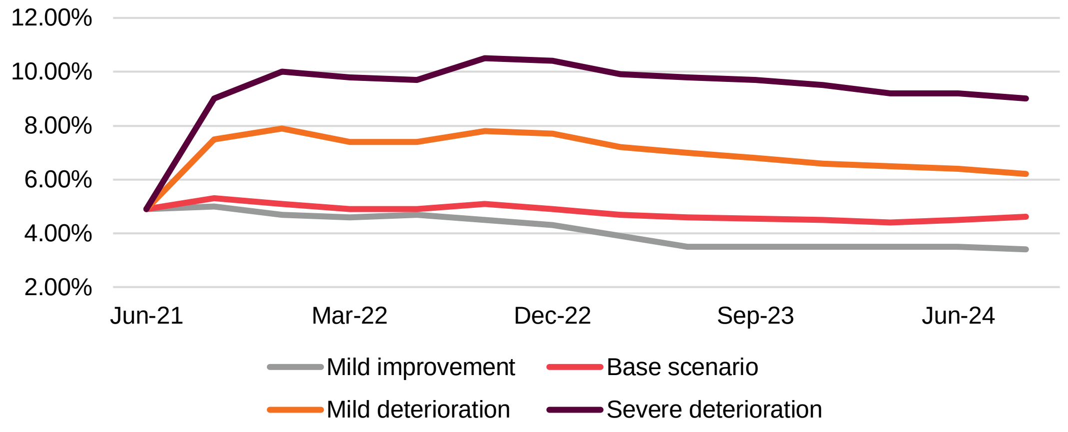
Tic:Toc – settlements ($m)



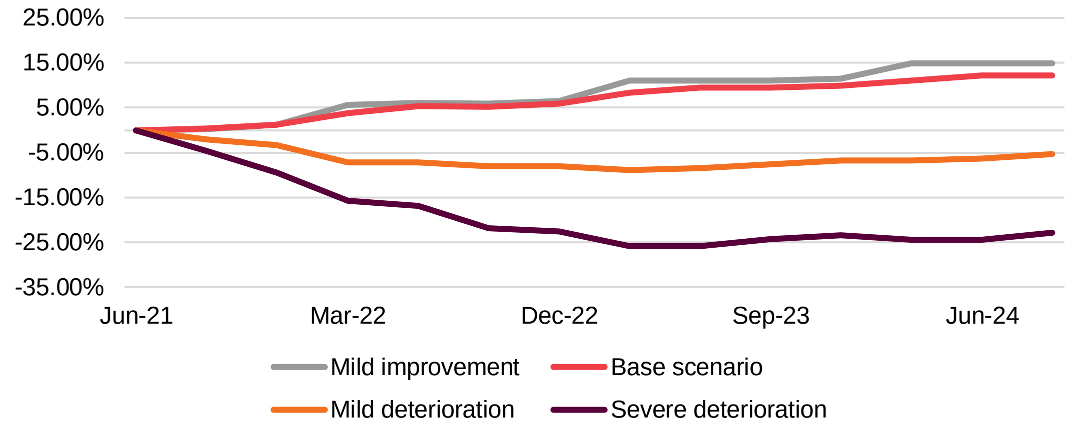
Collective provision - economic outlook

Economic assumptions in the base scenario at June 2021 reflect improved conditions since June 2020

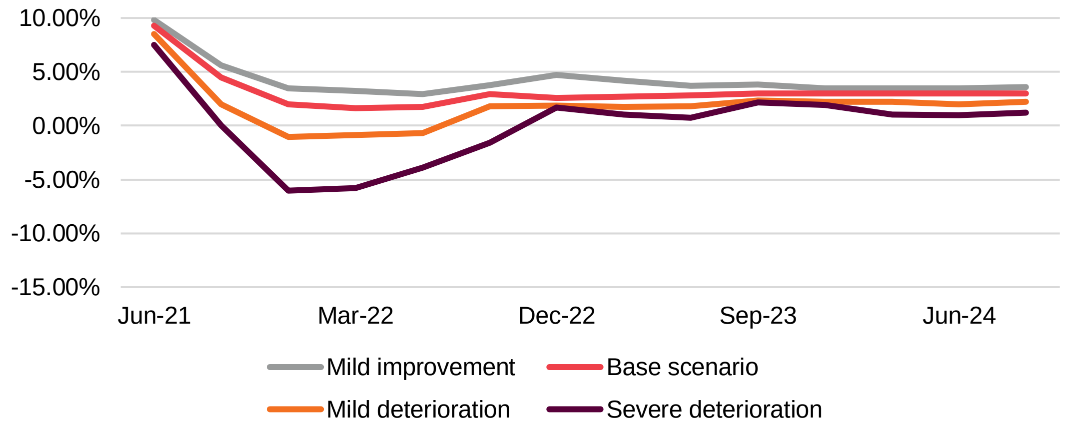
Unemployment (%)



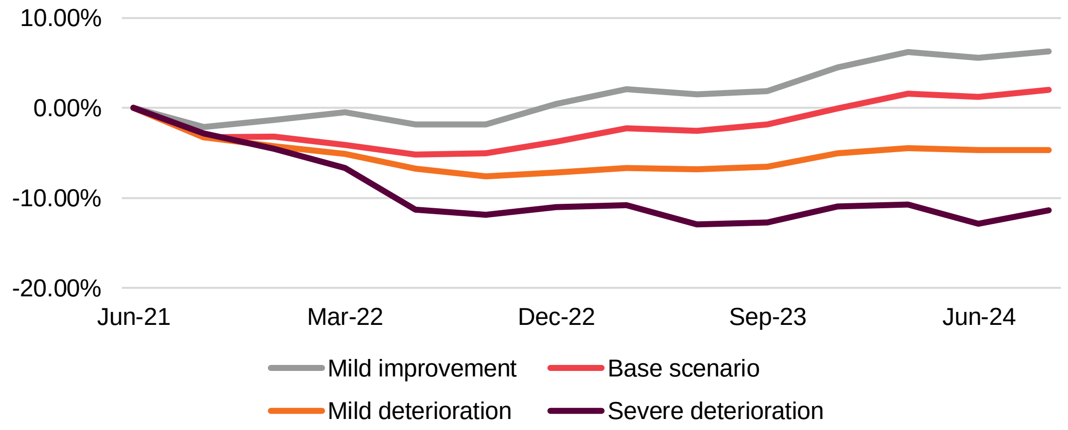
House prices (%)



Gross Domestic Product (%)



Commercial property prices (%)

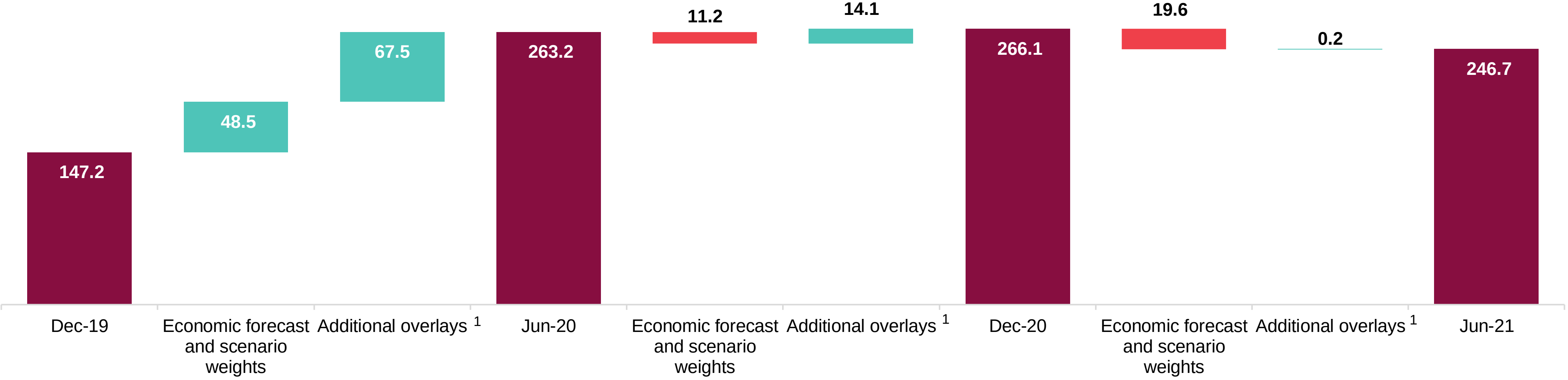


Note: Economic outlook assumptions adopted for the collective provision as per the ASX announcement on 5 August 2021. House prices and commercial property prices are cumulative from Jun-21

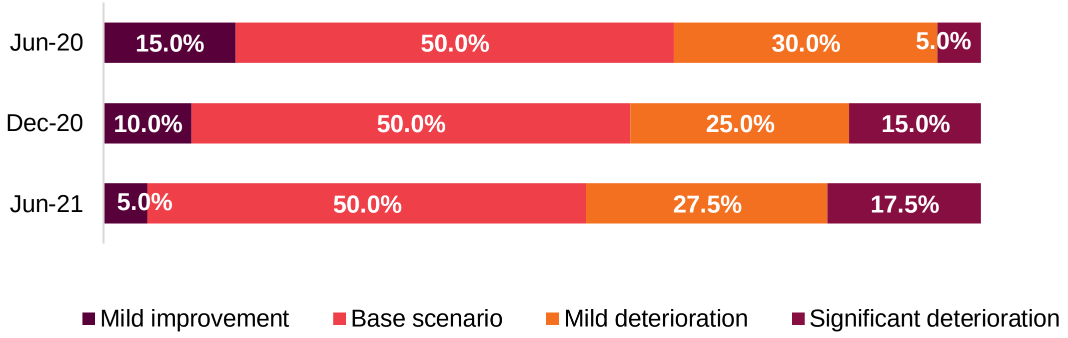
BendigoandAdelaideBank

Collective provision

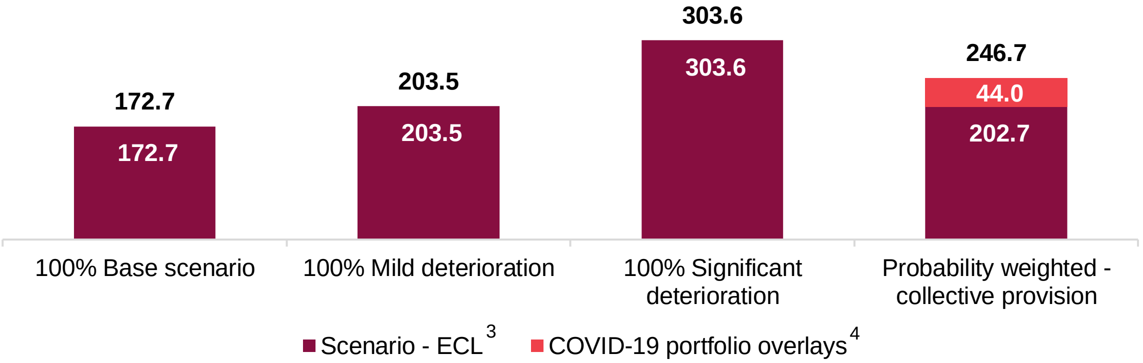
Total collective provision movements ($m)



Scenario weightings reflect current level of uncertainty



Collective provision - scenario outcomes ($m)[2]

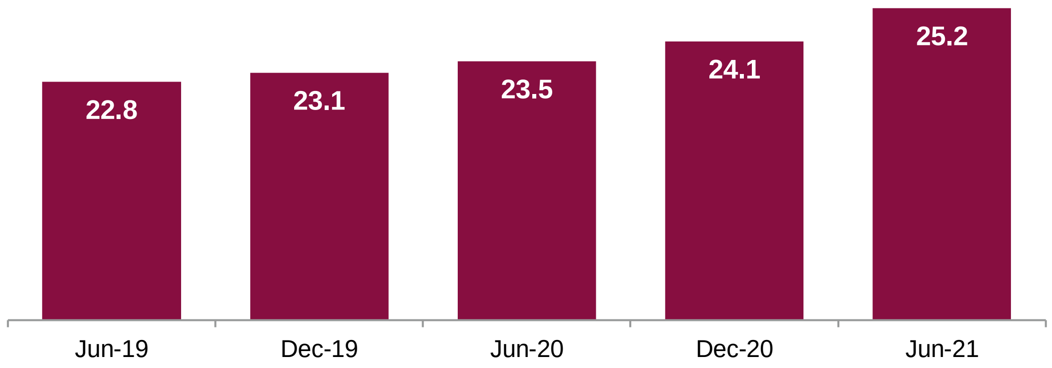


[1] Additional overlays includes COVID-19 overlays and non-COVID-19 related overlays
[2] Excludes GRCL
[3] Scenario – ECL includes economic outlooks scenario weights and other non-COVID-19 related overlays
[4] Specific to business and consumer portfolio overlays

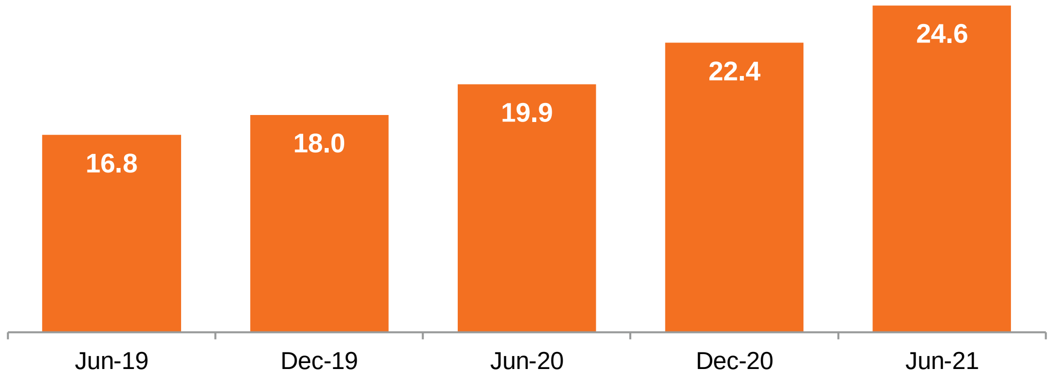
BendigoandAdelaideBank

Residential lending portfolio

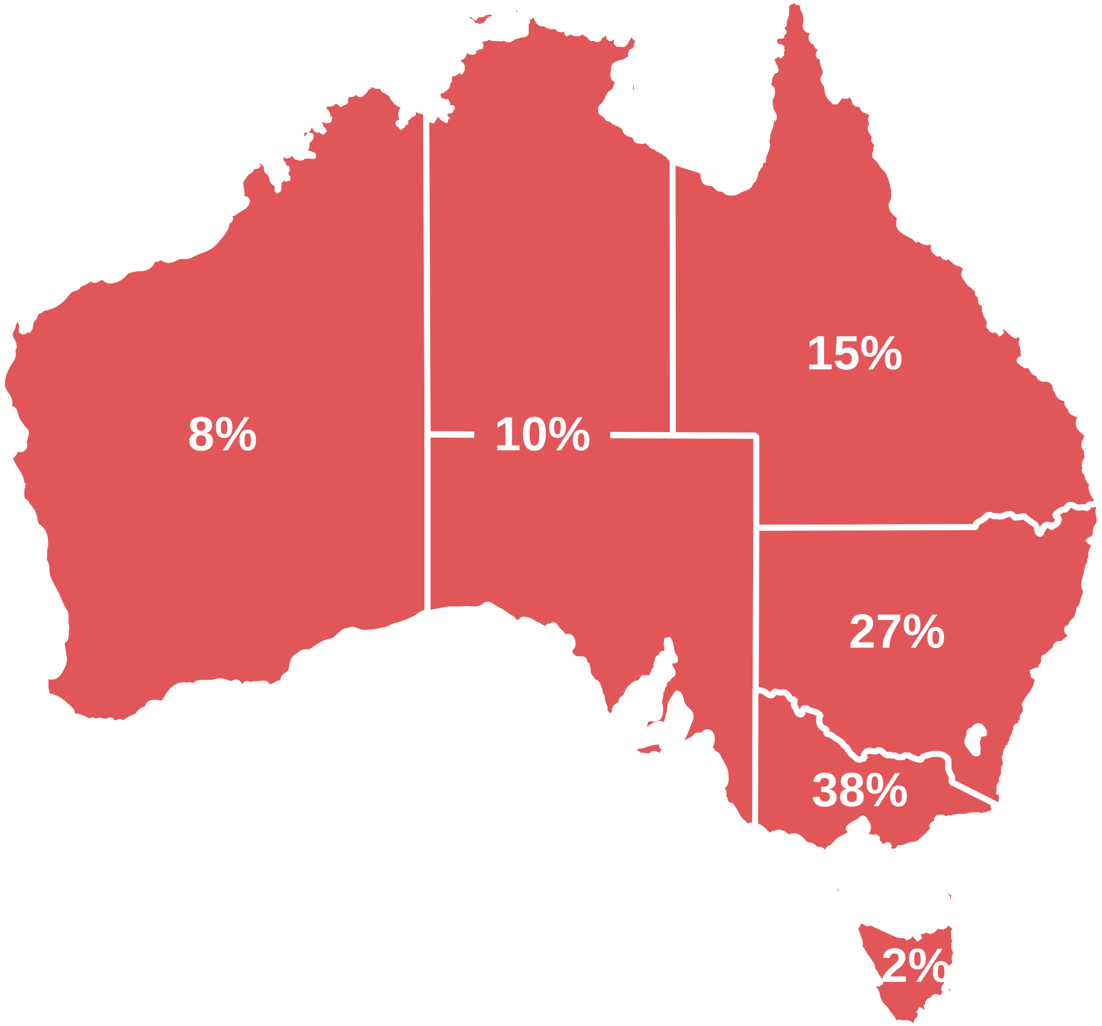
Retail - portfolio ($b)[1]



Third Party Banking - portfolio ($b)[1]



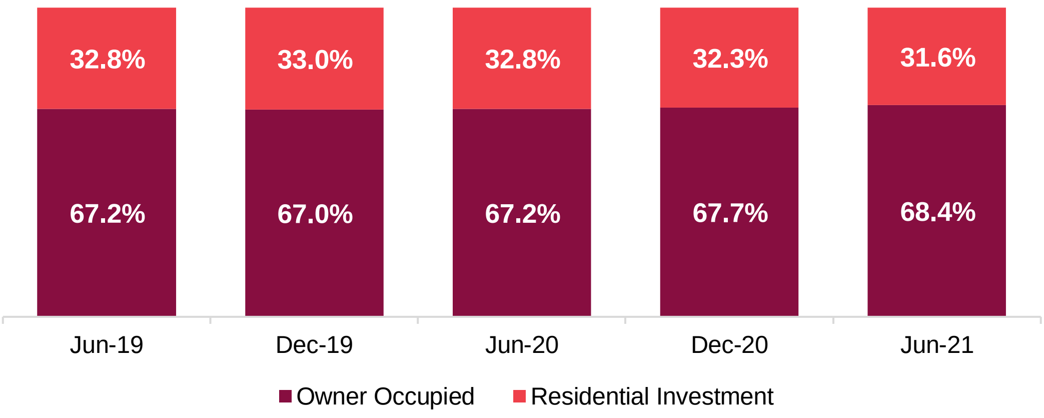
Residential balance by state



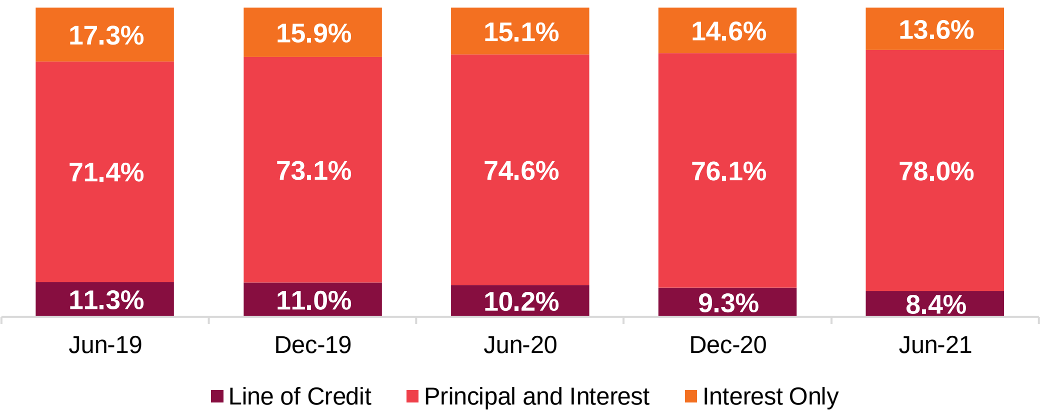
[1] Loan portfolio constructed from internal data and includes line of credit products. Excludes Delphi, Alliance Bank and Portfolio Funding

Residential lending portfolio – total exposure

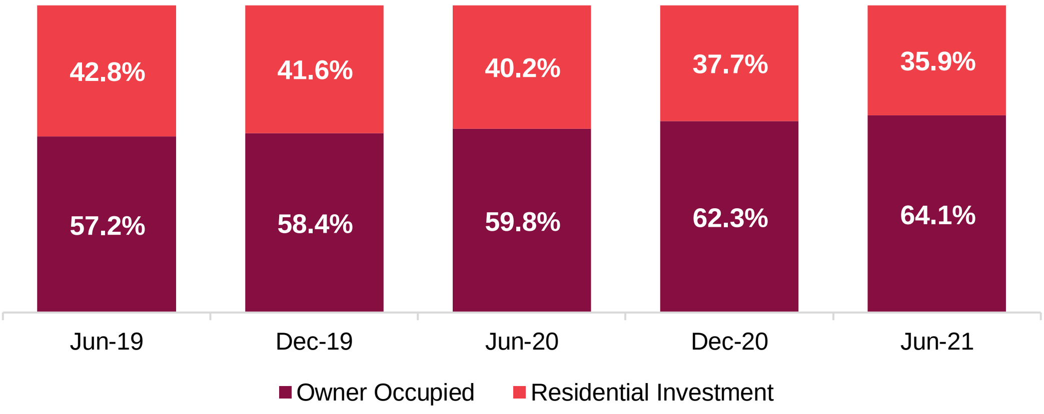
Retail lending - purpose (%)



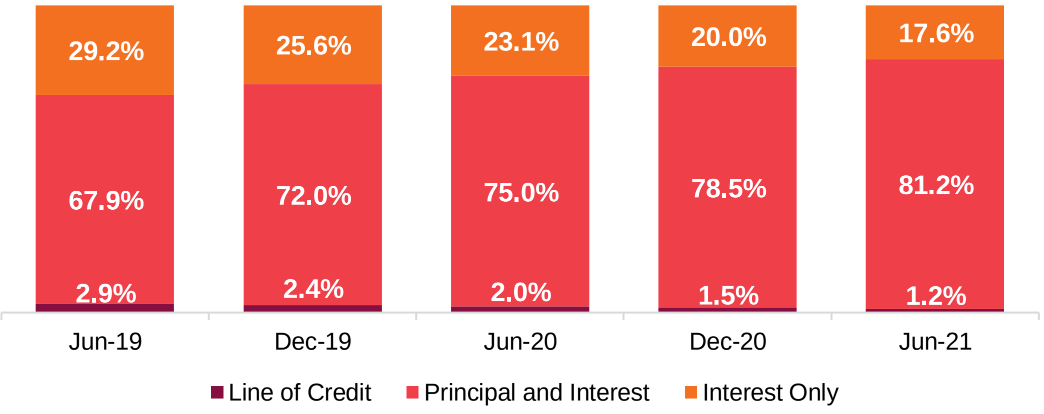
Retail lending - payment type (%)



Third Party Banking lending - purpose (%)



Third Party Banking lending - payment type (%)

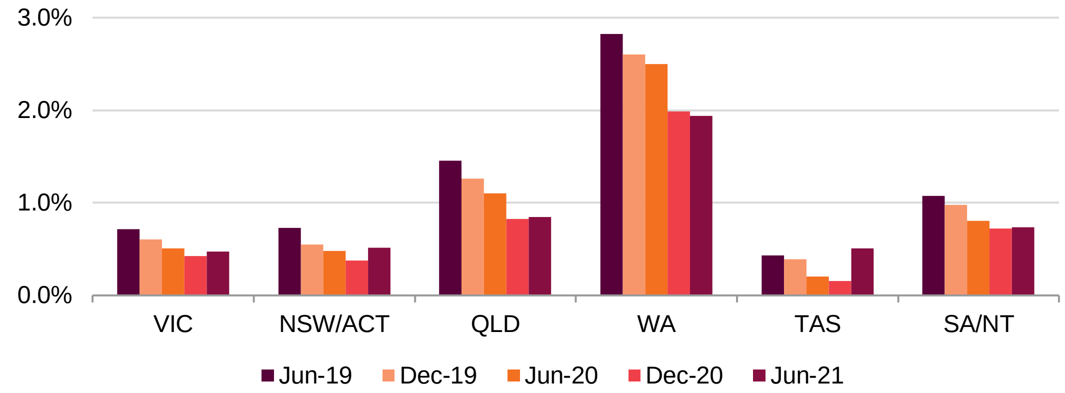


Note: Excludes Delphi, Alliance Bank and Portfolio Funding

Bendigo and Adelaide Bank

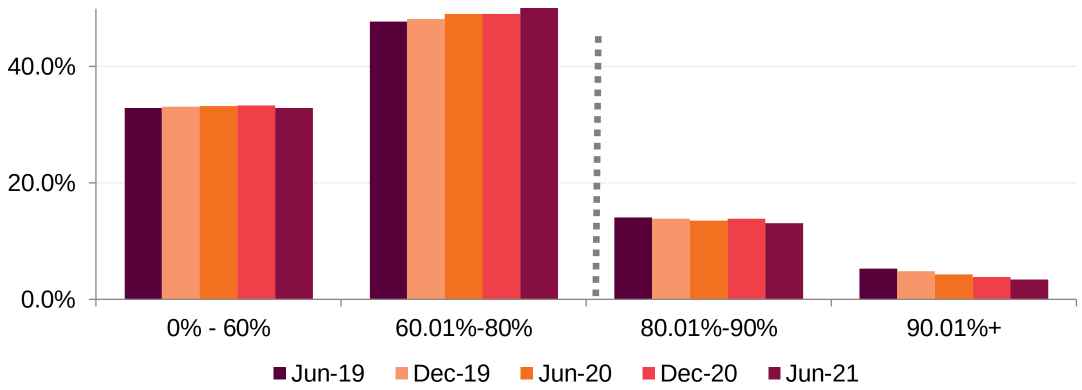
Residential lending portfolio – key metrics

Home Loans 90+ days past due - by state[1]



Residential loan-to-value profile[2]

84% of portfolio with LVR ≤ 80%

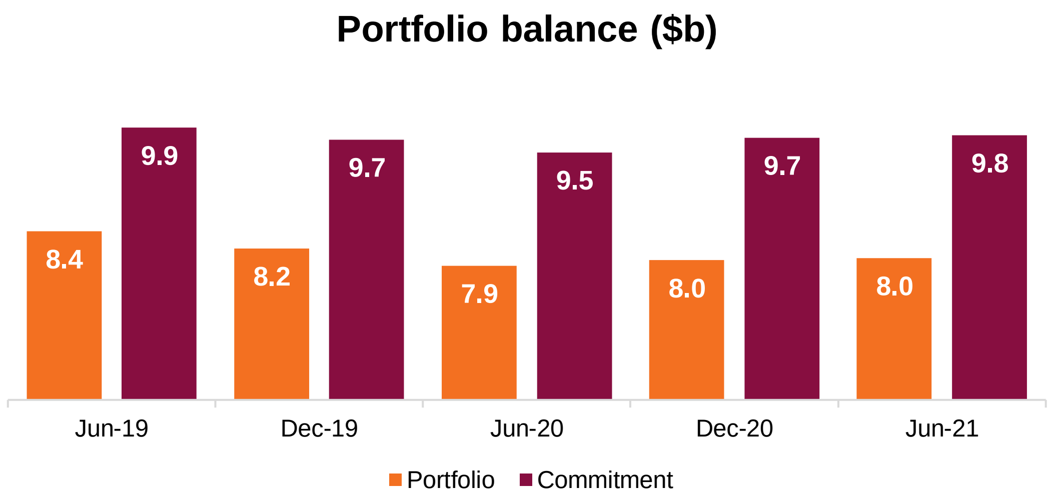


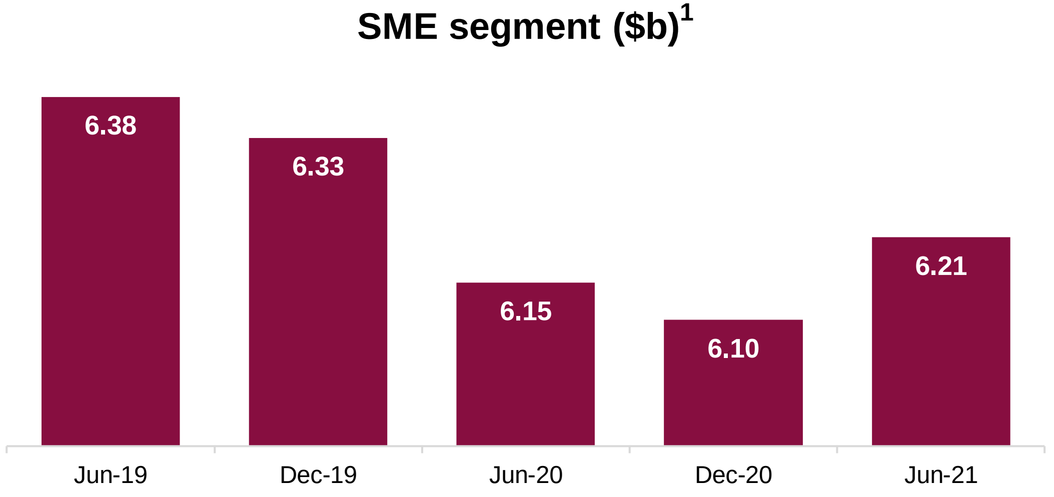
Residential portfolio metrics[3]	Jun-21	Dec-20	Jun-20
Retail loans	51%	52%	54%
Third Party Banking loans	49%	48%	46%
Lo Doc	1%	1%	1%
Owner occupied	66%	65%	64%
Owner occupied P&I	93%	92%	90%
Owner occupied I/O	7%	8%	10%
Investment	34%	35%	36%
Investment P&I	60%	57%	54%
Investment I/O	40%	43%	46%
Mortgages with LMI	17%	15%	19%
Average LVR (at origination)	56%	56%	57%
Average loan balance	$267k	$257k	$250k
90+ days past due	0.65%	0.61%	0.77%
Impaired loans	0.10%	0.09%	0.10%
Specific provisions	0.04%	0.03%	0.03%
Loss rate	0.006%	0.005%	0.013%
Variable	59%	68%	74%
Fixed	41%	32%	26%

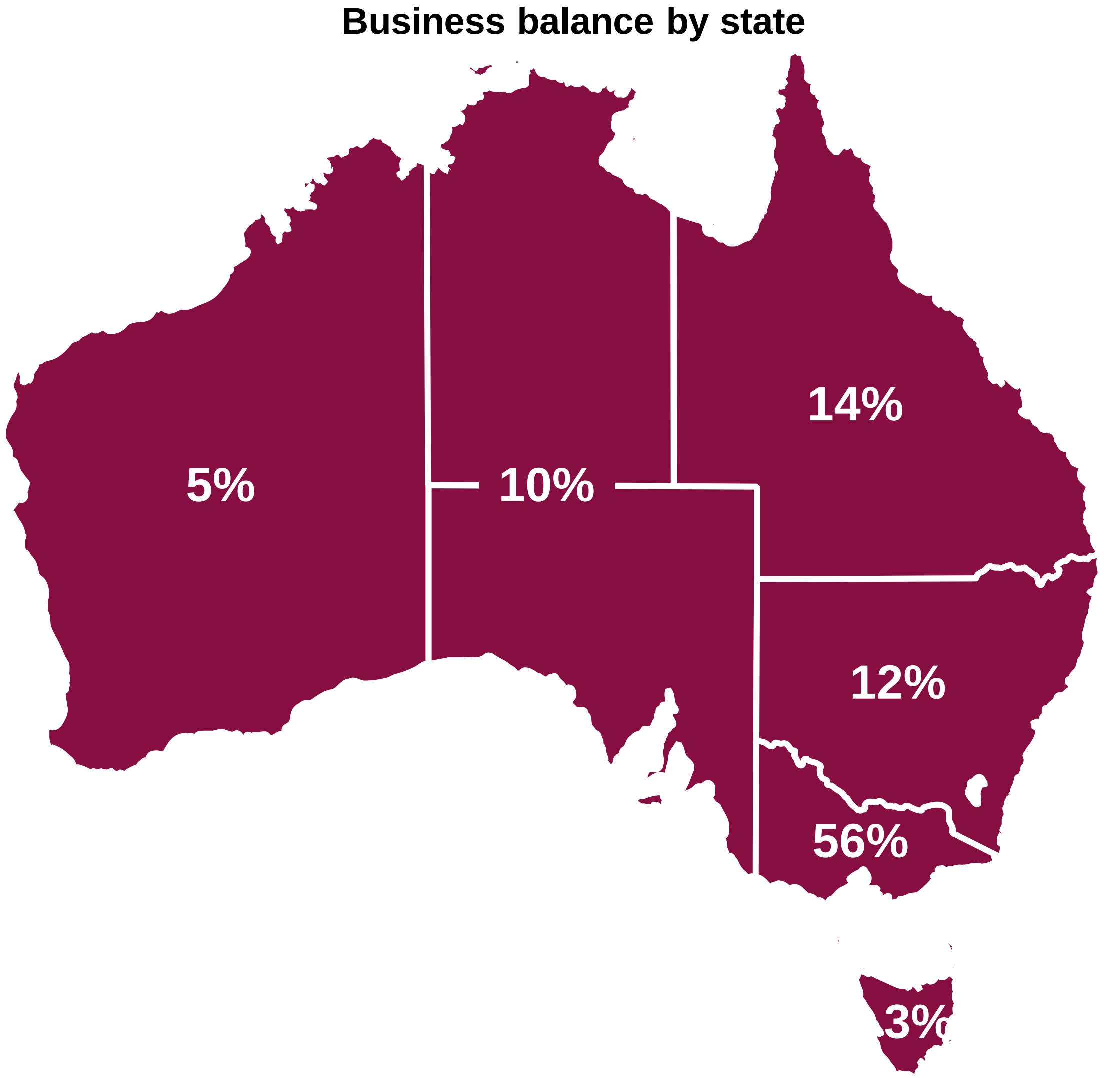
1 Includes Keystart, excludes Delphi Bank. Arrears includes impaired loans and all arrangements
2 Breakdown of LVRs by residential mortgages by origination
3 Loan data represented by purpose. Includes Business and Agribusiness divisions. Excludes Delphi Bank & Keystart data. Arrears includes impaired loans and all arrangements

BendigoandAdelaideBank

Business lending portfolio



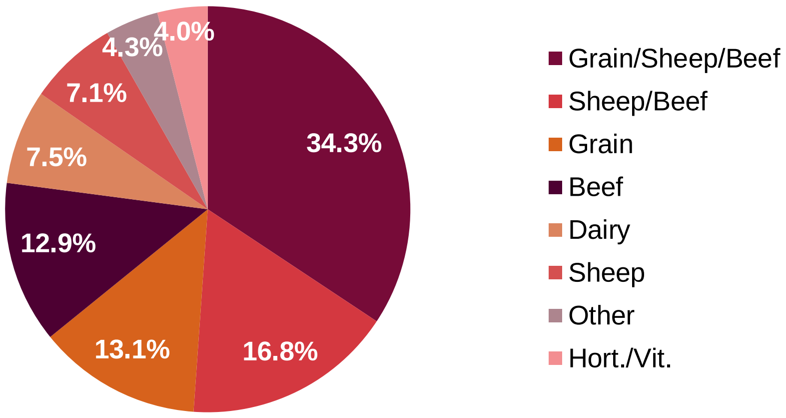




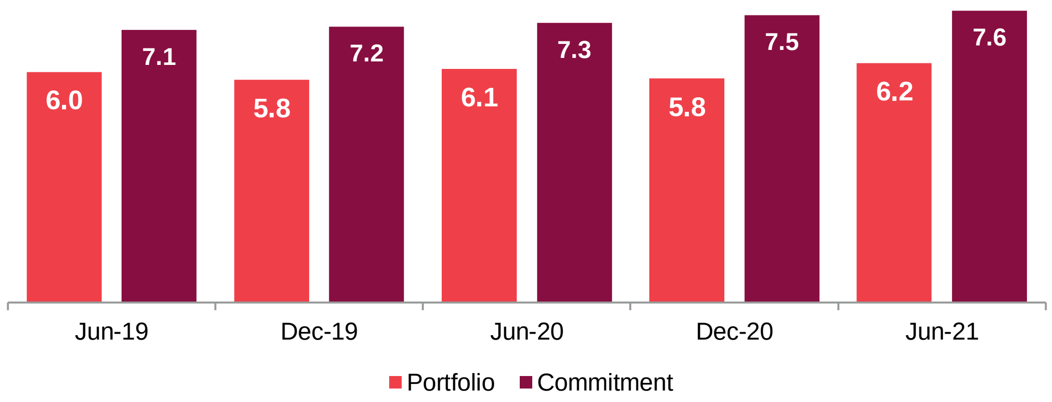
[1] SME is an internal definition using Small Business, Middle Markets, Delphi, Equipment Finance, Debtor Financing and Adelaide Bank Commercial Broking

Agribusiness lending portfolio

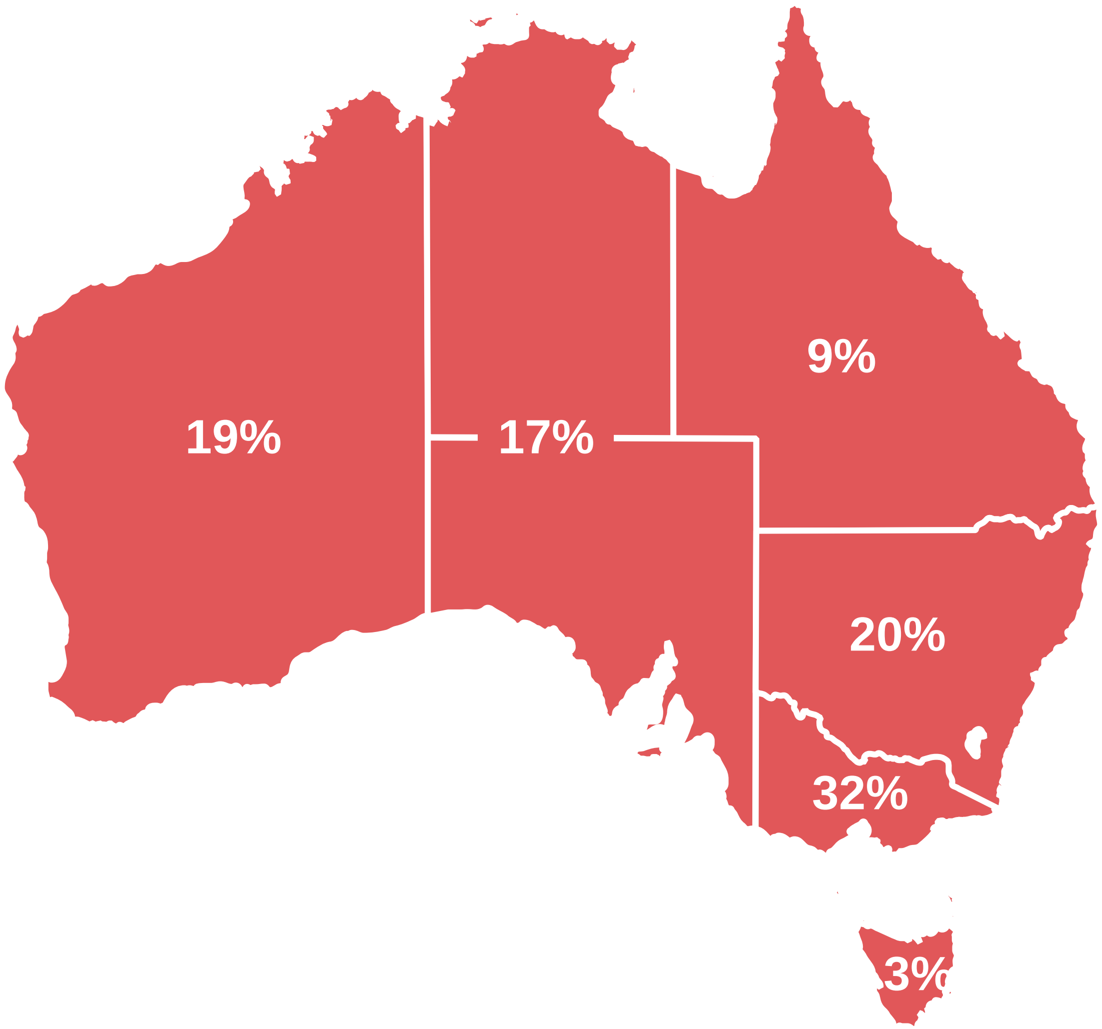
Exposure by industry



Portfolio and commitment ($b)

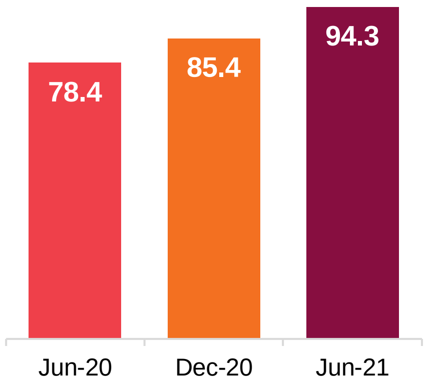


Balance by state



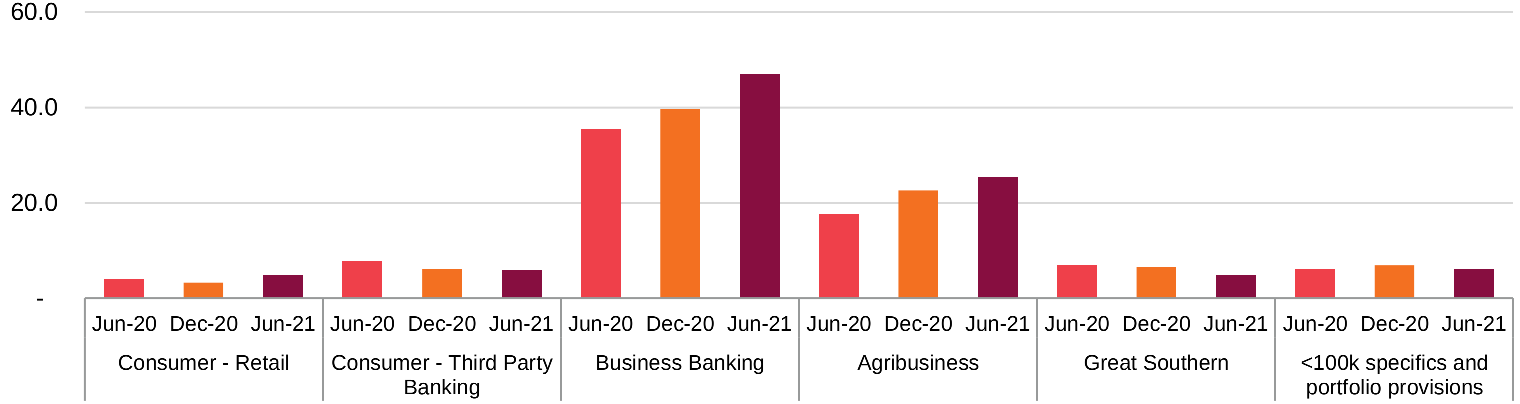
Specific provisions and total impaired

Specific provision balance ($m)

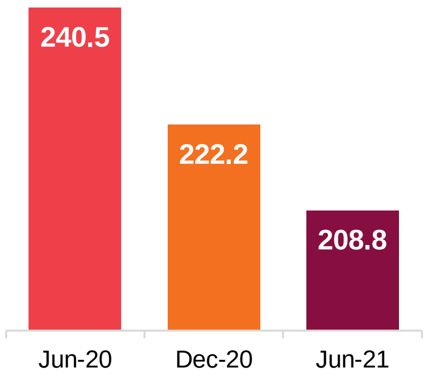


Represented by

Specific provisions breakdown ($m)

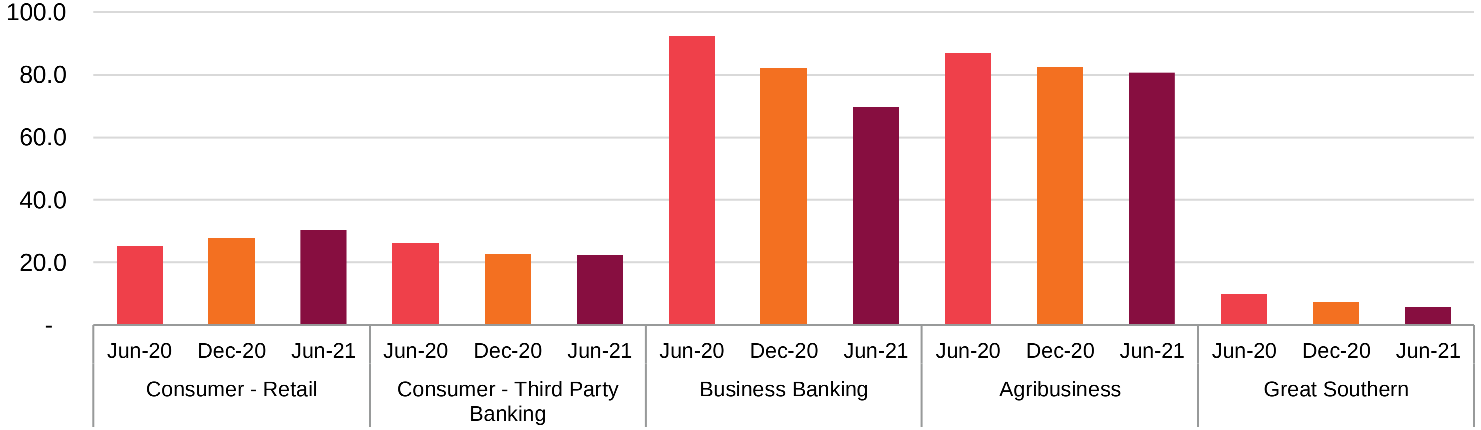


Total impaired balance ($m)



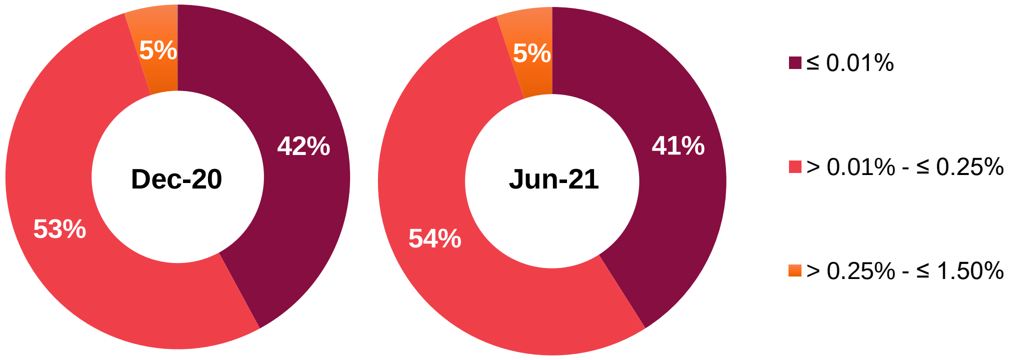
Represented by

Total impaired breakdown ($m)

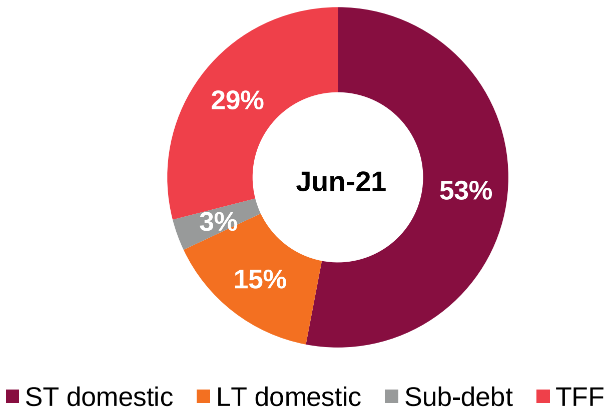


Funding – customer and wholesale

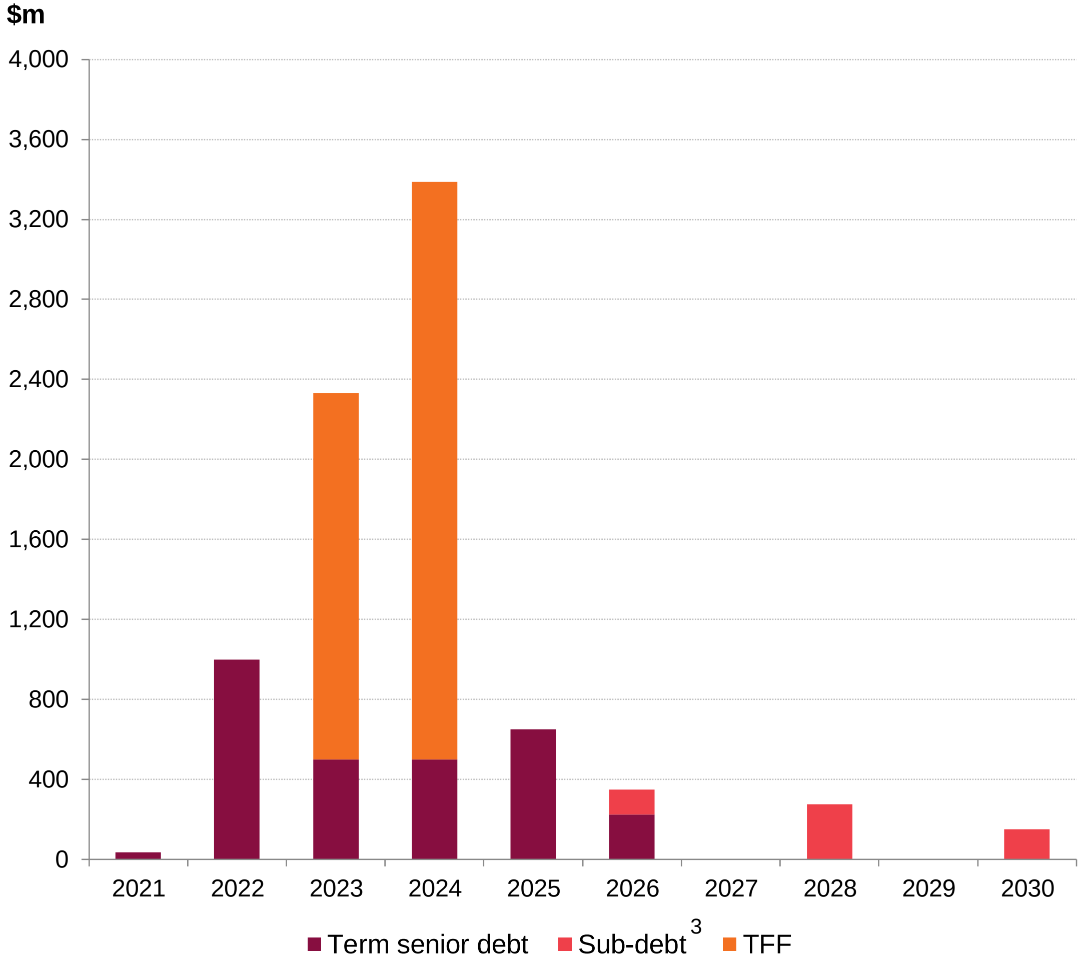
Customer call deposit funding costs[1]



Wholesale funding composition



Term funding maturity profile[2]



Note: TFF refers to Term Funding Facility provided by the Reserve Bank of Australia
[1] Customer call deposit funding costs reflects accounts excluding balances held in offset accounts
[2] Includes treasury issued products only
[3] Subordinated debt maturity refers to legal final maturity date.

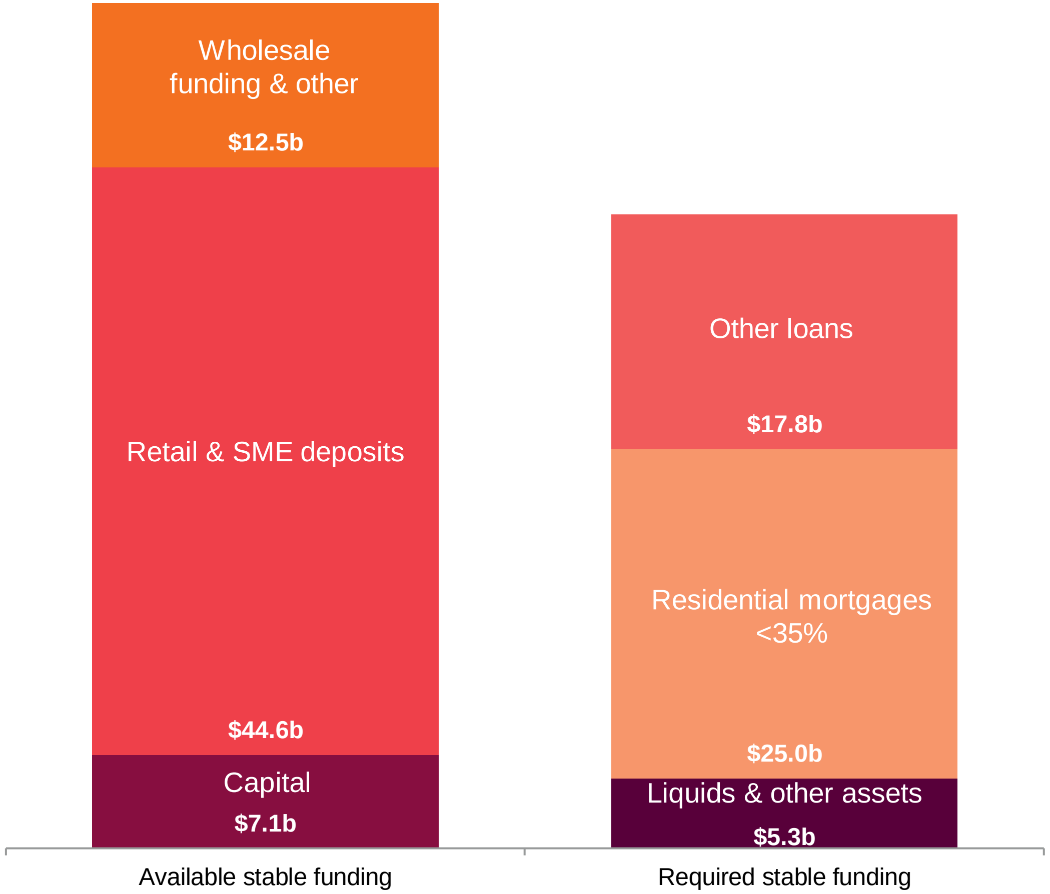
Liquidity

Liquidity Coverage Ratio – 3 month average[1,2]

	Jun-21 ($b)	Mar-21 ($b)	Dec-20 ($b)	Sep-20 ($b)
High quality liquid assets	8.28	8.34	7.31	6.32
CLF / TFF	4.31	5.76	5.81	4.61
Total LCR liquid assets	**12.59**	**14.10**	**13.12**	**10.93**
Customer deposits	5.49	5.12	4.89	5.19
Wholesale funding	1.19	1.38	1.33	1.79
Other flows	1.69	1.89	1.82	1.83
APRA 10% overlay	*0.84*	*0.84*	*0.79*	-
Net cash outflows	**9.21**	**9.23**	**8.83**	**8.81**
LCR	**137%**	**153%**	**154%**	**124%**

Net Stable Funding Ratio (NSFR)

133.4% as at 30 June 2021



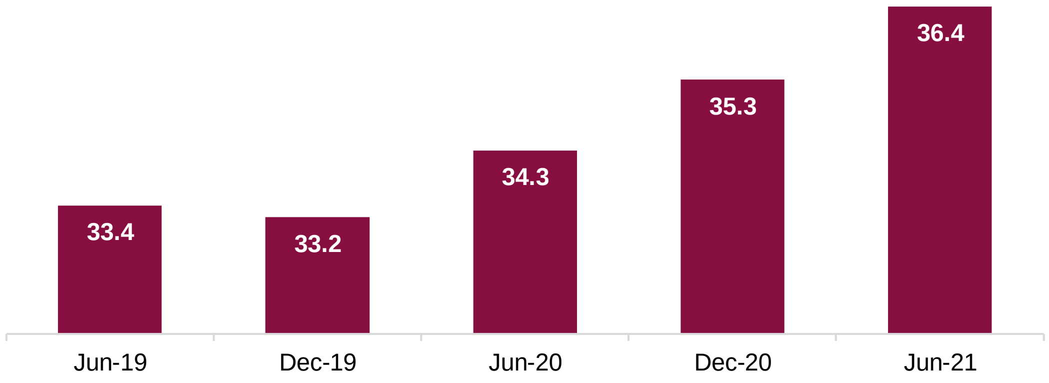
[1] BEN's LCR for the quarters ending 30 June 2021, 31 March 2021, 31 December 2020 and 30 September 2020 are based on a simple average of LCR outcomes observed during each period (i.e. 91 data points for the quarter ended 30 June 2021, 90 data points for the quarter ended 31 March 2021, 92 data points for the quarter ended 31 December 2020 and 92 data points for the quarter ended 30 September 2020,).

[2] The total net cash outflows for the June 2021, March 2021 and December 2020 quarter are inclusive of a 10 per cent overlay, which was effective from 2 November 2020.

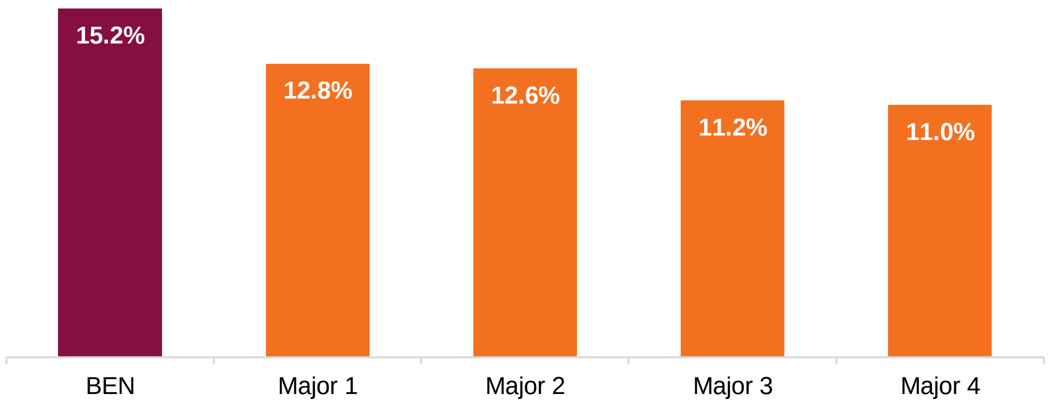
Capital

	Jun-21 (%)	Dec-20 (%)	Jun-20 (%)	Dec-19 (%)
Common Equity Tier 1	9.57%	9.36%	9.25%	9.00%
Additional Tier 1	2.04%	2.81%	2.34%	2.40%
Total Tier 1	11.61%	12.17%	11.59%	11.40%
Tier 2	2.20%	2.28%	2.02%	1.81%
Total capital	13.81%	14.45%	13.61%	13.21%
Total risk weighted assets	$40.5b	$39.4b	$38.2b	$37.3b

Credit risk weighted assets ($b)[1]



S&P RAC Ratio[2]



[1] Credit risk weighted assets includes securitisation balances
[2] Standard & Poor's RAC Ratio, Major 1 as at 31 Dec 2020, Major 2 as at 31 Mar 2021, 3 & 4 as at 30 Sep 2020 & BEN as at 30 Jun 2020.

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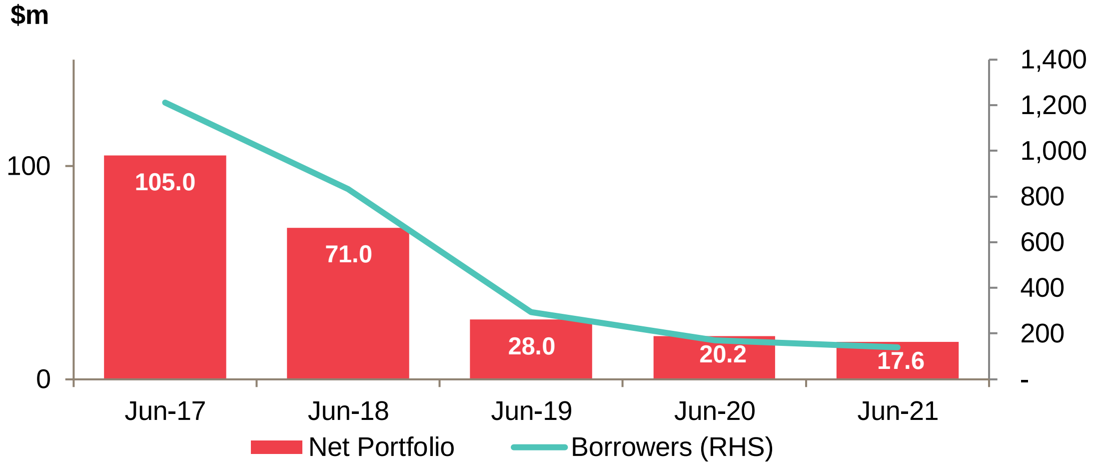
Great Southern

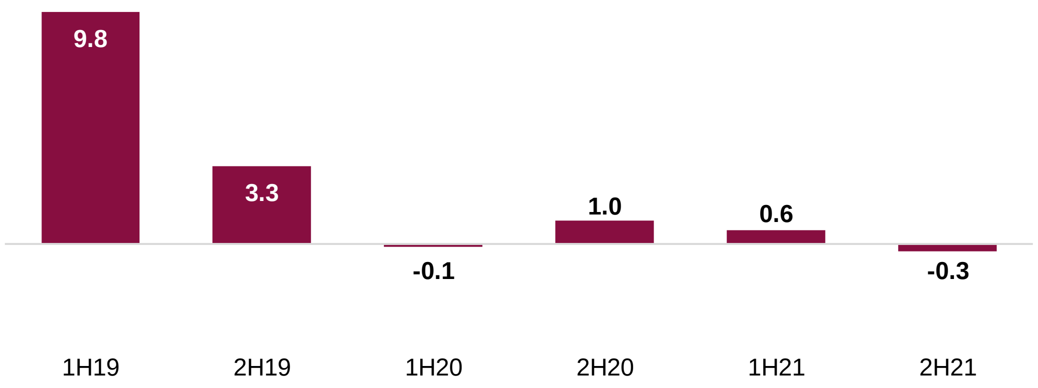
- Great Southern portfolio continues to reduce and is adequately provisioned
- Portfolio represents less than 0.1% of total gross loans
- As at 30 June 2021, portfolio comprised of 140 customers

Great Southern portfolio[1]



	Jun-21 ($m)	Jun-20 ($m)	Jun-21 v Jun-20 (%)
Collective provision	$6.7	$8.2	(18.3%)
Specific provision	$5.0	$7.0	(28.6%)
Total	**$11.7**	**$15.2**	**(23.0%)**

Great Southern portfolio - credit expense ($m)



[1] Balance of loans net of specific provisions

Total income (cash)

	FY21 ($m)	FY20 ($m)	FY21 vs FY20
Net interest income	**$1,431.2**	**$1,346.4**	**6.3%**
Fee income	$158.7	$155.5	2.1%
Commissions	$53.5	$56.6	(5.5%)
FX income	$19.1	$22.6	(15.5%)
Trading book income	$1.7	$11.2	(84.8%)
Other	$20.3	$21.9	(7.3%)
Other income	**$253.3**	**$267.8**	**(5.4%)**
Homesafe[1]	$18.0	$15.7	14.6%
Total Income (ex specific items)	**$1,702.5**	**$1,629.9**	**4.5%**

[1] Homesafe net realised income before tax

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Operating expenses (cash)

	FY21 ($m)	FY20 ($m)	FY21 vs FY20
Staff costs	$589.8	$567.1	4.0%
Occupancy, property, plant and equipment	$97.0	$100.7	(3.7%)
IT costs	$79.4	$70.9	12.0%
Amortisation of software intangibles	$27.9	$31.1	(10.3%)
Fees and commissions	$20.2	$20.3	(0.5%)
Communications, advertising and promotion	$61.7	$67.4	(8.5%)
Other	$151.4	$164.0	(7.7%)
Total OPEX	**$1,027.4**	**$1,021.5**	**0.6%**

Reconciliation

	FY21 ($m)	FY20 ($m)
Statutory Profit after tax	**$524.0**	**$192.8**
Fair value adjustments	-	$0.1
Homesafe unrealised adjustments	($90.4)	($16.4)
Hedging revaluation	$5.7	$2.2
Sale of merchant services business	$3.1	-
Impairment charge	-	$2.8
Software impairment	-	$85.5
Operating expenses[1]	-	$21.5
Amortisation of intangibles	$2.1	$2.2
Cash earnings after tax (sub total)[2]	**$444.5**	**$290.7**
Homesafe net realised income after tax	$12.7	$11.0
Cash earnings after tax	**$457.2**	**$301.7**

[1] Operating expenses include restructuring costs, legal costs and software accelerated amortisation costs
[2] Cash earnings after tax (subtotal) is equal to cash earnings before Homesafe net realised income

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